

HOUSE**AMENDMENT NO. _____****Offered by _____****of _____**

1 AMEND House Committee Substitute for House Bill No. 613, Page 1,
 2 In the Title, Lines 2 and 3, by deleting all of said lines and
 3 inserting in lieu thereof the following:

4 "To repeal sections 393.1025 and 393.1030, RSMo, and to
 5 enact in lieu thereof three new sections relating to renewable
 6 energy, with an emergency clause for a certain section."; and

7 Further amend said bill, Page 1, Section A, Lines 1 to 4, by
 8 deleting all of said lines and inserting in lieu thereof the
 9 following:

10 "Section A. Sections 393.1025 and 393.1030, RSMo, are
 11 repealed and three new sections enacted in lieu thereof, to be
 12 known as sections 393.1025, 393.1030 and 620.2300, to read as
 13 follows:"; and

14 Further amend said bill, Pages 1 to 16, Sections 393.1400,
 15 393.1405, 393.1410, 393.1415, 393.1420, 393.1425, 393.1430,
 16 393.1435, 393.1440, 393.1443, and 393.1445, by deleting all of
 17 said sections; and

18 Further amend said bill, Pages 16 to 18, Sections 393.1020,
 19 393.1025, 393.1030, 393.1040, and 393.1045, by deleting all of
 20 said sections and inserting in lieu thereof the following:

21 "393.1025. As used in sections 393.1020 to 393.1030, the
 22 following terms mean:

23 (1) "Commission", the public service commission;
 24 (2) "Department", the department of natural resources;
 25 (3) "Electric utility", any electrical corporation as
 26 defined by section 386.020;

27 (4) "Renewable energy credit" or "REC", a tradeable
 28 certificate of proof that one megawatt-hour of electricity has
 29 been generated from renewable energy sources; and

Action Taken _____ Date _____

1 (5) "Renewable energy resources", electric energy produced
2 from wind, solar thermal sources, photovoltaic cells and
3 panels[,]; dedicated crops grown for energy production,
4 cellulosic agricultural residues, and plant residues[,]; methane
5 from landfills, from agricultural operations, or from wastewater
6 treatment[,]; thermal depolymerization or pyrolysis for
7 converting waste material to energy[,]; clean and untreated wood
8 such as pallets[,]; hydropower (not including pumped storage)
9 that becomes operational after November 4, 2008, and does not
10 require a new diversion or impoundment of water [and that has a],
11 provided that each new facility, new generator, or improved
12 generator at an existing facility have a total nameplate rating
13 of ten megawatts or less[,]; fuel cells using hydrogen produced
14 by one of the above-named renewable energy sources[,]; and other
15 sources of energy not including nuclear that become available
16 after November 4, 2008, and are certified as renewable by rule by
17 the department.

18 393.1030. 1. The commission shall, in consultation with
19 the department, prescribe by rule a portfolio requirement for all
20 electric utilities to generate or purchase electricity generated
21 from renewable energy resources. Such portfolio requirement
22 shall provide that electricity from renewable energy resources
23 shall constitute the following portions of each electric
24 utility's sales:

25 (1) No less than two percent for calendar years 2011
26 through 2013;

27 (2) No less than five percent for calendar years 2014
28 through 2017;

29 (3) No less than ten percent for calendar years 2018
30 through 2020; and

31 (4) No less than fifteen percent in each calendar year
32 beginning in 2021. At least two percent of each portfolio
33 requirement shall be derived from solar energy. The portfolio
34 requirements shall apply to all power sold to Missouri consumers
35 whether such power is self-generated or purchased from another
36 source in or outside of this state. A utility may comply with

1 the standard in whole or in part by purchasing RECs representing
2 energy delivered to Missouri. Each kilowatt-hour of eligible
3 energy generated in Missouri shall count as 1.25 kilowatt-hours
4 for purposes of compliance.

