

SECOND REGULAR SESSION

HOUSE BILL NO. 1726

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE KIDD.

5112H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 386, RSMo, by adding thereto one new section relating to renewable power purchase agreements.

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

Section A. Chapter 386, RSMo, is amended by adding thereto one new section, to be known as section 386.902, to read as follows:

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

(1) "Commission", the Missouri public service commission;

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

(3) "Qualified utility", a contract under this section 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 for the production of electrical energy that utilizes a renewable energy resource as defined in subdivision (5) of 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.

2. Within sixty days after receiving a request from a contract customer, and subject to reasonable credit requirements, a qualified utility shall approve the use of its

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 **transmission or distribution system, pursuant to a renewable energy contract to supply**
19 **some or all of the customer's electric service from one or more renewable energy facilities**
20 **selected by the contract customer.**

21 **3. A renewable energy contract may provide for electricity to be delivered to a**
22 **contract customer:**

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

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

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

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

31 **4. To be eligible for service under this section, a contract customer shall meet a**
32 **minimum annual peak demand of one megawatt.**

33 **5. A single contract customer may aggregate multiple metered delivery locations**
34 **to satisfy the minimum megawatt limit under subsection 4 of this section.**

35 **6. Electricity generated by a renewable energy facility and delivered to a contract**
36 **customer under a renewable energy contract shall not be included in a net metering**
37 **program under section 386.890.**

38 **7. The pricing and duration of the contract for the electricity to be sold from the**
39 **renewable energy facility shall be determined by negotiation between the renewable energy**
40 **facility's owner and the contract customer.**

41 **8. The contract customer shall be responsible for any incremental costs required**
42 **for delivery of the electricity from the renewable energy facility to the transmission system**
43 **granted by the transmission organization of which the qualified utility is a member.**

44 **9. The qualified utility shall:**

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

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

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

50 **10. The qualified utility shall not be held responsible for costs related to customer**
51 **default.**

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

55 **12. Within ninety days of the effective date of this section, a qualified utility shall**
56 **file for approval by the commission or the governing body for other electric utilities a**
57 **"Renewable Real Time Pricing Program" tariff to provide service subject to this section.**
58 **A qualified utility shall charge a contract customer for all metered electric service delivered**
59 **to the contract customer under this program and the tariff shall include rates as**
60 **determined by the commission or the governing body for other electric utilities for the**
61 **recovery of:**

62 **(1) Reasonable administrative costs;**

63 **(2) Cost-based distribution service;**

64 **(3) Cost-based transmission service;**

65 **(4) Cost-based monthly generation capacity service; and**

66 **(5) Supplemental energy service for any kilowatt-hours of electricity contracted for**
67 **delivery but not delivered from the renewable energy facility, priced at the hourly**
68 **locational marginal price of the applicable regional transmission organization hub for the**
69 **qualified utility, or at a separately negotiated and agreed upon rate by the qualified utility**
70 **and contract customer.**

71 **13. A qualified utility shall charge a contract customer the applicable generation**
72 **charges, including those in base rates, riders, or surcharges, only for electricity delivered**
73 **to the contract customer not pursuant to a renewable energy contract.**

74 **14. A contract customer shall be served under the renewable real time pricing**
75 **program for the duration of the executed renewable energy contract. Repeal or**
76 **amendment of this section shall not abrogate the rights and obligations of the contract**
77 **customer and qualified utility under an executed renewable energy contract.**

78 **15. A renewable energy facility is not a public utility as defined by subdivision (43)**
79 **of section 386.020.**

80 **16. The commission or the governing body for other electric utilities may**
81 **promulgate any rules and regulations necessary to effectuate the provisions of this section.**
82 **Any rule or portion of a rule, as that term is defined in section 536.010, that is created**
83 **under the authority delegated in this section shall become effective only if it complies with**
84 **and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028.**
85 **This section and chapter 536 are nonseverable, and if any of the powers vested with the**
86 **general assembly pursuant to chapter 536 to review, to delay the effective date, or to**
87 **disapprove and annul a rule are subsequently held unconstitutional, then the grant of**

88 **rulemaking authority and any rule proposed or adopted after August 28, 2016, shall be**
89 **invalid and void.**

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