

House _____ Amendment NO. _____

Offered By _____

1 AMEND House Committee Substitute for House Bill Nos. 1263 & 1124, Page 1, Section A, Line 2,
2 by inserting after all of the said section and line the following:
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4 "393.2000. Sections 393.2000 to 393.2130 shall be known and may be cited as "The
5 Electric Choice and Competition Law".

6 393.2010. Consistent with the timelines established in section 393.2040, the provisions of
7 sections 393.2000 to 393.2130 shall govern the sale of electric energy in the state of Missouri and
8 any provision of law that conflicts with the provisions of sections 393.2000 to 393.2130 shall be
9 invalid and void.

10 393.2020. For purposes of sections 393.2000 to 393.2130, the commission is authorized to
11 promulgate rules as necessary to implement these provisions, consistent with section 386.125. The
12 commission may promulgate all necessary rules and regulations for the administration of sections
13 393.2000 to 393.2130. Any rule or portion of a rule, as that term is defined in section 536.010, that
14 is created under the authority delegated in this section shall become effective only if it complies
15 with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This
16 section and chapter 536 are nonseverable and if any of the powers vested with the general assembly
17 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are
18 subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or
19 adopted after August 28, 2025, shall be invalid and void.

20 393.2030. As used in sections 393.2000 to 393.2130, the following terms shall mean:

21 (1) "Aggregation program", a grouping of retail customers, usually residential customers,
22 into a buying group to purchase energy generation services in bulk from a retail electric supplier;

23 (2) "Anticompetitive conduct" or "discriminatory conduct", actions of an electric utility that
24 inhibit the ability of retail electric suppliers to provide electric supply to retail customers or that
25 create an impression that any electric supply by the electric utility is superior to offerings in the
26 competitive market or provides an advantage to any related retail electric supplier over nonaffiliated
27 retail electric suppliers;

28 (3) "Commission", the public service commission of the state of Missouri;

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1 (4) "Competitive procurement process", an auction or other competitive process in which
2 wholesale electric suppliers submit bids to provide electric supply to the electric utility for purposes
3 of serving default supply service;

4 (5) "Competitive transition charge", a nonbypassable charge mechanism for the recovery of
5 transition or stranded costs by the electric utility over a limited time;

6 (6) "Default supply service", an electric supply service provided by the electric utility, or a
7 nonutility entity selected by the commission, upon transition to a competitive market for customers
8 who do not choose a retail electric supplier;

9 (7) "Delivery service rates", the charges for the delivery or transmission of electric power
10 and energy;

11 (8) "Dual bill", an invoicing framework in which the retail customer receives a bill from the
12 retail electric supplier that includes charges for electric supply services and another from the electric
13 utility for transmission and distribution services;

14 (9) "Electric supply" or "electric supply services", the sale or purchase of electricity by a
15 retail customer from a retail supplier or from a default supply service provider;

16 (10) "Electric utility" or "investor-owned utilities", an electric corporation as defined in
17 subdivision 15 of section 386.020. "Electric utility" or "investor-owned utilities" shall not include
18 municipally owned electric utilities operating under chapter 91 or rural electric cooperatives
19 operating under chapter 394, but such municipally owned or rural electric cooperatives may choose
20 to opt into a competitive retail market and be bound by the applicable provisions of the electric
21 choice and competition law;

22 (11) "Energy assistance customers", a residential customer who is qualified as eligible for
23 energy-related billing assistance due to their income level and enrolled in an energy assistance
24 program;

25 (12) "Hourly prices", the charges for default supply service that vary hour to hour and are
26 determined from wholesale market prices using a methodology approved by the commission;

27 (13) "Independent system operator", an independent and federally regulated entity that
28 coordinates regional transmission to ensure nondiscriminatory access to the electric grid and a
29 reliable electricity system;

30 (14) "Large commercial and industrial customer", a customer receiving transmission and
31 distribution service from the electric utility under a nonresidential tariff and whose maximum
32 registered peak load was greater than 1000 kW within the last twelve months;

33 (15) "Market power", the reference to a company's relative ability to manipulate the market
34 clearing price of an item by manipulating the level of supply, demand, or both;

