

SECOND REGULAR SESSION

HOUSE BILL NO. 1384

93RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES LOWE (44) (Sponsor), HUGHES, DAUS, CURLS, WALSH, LOW (39), STORCH, LeVOTA, WITTE, BURNETT, CORCORAN, VOGT, SALVA, DONNELLY, BAKER (25), HARRIS (110), WILDBERGER, HARRIS (23), HOBBS, YOUNG, PARKER, DARROUGH, OXFORD AND SHOEMYER (Co-sponsors).

Read 1st time January 12, 2006 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

4133L.02I

AN ACT

To amend chapter 393, RSMo, by adding thereto five new sections relating to renewable energy resources.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 393, RSMo, is amended by adding thereto five new sections, to be
2 known as sections 393.320, 393.322, 393.324, 393.326, and 393.328, to read as follows:

393.320. As used in sections 393.320 to 393.328, the following terms mean:

- 2 **(1) "Commission", the public service commission;**
3 **(2) "Department", the department of natural resources;**
4 **(3) "Renewable energy resources", energy from wind, solar thermal sources,**
5 **photovoltaic cells and panels, dedicated crops grown for energy production, plant-based**
6 **residues, fuel cells using hydrogen produced by a renewable energy source, and other**
7 **alternative sources of energy as defined by rule by the department; and**
8 **(4) "Renewable energy credit", a certificate of proof that one kilowatt-hour of**
9 **electricity has been generated from renewable energy sources.**

393.322. 1. The department shall, in consultation with the commission, prescribe
2 **by rule a portfolio requirement for all retail suppliers of electrical energy, including**
3 **municipal and cooperative utilities, to generate or purchase electricity generated from**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

4 renewable energy resources. Such portfolio requirement shall provide that electricity from
5 renewable energy resources shall constitute:

6 (1) No less than one percent of retail sales for each supplier of electrical energy
7 after December 31, 2008;

8 (2) No less than three percent of retail sales for each supplier of electrical energy
9 after December 31, 2012;

10 (3) No less than six percent of retail sales for each supplier of electrical energy after
11 December 31, 2016; and

12 (4) No less than ten percent of retail sales for each supplier of electrical energy in
13 each year after December 31, 2020.

14

15 Such portfolio requirement shall apply to all suppliers of electrical energy to consumers
16 in this state and to all power sold to Missouri consumers whether such power is
17 self-generated or purchased from another source in or outside of this state.

18 2. Each supplier of electricity shall provide documentation to the department and
19 commission demonstrating the acquisition of renewable energy credits by self-generation,
20 purchase, or trade sufficient to fulfill the provisions of subsection 1 of this section.

21 3. The department, in consultation with the commission and within one year of the
22 effective date of sections 393.320 to 393.328, shall establish by rule a program for trading
23 renewable energy credits. Any electric supplier that provides renewable energy to its retail
24 customers or members in excess of the percentages specified in subsection 1 of this section
25 may sell or otherwise transfer to any other electric supplier excess renewable energy credits
26 at any negotiated price. Such rules shall specify:

27 (1) Requirements for tracking, recording, and verifying the trading of renewable
28 energy credits;

29 (2) Requirements for general compliance with a credit trading program;

30 (3) Requirements for certification of renewable energy credits under subsection 4
31 of this section;

32 (4) Requirements for participation in any regional system that relates to trading
33 renewable energy credits;

34 (5) Provisions for flexibility in the event that an electric supplier is, by reason of
35 necessity, unable to meet the requirements of subsection 1 of this section; and

36 (6) Provisions for the recovery of costs through customer billing if necessary, with
37 the amount of any such charge not to exceed fifty cents per month for each residential
38 customer.

