



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 6, 2020

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 06 2020

STATE AUDITORS OFFICE

RE: Petition approval request from James Owen regarding a proposed statutory amendment to Chapter 393, version 1 (2020-142)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by James Owen on January 3, 2020.

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,

A handwritten signature in black ink, appearing to read "John R. Ashcroft".

John R. Ashcroft

cc: Hon. Eric S. Schmitt
Sheri Hoffman
Trish Vincent

County _____
Page _____

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John R. (Jay) Ashcroft, Secretary of State for the State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 3rd day of November, 2020, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

(Official Ballot Title)

RECEIVED
2020 JAN -3 PM 4:20
John R. Ashcroft
MISSOURI SEC. OF STATE

CIRCULATOR’S AFFIDAVIT STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print or type names of signers)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Street) (City, Town or Village)	ZIP CODE	CONGR. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer _____.

Signature of Affiant (Person obtaining signatures) (Printed Name of Affiant) Address of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D. 202_.

Signature of Notary Address of Notary
Notary Public (Seal) My commission expires _____

Be it enacted by the people of the state of Missouri:

Sections 393.1025 through 393.1030, RSMo. are repealed and three new sections, to be known as sections 393.1025, 393.1030, and 393.1060 are enacted in lieu thereof, to read as follows:

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

- (1) "Commission", the public service commission;
- (2) "Department", the department of [economic development] natural resources;
- (3) "Electric utility", any electrical corporation as defined by section 386.020;
- (4) "Renewable energy credit" or "REC", a tradeable certificate of proof that one megawatt-hour of electricity has been generated from renewable energy sources; and
- (5) "Renewable energy resources", electric energy produced from wind, solar thermal sources, photovoltaic cells and panels, dedicated crops grown for energy production, cellulosic agricultural residues, plant residues, methane from landfills, from agricultural operations, or from wastewater treatment, thermal depolymerization or pyrolysis for converting waste material to energy, clean and untreated wood such as pallets, [hydropower (not including pumped storage) that does not require a new diversion or impoundment of water and that has a nameplate rating of ten megawatts or less, fuel cells using hydrogen produced by one of the above-named renewable energy sources,] and other sources of energy not including nuclear that become available after November 4, 2008, and are certified as renewable by rule by the department. Electric energy produced from hydropower facilities (not including pumped storage) certified as renewable by rule by the department that do not require a new diversion or impoundment of water and that have a nameplate rating of ten megawatts or less shall also constitute renewable energy resources for purposes of compliance with the portfolio requirements applicable to calendar years 2011 through 2024, and hydropower facilities (not including pumped storage) certified as renewable by rule by the department that do not require a new diversion or impoundment of water irrespective of the nameplate rating shall constitute renewable energy resources for purposes of compliance with the portfolio requirements applicable to calendar year 2025 and thereafter.

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

- (1) No less than two percent for calendar years 2011 through 2013;
- (2) No less than five percent for calendar years 2014 through 2017;
- (3) No less than ten percent for calendar years 2018 through 2020; [and]
- (4) No less than fifteen percent [in each calendar year beginning in 2021.] for calendar years 2021 through 2024;
- (5) No less than twenty percent for calendar years 2025 through 2029;
- (6) No less than thirty percent for calendar years 2030 through 2034;
- (7) No less than thirty-five percent for calendar years 2035 through 2039; and
- (8) No less than forty percent for calendar year 2040 and each year thereafter.

2. [At least two percent of each portfolio requirement shall be derived from solar energy.] The portfolio requirements set forth in subsection 1 of this section shall apply to all power sold to Missouri consumers whether such power is self-generated or purchased from another source in or outside of this state. A utility may comply with such portfolio requirements in whole or in part by purchasing RECs[.], provided that such RECs are either associated with electricity produced by the electric utility, or are associated with electricity purchased by the electric utility. At least two percent of each portfolio requirement applicable to calendar years 2011 through 2024, and at least five percent of each portfolio requirement applicable to calendar year 2025 and thereafter, shall be derived from solar energy. Each kilowatt-hour of eligible energy generated in Missouri shall count as 1.25 kilowatt-hours for purposes of compliance with the portfolio requirements set forth in subsection 1 of this subsection.

