FIRST REGULAR SESSION HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 476

103RD GENERAL ASSEMBLY

1579H.02C

JOSEPH ENGLER, Chief Clerk

AN ACT

To amend chapter 393, RSMo, by adding thereto one new section relating to closure of electric power plants.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 393, RSMo, is amended by adding thereto one new section, to be 2 known as section 393.401, to read as follows:

393.401. 1. For purposes of this section, the following terms shall mean:

(1) "Dispatchable power resource", a source of electricity that is, under normal
operating conditions, available for use on demand and that can have its power output
adjusted according to market needs, except during routine maintenance and repair;

5 (2) "Electrical corporation", the same as defined in section 386.020, but shall not 6 include an electrical corporation as described in subsection 2 of section 393.110;

7 (3) "Existing electric generating power plant", a thermal power plant of over 8 one hundred megawatts in nameplate capacity, a generating unit at a thermal power 9 plant with a nameplate capacity of over one hundred megawatts, or two or more 10 generating units at a thermal power plant with a combined nameplate capacity of over 11 one hundred megawatts;

(4) "Regional transmission operator", a regional transmission organization,
independent system operator, or equivalent entity approved by the Federal Energy
Regulatory Commission, or successor agency, that exercises functional control over
electric transmission facilities located within this state;

(5) "Reliable electric generation", electric generation meeting the accreditation
 requirements provided for in this section;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

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18 (6) "Unexpected or unplanned cause or event", a natural disaster, physical 19 sabotage, equipment failure or damage causing a forced prolonged outage, or an 20 adverse decision of a court or a change in a state or federal law or regulation which 21 causes the closure of an existing electric generating plant.

22 2. Prior to the closure of an existing electric generating power plant in Missouri 23 if the closure occurs on or after January 1, 2026, and subject to subsection 3 of this 24 section, an electrical corporation registered and doing business in this state shall first 25 certify to the public service commission that such utility company has secured and 26 placed on the electric grid an equal or greater amount of reliable electric generation as 27 accredited power resources based on the regional transmission operator's resource accreditation for the reliable electric generation technology at issue with consideration 28 29 of the electrical corporation's anticipated loss of load, if any. To determine if an equal or 30 greater amount of reliable electric generation is being placed on the electric grid to 31 replace the existing electric generating power plant that is to be closed, the electrical 32 corporation shall compare the relevant regional transmission operator's average of the 33 summer and winter accredited capacity for the generation technology of the to-be-closed 34 existing electric generating power plant to the relevant regional transmission operator's 35 average of the summer and winter accredited capacity for the generation technology of the replacement reliable electric generation with consideration of the electrical 36 37 corporation's anticipated loss of load, if any. Such average of the summer and 38 winter accredited capacity for the replacement reliable electric generation shall equal or 39 exceed such average of the summer and winter accredited capacity for the existing 40 electric generating plant that is to be closed with consideration of the electrical 41 corporation's anticipated loss of load, if any. Dispatchable power resources shall 42 comprise at least eighty percent of the average of the summer and winter accredited 43 capacity of the replacement reliable electric generation.

44 3. With respect to the replacement reliable electric generation required by 45 subsection 2 of this section, adequate electric transmission lines shall be in place and the 46 replacement reliable electric generation shall be fully operational concurrently with the 47 closure of the existing electric generating plant, except where some or all of the 48 replacement reliable electric generation utilizes some or all of the interconnection 49 facilities used by the existing electric generating power plant, or where the existing 50 electric generating power plant is closed as a result of an unexpected or unplanned cause 51 or event. In the event that some or all of the replacement reliable electric generation 52 utilizes some or all of the interconnection facilities utilized by the existing electric 53 generating power plant, then such replacement facilities shall be fully operational within 54 one hundred eighty days of the closure of the existing electric generating power plant.

55 In the event that the existing electric generating power plant is closed as a result of an 56 unexpected or unplanned cause or event, then the following process shall apply:

57 (1) Within one hundred twenty days after the event causing the closure occurs, the electrical corporation shall file an application with the commission outlining its plan 58 to install replacement reliable electric generation. The application shall specify the 59 60 generation technology the electrical corporation proposes to be used for the 61 replacement, its estimated cost, and shall demonstrate that the replacement reliable electric generation's average accredited capacity is equal to or greater than the average 62 accredited capacity of the closed plant according to the process outlined in subsection 2 63 64 of this section. The application under this section shall be submitted to the commission 65 prior to the electrical corporation's filing of an application to the commission under subsection 1 of section 393.170. Within two hundred seventy days of the application's 66 filing, the commission shall either approve or deny the electrical corporation's 67 application. 68

69 (2) Promptly after issuance of the commission's order under subdivision (1) of 70 this subsection, the electrical corporation shall proceed and use all reasonable efforts to 71 procure, build, and place into operation the approved alternative reliable generation. 72 During any periods allowed by this subsection where the replacement reliable electric generation is not fully operational by the time of the closure of the existing electric 73 74 generating power plant, the electrical corporation shall use all reasonable efforts to 75 contract for or otherwise acquire additional available firm generating capacity in a 76 quantity necessary to meet the planning reserve margin requirement of the regional transmission operator in which the electrical corporation operates without reliance on 77 such replacement reliable electric generation. At such time as such replacement reliable 78 79 electric generation is fully operational, such additional available firm generating 80 capacity shall no longer be required under this section. An electrical corporation shall not enter into a voluntary or negotiated settlement with a third party that requires 81 82 closure of an existing electric generating plant unless the electrical corporation 83 determines that such a settlement is in the best interest of its customers and would maintain electric reliability. Electrical corporations shall not enter into such a 84 85 settlement in order to meet pollution reduction or other corporate or societal goals 86 beyond those required by law.

4. (1) The average of the summer and winter accredited capacity of the replacement reliable electric generation determined in accordance with subsection 2 of this section shall be equal to or greater than the average summer and winter accredited capacity of the to-be-closed dispatchable existing electric generating power plant determined in accordance with subsection 2 of this section, using the regional HCS HB 476

92 transmission operator's resource accreditation as of the time of the electrical
93 corporation's application to the commission under subsection 1 of section 393.170
94 with consideration of the electrical corporation's anticipated loss of load, if any.

95 (2) The commission may consider information regarding anticipated loss of load 96 submitted by the electrical corporation to the pertinent regional transmission operator 97 for purposes of its long term resource plans. As part of its approval of the replacement 98 reliable electric generation under subsection 1 of section 393.170, the public service 99 commission shall certify that the requirements of this subsection shall be met by the 100 replacement reliable electric generation.

101 (3) If information is submitted to the commission that the electrical corporation 102 has experienced a significant and long-term loss of load, pursuant to this section, the 103 commission, prior to a review of potential replacement reliable electric generation under 104 subsection 1 of section 393.170, shall determine if the acquisition or construction of full 105 replacement generation is in the public interest. If the commission determines that full 106 replacement generation is not in the public interest, the requirements of subsection 2 of 107 this section shall not apply.

5. Such reliable electric generation may be constructed in Missouri or in a state that neighbors Missouri, if the generation is connected to the electric grid of the regional transmission operator of which the electrical corporation is a member or is located in a neighboring regional transmission operator which also operates in Missouri and shares a seam with that member's regional transmission operator.

6. On or before the date that the new reliable electric generation is placed in service, the electrical corporation shall provide certification to the public service commission, the general assembly, and the governor that it has met the requirements of this section.

117 7. To the extent existing electric generating power plant capacity is replaced 118 pursuant to this section, such capacity shall not be replaced by "replacement resources" 119 under section 393.1705.

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