

Chairman Dempsey, Senator Ridgeway, members of the committee;

I need to start today by offering my most sincere and deep apology to this committee and to the General Assembly for troubling you with the issue before us today. With that apology, please be assured that most stakeholders in this process – the utilities, the industrial consumers and the Office of Public Counsel, as well as Commissioner Jarrett and I, have made every effort to follow the true will of the voters that was enacted in Proposition C and to correct the issue now before you. We failed you and the people of this state and, for that, I again apologize.

All of us are all here for one single reason - to serve the people of this state. On November 4, 2008, Missouri voters went to the poles and adopted a renewable energy standard that required Missouri utilities to use renewable resources to produce our energy and to cap the amount of money utilities spend in meeting those requirements at one percent.

When the voters adopted Proposition C, Missourians set a standard for responsible stewardship of the environment AND fiscal conservatism. Those two points are woven throughout the Proposition C Statute and they are inseparable. Unfortunately, not all the players in this endeavor have demonstrated such selfless goals.

In fact, you may have to go back to when the James boys robbed their first train on Gad's Hill to witness such a shameless attempt at plundering the innocent. Only this time, the victims aren't train passengers, they are your constituents. They are the utility customers who are getting a lug put on their monthly electric bill to pay for someone else's largesse.

Today, the bandits don't wear masks or carry pistols. They wear suits and hide behind names like “Wind on the Wires” and “Renew Missouri.” They hire lobbyists and lawyers to stroll the halls of the capital. They won't come into your office and say “stick ‘em up, make everyone in Missouri buy my wind.” Instead, they use another age old tactic – the bait-and-switch. Give the voters one thing, then go attempt to enact a far different measure through an administrative rulemaking.

They promise "green jobs", economic development and help for struggling farmers without ever saying where the money comes from or how much it's going to cost. It's time everyone wakes up and realizes what they're really doing here is simply a ploy to create a monopoly for their wind and solar projects – projects they can't get investors to fund despite getting federal government subsidies so enormous that if those subsidies were taken away and given to a utility like Ameren. Using their existing fleet of generation, those subsidies would cut the cost of the electricity generated in half. Before transmission and distribution, it would almost be free.

There is absolutely no language in Proposition C requiring renewable energy credits from generation produced in this state. Quite the contrary. The law clearly states RECs can be purchased from within or outside of Missouri and it even contains a benefit for in-state generation – a 25% bonus credit.

That's simply not enough for the proponents of this disallowed language. They want Missouri utilities to buy all of their electricity from Missouri and, in settlement discussions, they've actually asked for the flexibility to raise rates 20% in 1 year or 6% a year over a period of several years. All of this to pay for a fraction of our state's energy. One group, one person holds options on most of the best wind locations in this state. Let's be clear, this is a monopoly. The Missouri Public Service Commission -- the oldest

agency in state government -- was formed by your predecessors almost a century ago to protect the citizens of this state through the regulation of such monopolies. I think it's ironic that almost 100 years later we are here discussing two specific parts of a rule promulgated by the PSC that creates an unregulated monopoly all across this state -- an unregulated monopoly that if allowed to proceed in rule, will significantly and needlessly increase the electric rates of almost every utility consumer in this state. Not to protect the environment, not to strengthen our generation diversity -- but simply to line the pockets of renewable energy speculators who can't fund their own projects.

This is not what Missouri voters approved in adopting Proposition C. That's why I voted against the rule. That's why the Joint Committee on Administrative Rules disallowed these sections. And that's why I'm here today.

On January 31, 1874, one of your predecessors - state Rep. L. M Farris, of Reynolds County, was a passenger on the southbound Little Rock Express, heading home from performing his duties as a member of the Missouri General Assembly. On his way, he met the five members of the James-Younger gang, at a little station history remembers as Gad's Hill.

Representative Farris was a firsthand eyewitness to the very first train robbery. It was one of the most daring robberies in the history of this state. Today, you are here witnessing another daring attempt to rob the people of this state, but today is different. These robbers aren't carrying guns and unlike Representative Farris you have the ability to stop these robbers dead in their tracks. I urge you to do so.

Thank you, and I'll be happy to answer any questions.