

HOUSE SUBSTITUTE AMENDMENT FOR

HOUSE _____ AMENDMENT NO. _____

Offered By _____

1 AMEND House Committee Substitute for House Bill No. 613, Page 1, Section 393.1405, Line 5,
2 by deleting all of said line and inserting in lieu thereof the following: "for Missouri customers";
3 and

4 Further amend said bill, Page 2, Section 393.1405, Line 23, by inserting after all of said
5 line the following:

6 "(10) "Professional forester", any individual who holds a bachelor of science degree in
7 forestry from a society of American Foresters accredited college or university with a minimum of
8 two years of professional management experience;"; and

9 Further amend said bill, Page 2, Section 393.1405, Line 24, deleting the number "(10)"
10 and inserting in lieu thereof the number "(11)"; and

11 Further amend said bill, Page 2, Section 393.1405, Line 27, by deleting the number "(11)"
12 and inserting in lieu thereof the number "(12)"; and

13 Further amend said bill, Page 3, Section 393.1405, Lines 52 and 53, by deleting all of said
14 lines and inserting in lieu thereof the following: "(iv) Wood chips, pellets, briquettes, wood
15 wastes, or woody energy crops;"; and

16 Further amend said bill, Page 3, Section 393.1405, Line 84, by deleting the number "(12)"
17 and inserting in lieu thereof the number "(13)"; and

18 Further amend said bill, Page 3, Section 393.1405, Line 85, by deleting all of said line and
19 inserting in lieu thereof the following: "sections 393.1400 to 393.1445;

20 (14) "The annual value of any renewable energy purchased or produced by the electric
21 utility", the annual value of any renewable energy purchased or produced by the electric utility's
22 renewable energy resources used for compliance with sections 393.1400 to 393.1445 shall for
23 each hour of the annual period be calculated by multiplying the energy produced from such
24 resources in that hour by the actual wholesale price of energy in the electric utility's service
25 territory as reflected by the regional transmission organization's real time hourly energy market
26 prices within which the electric utility operates for that hour and totaling those products for the
27 entire annual period. However, no such calculation or reduction shall be applied to dollars spent
28 by utilities in meeting the requirement of sections 393.1415 and 393.1420." ; and

29 Further amend said bill, Page 4, Section 393.1410, Line 17, by deleting "\$2.29 billion" and

1 inserting in lieu thereof "\$780 million"; and

2 Further amend said bill, Page 4, Section 393.1410, Line 20, by deleting all of said line and
3 inserting in lieu thereof the following:

4 "(c) By December 31, 2020: one hundred forty-five megawatts;

5 (4) An electric utility with total retail Missouri revenues as of December 31, 2010, of less
6 than seven hundred eight million dollars that owns renewable generation providing delivered
7 energy, or purchases delivered energy from renewable generation, or a combination thereof,
8 totaling at least one hundred forty-five megawatts by December 31, 2011, shall not be required to
9 provide additional renewable generation or purchase additional delivered energy to comply with
10 this section."; and

11 Further amend said bill, Page 4, Section 393.1410, Line 24, by deleting all of said line and
12 inserting in lieu thereof the following: "index, for each of the separate time periods in subsection
13 1 of this section, then the megawatts of new renewable generation prescribed for that time period
14 by subsection 1 of this"; and

15 Further amend said bill, Pages 4 and 5, Section 393.1410, Lines 28 to 38, by deleting all of
16 said lines and inserting in lieu thereof the following:

17 "3. Notwithstanding any provision of law to the contrary, the following limitations on rate
18 impact shall apply:

19 (1) Notwithstanding any provision of the law to the contrary, the annual net cost during
20 any calendar year to any billing account that experienced a billing demand of five thousand
21 kilowatts or more during the preceding calendar year, and to any interstate pipeline pumping
22 station regardless of size, shall not be more than one percent higher than the cost would have been
23 without the renewable energy mandates set forth in sections 393.1400 to 393.1445, where such
24 impact is measured in accordance with subsection 5 of this section;

25 (2) In addition, the one percent limitation shall apply to any other billing account of an
26 entity qualifying under subdivision (1) of this subsection where that account consumed five
27 million kilowatts or more during the preceding calendar year, and also to any billing account
28 consuming more than five million kilowatts per year that belongs to a parent, subsidiary, or
29 affiliate of the entity responsible for paying the billings for the account qualifying in subdivision
30 (1) of this subsection;

31 (3) To qualify for the limitation in subdivision (2) of this subsection, the entity
32 responsible for the billing account shall establish the existence of the required corporate
33 relationship to the satisfaction of the electric utility.