35 (16) "Medium commercial or industrial customer", a customer receiving transmission and
36 distribution service from the electric utility under a nonresidential tariff and whose maximum
37 registered peak load was greater than 150 kW, but less than 1000 kW, within the last twelve months;

38 (17) "Nonbypassable", a charge that all customers shall pay irrespective of their energy
39 supplier;

1 (18) "Opt-out", an aggregation program that automatically enrolls participants in the
 2 grouping unless they individually opt out of the program and choose not to be included;

3 (19) "Rate unbundling", the process of separating the cost components of delivery services
 4 and electric supply services in the electric utility tariffs;

5 (20) "Residential customer", a customer receiving transmission and distribution service
 6 from the electric utility under a residential tariff;

7 (21) "Retail customer", a customer purchasing electric supply from the electric utility
 8 supplier or from a retail electric supplier;

9 (22) "Retail electric supplier", a person or entity licensed by the commission to furnish
 10 electric supply to retail customers;

11 (23) "Small commercial or industrial customer", a customer receiving transmission and
 12 distribution service from the electric utility under a nonresidential tariff and whose maximum
 13 registered peak load was less than 150 kW within the last twelve months;

14 (24) "Supplier consolidated bill", an invoicing framework in which a single bill is provided
 15 to the retail customer by the retail electric supplier that includes charges for electric supply services
 16 and transmission and distribution services;

17 (25) "Transition costs" or "stranded costs", the costs that would have been recoverable by
 18 electric utilities in a monopoly environment but are not recoverable in a competitive generation
 19 market. Costs include electric generation related assets and other deferred charges, the unfunded
 20 portion of nuclear decommissioning costs, environmental expenses previously incurred, cost
 21 obligations under long term contracts, and consumer education and other costs associated with
 22 implementing electric choice, in addition to any costs approved by the commission. These costs are
 23 to be collected over a limited time period via the competitive transition charge;

24 (26) "Transmission and distribution service", the delivery of electricity provided by the
 25 electric utility over its transmission and distribution systems;

26 (27) "Utility consolidated bill", an invoicing framework in which a single bill is provided to
 27 the retail customer by the electric utility that includes charges for electric supply services and
 28 transmission and distribution services.

29 393.2040. 1. The commission shall develop procedures for a fair and orderly transition
 30 from the current monopoly structure to a competitive market for the generation and sale or purchase
 31 of electricity.

32 2. Electric utilities shall provide equal and open access over their transmission and
 33 distribution systems to allow retail electric suppliers to sell electricity directly to retail customers in
 34 this state.

35 3. Twenty-four months after August 28, 2025, the commission shall permit commercial and
 36 industrial customers of electric utilities to choose a retail electric supplier.

37 4. On a time frame selected by the commission, but no later than eighteen months following
 38 the date at which commercial and industrial customers are permitted to choose a retail electric
 39 supplier, the commission shall then permit residential customers of electric utilities to choose a retail

1 electric supplier. Nothing in this section shall adversely affect the ability of energy assistance
2 residential customers to retain access to all financial assistance benefits currently available to
3 qualifying low-income customers, regardless of the retail customer's choice of supplier of electric
4 supply services.

5 393.2050. 1. Consistent with the timelines established in section 393.2040, all retail
6 customers of electric utilities shall have the ability to choose a retail supplier for electric supply
7 services.

8 2. Each electric utility shall submit to the commission a restructuring plan to implement the
9 ability for retail customers to choose a retail electric supplier for electric supply services. The plans
10 shall be submitted, pursuant to a schedule established by the commission, on or before the date that
11 is twelve months prior to the implementation date for the commercial and industrial customers to
12 choose a retail electric supplier.

13 3. A restructuring plan shall include, in addition to other components determined by the
14 commission, the following:

15 (1) Identification and quantification of transition or stranded costs, along with an
16 explanation of mitigation efforts taken by the electric utilities to minimize these costs;

17 (2) Proposed nonbypassable transition charges for each customer class for the recovery of
18 transition or stranded costs;

19 (3) Proposed unbundled rates for each customer class for generation, transmission, and
20 distribution services;

21 (4) A description of the unbundling process, including an explanation of the steps taken by
22 the electric utility to ensure that the proposed unbundled rates do not result in the creation of cross
23 subsidies that adversely affect residential customers;

24 (5) Procedures for ensuring the ability to choose a licensed retail electric supplier for
25 electric supply services;

26 (6) Procedures describing the ability of retail suppliers to obtain historic usage data, and
27 other relevant information for pricing and invoicing and communication functions with retail
28 customers;

29 (7) Provisions describing the procedures for the administration of and coordination between
30 electric utilities and retail electric suppliers to provide access to retail customer data necessary for
31 pricing, contracting, dual billing, utility consolidated billing, and supplier consolidated billing
32 functions;

33 (8) Procedures governing the default supply service supply rates; and

34 (9) Tariffs and rate schedules implementing each of the above.

