

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 915
93RD GENERAL ASSEMBLY

Reported from the Committee on Utilities April 20, 2006 with recommendation that House Committee Substitute for Senate Committee Substitute for Senate Bill No. 915 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(26)(f).

STEPHEN S. DAVIS, Chief Clerk

4541L.07C

AN ACT

To amend chapter 393, RSMo, by adding thereto six new sections relating to the green power initiative, with an effective date.

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

Section A. Chapter 393, RSMo, is amended by adding thereto six new sections, to be
2 known as sections 393.1020, 393.1025, 393.1030, 393.1035, 393.1040, and 1, to read as follows:

**393.1020. 1. It is the general assembly's intent to encourage the development and
2 utilization of technically feasible and economical renewable technologies, creating cleaner
3 and more sustainable forms of energy for the residents of the state. It is for this reason that
4 sections 393.1020 to 393.1040 shall be known as the "Green Power Initiative".**

**5 2. The definitions provided in section 386.020, RSMo, shall apply to sections
6 393.1020 to 393.1040. As used in sections 393.1020 to 393.1040, the following terms mean:**

7 (1) "Department", the department of natural resources;

**8 (2) "Eligible renewable energy technology", sources of energy that shall be
9 considered renewable for purposes of this section shall include but not be limited to the
10 following:**

**11 (a) Solar, including photovoltaic cells, concentrating solar power technologies, and
12 low temperature solar collectors;**

13 (b) Wind;

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.

- 14 (c) Hydroelectric, not including pump-storage;
15 (d) Hydrogen from renewable sources;
16 (e) Biomass, any plant-derived organic matter available on a renewable basis,
17 including dedicated energy crops and trees, agricultural food and feed crops, agricultural
18 crop wastes and residues, wood wastes and residues, aquatic plants, biogas from landfills
19 or wastewater treatment plants or animal wastes; and
20 (f) Other renewable energy sources defined by rule by the commission after
21 consultation with the department;
22 (3) "Energy efficiency", verifiable reductions in energy consumption, or verifiable
23 reductions in the rate of energy consumption growth, as defined by rule by the commission
24 after consultation with the department, as a result of measures implemented by electrical
25 corporations and electricity consumers which may include, but not be limited to, pricing
26 signals, electronic controls, education, information, infrastructure improvements, and the
27 use of high efficiency equipment and lighting;
28 (4) "Total retail electric sales", the kilowatt-hours of electricity delivered in a year
29 by an electrical corporation to its Missouri retail customers.

393.1025. 1. Each electrical corporation shall make a good faith effort to generate
2 or procure sufficient electricity generated by an eligible renewable energy technology, and
3 support energy efficiency measures, so that by 2012, three percent of total retail electric
4 sales in the aggregate by electrical corporations is generated by eligible renewable energy
5 technologies, increasing to seven percent by 2015, and ten percent generated by eligible
6 renewable energy technologies by 2020. Generation provided by any existing eligible
7 renewable energy technology, owned, controlled, or purchased by electrical corporations,
8 that are operational prior to August 28, 2006, shall be applied towards meeting the ten
9 percent objective so long as it continues to generate electricity. Credit towards the ten
10 percent objective also may be achieved through energy efficiency that includes electrical
11 corporation and consumer efforts to reduce the consumption of electric energy. After
12 consulting with the department, the commission may establish intermediate goals for the
13 use of renewable energy technologies as part of its rulemaking process.

14 2. By July 1, 2007, the commission shall, after consultation with the department,
15 adopt rules that integrate into its resource planning rules the renewable energy objective
16 of subsection 1 of this section and the criteria and standards by which it will measure an
17 electrical corporation's efforts to meet that objective to determine whether it is making the
18 required good faith effort. In this rulemaking, the commission shall include criteria and
19 standards that, at a minimum, shall:

20 (1) Protect against adverse economic impacts, including the costs of any
21 transmission investments necessary to access eligible renewable energy technologies, on the
22 ratepayers and shareholders;

23 (2) Protect against undesirable impacts on the reliability of each electrical
24 corporation's system;

25 (3) Consider environmental compliance costs, present and future, of each source
26 being evaluated; and

27 (4) Consider technical feasibility, providing for flexibility in meeting the objective
28 in the event electrical corporations are, for good cause shown, unable to meet in aggregate
29 the objective of this section.