34 4. In addition, the net cost during any calendar year to any billing account as measured in
35 accordance with subsection 5 of this section, of a utility's compliance with the renewable mandate
36 shall not exceed one hundred thousand dollars."; and

1 Further amend said bill, Page 5, Section 393.1410, Line 41, by inserting after the word
2 "determined" the words "on an annual basis"; and

3 Further amend said bill, Page 5, Section 393.1410, Line 57, by inserting after "393.1445"
4 the words "(excluding sections 393.1415 and 393.1420)"; and

5 Further amend said bill, Page 5, Section 393.1410, Line 61, by inserting after the word
6 "determined" the words "on an annual basis"; and

7 Further amend said bill, Page 6, Section 393.1410, Line 77, by inserting after "393.1445"
8 the words "(excluding sections 393.1415 and 393.1420)"; and

9 Further amend said bill, Page 6, Section 393.1410, Lines 79 to 85, by deleting all of said
10 lines and inserting in lieu thereof the following:

11 "6. An electric utility shall pay penalties of two thousand dollars per day for failure to
12 meet the nameplate amounts specified in subsection 1 of this section. Any such monetary fine
13 shall be distributed to the public schools under section 7, article IX of the Constitution of
14 Missouri. An electric utility shall be excused from this subsection if it proves to the commission
15 that failure was due to events beyond its reasonable control that could not have been reasonably
16 mitigated."; and

17 Further amend said bill, Page 6, Section 393.1410, Lines 86 to 90, by deleting all of said
18 lines; and

19 Further amend said bill, Page 6, Section 393.1410, Line 91, by deleting the number "8."
20 and inserting the number "7."; and

21 Further amend said bill, Page 6, Section 393.1410, Line 94, by deleting all of said line and
22 inserting in lieu thereof the following:

23 "8. In the event the federal government enacts by statute and/or rule any"; and

24 Further amend said bill, Page 7, Section 393.1410, Line 111, by inserting after the word
25 "biomass" the words "in Missouri"; and

26 Further amend said bill, Page 7, Section 393.1410, Line 114, by inserting after the word
27 "biomass" the words "in Missouri"; and

28 Further amend said bill, Page 7, Section 393.1410, Line 115, by inserting after the word
29 "biomass" the words "in Missouri"; and

30 Further amend said bill, Page 7, Section 393.1410, Lines 117 to 121, by deleting all of said
31 lines and inserting in lieu thereof the following:

32 "(3) Harvest of woody biomass in Missouri shall be conducted to a site specific harvest
33 plan prepared as part of a forest management plan for long-term forest sustainability developed by
34 a professional forester."; and

35 Further amend said bill, Page 7, Section 393.1410, Line 123, by deleting all of said line
36 and inserting in lieu thereof the following: "third-party, professional foresters at the harvest site

1 using a specified sampling intensity"; and

2 Further amend said bill, Page 7, Section 393.1415, Line 1, by deleting the words "up to"
3 and inserting in lieu thereof the word "of"; and

4 Further amend said bill, Page 7, Section 393.1415, Line 4, by inserting after the word
5 "section" the word ", provide"; and

6 Further amend said bill, Page 7, Section 393.1415, Line 5, by deleting the words "Provide
7 up to a maximum of thirteen" and inserting the word "Thirteen"; and

8 Further amend said bill, Page 7, Section 393.1415, Line 6, by inserting after the word "its"
9 the words "net-metered"; and

10 Further amend said bill, Page 7, Section 393.1415, Line 9, by deleting the words "Provide
11 up to a maximum of seven" and inserting the word "Seven"; and

12 Further amend said bill, Page 7, Section 393.1415, Line 13, by deleting the words
13 "Provide up to a maximum of two" and inserting the word "Two"; and

14 Further amend said bill, Page 8, Section 393.1415, Line 19, by inserting after the word
15 "section" the word ", provide"; and

16 Further amend said bill, Page 8, Section 393.1415, Line 20, by deleting the words
17 "Provide up to a maximum of two" and inserting the word "Two"; and

18 Further amend said bill, Page 8, Section 393.1415, Line 21, by inserting after the word
19 "its" the words "net-metered"; and

20 Further amend said bill, Page 8, Section 393.1415, Line 24, by deleting the words
21 "Provide up to a maximum of two" and inserting the word "Two"; and

