



16-042

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STATE OF MISSOURI

ELECTIONS DIVISION
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April 9, 2015

The Honorable John Watson
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Winston Apple regarding a proposed statutory amendment to Chapter 386 (2016-042).

Dear Auditor Watson:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Winston Apple on April 8, 2015.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

Jason Kander

RECEIVED

APR 09 2015

STATE AUDITORS OFFICE

cc: Hon. Chris Koster
Sheri Hoffman
Barbara Wood

Be it enacted by the people of the state of Missouri, as follows:

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Section A, Chapter 386, RSMo, is amended by adding thereto one new section, to be known as section 386.900, to read as follows:

386.900. 1. As used in this section, the following terms shall mean:

(1) "Contract customer", a person or corporation, including affiliates and subsidiaries, that executes or will execute a renewable energy contract with a renewable energy facility owner;

(2) "Qualified utility", any municipal utility, electrical corporation, or rural electric cooperative that provides retail electric service in this state;

(3) "Renewable energy contract", a contract between a renewable energy facility owner and a contract customer for the delivery of electricity from one or more renewable energy facilities to a contract customer requiring the use of the qualified utility's transmission or distribution system to deliver the electricity from a renewable energy facility to the contract customer;

(4) "Renewable energy facility", a facility that produces electrical energy that utilizes renewable energy sources as defined in section 393.1025, and does not include an electric generating facility whose costs have been included in a qualified utility's rates as a facility providing electric service to the qualified utility's system. A renewable energy facility shall not be considered a public utility as defined in section 386.020.

2. Under a renewable energy contract, a qualified utility shall:

(1) Contract with the renewable energy facility's owner;

(2) Purchase electricity for resale to one or more contract customers; and

(3) Sell such electricity to the contract customer or customers under a renewable energy contract with the same duration and pricing as the contract between the qualified utility and the owner of the electricity to be sold from the renewable energy facility.

3. Within sixty days of receiving a request from a contract customer, subject to reasonable credit requirements, a qualified utility shall approve the use of its transmission or distribution system pursuant to a renewable energy contract to supply some or all of the contract customer's electric service from one or more renewable energy facilities selected by the contract customer. The pricing and duration of the contract for electricity to be sold from the renewable energy facility shall be determined by negotiation between the renewable energy facility's owner and the contract customer. The contract customer shall be responsible for any incremental costs required for delivery of the electricity from the renewable energy facility to the transmission system granted by the regional transmission organization of which the qualified utility is a member. The qualified utility shall not be held responsible for any costs related to customer default. A qualified utility shall charge a contract customer the applicable generation charges including those in base rates, rider, or surcharges only for electricity delivered to the contract customer outside of a renewable energy contract.

4. A renewable energy contract may provide for electricity to be delivered to a contract customer:

(1) From one renewable energy facility to a contract customer's single metered delivery location;

(2) From multiple renewable energy facilities to a contract customer's single metered delivery location;

(3) From one or more renewable energy facilities to a single contract customer's multiple metered delivery locations; or

(4) From one or more renewable energy facilities to a single contract customer for distribution to multiple qualified utility customer's metered delivery locations.

5. By January 1, 2017, a qualified utility shall file a tariff with the commission or the governing body of the electric utility regarding the renewable real time pricing program. A qualified utility shall charge a contract customer for all metered electric service delivered to the contract customer under this program and the tariff shall include rates, as determined by the commission or the governing body of the electric utility, for the recovery of reasonable administrative costs, cost-based distribution service, cost-based transmission service, cost-based monthly generation capacity service, and supplemental energy service for any kilowatt-hours of electricity contracted for delivery but not delivered from the renewable energy facility priced at the hourly locational marginal price of the applicable regional transmission organization for the qualified utility or at a separately negotiated and agreed upon rate by the qualified utility and the contract customer.

6. To be eligible for service under this section, a contract customer shall have a minimum annual peak demand of one megawatt. A single contract customer may aggregate multiple metered delivery locations to satisfy such megawatt requirement.

7. Electricity generated by a renewable energy facility and delivered to a contract customer under a renewable energy contract shall not be included in a net metering program created under section 386.890. The right to any environmental attribute associated with the renewable energy facility shall remain the property of the renewable energy facility's owner, except to the extent that a contract to which the owner is a party provides otherwise.

8. The right to any environmental attribute associated with the renewable energy facility shall remain the property of the renewable energy facility's owner, except to the extent that a contract to which the owner is a party provides otherwise.

9. The commission may promulgate any rules and regulations necessary to effectuate the provisions of this section. Any rule or portion of a rule, as that term is defined in section 5 that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2017, shall be invalid and void.