3. (1) This subsection shall apply to each purchased power agreement with a term commencing on or after January 1, 2025 that the electric utility entered into for compliance with the portfolio requirements applicable to calendar year 2025 and thereafter. If the term of one or more purchased power agreements have commenced prior to the rate base cutoff date in one of the electric utility's regular rate cases, the commission shall, without limiting recoveries outside the context of a regular rate case as contemplated by the mechanism required by subdivision (4) of subsection 4 of this section:

(i) include in the revenue requirement used to set base rates in that regular rate case an amount equal to the electric utility's prudently incurred costs to purchase energy, capacity, and RECs under each such agreement; and

(ii) include in the revenue requirement used to set base rates in that regular rate case an additional amount equal to the common equity earnings the electric utility would have received had it, in lieu of entering into each such purchased power agreement, instead invested in and placed in service, on the date the term of each such purchased power agreement commenced, a renewable energy resource of the type being operated to supply energy under each such purchased power agreement with a capacity sufficient to provide the quantity of energy being purchased under each such purchased power agreement. In determining the additional amount required by this item (ii), the commission shall utilize the common equity return on rate base and the common equity percentage used to determine the revenue requirement in that regular rate case and shall also include in such revenue requirement applicable federal, state, and local income and excise taxes associated with such additional amount.

(2) Items (i) and (ii) in subdivision (1) of this subsection shall continue to be included in the revenue requirement used to set rates in each subsequent electric utility regular rate case where the term of the purchased power agreement remains ongoing as of the rate base cutoff date in that proceeding. The amount included in the revenue requirement in subsequent regular rate cases for item (i) shall be based upon costs for the test period in that case. Except as specifically provided for below, the amount included in the revenue requirement in subsequent regular rate cases for item (ii) shall be calculated in the same manner as calculated for item (ii) in the first regular rate case where such amount was determined and shall not be recalculated in subsequent regular rate cases, except that the calculation in each subsequent regular rate case shall utilize the common equity return on rate base and the common equity percentage used to determine the revenue requirement in that subsequent case and shall account for accumulated depreciation that would have been accrued had the electric utility invested in and placed a renewable energy resource in service instead of entering into a purchased power agreement.

(3) The phrase "rate base cutoff date" shall have the meaning given in in subdivision (4) of subsection 1 of section 393.1400 as of the date of its original enactment.

[2]4. The commission, in consultation with the department and within one year of November 4, 2008, shall select a program for tracking and verifying the trading of renewable energy credits. An unused credit may exist for up to three years from the date of its creation. A credit may be used only once to comply with sections 393.1020 to 393.1030 and may not also be used to satisfy any similar nonfederal requirement. An electric utility may not use a credit derived from a green pricing program towards compliance with the standard. Certificates from net-metered sources shall initially be owned by the customer-generator. The commission, except where the department is specified, shall make whatever rules are necessary to enforce the renewable energy standard. Such rules shall include:

(1) A maximum average retail rate increase of one percent determined by estimating and comparing the electric utility's cost of compliance with least-cost renewable generation and the cost of continuing to generate or purchase electricity from entirely nonrenewable sources, taking into proper account future environmental regulatory risk including the risk of greenhouse gas regulation. Notwithstanding the foregoing, until June 30, 2020, if the maximum average retail rate increase would be less than or equal to one percent if an electric utility's investment in solar-related projects initiated, owned or operated by the electric utility is ignored for purposes of calculating the increase, then additional solar rebates shall be paid and included in rates in an amount up to the amount that would produce a retail rate increase equal to the difference between a one percent retail rate increase and the retail rate increase calculated when ignoring an electric utility's investment in solar-related projects initiated, owned, or operated by the electric utility. Notwithstanding any provision to the contrary in this section, even if the payment of additional solar rebates will produce a maximum average retail rate increase of greater than one percent when an electric utility's investment in solar-related projects initiated, owned or operated by the electric utility are included in the calculation, the additional solar rebate costs shall be included in the prudently incurred costs to be recovered as contemplated by subdivision (4) of this subsection;