22 Further amend said bill, Page 8, Section 393.1415, Line 28, by deleting the words
23 "Provide up to a maximum of one" and inserting the word "One"; and

24 Further amend said bill, Page 8, Section 393.1415, Line 33, by deleting "\$2.29 billion" and
25 inserting in lieu thereof "\$780 million"; and

26 Further amend said bill, Page 8, Section 393.1415, Line 34, by inserting after the word
27 "section" the word ", provide"; and

28 Further amend said bill, Page 8, Section 393.1415, Line 35, by deleting the words
29 "Provide up to a maximum of two" and inserting the word "Two"; and

30 Further amend said bill, Page 8, Section 393.1415, Line 36, by inserting after the word
31 "its" the words "net-metered"; and

32 Further amend said bill, Page 8, Section 393.1415, Line 39, by deleting the words
33 "Provide up to a maximum of two" and inserting the word "Two"; and

34 Further amend said bill, Page 8, Section 393.1415, Line 43, by deleting the words
35 "Provide up to a maximum of one" and inserting the word "One"; and

36 Further amend said bill, Page 8, Section 393.1415, Line 44, by inserting after the word

1 "its" the words "net-metered"; and

2 Further amend said bill, Page 8, Section 393.1415, Line 49, by inserting after the word
3 "section" the word ", provide"; and

4 Further amend said bill, Page 8, Section 393.1415, Line 50, by deleting the words
5 "Provide up to a maximum of one" and inserting the word "One"; and

6 Further amend said bill, Page 9, Section 393.1415, Line 54, by deleting the words
7 "Provide up to a maximum of one" and inserting the word "One"; and

8 Further amend said bill, Page 9, Section 393.1415, Line 58, by deleting the words
9 "Provide up to a maximum of five" and inserting the word "Five"; and

10 Further amend said bill, Page 9, Section 393.1415, Line 63, by deleting all of said line and
11 inserting in lieu thereof the following: "at the discretion of the utility be treated as part of the
12 electric utility's net capital investments in renewable energy resources for purposes of determining
13 the appropriate RES rate under sections 393.1425 to 393.1443."; and

14 Further amend said bill, Page 9, Section 393.1415, Line 64, by deleting all of said line and
15 inserting in lieu thereof the following:

16 "3. A net-metered customer shall be eligible for a financial incentive"; and

17 Further amend said bill, Page 9, Section 393.1415, Line 66, by inserting after "installed,"
18 the word "and"; and

19 Further amend said bill, Page 9, Section 393.1415, Line 66, by deleting the words "up to
20 an" and inserting the words "the next"; and

21 Further amend said bill, Page 9, Section 393.1415, Line 75, by deleting the word
22 "practice" and inserting the word "practices"; and

23 Further amend said bill, Page 9, Section 393.1415, Line 81, by inserting after the word
24 "years" the words "but no amounts shall be carried forward beyond December 31, 2021"; and

25 Further amend said bill, Page 10, Section 393.1420, Line 8, by deleting all of said line and
26 inserting in lieu thereof the following:

27 "3. A net-metered customer shall be eligible for a financial incentive"; and

28 Further amend said bill, Page 10, Section 393.1420, Line 19, by inserting after the word
29 "years" the words "but no amounts shall be carried forward beyond December 31, 2015"; and

30 Further amend said bill, Page 10, Section 393.1425, Line 1, by deleting all of said line and
31 inserting in lieu thereof the following:

32 "393.1425. 1. As used in sections 393.1410 and 393.1425 to 393.1435, the following
33 words and phrases"; and

34 Further amend said bill, Page 11, Section 393.1425, Line 3, by deleting all of said line and
35 inserting in lieu thereof the following:

36 "(1) "Accumulation period", a period no greater than twelve months preceding a filing to

1 establish or"; and

2 Further amend said bill, Page 11, Section 393.1425, Lines 6 to 8, by deleting all of said
3 lines and inserting in lieu thereof the following:

4 "(2) "RES capital costs", the depreciation expense and property taxes of the electric utility
5 that are associated with the electric utility's capital investments in renewable energy resources that
6 provide delivered energy, including capital investments made in compliance"; and

7 Further amend said bill, Page 11, Section 393.1425, Line 14, by inserting after "rate" the
8 word ", less"; and

9 Further amend said bill, Page 11, Section 393.1425, Line 14, by inserting after all of said
10 line the following:

11 "(d) The annual value of any renewable energy purchased or produced by the electric
12 utility;

