

STATE LEGISLATION



2022 Major Utility Legislation

Senate Bill 745 (SB 745) began as authorization for utility companies to employ a property tax tracker to be used in general rate proceedings instead of the historic test year number. The property tax tracker would compare the difference between property tax included in rates against the actual property taxes paid by the utility. The difference would then be recovered in a future rate case.

The utilities argued that this change was necessary in order to more accurately reflect their changing costs in between rate cases. A number of utility adjacent portions were added, primarily relating to the tax treatment for the purchase of utilities and solar energy systems. With respect to the Commission, SB 745 also authorized a task force to study net metering, extended the Plant-In-Service-Accounting (PISA) statutes out another five years, and provided for discounted electric rates for qualifying new load customers. Other notable portions of SB 745 banned restrictive covenants which limit or prohibit the installation of solar panels on the rooftop of a property or structure and added individually identifiable customer usage and billing records for municipal utility customers to the list of records which may be closed under Missouri's Sunshine Law.

House Bill 2005 (HB 2005) represents the culmination of a years-long battle between Invenergy's Grain Belt Express transmission line project and private land owners, primarily farmers. The land owners have contended that the Grain Belt project should not be the beneficiary of eminent domain authority as it is primarily a transmission line and does not provide sufficient benefit to Missouri residents the same way as traditional utility providers.

Invenergy contended that they had fulfilled all requirements under the law and that the Grain Belt project could not legally be subject to any new restrictions. The eventual compromise language saw new requirements that transmission line projects have the ability to deliver a proportional share of energy capacity within the state to the total number of miles the line traverses Missouri. The minimum amount of compensation due to owners of agricultural or horticultural land obtained via eminent domain was also raised to 150% of fair market value. Notably, these new requirements are to be prospective only, and do not attach to projects which have applied to the Commission prior to August 28, 2022.

Senate Bill 820 (SB 820) was also truly agreed and finally passed. It was another utility omnibus whose contents were redundant with elements of SB 745 and HB 2005.