

House _____ Amendment NO. _____

Offered By _____

1 AMEND House Committee Substitute for Senate Substitute for Senate Committee Substitute for
2 Senate Bill No. 83, Page 24, Section 137.016, Line 82, by inserting after all of said section and line,
3 the following:
4

5 "137.100. The following subjects are exempt from taxation for state, county or local
6 purposes:

7 (1) Lands and other property belonging to this state;

8 (2) Lands and other property belonging to any city, county or other political subdivision in
9 this state, including market houses, town halls and other public structures, with their furniture and
10 equipments, and on public squares and lots kept open for health, use or ornament;

11 (3) Nonprofit cemeteries;

12 (4) The real estate and tangible personal property which is used exclusively for agricultural
13 or horticultural societies organized in this state, including not-for-profit agribusiness associations;

14 (5) All property, real and personal, actually and regularly used exclusively for religious
15 worship, for schools and colleges, or for purposes purely charitable and not held for private or
16 corporate profit, except that the exemption herein granted does not include real property not actually
17 used or occupied for the purpose of the organization but held or used as investment even though the
18 income or rentals received therefrom is used wholly for religious, educational or charitable purposes;

19 (6) Household goods, furniture, wearing apparel and articles of personal use and adornment,
20 as defined by the state tax commission, owned and used by a person in his home or dwelling place;

21 (7) Motor vehicles leased for a period of at least one year to this state or to any city, county,
22 or political subdivision or to any religious, educational, or charitable organization which has
23 obtained an exemption from the payment of federal income taxes, provided the motor vehicles are
24 used exclusively for religious, educational, or charitable purposes;

25 (8) Real or personal property leased or otherwise transferred by an interstate compact agency
26 created pursuant to sections 70.370 to 70.430 or sections 238.010 to 238.100 to another for which or
27 whom such property is not exempt when immediately after the lease or transfer, the interstate
28 compact agency enters into a leaseback or other agreement that directly or indirectly gives such
29 interstate compact agency a right to use, control, and possess the property; provided, however, that in
30 the event of a conveyance of such property, the interstate compact agency must retain an option to
31 purchase the property at a future date or, within the limitations period for reverts, the property
32 must revert back to the interstate compact agency. Property will no longer be exempt under this
33 subdivision in the event of a conveyance as of the date, if any, when:

34 (a) The right of the interstate compact agency to use, control, and possess the property is
35 terminated;

36 (b) The interstate compact agency no longer has an option to purchase or otherwise acquire
37 the property; and

Action Taken _____ Date _____

(c) There are no provisions for reverter of the property within the limitation period for reverters;

(9) All property, real and personal, belonging to veterans' organizations. As used in this section, "veterans' organization" means any organization of veterans with a congressional charter, that is incorporated in this state, and that is exempt from taxation under section 501(c)(19) of the Internal Revenue Code of 1986, as amended;

(10) Solar energy systems not held for resale."; and

Further amend said bill, Page 123, Section 348.274, Line 140, by inserting after all of said section and line, the following:

"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.

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

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

(1) A maximum average retail rate increase of one percent determined by estimating and comparing the electric utility's cost of compliance with least-cost renewable generation and the cost of continuing to generate or purchase electricity from entirely nonrenewable sources, taking into proper account future environmental regulatory risk including the risk of greenhouse gas regulation. Notwithstanding the foregoing, until June 30, 2020, if the maximum average retail rate increase would be less than or equal to one percent if an electric utility's investment in solar-related projects initiated, owned or operated by the electric utility is ignored for purposes of calculating the increase, then additional solar rebates shall be paid and included in rates in an amount up to the amount that would produce a retail rate increase equal to the difference between a one percent retail rate increase and the retail rate increase calculated when ignoring an electric utility's investment in solar-related projects initiated, owned, or operated by the electric utility. Notwithstanding any provision to the contrary in this section, even if the payment of additional solar rebates will produce a maximum average retail rate increase of greater than one percent when an electric utility's investment in solar-related projects initiated, owned or operated by the electric utility are included in the calculation, the additional solar rebate costs shall be included in the prudently incurred costs to be

1 recovered as contemplated by subdivision (4) of this subsection;

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

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

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

15 3. As provided for in this section, except for those electrical corporations that qualify for an
16 exemption under section 393.1050, each electric utility shall make available to its retail customers a
17 [standard] solar rebate [offer of at least two dollars per installed watt] for new or expanded solar
18 electric systems sited on customers' premises, up to a maximum of twenty-five kilowatts per system,
19 measured in direct current that [become operational after 2009] were confirmed by the electric utility
20 to have become operational in compliance with the provisions of section 386.890. The solar rebates
21 shall be two dollars per watt for systems becoming operational on or before June 30, 2014; one
22 dollar and fifty cents per watt for systems becoming operational between July 1, 2014, and June 30,
23 2015; one dollar per watt for systems becoming operational between July 1, 2015, and June 30,
24 2016; fifty cents per watt for systems becoming operational between July 1, 2016, and June 30,
25 2017; fifty cents per watt for systems becoming operational between July 1, 2017, and June 30,
26 2019; twenty-five cents per watt for systems becoming operational between July 1, 2019, and June
27 30, 2020; and zero cents per watt for systems becoming operational after June 30, 2020. An electric
28 utility may, through its tariffs, require applications for rebates to be submitted up to one hundred
29 eighty-two days prior to the June 30 operational date. Nothing in this section shall prevent an
30 electrical corporation from offering rebates after July 1, 2020, through an approved tariff. If the
31 electric utility determines the maximum average retail rate increase provided for in subdivision (1)
32 of subsection 2 of this section will be reached in any calendar year, the electric utility shall be
33 entitled to cease paying rebates to the extent necessary to avoid exceeding the maximum average
34 retail rate increase if the electrical corporation files with the commission to suspend its rebate tariff
35 for the remainder of that calendar year at least sixty days prior to the change taking effect. The filing
36 with the commission to suspend the electrical corporation's rebate tariff shall include the calculation
37 reflecting that the maximum average retail rate increase will be reached and supporting
38 documentation reflecting that the maximum average retail rate increase will be reached. The
39 commission shall rule on the suspension filing within sixty days of the date it is filed. If the
40 commission determines that the maximum average retail rate increase will be reached the
41 commission shall approve the tariff suspension. The electric utility shall continue to process and pay
42 applicable solar rebates until a final commission ruling; however, if the continued payment causes
43 the electric utility to pay rebates that cause it to exceed the maximum average retail rate increase, the
44 expenditures shall be considered prudently incurred costs as contemplated by subdivision (4) of
45 subsection 2 of this section and shall be recoverable as such by the electric utility. As a condition of
46 receiving a rebate, customers shall transfer to the electric utility all right, title, and interest in and to
47 the renewable energy credits associated with the new or expanded solar electric system that qualified
48 the customer for the solar rebate for a period of ten years from the date the electric utility confirmed

1 that the solar electric system was installed and operational.

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

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

14 6. The commission shall have the authority to promulgate rules for the implementation of
15 this section, but only to the extent such rules are consistent with, and do not delay the
16 implementation of, the provisions of this section. Any rule or portion of a rule, as that term is
17 defined in section 536.010 that is created under the authority delegated in this section shall become
18 effective only if it complies with and is subject to all of the provisions of chapter 536, and, if
19 applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers
20 vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to
21 disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking
22 authority and any rule proposed or adopted after August 28, 2013, shall be invalid and void."; and
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24 Further amend said bill by amending the title, enacting clause, and intersectional references
25 accordingly.