

HCS HB 225 -- NUCLEAR CLEAN POWER ACT

SPONSOR: Black

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Utilities by a vote of 10 to 0, with 4 voting present. Voted "Do Pass" by the Standing Committee on Rules- Administrative Oversight by a vote of 7 to 2 with 1 voting present.

The following is a summary of the House Committee Substitute for HB 225.

This bill establishes the "Missouri Nuclear Clean Power Act", which allows clean base load electric generating plants or facilities rated at 600 megawatts or less that utilize renewable sources to produce energy not in commercial operation as of August 28, 2023, to charge for costs associated with construction work in progress before the facility is operational.

Before any construction begins, the electrical corporation seeking to include construction work in progress (CWIP) in its rates must file with the Public Service Commission a plan detailing the costs and the plan to recover those costs through rates. The costs recovered by an electrical corporation are subject to inclusion or exclusion in a ratemaking proceeding under the authority of the Public Service Commission. The Commission may also authorize an electrical corporation to charge for additional amortization to maintain the corporation's financial ratios that will better allow it to cost-effectively construct a clean baseload generating plant.

This bill is similar to HB 1684 (2022).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that only two states have a complete ban on charging ratepayers for construction work in progress. Coal and nuclear fueled power generation are the only two sources that can operate without interruption from outside events. However, only a new nuclear plant would meet more stringent air emissions requirements. Without this bill, building new baseload generation is cost prohibitive.

Testifying in person for the bill were Representative Black; City Utilities of Springfield; Missouri Association of Municipal Utilities; Missouri Public Utility Alliance; and Association of Missouri Electric Co-Ops.

OPPONENTS: Those who oppose the bill say that the current construction work in progress prohibition was passed by the voters in the late 1970s. It is important that the investor-owned utilities invest in the product they supply before charging ratepayers. In recent years, many new nuclear facility projects have been abandoned prior to completion. It is not fair to charge ratepayers for a project from which they never see a benefit.

Testifying in person against the bill were Associated Industries of Missouri; AARP; Philip Fracica, Renew Missouri Advocates; Ford Motor Company; Ed Smith, Sierra Club; and Consumers Council of Missouri.

OTHERS: Others testifying on the bill say that nuclear power is clean, reliable and dispatchable. Small module nuclear reactors are most likely the future of nuclear power generation, but few utilities are building them currently. If the small reactors prove feasible, the market for them will increase.

Testifying in person on the bill were Geoff Marke, Missouri Office of the Public Counsel; Tomy Granzier-Nakajima, Most Policy Initiative; and Ameren Missouri.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.