

SS SCS HB 142 -- UTILITIES

This bill changes the laws regarding utilities.

TAX EXEMPTION FOR SOLAR SYSTEMS

The bill adds solar systems not held for resale to the list of property and items that are exempt from taxation for state, county, or local purposes under Section 137.100, RSMo.

WATER AND SEWER CORPORATIONS

The bill requires the Missouri Public Service Commission to consider water and sewer corporations as a single group of public utilities for the purposes of the fiscal year assessment of the utilities to fund the expenses incurred by the commission as reasonably attributable to the regulation of public utilities as specified under Section 386.370. Currently, they are to be considered separately.

The bill prohibits a person, public utility, or other corporation purchasing, acquiring, taking, or holding 50% or more of the capital stock issued by a water or sewer corporation that regularly provides service to 8,000 or fewer customers without notifying the commission within 30 days of the acquisition and prohibits the transfer without the consent of the commission when it is delinquent in filing its annual report with the commission, is six months or more delinquent in paying its commission assessment, or is in violation of any other commission or Department of Natural Resources rule or regulation.

The bill specifies that the commission may approve the acquisition of a small water corporation by a large water corporation based on specified criteria. For purposes of ratemaking, the commission must place the area of the smaller water utility in a service area of the acquiring larger public water utility based on factors including geography, contiguousness, and operational or other factors. This consolidation must be approved by the commission in its order approving the acquisition.

JOINT MUNICIPAL UTILITY COMMISSION ACT

The bill clarifies that the governing body of each contracting municipality may vote to issue municipal bonds to finance its individual interest in a specified project. Approval by three-fourths of all of the governing bodies is required to issue the bonds.

SOLAR REBATE REQUIREMENTS FOR ELECTRIC UTILITIES

The bill modifies the solar rebate requirement for electric utilities under Section 386.890. A solar rebate is capped at 1% of the average retail rate increase ignoring a utility's own investment in solar-related projects. A utility must file to suspend a rate tariff based on the rebate cap at least 60 days prior to the change taking effect. A solar rebate is set at \$2 per watt for a system operational on or before June 30, 2014, and decreases annually as specified in the bill until the rebate is phased out on June 30, 2020. As a condition of receiving a rebate, a customer must transfer the right, title, and interest in and to the renewable energy credits to the utility for a period of 10 years from the date the system was installed and operational as confirmed by the utility. Solar rebate expenses that cause an electric utility to exceed the maximum average retail rate increase while a tariff filing is under consideration by the commission must be considered prudently incurred costs that a utility may recover outside a normal rate case under Section 393.1030. The bill does not modify the energy portfolio requirements under Section 393.1030.

ENERGY EFFICIENCY PROGRAMS

Currently, any customer of an electrical corporation that has received a Missouri Low-Income Housing Tax Credit or a Historic Structures Rehabilitation Tax Credit is not eligible for participation in any demand-side program offered by an electrical corporation under the Missouri Energy Efficiency Investment Act if the program offers a monetary incentive to the customer. The bill specifies that this exclusion from eligibility will not apply to any low-income customer who would otherwise be eligible to participate in a demand-side program.