35 4. The commission shall review each restructuring plan and, after evidentiary hearings
36 providing notice and opportunity to be heard for all parties, issue an order accepting, modifying, or
37 rejecting the plan no later than six months from the filing of the plan. If the commission rejects the
38 plan, it shall state the specific reasons and direct the electric utility to file an alternative plan within
39 thirty days. The commission shall review the alternative plan and solicit comments from interested

1 parties in a timely manner to enable the ability for commercial and industrial customers to choose a
2 retail electric supplier in the time frame provided in section 393.2040.

3 393.2055. 1. Electric utilities shall unbundle the rates charged for generation, transmission,
4 and distribution services for all customer classes consistent with the time frame for choosing a retail
5 electric supplier as provided in sections 393.2040 and 393.2050.

6 2. Following the implementation of the unbundled rates under sections 393.2040 and
7 393.2050, the commission shall no longer regulate generation of electricity as a public utility
8 function except as otherwise provided for in the provision of default supply services in section
9 393.2090. The commission shall continue to regulate transmission and distribution of electricity as
10 natural monopoly functions.

11 393.2060. 1. Each electric utility shall be permitted to recover transition or stranded costs,
12 that traditionally would have been recoverable in a monopoly environment but are not recoverable
13 in a competitive electric generation market and that the commission determines will remain
14 following mitigation by the electric utility, in accordance with the time frame established by section
15 393.2040 and the divestiture process outcomes in section 393.2070.

16 2. The commission shall approve the recovery levels and time periods over which the
17 stranded cost charges are to be collected via the competitive transition charge. The commission
18 shall take into consideration the electric utility's previously expected rate of return on the generation
19 assets, the proceeds obtained in the divestiture process, and the effect on the retail customer's cost
20 levels. The commission may also consider other criteria deemed appropriate by the commission in
21 assessing the stranded cost recovery levels and the period of collection.

22 393.2070. 1. At any time prior to and consistent with the time frame for choosing a retail
23 electric supplier as provided in section 393.2040, electric utilities shall divest their generation assets.
24 These generation assets may be divested at the discretion of the electric utility and with the approval
25 of the commission:

26 (1) By selling generation assets to an unaffiliated entity, or entities, at a fair market value;

27 (2) By transferring generation assets to a nonutility affiliate at a fair market value; and

28 (3) By a combination of the methods of subdivisions (1) and (2) of this subsection.

29 2. During and after the divestiture process, the commission shall determine whether it is
30 necessary to establish, in addition to existing independent system operator market power protections
31 that may be applicable, an independent market monitor to ensure that no entity owns generation
32 assets in an amount that gives that entity market power.

33 393.2080. 1. Consistent with the time frame for choosing a retail electric supplier as
34 provided in sections 393.2040 and 393.2050, electric utilities shall provide default supply service to
35 retail customers that do not choose a retail electric supplier.

36 2. Default supply service for large commercial and industrial customers shall consist of
37 hourly prices for electric energy, along with any additional costs incurred in the provision of such
38 services by the independent system operator.

1 3. Default supply service for medium commercial and industrial customers shall commence
2 with a rate set every six months through a competitive procurement process along with any
3 additional costs incurred in the provision of such services by the independent system operator. If at
4 any time less than seventy percent of the annual megawatt hour consumption of this rate class is
5 served by the competitively procured process, the commission shall initiate a proceeding within
6 three months of the less than seventy percent threshold being reached to establish a process to phase
7 out the competitively procured process and replace it with the hourly priced default supply service.