13 (4) RES cost recovery mechanism" or "RCRM", the mechanism approved by the
14 commission to allow an electric utility to recover all costs of compliance with the RES;"; and

15 Further amend said bill, Page 11, Section 393.1425, Line 15, by deleting the number "(4)"
16 and inserting in lieu thereof the number "(5)"; and

17 Further amend said bill, Page 11, Section 393.1425, Line 17, by deleting the year "2012"
18 and inserting in lieu thereof the year "2011"; and

19 Further amend said bill, Page 11, Section 393.1425, Line 27, by deleting the words
20 "renewable energy standard" and inserting in lieu thereof "RES"; and

21 Further amend said bill, Page 11, Section 393.1425, Line 28, by deleting the words
22 "Renewable Energy Standard" and inserting in lieu thereof "RES"; and

23 Further amend said bill, Page 11, Section 393.1425, Line 29, by inserting after all of said
24 line the following:

25 "(6) "RES rate", a rate approved by the commission for recovery of RES costs;"; and

26 Further amend said bill, Page 11, Section 393.1425, Line 30, by deleting the number "(5)"
27 and inserting in lieu thereof the number "(7)"; and

28 Further amend said bill, Page 11, Section 393.1425, Lines 31 to 37 by deleting all of said
29 lines and inserting in lieu thereof the following: "by: the electric utility's net capital investments
30 in renewable energy resources that provide delivered energy, including capital investments made
31 to comply with renewable energy standards in effect prior to the effective date of sections
32 393.1400 to 393.1445, on the electric utility's books as of the end of the accumulation period. The
33 income taxes related to the RES return shall be included;"; and

34 Further amend said bill, Page 12, Section 393.1425, Line 38, by deleting the number "(6)"
35 and inserting in lieu thereof the number "(8)"; and

36 Further amend said bill, Page 12, Section 393.1425, Line 38, by inserting after the second

1 occurrence of "RES" the word "rate"; and

2 Further amend said bill, Page 12, Section 393.1425, Line 39, by inserting after all of said
3 line the following:

4 "2. All RES costs incurred under paragraph (a) or (b) of subdivision (5) of subsection 1 of
5 this section, regardless of contract term, shall be recovered in the electric utility's RES rate. That
6 is, where the electric utility enters into contracts under subsection 1 of section 393.1410 that
7 extend beyond the indicated dates, then all RES costs as defined in this section shall be included
8 in the RES rate."; and

9 Further amend said bill, Page 12, Section 393.1430, Line 3, by deleting all of said line and
10 inserting in lieu thereof the following: "tariffs with the commission to establish a RCRM or to
11 change a RES rate that will allow for the"; and

12 Further amend said bill, Page 12, Section 393.1430, Line 6, by deleting all of said line and
13 inserting in lieu thereof the following: "393.1410. A RES rate and any future changes thereto
14 shall be calculated and implemented in"; and

15 Further amend said bill, Page 12, Section 393.1430, Line 10, by deleting all of said line
16 and inserting in lieu thereof the following:

17 "2. The commission shall not approve a RCRM or a RES rate for any electric utility that
18 has"; and

19 Further amend said bill, Page 12, Section 393.1430, Lines 14 to 16, be deleting all of said
20 lines and inserting in lieu thereof the following:

21 "3. In no event shall an electric utility collect a RES rate or continue to use an approved
22 RCRM for a period exceeding five years unless the electric utility has filed for or is the subject of
23 a new general rate proceeding where the terms of the RCRM are reviewed by the commission;
24 provided that a RES rate that is approved in accordance with section 393.1435 may be collected
25 until the effective date of new rate"; and

26 Further amend said bill, Page 12, Section 393.1435, Line 2, by deleting all of said line and
27 inserting in lieu thereof the following: "commission seeking to establish or change a RES rate, it
28 shall submit proposed tariffs and"; and

29 Further amend said bill, Page 12, Section 393.1435, Line 3, by inserting after "RES" the
30 word "rate"; and

31 Further amend said bill, Page 12, Section 393.1435, Line 5, by deleting all of said line and
32 inserting in lieu thereof the following: "proposed RES rate tariff, and its supporting
33 documentation."; and

34 Further amend said bill, Page 12, Section 393.1435, Line 7, by deleting the word "tariff"
35 and inserting in lieu thereof the word "rate"; and