39 **4. The department shall, in consultation with the commission, establish by rule a**
40 **certification process for power generated from renewable resources and used to fulfill the**
41 **requirements of subsection 1 of this section. To the extent feasible, the certification process**
42 **shall be consistent with operational practices of the regional transmission organizations**
43 **active in the midwestern United States. Certification criteria for renewable energy**
44 **generation shall be determined by factors that include fuel type, technology, and the**
45 **environmental impacts of the generating facility. Renewable energy facilities shall not**
46 **cause undue adverse air, water, or land use impacts, including impacts associated with the**
47 **gathering of generation feedstocks. If any amount of fossil fuel is used with renewable**
48 **energy resources to generate energy to fulfill the requirements of subsection 1 of this**
49 **section, only the portion of electricity output that is attributable to renewable energy**
50 **resources shall be used to fulfill such requirements.**

51 **5. Electricity suppliers that fail to acquire sufficient renewable energy credits to**
52 **comply with the requirements of subsection 1 of this section in any compliance period shall**
53 **forfeit for each kilowatt-hour deficiency an amount equal to three times the average**
54 **market cost of a renewable energy credit during that compliance period. Amounts**
55 **forfeited under this section shall be remitted to the department to purchase renewable**
56 **energy credits needed for compliance. Any excess forfeited revenues shall be used by the**
57 **department's energy center solely for renewable energy and energy efficiency programs.**

393.324. 1. A supplier of electrical energy may receive additional credit toward
2 **meeting the requirements of section 393.322 if it acquires renewable resources physically**
3 **located in this state or renewable energy credits from a renewable resource physically**
4 **located in this state:**

5 **(1) Where the renewable resource project commenced construction after December**
6 **31, 2006; and**

7 **(2) Where the renewable energy developer, during construction of the renewable**
8 **resource project, used apprenticeship programs approved by the department of economic**
9 **development; and**

10 **(3) Where the apprenticeship programs shall have met the following benchmarks:**

11 **(a) Minimum levels of apprenticeship programs constitute ten percent of total labor**
12 **hours for projects commencing construction after December 31, 2009;**

13 **(b) Minimum levels of apprenticeship programs constitute twelve and one-half**
14 **percent of total labor hours for projects commencing construction after December 31,**
15 **2015; or**

16 **(c) Minimum levels of apprenticeship programs constitute fifteen percent of total**
17 **labor hours for projects commencing construction after December 31, 2022.**

18 2. The department shall determine the amount of additional credit to be awarded
19 under this section.

 393.326. 1. All suppliers of electrical energy shall disclose to any person upon
2 request standard and useful information regarding the generation attributes of electricity
3 sold by the supplier.

4 2. For electrical corporations, information to be supplied under this section shall
5 be presented in a uniform label in an easily understood format. The commission shall by
6 August 28, 2007, develop rules necessary to implement the requirements of this subsection,
7 including penalties for providing false or misleading information. The label shall contain,
8 but not be limited to, the following information:

9 (1) The sources of energy supplied, specified by percentages, of biomass power,
10 coal-fired power, hydropower, natural gas-fired power, nuclear power, oil-fired power,
11 solar power, wind power, and other resources in such format as the commission shall
12 require;

13 (2) A standardized chart in a format determined by the commission that provides
14 the amounts of carbon dioxide, nitrous oxides, sulfur dioxide emissions, and nuclear waste
15 attributable to the known sources of electricity supplied as set forth in subdivision (1) of
16 this subsection; and

17 (3) Any other information as the commission may determine that permits and
18 facilitates customer understanding of the environmental consequences of electrical
19 generation and use.

20 3. The information required to be disclosed under this section shall be updated
21 quarterly and presented on the supplier's Internet homepage. Such information shall also
22 be presented quarterly to the commission for inclusion on its Internet homepage.

 393.328. 1. The department shall promulgate rules necessary for the
2 administration of sections 393.320 to 393.328.

3 2. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,
4 that is created under the authority delegated in this section shall become effective only if
5 it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if
6 applicable, section 536.028, RSMo. This section and chapter 536, RSMo. are nonseverable
7 and if any of the powers vested with the general assembly under chapter 536, RSMo, to
8 review, to delay the effective date, or to disapprove and annul a rule are subsequently held
9 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted
10 after August 28, 2006, shall be invalid and void.

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