

SECOND REGULAR SESSION

# HOUSE BILL NO. 1731

## 103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE WELLENKAMP.

4557H.01I

JOSEPH ENGLER, Chief Clerk

### AN ACT

To amend chapter 393, RSMo, by adding thereto one new section relating to rebates by electrical corporations.

*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 known as section 393.2500, to read as follows:

- 393.2500. 1. As used in this section, the following terms shall mean:**
- (1) "Commission", the Missouri public service commission;**
  - (2) "Customer-generator", the same as defined in section 386.890;**
  - (3) "Electrical corporation", the same as defined in section 386.020;**
  - (4) "Energy storage system", commercially available technology that is capable of absorbing energy and storing it for a period of time for use at a later time including, but not limited to, electrochemical, thermal, and electromechanical technologies, and may be interconnected behind the customer's meter or interconnected behind its own meter;**
  - (5) "Smart inverter", a device that converts direct current from solar panels into alternating current and meets all applicable safety, performance, interconnection, and reliability standards established by the National Electrical Code, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, the Federal Energy Regulatory Commission, and any local governing authorities.**
- 2. Within ninety days after August 28, 2026, an electrical corporation shall file an application with the commission requesting approval of the corporation's tariff to**

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.

18 provide a rebate to any customer-generator installing any energy storage system and, if  
19 applicable, a new solar electric system at the customer-generator's premises for the  
20 customer-generator's own use. The rebate shall be as follows:

21 (1) Two dollars per watt for systems becoming operational on or before June 30,  
22 2027;

23 (2) One dollar and fifty cents per watt for systems becoming operational between  
24 July 1, 2027, and June 30, 2028;

25 (3) One dollar per watt for systems becoming operational between July 1, 2027,  
26 and June 30, 2029;

27 (4) Fifty cents per watt for systems becoming operational between July 1, 2028,  
28 and June 30, 2030;

29 (5) Fifty cents per watt for systems becoming operational between July 1, 2029,  
30 and June 30, 2031; or

31 (6) Twenty-five cents per watt for systems becoming operational between July 1,  
32 2030, and June 30, 2032.

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34 The rebate amounts under this subsection shall be issued until such funds expire or  
35 exceed the allotted amounts. An electrical corporation may, through its tariffs, require  
36 applications for rebates to be submitted by customer-generators up to one hundred and  
37 eighty days prior to June 30, 2027.

38 3. The commission shall review the application under subsection 2 of this section  
39 and make modifications, if necessary, that are consistent with the commission's  
40 authority under chapter 386. No later than one hundred and eighty days after the  
41 electrical corporation files the application under subsection 2 of this section, the  
42 commission shall hold a hearing and issue an order approving, or approving with  
43 modifications, the tariff.

44 4. To be eligible for a rebate under this section, a customer-generator shall:

45 (1) Have a smart inverter installed at the customer's premises that is  
46 interconnected to distribution facilities owned or operated by an electrical corporation;

47 (2) Install an energy storage system;

48 (3) Connect an energy storage system to a new or existing solar electric system  
49 sited on the customer-generator's premises that is confirmed by the electrical  
50 corporation to have become operational and in compliance with the provisions of  
51 section 386.890; and

52 (4) Transfer to the electrical corporation all rights, titles, and interest in and to  
53 the renewable energy credits associated with the solar electric system and energy  
54 storage system that qualified the customer-generator for the rebate for a period of ten

55 years from the date the electrical corporation confirmed that the energy storage system  
56 was installed and operational.

57       **5. An electrical corporation's obligation to make rebate payments under this**  
58 **section shall not exceed the following limitations:**

59       **(1) As of August 28, 2026, an electrical corporation with one million or more**  
60 **customers in the state shall not be obligated to pay rebates in any calendar year from**  
61 **2026 through 2032 in an amount exceeding five million six hundred thousand dollars or**  
62 **in an aggregate amount exceeding twenty-eight million dollars;**

63       **(2) As of August 28, 2026, an electrical corporation with less than one million but**  
64 **more than two hundred thousand customers in the state shall not be obligated to pay**  
65 **rebates in any calendar year from 2026 through 2032 in an amount exceeding one**  
66 **million six hundred thousand dollars or in an aggregate amount exceeding eight million**  
67 **dollars; and**

68       **(3) As of August 28, 2026, an electrical corporation with two hundred thousand**  
69 **or less customers in the state shall not be obligated to pay rebates in any calendar year**  
70 **from 2026 through 2032 in an amount exceeding one million four hundred thousand**  
71 **dollars or in an aggregate amount exceeding seven million dollars.**

72       **6. After the issuance of the rebate under this section, an electrical corporation**  
73 **shall be permitted to recover the cost of all rebate payments it has made through either**  
74 **base rates or a rate adjustment mechanism under section 393.1030 and shall also be**  
75 **permitted to defer and amortize the recovery of such costs, including interest at the**  
76 **electrical corporation's short-term borrowing rate, through either base rates or a**  
77 **surcharge over a period of the electrical corporation's choice, not to exceed five years,**  
78 **provided that if recovery of such costs in such manner and over such a time period**  
79 **would cause the electrical corporation to exceed the one percent maximum average**  
80 **retail rate increase limitation required by subdivision (1) of subsection 2 of section**  
81 **393.1030. The recovery of such costs that would exceed the one percent maximum**  
82 **average retail rate increase limitation shall be deferred by the electrical corporation to a**  
83 **regulatory asset to which carrying costs at the electrical corporation's weighted average**  
84 **cost of capital shall be added and recovered through base rates or through a rate**  
85 **adjustment mechanism under section 393.1030 as soon as practicable.**

86       **7. The commission shall promulgate rules to implement the provisions of this**  
87 **section. Any rule or portion of a rule, as that term is defined in section 536.010, that is**  
88 **created under the authority delegated in this section shall become effective only if it**  
89 **complies with and is subject to all of the provisions of chapter 536 and, if applicable,**  
90 **section 536.028. This section and chapter 536 are nonseverable and if any of the powers**  
91 **vested with the general assembly pursuant to chapter 536 to review, to delay the**

92 **effective date, or to disapprove and annul a rule are subsequently held unconstitutional,**  
93 **then the grant of rulemaking authority and any rule proposed or adopted after August**  
94 **28, 2026, shall be invalid and void.**

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