

HB 2343 -- Electrical Corporation Construction

Sponsor: Emery

Currently, an electrical corporation is prohibited from making or demanding charges for service that are based on the costs of construction in progress on any existing or new facility of the electric corporation or any other costs associated with owning, operating, maintaining, or financing the property before it is fully operational and used for service. This bill removes the prohibition for baseload generating plants and generating facilities and authorizes the Missouri Public Service Commission to make or demand additional charges for service based on additional amortizations to maintain the electrical corporation's financial ratios, if in the commission's judgment, it would better enable the corporation to cost-effectively construct or implement a generating plant, environmental upgrades, smart grid infrastructure, high and low voltage delivery infrastructure, energy facilities, or energy efficient programs.

The bill establishes the Missouri Energy Security Construction Act which requires the commission, for rate-making purposes and for obtaining required regulatory approvals, to treat all capital costs and expenses incurred by the subsidiary corporation, limited liability company, partnership, or other entity that an electrical corporation forms to acquire, finance, license, construct, own, operate, maintain, or decommission a baseload generating plant, as if the costs, expenses, and revenues were incurred or received directly by the electrical corporation and the plant itself was owned directly by the electrical corporation. The property of an electrical corporation owning a baseload generating plant must be treated as if it were owned by the electrical corporation for all purposes of the assessment and levy of property taxes.

The commission must convene a docket within 30 days of the effective date of the bill to consider the relative merits of various methods to finance baseload generating plants and generating facilities.

Procedural requirements are specified for an electrical corporation filing a project development application and a facility review order as well as requirements and procedures for when the commission considers the applications and orders regarding construction work in progress for both rate-making and regulatory approval purposes. No earlier than three months after the issuance of a facility review order which, if requested by the electrical corporation, must include an order approving revised rates and every three months thereafter the electrical corporation may file with the commission requests for the

approval of revised rates that must include the electrical corporation's additional investment in the facility as shown in its accounting records that were not previously included in the rates.

The bill specifies that courts of the state will have the power to review commission determinations but cannot stop or delay the construction, operation, or maintenance of a baseload generating plant or generating facility, except to require compliance with any unmet requirement or prohibit cost recoveries previously approved in commission proceedings.

Any state or regional agency, political subdivision, or other local government, with the exception of the Department of Natural Resources, is prohibited from requiring approval, consent, permit, certificate, or other condition for construction, operation, or maintenance of a baseload generating plant or other generating facility authorized by the commission with the exception of the application of state laws for the protection of employees engaged in the construction, operation, or maintenance of a facility. State agencies will continue to have authority to enforce compliance with applicable state statutes, rules, regulations, or standards within their authority.