

HB 1084 -- ELECTRIC UTILITIES

SPONSOR: Oehlerking

This bill authorizes an electrical corporation to include in the corporation's rate base any amounts recorded to construction work in progress for any new natural gas generating unit. The Public Service Commission will determine the amount of construction work in progress, as specified in the bill. Base rate recoveries arising from the inclusion of construction work in progress in base rates are subject to refund.

These provisions will expire on December 31, 2035, unless the Commission determines that good cause exists to extend these provisions through December 31, 2045. The secretary of the Commission must notify the Revisor of Statutes if the conditions for the extension have been met.

The bill also establishes the "Missouri Nuclear Clean Power Act", which allows clean baseload electric generating plants or renewal source generating facilities rated at 600 megawatts or less that utilize clean baseload electric generating plants to produce energy not in commercial operation as of August 28, 2025, 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 can also authorize an electrical corporation to charge for additional amortization to maintain the corporation's financial ratios that will better allow the electrical corporation to cost-effectively construct a clean baseload generating plant.

By August 28, 2026, and every four years as needed thereafter, the Commission must complete an integrated resource planning proceeding for electrical corporations, as specified in the bill.

No later than August 28, 2027, the Commission must publish a schedule for electrical corporations to file an integrated resource plan every four years. Each integrated resource plan must include an alternative resource plan that meets certain requirements. All alternative resource plans must cover a minimum 16-year planning horizon and must reflect projections of an electrical corporation's load obligations and how an electrical corporation would reliably

meet its projected load obligations. Additional requirements are specified in the bill.

After a hearing and no later than 360 days after the electrical corporation files an integrated resource plan, the Commission must issue a report and order determining whether the electrical corporation has submitted sufficient documentation and selected a preferred resource plan representing a reasonable and prudent means of meeting the electrical corporation's load serving obligations at just and reasonable rates. In making this determination, the Commission must consider whether the plan appropriately balances factors specified in the bill. The Commission can grant itself an extension for good cause for the issuance of the report and order. Up to 150 days after an electrical corporation makes its initial integrated resource plan filing, it can file an update of the cost estimates if the cost estimates have materially changed.

If the Commission determines that the preferred resource plan is a reasonable and prudent means of meeting the electrical corporation's load serving obligations, the determination will constitute the Commission's permission for the electrical corporation to construct or acquire the specified supply-side resources that were reflected in the implementation plan. When the electrical corporation files an application for a certificate of convenience and necessity to authorize construction or acquisition of the supply-side resources, the Commission will be deemed to have determined that the supply-side resources are necessary or convenient for the public interest.

If the Commission determines that the preferred resource plan is not a reasonable and prudent means of meeting the electrical corporation's load serving obligations, the Commission will have the authority to specify in its report and order the deficiencies in the preferred resource plan. The procedures for an electrical corporation to cure the deficiencies is specified in the bill.

If approved in a proceeding granting permission and approval to construct an electric plant, an electrical corporation can, in certain circumstances, be permitted to include in its rate base any amounts recorded to construction work in progress for the investments for which permission is granted. The inclusion of construction work in progress will be in lieu of any applicable allowance for funds used during construction that would have accrued from the effective date of new base rates that reflect inclusion of the construction work in progress in rate base. The Commission must determine the amount of construction work in progress that can be included in rate base.

This bill is the same as SB 610 (2025).