8 4. Default supply service for small commercial and industrial customers shall commence
9 with a rate set annually through a competitive procurement process along with any additional costs
10 incurred in the provision of such services by the independent system operator. If at any time less
11 than sixty percent of the annual megawatt hour consumption of this rate class is served by the
12 competitively procured process, the commission shall initiate a proceeding within three months of
13 the less than sixty percent threshold being reached to establish a process to phase out the
14 competitively procured process and replace it with the hourly priced default supply service.

15 5. Default supply service for residential customers shall commence with a rate set annually
16 through a competitive procurement process along with any additional costs incurred in the provision
17 of such services by the independent system operator. If at any time less than fifty percent of the
18 annual megawatt hour consumption of this rate class is served by the competitively procured
19 process, the commission shall initiate a proceeding within three months of the less than fifty percent
20 threshold being reached to establish a process to phase out the competitively procured process and
21 replace it with the hourly priced default supply service or another default supply service approved
22 by the commission.

23 6. Each of the competitive procurement processes in this section shall consist of a wholesale
24 power auction or similar competitive process to establish a clearing price or rate, including energy,
25 capacity, transmission, ancillary services, and other services identified by the commission, for the
26 retail customers in each rate class that do not choose a retail electric supplier. These auctions shall
27 occur on a commission-approved schedule consistent with the default supply services described
28 above and as frequently as necessary.

29 7. For each default supply service rate class category, the retail rate shall also include all
30 administrative and operational costs, including direct and indirect costs, that are incurred to provide
31 default supply service to retail customers.

32 (1) Direct costs to provide default supply service shall be fully assigned to the rate for each
33 rate class. Indirect or shared costs incurred to provide default supply service shall also be allocated
34 to the rate for each rate class. The appropriate allocation of indirect or shared costs shall be
35 determined in accordance with standard utility ratemaking practices and through a fully allocated
36 cost study performed by the electric utility and presented to the commission, subject to stakeholder
37 input. This cost study shall include each and every cost category that can reasonably be deemed to
38 provide or support the provision of default supply service.

1 (2) The level of indirect costs to be recovered in the default supply service rate in this
2 section shall be reevaluated at a time deemed appropriate by the commission but in no case greater
3 than every six months. A commission-approved tariff shall be established to administer this
4 quarterly cost and credit mechanism.

5 8. For each rate class, once an hourly priced default supply service provided by the electric
6 utility has been in operation for six months, the commission shall initiate a proceeding to establish a
7 process to phase out the electric utility provided hourly priced default supply service with an
8 alternative electric supply service provided by one or more retail electric suppliers for the purpose of
9 supplying retail customers in the rate class who do not choose a retail electric supplier.

10 393.2090. 1. The commission may establish a separate process for the supply of electric
11 supply service for energy assistance customers in each electric utility service territory. This process
12 shall include the grouping of this subset of residential customers into an aggregation program.

13 2. This aggregation of customers to be supplied electric supply services by a retail supplier
14 shall be chosen by a competitive bidding process established by the commission for a term length
15 established by this process. This competitive bidding process may be repeated in advance of the
16 expiration of the initial term length for the next term.

17 3. The retail supplier selected in this process shall offer a price at or below the default
18 supply service rate set annually through a competitive procurement process for residential customers
19 as described in section 393.2080 for the same or similar term length. When the competitively
20 procured process for default supply service for residential customers is replaced with an hourly
21 default supply service for residential customers, the commission may institute an alternative pricing
22 threshold for acceptance for purposes of electric supply service under this energy assistance
23 customer aggregation program.

24 4. Energy assistance customers shall have the ability to opt out of the electric supply service
25 aggregation option but shall forgo their energy assistance relief if they do so.

26 5. The commission shall institute a public hearing regarding the energy assistance customer
27 section to gather input on the rules prior to implementation of the energy assistance customer
28 aggregation program.

29 393.2100. 1. All electric utilities have an obligation to provide open and nondiscriminatory
30 access to their data and systems as needed for retail electric suppliers to provide electric supply and
31 to establish and maintain an effective and vibrant competitive market in the purchase and sale of
32 retail electricity in the state. All electric utilities shall continue to provide metering services but
33 customer-specific data and other relevant customer information shall be made available to retail
34 electric suppliers so long as the retail electric suppliers receive retail customer's consent for the
35 release of the data.

