

HB 2540 -- RENEWABLE ENERGY CONTRACTS

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This bill establishes the "Missouri Energy Freedom Act", which authorizes a contract customer to enter into a renewable energy contract with an owner or developer of a renewable energy facility for the sale of electricity to meet some or all of the customer's energy needs. The renewable energy contract must provide for pricing and duration of the contract.

To be eligible to enter into a renewable energy contract, a customer must meet a minimal annual peak demand of one megawatt, as specified by the bill.

A retail electric supplier may enter into a renewable energy contract directly with a contract customer and may recover its prudently incurred cost of renewable generation procured under the contract that is not otherwise recovered from the contract. The right to any renewable energy credit or other environmental attributed associated with the sale of electricity under a renewable energy contract transfers to the contract customer, unless otherwise provided for in the contract.

Within 30 days of receiving notice of a renewable energy contract, a retail electric supplier must contract with the renewable energy facility's owner to purchase electricity for resale to the customer and sell the electricity to the customer according to the terms in the contract, plus any additional costs the retail electric supplier is authorized to recover.

Within 60 days of publications of the required rules and regulations, an electrical corporation must file for approval by the Public Service Commission to facilitate delivery of power under renewable energy contracts. The electrical corporation must charge a contract customer for metered service delivered to the customer under the terms of the contract and all required supplemental energy service. The tariff will include rates determined by the Commission for recovery of costs specified in the bill. The contract customer is not responsible for certain costs required by the transmission organization of which the electrical corporation belongs.

When renewable electricity sold under renewable energy contracts equals 5% of a retail electrical suppliers retail sales in a calender year, the supplier is no longer required to allow the use of its transmission and distribution system to facilitate the delivery of power under such contracts.

An owner or developer of a renewable energy facility can enter into a contract to sell power directly to a customer of a retail electric supplier if the facility is located entirely on the customer's premises and the output will be used entirely at the premises.

Within 180 days of publication of the required rules and regulations, an electrical corporation must submit tariffs for approval by the Commission for a portfolio of voluntary renewable purchase programs that serve all major customer classes. An electrical corporation is required to offer voluntary renewable purchase programs until the renewable energy sold under the programs equals 5%. The renewable purchase programs must meet certain requirements as specified in the bill.