

HCS HB 2541 -- DEFERRALS BY ELECTRICAL CORPORATIONS

SPONSOR: Hurlbert

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Utilities by a vote of 12 to 0.

The following is a summary of the House Committee Substitute for HB 2541.

This bill removes "new natural gas units" from the definition of "qualifying electric plant" for the purposes of certain deferrals by electrical corporations.

Currently an electrical corporations must defer to a regulatory asset 85% of all depreciation expense and return associated with all qualifying electric plant recorded to plant-in-service on the utility's books. The bill increases the required deferral to 100%.

The cost of investments in new gas-fired generation are excluded from the total investments reflected in each year's capital investment plan for which required investments in grid modernization projects are determined.

The bill extends the sunset date of certain provisions relating to deferrals by electrical corporations from December 31, 2028 to December 31, 2035. The deadline to file an application seeking permission from the Public Service Commission relating to deferrals shall be extended from December 31, 2026 to December 31, 2033.

Provisions relating to electrical corporations seeking deferrals will expire on December 31, 2040, instead of on December 31, 2033.

This bill is the same as SB 1422 (2024).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that several federal initiatives have increased the potential for large economic development projects in the state. However, availability of power generation is a large consideration for siting of these projects. Missouri needs to ensure that it has the generation capacity to reliably supply power for future developments. This bill would help ensure that electrical utilities have the assurance that a project is prudent prior to moving forward with building increased electrical generation facilities.

Testifying in person for the bill were Representative Hurlbert; Missouri Chamber of Commerce and Industry; Evergy; Hunt Midwest; Greater Kansas City Chamber of Commerce; and Ameren Missouri.

OPPONENTS: Those who oppose the bill say that utility companies will continue to make investments in generation without predeterminations by the Public Service Commission. The Commission should not determine if a project is in the best interest of the utility company. That decision should be made by the company. In addition, the timeline for predetermination set out in the bill is unrealistic. These decisions can not be made in 180 days.

Testifying in person against the bill were Sierra Club Missouri Chapter; Aarp; Consumers Council of Missouri; and Arnie C. Dienoff.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.