36 2. The commission shall develop processes for retail electric suppliers to confirm and
37 document the retail customer's consent to release data; however, such processes shall not require
38 onerous signature or other requirements to be received from the retail customer. Commonly used

1 digital signature or similar technologies consistent with current technological capabilities shall be
2 allowed to confirm customer consent.

3 (1) Historical usage data access shall include at least two years of customer usage or
4 metering data and other customer information required to facilitate an electric supply transaction to
5 include, but not be limited to, customer class details, capacity and transmission allocations, and loss
6 factors.

7 (2) Historical usage data shall include both monthly summaries and hourly interval data, if
8 available, both at the kilowatt hour energy and kilowatt demand levels.

9 (3) While a retail customer is under contract for electric supply with a retail electric
10 supplier, the electric utility shall make available to the retail electric supplier such usage data as
11 necessary to facilitate invoicing in a timely manner.

12 3. Retail customers shall have the ability to select their preferred billing method including,
13 but not limited to, utility consolidated billing of electric supply services and delivery service
14 charges, supplier consolidated billing of electric supply services and delivery service charges, as
15 well as the dual billing option for these charges.

16 4. The dual billing option shall be available and operational when commercial and industrial
17 customers can choose their retail supplier for electric supply services as provided in section
18 393.2040.

19 5. The commission shall institute a proceeding to develop the necessary procedures and
20 requirements to implement the utility consolidated billing and supplier consolidated billing methods
21 to be in place and operational by the commencement of the ability for residential customers to
22 choose their retail electric supplier as provided in section 393.2040.

23 6. Within six months of residential customers gaining the ability to choose a retail electric
24 supplier, electric utilities shall implement an accelerated switching process so residential customers
25 may change retail electric suppliers within three business days of receiving the enrollment
26 transaction. Additionally, residential and small commercial and industrial customers moving within
27 an electric utility's territory shall have their retail electric supplier of electric supply services
28 transferred directly to their new service location without being required to switch to a default supply
29 service rate provided by the electric utility or other supplier.

30 7. The commission is authorized to investigate and establish guidelines for additional
31 programs designed to enhance the retail customer's experience in choosing a retail electric supplier
32 for electric supply services that improve the ability of retail electric suppliers to offer additional
33 electric supply services and other related products and services to retail customers. Such programs
34 may include, but are not limited to, purchase of receivables, demand-response, net-metering
35 incentives, community solar, customer referral, and municipal aggregation programs.

36 393.2110. 1. Six months after August 28, 2025, the commission shall commence a
37 proceeding to develop a robust customer education program to ensure that all retail customers have
38 access to accurate information about their ability to choose a retail electric supplier. The proceeding
39 shall explore ways for the commission to partner with electric utilities and for retail electric

1 suppliers to disseminate commission-endorsed educational pieces as well as appropriate cost
 2 recovery from all customers to support the customer education program. The commission, at its
 3 discretion, may delegate to the office of retail market development some or all of the administrative
 4 work required in the development of the customer education program.

5 2. To the extent the costs for the customer education program are known when the
 6 restructuring plans are filed, costs may be approved for recovery through the nonbypassable
 7 competitive transition charge.

8 3. The commission shall explore the use of a website option, or shopping website, that
 9 explains the choices and makes comparisons between the electric supply services and related
 10 products being offered by retail electric suppliers.

11 393.2120. 1. No entity shall engage in the business of electric supply services in this state
 12 unless such entity holds a retail electric supplier license issued by the commission. The commission
 13 shall issue such license only upon finding that the entity is fit, willing, and able to properly perform
 14 the service proposed and to conform to all legal requirements consistent with the public interest and
 15 the policies declared in this section.

16 2. The commission shall develop a licensing process to ensure retail electric suppliers
 17 seeking to do business in the state submit a license application to the commission, subject to rules
 18 and regulations promulgated by the commission including, but not limited to:

19 (1) A standard written application to gather the information needed to assess the technical
 20 fitness of an applicant or its management team;

21 (2) Internal procedures to process written applications no later than ninety days after they
 22 are properly submitted;

23 (3) Reasonable financial security requirements to ensure the financial responsibility of the
 24 retail electric supplier; the electric supply services to retail customers in accordance with contracts,
 25 agreements, or arrangements; and the payment of all required applicable state taxes;

