

HOUSE _____ **AMENDMENT NO.** _____

Offered By

AMEND House Committee Substitute for Senate Bill No. 795, Pages 8 and 9, Section 262.880,
Lines 1 thru 46, by deleting all of said section and lines; and

Further amend said bill, page 34, section 319.321, line 26, by inserting immediately after said line
the following:

“393.1025. As used in sections 393.1020 to 393.1030, the following terms mean:

- (1) "Commission", the public service commission;
- (2) "Department", the department of natural resources;
- (3) "Electric utility", any electrical corporation as defined by section 386.020;
- (4) "Renewable energy credit" or "REC", a tradeable certificate of proof that one
megawatt-hour of electricity has been generated from renewable energy sources; and
- (5) "Renewable energy resources", electric energy produced from wind, solar thermal
sources, photovoltaic cells and panels, dedicated crops grown for energy production, cellulosic
agricultural residues, plant residues, methane from landfills, from agricultural operations, or from
wastewater treatment, thermal depolymerization or pyrolysis for converting waste material to
energy, clean and untreated wood such as pallets, hydropower (not including pumped storage) that
does not require a new diversion or impoundment of water and that has a nameplate rating of ten
megawatts or less, fuel cells using hydrogen produced by one of the above-named renewable
energy sources, and other sources of energy not including nuclear that become available after
November 4, 2008, and are certified as renewable by rule by the department.

393.1030. 1. The commission shall, in consultation with the department, prescribe by rule
a portfolio requirement for all electric utilities to generate or purchase electricity generated from
renewable energy resources. Such portfolio requirement shall provide that electricity from
renewable energy resources shall constitute the following portions of each electric utility's sales:

- (1) No less than two percent for calendar years 2011 through 2013;
- (2) No less than five percent for calendar years 2014 through 2017;
- (3) No less than ten percent for calendar years 2018 through 2020; and
- (4) No less than fifteen percent in each calendar year beginning in 2021.

1 At least two percent of each portfolio requirement shall be derived from solar energy. The
2 portfolio requirements shall apply to all power sold to Missouri consumers whether such power is
3 self-generated or purchased from another source in or outside of this state. A utility may comply
4 with the standard in whole or in part by purchasing RECs. Each kilowatt-hour of eligible energy
5 generated in Missouri shall count as 1.25 kilowatt-hours for purposes of compliance.

6 2. The commission, in consultation with the department and within one year of November
7 4, 2008, shall select a program for tracking and verifying the trading of renewable energy credits.
8 An unused credit may exist for up to three years from the date of its creation. A credit may be
9 used only once to comply with sections 393.1020 to 393.1030 and may not also be used to satisfy
10 any similar nonfederal requirement. An electric utility may not use a credit derived from a green
11 pricing program. Certificates from net-metered sources shall initially be owned by the
12 customer-generator. The commission, except where the department is specified, shall make
13 whatever rules are necessary to enforce the renewable energy standard. Such rules shall include:

14 (1) A maximum average retail rate increase of one percent determined by estimating and
15 comparing the electric utility's cost of compliance with least-cost renewable generation and the
16 cost of continuing to generate or purchase electricity from entirely nonrenewable sources, taking
17 into proper account future environmental regulatory risk including the risk of greenhouse gas
18 regulation;

19 (2) Penalties of at least twice the average market value of renewable energy credits for the
20 compliance period for failure to meet the targets of subsection 1. An electric utility will be
21 excused if it proves to the commission that failure was due to events beyond its reasonable control
22 that could not have been reasonably mitigated, or that the maximum average retail rate increase
23 has been reached. Penalties shall not be recovered from customers. Amounts forfeited under this
24 section shall be remitted to the department to purchase renewable energy credits needed for
25 compliance. Any excess forfeited revenues shall be used by the department's energy center solely
26 for renewable energy and energy efficiency projects;

27 (3) Provisions for an annual report to be filed by each electric utility in a format sufficient
28 to document its progress in meeting the targets;

29 (4) Provision for recovery outside the context of a regular rate case of prudently incurred
30 costs and the pass-through of benefits to customers of any savings achieved by an electrical
31 corporation in meeting the requirements of this section.

32 3. Each electric utility shall make available to its retail customers a standard rebate offer
33 of at least two dollars per installed watt for new or expanded solar electric systems sited on
34 customers' premises, up to a maximum of twenty-five kilowatts per system, that become
35 operational after 2009.

36 4. The department shall, in consultation with the commission, establish by rule a

1 certification process for electricity generated from renewable resources and used to fulfill the
2 requirements of subsection 1 of this section. Certification criteria for renewable energy generation
3 shall be determined by factors that include fuel type, technology, and the environmental impacts
4 of the generating facility. Renewable energy facilities shall not cause undue adverse air, water, or
5 land use impacts, including impacts associated with the gathering of generation feedstocks. If any
6 amount of fossil fuel is used with renewable energy resources, only the portion of electrical output
7 attributable to renewable energy resources shall be used to fulfill the portfolio requirements.

8 5. In carrying out the provisions of this section, the commission and the department shall
9 include methane generated from the anaerobic digestion of farm animal waste and thermal
10 depolymerization or pyrolysis for converting waste material to energy as renewable energy
11 resources for purposes of this section.”; and

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14 Further amend said bill by amending the title, enacting clause, and intersectional references
15 accordingly.
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