36 Further amend said bill, Page 12, Section 393.1435, Line 10, by inserting after "RES" the

1 word "rate"; and

2 Further amend said bill, Page 12, Section 393.1435, Line 12, by inserting after the word
3 "underlying" the word "RES"; and

4 Further amend said bill, Page 12, Section 393.1435, Line 13, by deleting the word
5 "surcharge" and inserting in lieu thereof the words "RES rate"; and

6 Further amend said bill, Page 13, Section 393.1435, Line 16, by inserting after "RES" the
7 word "rate"; and

8 Further amend said bill, Page 13, Section 393.1435, Line 18, by inserting after "RES" the
9 word "rate"; and

10 Further amend said bill, Page 13, Section 393.1435, Line 23, by inserting after "RES" the
11 word "rate"; and

12 Further amend said bill, Page 13, Section 393.1435, Line 27, by deleting the words "pretax
13 revenue" and inserting in lieu thereof the words "RES rate"; and

14 Further amend said bill, Page 13, Section 393.1435, Line 48, by inserting after "RES" the
15 word "rate"; and

16 Further amend said bill, Page 13, Section 393.1435, Line 50, by deleting the word "pretax"
17 and inserting in lieu thereof the word "RES"; and

18 Further amend said bill, Page 14, Section 393.1435, Line 55, by inserting after "RES" the
19 word "revenue"; and

20 Further amend said bill, Page 14, Section 393.1435, Line 57, by inserting after the word
21 "charge" the word "revenue"; and

22 Further amend said bill, Page 14, Section 393.1435, Line 58, by deleting "RES" and
23 inserting in lieu thereof "RCRM"; and

24 Further amend said bill, Page 14, Section 393.1435, Line 59, by inserting after the words
25 "between the" the word "RES"; and

26 Further amend said bill, Page 14, Section 393.1435, Line 60, by inserting after
27 "application of the RES" the word "rate"; and

28 Further amend said bill, Page 14, Section 393.1435, Line 60, by deleting the word "pretax"
29 and inserting in lieu thereof the word "RES"; and

30 Further amend said bill, Page 14, Section 393.1435, Line 64, by deleting "RES" and
31 inserting the word "RCRM"; and

32 Further amend said bill, Page 14, Section 393.1435, Line 69, by inserting after "RES" the
33 word "rate"; and

34 Further amend said bill, Page 14, Section 393.1435, Line 71, by inserting after "RES" the
35 word "rate"; and

36 Further amend said bill, Page 14, Section 393.1435, Line 73, by inserting after "RES" the

1 word "rate"; and

2 Further amend said bill, Page 14, Section 393.1435, Line 74, by deleting the word "pretax"
3 and inserting in lieu thereof the word "RES"; and

4 Further amend said bill, Page 14, Section 393.1435, Line 75, by inserting after "RES" the
5 word "rate"; and

6 Further amend said bill, Page 14, Section 393.1435, Line 79, by inserting after "RES" the
7 word "rate"; and

8 Further amend said bill, Page 14, Section 393.1435, Line 84, by deleting all of said line
9 and inserting in lieu thereof the following: "included in a RES rate, the electric utility shall
10 change its RES rate in the future as necessary to"; and

11 Further amend said bill, Page 15, Section 393.1435, Line 107, by inserting after all of said
12 line the following:

13 "13. Alternatively, an electric utility may recover RES compliance costs without use of
14 the RES cost recovery mechanism, through rates established in a general rate proceeding. In the
15 interim between general rate proceedings, the electric utility may defer the costs in a regulatory
16 asset account, and monthly calculate a carrying charge on the balance in that regulatory asset
17 account equal to its short-term cost of borrowing. All questions pertaining to rate recovery of the
18 RES compliance costs in a subsequent general rate proceeding will be reserved to that proceeding,
19 including the prudence of the costs for which rate recovery is sought and the period of time over
20 which any costs allowed rate recovery will be amortized. Any rate recovery granted to RES
21 compliance costs under this subsection shall be fully subject to the retail rate impact requirements
22 of the RES."; and

23 Further amend said bill, Page 16, Section 393.1443, Lines 3 and 4, by deleting all of said
24 lines and inserting in lieu thereof the following: "sections 393.1400 to 393.1440, and the
25 Missouri public service commission shall allow for such recovery under sections 393.1400 to
26 393.1440."; and

27
28 Further amend said bill by amending the title, enacting clause, and intersectional references
29 accordingly.