26 (4) Each entity that applies for a retail electric supplier license shall pay a licensing fee and
 27 execute and maintain a bond or other financial surety instrument issued by a qualifying surety or
 28 insurance company or other financial institution authorized to transact business in the state;

29 (a) The amount of the licensing fee shall not exceed ten thousand dollars;

30 (b) The amount of the surety shall equal five hundred thousand dollars per retail electric
 31 supplier license as issued by the commission; and

32 (c) The financial surety shall be conditioned upon the full and faithful performance of all
 33 duties and obligations of the applicant as a retail electric supplier and shall be valid for a period of
 34 not less than one year. The cost of the surety shall be paid by the applicant. The applicant shall file
 35 a copy of this surety, with a notarized verification page from the issuer, as part of its application for
 36 certification; and

37 (5) Applicants shall complete a commission-approved training and certification process.

1 3. The commission shall monitor the retail power market for the supply and distribution of
2 electricity to retail customers and take steps to prevent anticompetitive or discriminatory conduct
3 and the unlawful exercise of market power.

4 4. The commission shall have the authority under this section to impose civil penalties, after
5 due process, in an amount not to exceed one hundred thousand dollars per violation, on entities that
6 engage in anticompetitive or discriminatory conduct and the unlawful exercise of market power.

7 5. Any proceedings initiated pursuant to this section shall be subject to the provisions of
8 sections 386.400 to 386.610 relating to procedure before the commission and the provisions of
9 sections 386.700 and 386.710 relating to the office of public counsel. Provisions of these sections
10 that are applicable to proceedings involving electric utilities shall apply equally to retail electric
11 suppliers.

12 393.2130. 1. The commission shall establish an "Office of Retail Market Development and
13 Oversight", herein after referred to as the "office", to be funded by an annual assessment of retail
14 electric suppliers based on a formula to be determined by the commission not to exceed twenty
15 thousand dollars annually per licensed entity.

16 2. The office shall have the authority to actively seek input from all interested parties and to
17 develop a thorough understanding and critical analyses of the tools and techniques used to promote
18 retail energy competition.

19 3. The office shall monitor existing competitive power market related conditions in the state,
20 identify barriers to retail competition for all customer classes, and actively explore and propose to
21 the commission solutions to overcome identified barriers and enhance the competitive retail power
22 market.

23 4. The office shall publish a report at least annually, as determined by the commission,
24 including the number of complaints filed against each retail electric supplier, post resolution, and
25 other information deemed relevant by the office.

26 5. The office shall have the authority to address violations by retail electric suppliers
27 through the imposition of a probationary status which may include, but not be limited to, enhanced
28 oversight, additional reporting requirements, and submission for commission approval of a plan for
29 any fines or remediation to customers specific to any retail electric supplier that violates regulations
30 or any rules subject to this section.

31 6. The office shall report to the commission any recommendations for suspension or
32 revocation of a retail supplier's license.

33 7. The office shall develop and implement, with stakeholder input, a commission-approved
34 program that requires a designated representative of each licensed retail electric supplier to
35 demonstrate a thorough understanding of the commission's regulations regarding sales, consumer
36 protection, and any other matter the commission deems appropriate through an online training
37 program.

1 8. At the conclusion of the training, the office shall conduct an online examination and, on a
2 satisfactory score, certify that the designated representative of the licensed retail electric supplier
3 has successfully completed the training in a timely manner.

4 9. The office shall determine the schedule and frequency by which a designated
5 representative of a licensed retail electric supplier shall complete the training and certification. The
6 commission shall not issue a license to a new retail electric supplier until a designated representative
7 completes the training and certification.

8 10. The office shall make recommendations to the commission concerning the establishment
9 of guidelines for the provision of electric supply services to residential customers that ensure:

10 (1) Accurate and adequate pricing information through marketing and disclosure statements;

11 (2) An understandable format that enables comparing prices and services on a uniform
12 basis; and

13 (3) Clear processes to confirm and document a customer's intent to switch retail electric
14 suppliers to avoid any unauthorized switches of retail electric suppliers for electric supply services.

15 11. The office, at the discretion of the commission, may be tasked with some or all of the
16 administrative work required in the development of the customer education program."; and

17
18 Further amend said bill by amending the title, enacting clause, and intersectional references
19 accordingly.