5 2. The commission, in consultation with the department and
6 within one year of November 4, 2008, shall select a program for
7 tracking and verifying the trading of renewable energy credits.
8 An unused credit may exist for up to three years from the date of
9 its creation. A credit must have been created after 2010, may be
10 used only once to comply with sections 393.1020 to 393.1030 and
11 may not also be used to satisfy any similar nonfederal
12 requirement. An electric utility may not use a credit derived
13 from a green pricing program. Certificates from net-metered
14 sources shall initially be owned by the customer-generator. The
15 commission, except where the department is specified, shall make
16 whatever rules are necessary to enforce the renewable energy
17 standard. Such rules shall include:

18 (1) A maximum average retail rate increase of one percent
19 determined by estimating and comparing the electric utility's
20 cost of compliance with least-cost renewable generation and the
21 cost of continuing to generate or purchase electricity from
22 entirely nonrenewable sources, taking into proper account future
23 environmental regulatory risk including the risk of greenhouse
24 gas regulation;

25 (2) Penalties of at least twice the average market value of
26 renewable energy credits for the compliance period for failure to
27 meet the targets of subsection 1. An electric utility will be
28 excused if it proves to the commission that failure was due to
29 events beyond its reasonable control that could not have been
30 reasonably mitigated, or that the maximum average retail rate
31 increase has been reached. Penalties shall not be recovered from
32 customers. Amounts forfeited under this section shall be
33 remitted to the department to purchase renewable energy credits
34 needed for compliance. Any excess forfeited revenues shall be
35 used by the department's energy center solely for renewable
36 energy and energy efficiency projects;

37 (3) Provisions for an annual report to be filed by each

1 electric utility in a format sufficient to document its progress
2 in meeting the targets;

3 (4) Provision for recovery outside the context of a regular
4 rate case of prudently incurred costs and the pass-through of
5 benefits to customers of any savings achieved by an electrical
6 corporation in meeting the requirements of this section.

7 3. Each electric utility shall make available to its retail
8 customers a standard rebate offer of at least two dollars per
9 installed watt for new or expanded solar electric systems sited
10 on customers' premises, up to a maximum of twenty-five kilowatts
11 per system, that become operational after 2009.

12 4. The department shall, in consultation with the
13 commission, establish by rule a certification process for
14 electricity generated from renewable resources and used to
15 fulfill the requirements of subsection 1 of this section.
16 Certification criteria for renewable energy generation shall be
17 determined by factors that include fuel type, technology, and the
18 environmental impacts of the generating facility. Renewable
19 energy facilities shall not cause undue adverse air, water, or
20 land use impacts, including impacts associated with the gathering
21 of generation feedstocks. If any amount of fossil fuel is used
22 with renewable energy resources, only the portion of electrical
23 output attributable to renewable energy resources shall be used
24 to fulfill the portfolio requirements.

25 5. In carrying out the provisions of this section, the
26 commission and the department shall include methane generated
27 from the anaerobic digestion of farm animal waste and thermal
28 depolymerization or pyrolysis for converting waste material to
29 energy as renewable energy resources for purposes of this
30 section.

31 620.2300. 1. As used in this section, the following terms
32 shall mean:

33 (1) "Department", the Missouri department of economic
34 development;

35 (2) "Biomass facility", a biomass renewable energy facility
36 or biomass fuel production facility that will not be a major
37 source for air quality permitting purposes;

1 (3) "Commission", the Missouri public service commission;

2 (4) "County average wage", the average wages in each county
3 as determined by the department for the most recently completed
4 full calendar year. However, if the computed county average wage
5 is above the statewide average wage, the statewide average wage
6 shall be deemed the county average wage for such county for the
7 purpose of determining eligibility. The department shall publish
8 the county average wage for each county at least annually.

