

HB 628 -- PUBLIC UTILITIES

SPONSOR: Miller

Currently, electrical corporations may apply to the Public Service Commission to approve rate schedules authorizing an interim energy charge for fuel and purchased-power costs. This bill enables rate schedules to also provide for adjustments reflecting all prudently incurred transmission charges and transmission revenues. Electrical corporations may also file to amend their existing rate schedules and begin rate recovery without filing a general rate proceeding (Section 386.266, RSMo).

This bill narrows the type of acts reportable to complaints about acts committed or omitted by a public utility in violation of any provision of law subject to the Public Service Commission's authority, or of any rule, tariff, order, or decision of the commission. Currently, complaints may be made against a public utility by setting forth any illegal act committed or omitted by a public utility (Section 386.390).

This bill adds solid biomass engineered fiber fuel to the definition of "renewable energy resources" (Section 393.1025).

This bill requires electrical corporations to defer any difference in state and local property taxes actually incurred and those used to set rates, and any difference in operations and maintenance expenses actually incurred in order to protect the reliability and security of systems and the operation and maintenance expenses for such protection that was used to set rates, to a regulatory asset or liability account. Such account balances shall be included in the corporation's revenue requirement and amortized over a reasonable period of time. This bill also requires the Public Service Commission to adjust the rate base used to establish the corporation's revenue requirement to reflect the unamortized regulatory asset or liability account balances (Section 393.1275).

MISSOURI ENERGY EFFICIENCY INVESTMENT ACT

This bill includes the utilization of combined heat and power technology to generate electricity from waste heat to assist customers with reducing the amount of electricity delivered within the definition of "demand-side program."

This bill also modifies notification procedures for customers participating in demand-side programs. This bill requires that a customer with one or more accounts having a demand of 5000 kilowatts (kW) or more, a customer operating an interstate pipeline pumping station, or a customer with a demand of 2500 kW or more and

a comprehensive energy efficiency program, to give written notification if they do not wish to participate in a demand-side program on either all or some of the customer's accounts. No demand-side charges shall be included on the customer's bill for such accounts starting on the first day of the billing cycle after the customer provided notification. After notification has been given, customers shall not be eligible to participate in demand-side programs unless the customer provides an additional written notice rescinding their previous notice.

This bill eliminates the restriction of those receiving either a low-income housing or historic preservation tax credit as ineligible to participate in any demand-side program offered by an electrical corporation if such program offers a monetary incentive to the customer (Section 393.1075).

MISSOURI ECONOMIC DEVELOPMENT AND INFRASTRUCTURE ACT

This bill establishes the "Missouri Economic Development and Infrastructure Investment Act." Electrical corporations shall defer and recover depreciation expenses and return for qualifying electric plants placed into service. The balance in the deferred regulatory asset account shall be included in determining the electrical corporation's rate base during subsequent general rate proceedings, shall include carrying costs at the electrical corporation's weighted average cost of capital, plus taxes, and shall be amortized and recovered in rates over a period of 20 years. This bill allows electrical corporations to recover this same expense for the time period from the end of a relevant period to the effective date customer rates take into account this expense. The impact on the electrical corporation's revenue requirement caused by the inclusion of the regulatory asset shall not exceed the maximum revenue requirement impact calculated.

The bill states that electrical corporations that defer depreciation expenses and return to file with the Public Service Commission a five-year capital investment plan, and a specific capital investment plan for the following year, on February 28th of each year setting forth capital expenditures the corporation will pursue in furtherance of modernizing and securing its infrastructure. Annually thereafter, the plan shall also include a report of capital investments for the prior calendar year. Within 30 days of submitting such investment plan, the electrical corporation shall hold a public stakeholder meeting to answer questions and receive feedback on the plan. After receiving feedback, the electrical corporation may file a notice with the commission to modify the investment plan. Furthermore, the submission of the plan shall not affect the commission's authority to grant or deny any certificate of convenience and necessity.

The bill additionally requires electrical corporations to provide economic development riders to customers who add 500 kW of incremental demand before or after November 1, 2016, and that either add 15 megawatts (MW) and an annual load factor of at least 55% at a single premises or 30 MW at up to five premises. A large power service customer that is new to an electrical corporation after November 1, 2016, who has a demand greater than 15 MW and an annual load factor of 55%, shall qualify for a 20% discount on their electric bill. Customers who are served under an electrical corporation's large power service rate schedule who have a demand on a single account greater than 40 MW and an annual load factor of at least 80%, or an aggregate demand of 34.5 kilovolts (kV) or higher of greater than 40 MW through seven or more accounts, shall qualify for a 15% discount on their electric bill.

This bill also allows any electrical corporation to reflect in its rates the modification and fuel costs of their own fossil-fired generating plant necessary to accommodate the test burn of a processed solid biomass engineered fiber fuel. Feasibility costs shall not exceed \$2 million, and plant modification costs shall not exceed \$10 million (Sections 393.1400, 393.1600, & 393.1640).

This bill allows the Public Service Commission to utilize rate adjustment mechanisms otherwise not specifically authorized by statute to promote modernization and replacement of an electrical corporation's infrastructure. The commission may also approve one or more of the following adjustment mechanisms: partially forecasted test-years, true-ups of revenue requirement components, tracking mechanisms, grid modernization incentive mechanisms, interim rates, performance-based rates, decoupling, or decisional pre-approval with post construction review of construction projects (Section 393.1410).

This bill allows electrical corporations to recover costs for deploying electrical generation, distribution, or transmission technology or equipment without demonstrating that such technology is the least cost alternative, provided that such project meets certain requirements. Furthermore, this bill provides that electrical corporations constructing a renewable energy resource with a capacity of 1 MW or less need not obtain prior approval from the commission (Section 393.1610).

This bill sunsets the "Missouri Economic Development and Infrastructure Act" on December 31, 2027.

This bill is similar to SB 190 (2017).