

HB 713 -- UTILITIES

SPONSOR: Pollitt

The bill changes the law relating to electric utilities.

CLOSURE OF ELECTRIC POWER PLANTS (Section 393.401)

This bill specifies that prior to the closure of an existing electric generating power plant, an electrical corporation, registered and doing business in Missouri, must first certify that it has secured and placed on the electric grid an amount equal or greater than the amount of replacement reliable electric generation as specified in the bill. Adequate transmission lines must be in place and the replacement generation fully operational concurrently with the closure of the existing electric generating plant.

If the replacement electric generation uses some or all of the interconnection facilities used by the existing generation plant, the replacement facilities must be operational within 120 days of the closure of the existing plant. If the existing plant is closed as a result of an unexpected or unplanned cause or event, the electrical corporation must follow the procedures established in the bill, including filing an application with the Public Service Commission outlining its plan to install replacement reliable electric generation. During any periods where the replacement power is not fully operational, the electrical corporation must make all reasonable efforts to contract for additional firm generating capacity to meet the planning reserve margin requirement of the regional transmission operator.

The bill also specifies that the average of the summer and winter accredited capacity of the new generation must be greater or equal to the average of the summer and winter accredited capacity of the existing generation. The Public Service Commission must certify that these requirements are met.

Before the official date of the existing electric generating power plant closure, the electric utility company must provide certification to the Commission, the General Assembly, and the Governor that it has met the necessary requirements.

RENEWABLE ENERGY STANDARD (Section 393.1030)

This bill specifies that electric utilities with more than 250,000 but less than 1 million retail customers in Missouri as of the end of 2024 with energy that meets the criteria of the renewable energy portfolio requirements and is contracted for by an accelerated renewable buyer must:

(1) Have all associated renewable energy certificates retired by the accelerated renewable buyer and the certificates may not be used to meet the electric utility's portfolio requirements;

(2) Be excluded from the total electric utility's sales used to determine the portfolio requirements; and

(3) Be used to offset all or a portion of its electric load to determine compliance with the portfolio requirements.

The bill specifies that the accelerated renewable buyer is exempt from any renewable energy standard compliance costs as established by the utility and approved by the Public Service Commission. Each electric utility must certify, and verify as necessary, to the Commission that the accelerated renewable buyer has satisfied the exemption requirements as specified in the bill. The accelerated renewable buyer may also certify the exemption requirements to the Commission individually.

DEFERRALS BY ELECTRICAL CORPORATIONS (Section 393.1400)

The bill removes "new natural gas units" from the definition of "qualifying electric plant" for the purposes of certain deferrals by electrical corporations.

Currently an electrical corporations must defer to a regulatory asset 85% of all depreciation expense and return associated with all qualifying electric plant recorded to plant-in-service on the utility's books. The bill increases the required deferral to 90%.

The cost of investments in new generating units and energy storage systems are excluded from the total investments reflected in each year's capital investment plan for which required investments in grid modernization projects are determined.

The bill extends the sunset date of certain provisions relating to deferrals by electrical corporations from December 31, 2028 to December 31, 2035. The deadline to file an application seeking permission from the Public Service Commission relating to deferrals will be extended from December 31, 2026 to December 31, 2033.

Provisions relating to electrical corporations seeking deferrals expires on December 31, 2040, instead of on December 31, 2033.

CONTRACTING AUTHORITY OF THE PUBLIC SERVICE COMMISSION (Section 393.1700)

The bill authorizes the Public Service Commission to directly contract counsel, financial advisors, or other consultants necessary to implement the provisions of the law allowing for the Commission to approve the issuance of securitized utility tariff bonds by an electrical corporation. The Commission must establish a process for bidding such contracts and make the policy and rate case-specific contract information publicly available.

This bill is the same as SB 6 (2025).