9 Notwithstanding the provisions of this subdivision to the
10 contrary, for any project that is relocating employees from a
11 Missouri county with a higher county average wage, the company
12 shall obtain the endorsement of the governing body of the
13 community from which jobs are being relocated or the county
14 average wage for their project shall be the county average wage
15 for the county from which the employees are being relocated;

16 (5) "Full-time employee", an employee of the project
17 facility that is scheduled to work an average of at least
18 thirty-five hours per week for a twelve-month period, and one for
19 which the employer offers health insurance and pays at least
20 fifty percent of such insurance premiums;

21 (6) "Major source", the same meaning as is provided under
22 40 CFR 70.2;

23 (7) "New job", the number of full-time employees located at
24 the project facility that exceeds the project facility base
25 employment less any decrease in the number of full-time employees
26 at related facilities below the related facility base employment.
27 An employee that spends less than fifty percent of the employee's
28 work time at the project facility is still considered to be
29 located at a facility if the employee receives his or her
30 directions and control from that facility, is on the facility's
31 payroll, one hundred percent of the employee's income from such
32 employment is Missouri income, and the employee is paid at or
33 above the state average wage;

34 (8) "Park", an area consisting of a parcel or tract of
35 land, or any combination of parcels or contiguous land that meet
36 all of the following requirements:

37 (a) The area consists of at least fifty contiguous acres;

1 (b) The property within the area is subject to remediation
2 under a clean up program supervised by the Missouri department of
3 natural resources or United States Environmental Protection
4 Agency;

5 (c) The area contains a manufacturing facility that is
6 closed, undergoing closure, idle, underutilized, or curtailed and
7 that at one time employed at least two hundred employees;

8 (d) The development plan for the area includes a biomass
9 facility; and

10 (e) Property located within the area will be used for the
11 development of renewable energy and the demonstration of
12 industrial on-site energy generation;

13 (9) "Project", a cleanfields renewable energy demonstration
14 project located within a park that will result in the creation of
15 at least fifty new jobs and the retention of at least fifty
16 existing jobs;

17 (10) "Project application", an application submitted to the
18 department, by an owner of all or a portion of a park, on a form
19 provided by the department, requesting benefits provided under
20 this section;

21 (11) "Project facility", a biomass facility at which the
22 new jobs will be located. A project facility may include
23 separate buildings that are located within fifty miles of each
24 other or within the same county such that their purpose and
25 operations are interrelated;

26 (12) "Project facility base employment", the greater of the
27 number of full-time employees located at the project facility on
28 the date of the project application or for the twelve-month
29 period prior to the date of the project application, the average
30 number of full-time employees located at the project facility.
31 In the event the project facility has not been in operation for a
32 full twelve-month period, the average number of full-time
33 employees for the number of months the project facility has been
34 in operation prior to the date of the project application.

35 2. The owner of a park seeking to establish a project shall
36 submit a project application to the department for certification
37 of such project. The department shall review all project

1 applications received under this section and, in consultation
2 with the department of natural resources, verify satisfaction of
3 the requirements of this section. If the department approves a
4 project application, the department shall forward such
5 application and approval to the commission.

6 3. Notwithstanding provisions of section 393.1030 to the
7 contrary, upon receipt of an application and approval from the
8 department, the commission shall assign twice credit to any
9 electric power, renewable energy, renewable energy credits, or
10 any successor credit generated from:

11 (1) Renewable energy resources purchased from the biomass
12 facility located in the park by an electric power supplier;

13 (2) Electric power generated off-site by utilizing biomass
14 fuel sold by the biomass facility located at the park; or

15 (3) Electric power generated off-site by renewable energy
16 resources utilizing storage equipment manufactured at the park
17 that increases the quantity of electricity delivered to the
18 electric power supplier.

19 Section B. Because of the need to ensure the creation of
20 jobs through the utilization of alternative energy sources, the
21 enactment of section 620.2300 of section A of this act is deemed
22 necessary for the immediate preservation of the public health,
23 welfare, peace and safety, and is hereby declared to be an
24 emergency act within the meaning of the constitution, and the
25 enactment of section 620.2300 of section A of this act shall be
26 in full force and effect upon its passage and approval."; and

27 Further amend said title, enacting clause and intersectional
28 references accordingly.