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

(3) Provisions for an annual report to be filed by each electric utility in a format sufficient to document its progress in meeting the targets;

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

[3. As provided for in this section, except for those electrical corporations that qualify for an exemption under section 393.1050, each electric utility shall make available to its retail customers a solar rebate for new or expanded solar electric systems sited on customers' premises, up to a maximum of twenty-five kilowatts per system, measured in direct current that were confirmed by the electric utility to have become operational in compliance with the provisions of section 386.890. The solar rebates shall be two dollars per watt for systems becoming operational on or before June 30, 2014; one dollar and fifty cents per watt for systems becoming operational between July 1, 2014, and June 30, 2015; one dollar per watt for systems becoming operational between July 1, 2015, and June 30, 2016; fifty cents per watt for systems

becoming operational between July 1, 2016, and June 30, 2017; fifty cents per watt for systems becoming operational between July 1, 2017, and June 30, 2019; twenty-five cents per watt for systems becoming operational between July 1, 2019, and June 30, 2020; and zero cents per watt for systems becoming operational after June 30, 2020. An electric utility may, through its tariffs, require applications for rebates to be submitted up to one hundred eighty-two days prior to the June thirtieth operational date. Nothing in this section shall prevent an electrical corporation from offering rebates after July 1, 2020, through an approved tariff. If the electric utility determines the maximum average retail rate increase provided for in subdivision (1) of subsection 2 of this section will be reached in any calendar year, the electric utility shall be entitled to cease paying rebates to the extent necessary to avoid exceeding the maximum average retail rate increase if the electrical corporation files with the commission to suspend its rebate tariff for the remainder of that calendar year at least sixty days prior to the change taking effect. The filing with the commission to suspend the electrical corporation's rebate tariff shall include the calculation reflecting that the maximum average retail rate increase will be reached and supporting documentation reflecting that the maximum average retail rate increase will be reached. The commission shall rule on the suspension filing within sixty days of the date it is filed. If the commission determines that the maximum average retail rate increase will be reached, the commission shall approve the tariff suspension. The electric utility shall continue to process and pay applicable solar rebates until a final commission ruling; however, if the continued payment causes the electric utility to pay rebates that cause it to exceed the maximum average retail rate increase, the expenditures shall be considered prudently incurred costs as contemplated by subdivision (4) of subsection 2 of this section and shall be recoverable as such by the electric utility. As a condition of receiving a rebate, customers shall transfer to the electric utility all right, title, and interest in and to the renewable energy credits associated with the new or expanded solar electric system that qualified the customer for the solar rebate for a period of ten years from the date the electric utility confirmed that the solar electric system was installed and operational.]

[4]5. The department shall, in consultation with the commission, establish by rule a certification process for electricity generated from renewable resources and used to fulfill the requirements of subsection 1 of this section. Certification criteria for renewable energy generation shall be determined by factors that include fuel type, technology, and the environmental impacts of the generating facility. Renewable energy facilities shall not cause undue adverse air, water, or land use impacts, including impacts associated with the gathering of generation feedstocks. If any amount of fossil fuel is used with renewable energy resources, only the portion of electrical output attributable to renewable energy resources shall be used to fulfill the portfolio requirements.

[5]6. In carrying out the provisions of this section, the commission and the department shall include methane generated from the anaerobic digestion of farm animal waste and thermal depolymerization or pyrolysis for converting waste material to energy as renewable energy resources for purposes of this section.

[6]7. The commission shall have the authority to promulgate rules for the implementation of this section, but only to the extent such rules are consistent with, and do not delay the implementation of, the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, 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, 2013, shall be invalid and void.

393.1060. It is the policy of the state of Missouri to support beneficial electrification programs offered by electrical corporations. In furtherance of this policy the Missouri Public Service Commission shall approve any electrification program proposed by an electrical corporation which is anticipated to be cost-effective for customers of the electrical corporation that are not participants in such programs over the long-run.