

"Watt for Watt" Bad for Ratepayers and the Environment

Oppose in SB 740 & 757, HB 1746 & HB 1753



The Sierra Club opposes the proposal to create a section 393.401 to the Missouri Revisor of Statutes. This proposal was originally heard as SB 757 and HB 1753 and is now part of utility omnibus bills SB 740 and HB 1746.

By demanding a "watt for watt" replacement of electricity production when a plant goes offline, this proposal removes flexibility in utility planning, undermines our ability to create a resilient energy grid, and locks customers into expensive fuels, despite affordable alternatives such as energy efficiency, demand response, storage, and other technologies that could effectively and affordably replace fossil generation.



Ignores Available Alternatives

Energy efficiency, for example, can dramatically lower load for utilities and save money for customers, yet this proposal willfully ignores this simple way to replace firm generation. The bill is effectively a gift to the fossil fuel industry, paid for by customers who have no choice in their energy providers.

The logic for the bill, as presented in committee, defies the real life example that we see happening in California right now. The most populous state in our country is getting closer and closer to 100% renewable power 100% of the time through its use of solar, wind, hydropower, geothermal, battery storage and energy efficiency programs.

Allows Monopoly Utilities to Gouge Ratepayers

As monopolies are guaranteed return of their investment, utilities are naturally motivated to build the most expensive infrastructure they can get away with. What they want is to build expensive natural gas-burning plants and let ratepayers pick up the tab for both the plant and the volatile price of the gas. They should prioritize cheaper and even more reliable methods like demand management, energy efficiency, grid-enhancing technologies that increase the carrying capacity of existing transmission lines, and combinations of wind, solar and battery storage.

As presently written, the proposal doesn't even allow for obviously needed downward adjustments for power production for events such as the closure of an aluminum smelter.