30 3. In its rulemaking under this section, the commission shall provide for a weighted
31 scale of how energy produced by various eligible renewable energy technologies shall count
32 toward an electrical corporation's objective. In establishing this scale, the commission
33 shall consider the attributes of various technologies and fuels and shall establish a system
34 that grants multiple credits toward the objective for those technologies and fuels the
35 commission determines are in the public interest to encourage. The commission may also
36 grant multiple credits toward the objective for generation in the state or procurement of
37 electricity generated in the state that uses an eligible renewable energy technology.

38 4. The commission shall develop rules as provided in this section in consultation
39 with the department as necessary to implement the requirements of section 393.1025. Any
40 rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is created
41 under the authority delegated in this section shall become effective only if it complies with
42 and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section
43 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the
44 powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to
45 delay the effective date, or to disapprove and annul a rule are subsequently held
46 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted
47 after August 28, 2006, shall be invalid and void.

393.1030. 1. Each electric corporation shall submit to the commission a biennial
2 report by December thirty-first, beginning in 2008, on its plans, activities, and progress
3 with regard to the objective of section 393.1025, demonstrating to the commission that it
4 is making the required good faith effort. The report must be submitted in a format
5 prescribed by the commission, and it shall include the following:

6 (1) Sufficient data to specify and verify the status of its renewable energy mix
7 relative to the good faith objective;

- 8 (2) Sufficient data to specify and verify the status of the electric corporation's and
9 its customers' energy efficiency efforts relative to the good faith objective;
10 (3) Efforts taken to meet the objective;
11 (4) Any obstacles encountered or anticipated in meeting the objective; and
12 (5) Potential solutions to the obstacles.

13 2. The commission shall compile the information provided under subsection 1 of
14 this section and biennially report by July first, beginning in 2009, to the governor, the
15 speaker of the house of representatives, the president pro tempore of the senate, the chairs
16 of the committees in the house of representatives and senate with jurisdiction over energy
17 and environment policy issues, and the department as to the progress of electrical
18 corporations in the state in increasing the amount of renewable energy provided to retail
19 customers and increasing energy efficiency, with any recommendations for regulatory or
20 legislative action. In addition, the Missouri director of economic development shall issue
21 a biennial report on July first, beginning in 2009, on the impact of the renewable portfolio
22 standard on the Missouri economy and the director of the Missouri department of natural
23 resources shall issue a biennial report by July first, beginning in 2009, on the
24 environmental impact of sections 393.1020 to 393.1040. The biennial reporting
25 requirements under this subsection shall end after July 1, 2021.

 393.1035. 1. Electricity produced by fuel combustion may only count toward an
2 electrical corporation's objectives if the generation facility complies with all federal and
3 state statutes and rules.

4 2. An electrical corporation may blend or co-fire a fuel listed in subsection 1 of
5 section 393.1020, with other fuels in the generation facility, but only the percentage of
6 electricity that is attributable to a fuel listed in that section can be counted toward an
7 electric corporation's renewable energy objectives.

 393.1040. In addition to the renewable energy objectives set forth in sections
2 393.1025, 393.1030, and 393.1035, it is also the policy of this state to encourage electrical
3 corporations to develop and administer energy efficiency initiatives that reduce the annual
4 growth in energy consumption and the need to build additional electric generation
5 capacity.

 Section 1. 1. As used in this section, "wind energy manufacturing facility" means
2 a facility that, through the use of wind energy, produces electricity that is intended to be
3 sold ultimately for final use or consumption, and includes the machinery and equipment
4 used to produce the electricity, any substation or transformers located at the facility, and
5 any access roads required to be built to support the delivery of equipment to the facility.

6 **2. Notwithstanding any other provision of law to the contrary, in addition to all**
7 **other exemptions granted under chapter 144, RSMo, there is hereby specifically exempted**
8 **from the provisions of, and from any computation of the taxes levied, assessed, and payable**
9 **under, sections 144.010 to 144.525 and 144.600 to 144.761, RSMo, tangible personal**
10 **property purchased and used for the purpose of constructing or repairing a wind energy**
11 **manufacturing facility located in this state and incorporated into or consumed in the**
12 **construction or repair of the facility. Nothing in this section shall be construed to exempt**
13 **the purchase of any construction machinery, equipment, or tools used in constructing or**
14 **repairing the facility.**

Section B. Section A of this act shall become effective January 1, 2007.

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