

"The Electric Choice and Competition Law"

MO [HB2233](#) / [HB2207](#) (Rep. Tricia Byrnes / Rep. Don Mayhew) & [SB1411](#) (Sen. Nick Schroer)

This is intended to provide a high-level summary of the legislation. Please refer to the legislation text for exact words, definitions and full content.

ELIGIBILITY

This legislation applies only to Missouri's investor-owned utilities (Evergy MO West, Evergy Metro, Union Electric/Ameren and Empire District Electric) and customers. Distribution cooperatives and municipal systems are exempt and have the freedom to opt into the market at their choosing.

PROCESS FOR BREAKING UP THE UTILITY MONOPOLY ON GENERATION OF ELECTRICITY

Each investor-owned utility will submit a "restructuring plan" to the Missouri Public Service Commission (MOPSC). This will include items such as:

- A summary of generation assets, timelines for retirement, capital costs, debt, etc.
- A breakout of costs within the rates charged to customers (for example: transmission, distribution/delivery, supply/fuel, utility programs such as energy efficiency, energy assistance programs, operation and management costs, etc.)
- A coordination plan for jointly serving customers with retail energy suppliers
- Procedures for providing customers with default supply service during the transition period

The MOPSC will review these plans, hold hearings and issue an order accepting, modifying or rejecting the plan with specific instructions if modifications or new submissions are required.

The utility will "unbundle" the electric rates charged to ratepayers so the different "buckets" of the costs to serve ratepayers are broken out within their business and costs to provide generation and supply services are removed.

Utilities will break off the generation / supply portion of their business by 1.) selling the assets to an unaffiliated entity 2.) transferring the assets to a nonutility affiliate or 3.) a combination of both.

An independent system operator may oversee this process to ensure that no one entity owns generation assets in an amount that gives the entity market power.

TIMELINE & CUSTOMER TRANSITION

August 28, 2028: commercial and industrial customers may shop

February 28, 2030: residential customers may shop

A six-month transition period will occur after each customer class is opened to shopping. During this period, the utility will provide a default supply service option for customers who do not immediately choose to enroll with a competitive energy supplier. This supply service will be procured from the wholesale energy market. In this market structure, utilities do not have the ability to recover "unexpected costs" through a fuel adjustment clause.

After the six-month transition period, the group of customers who have not elected to enroll with a retail energy supplier will be aggregated into a block of energy load that suppliers may bid on. The MOPSC will oversee this process and choose the supplier with the best option to serve these customers. This supplier is known as the "provider of last resort".

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CUSTOMERS ON ENERGY ASSISTANCE

Customers enrolled in utility energy assistance programs will also be aggregated into a block of energy load that suppliers will bid on. The MOPSC will oversee this process and choose the supplier with the best and most affordable option to serve these customers. This rate will be competitive at or below the utility default service rate.

UTILITY DELIVERY SERVICES (Poles and Wires)

The utilities will continue to own and manage the infrastructure to deliver electricity to customers and will continue to be responsible for the reliability of local distribution services. The utility will continue to recover these costs from ratepayers in the form of "delivery charges," including their current guaranteed return on equity (profit). The MOPSC will continue to regulate this transmission and distribution function of the utility.

CUSTOMER BILLING

Customers may choose to receive a bill from the utility for the delivery of electric service AND a bill from the supplier for the generation and supply of their electricity (dual billing) OR they can elect to receive one bill from the utility (utility consolidated billing) or one bill from the supplier (supplier consolidated billing). If the supplier sends the bill, the supplier will collect the "delivery charges" on behalf of the utility and remit these payments to the utility. If the utility sends the bill, the utility will collect the "supply/fuel" charges on behalf of the supplier and remit these payments to the supplier.

RETAIL MARKET OVERSIGHT

The MOPSC will establish an "Office of Retail Market Development and Oversight." This office and additional MOPSC staff resources necessary to execute these tasks and market oversight will be funded through an annual assessment of retail energy suppliers.

To operate in Missouri, each supplier must:

- Obtain a license from the MOPSC
- Pay a licensing fee to the MOPSC
- Execute and maintain a bond of \$500,000
- Complete a MOPSC-led training and certification program

The MOPSC will have the authority to impose civil penalties and suspend or revoke supplier licenses and the MOPSC is authorized to promulgate rules, regulations and consumer protections as necessary to implement the provisions laid out in this legislation.

CUSTOMER EDUCATION

MOPSC will develop a customer education program and explore developing a state shopping website similar to those managed by other state commissions (examples: [Pennsylvania Public Utility Commission](#) and [Public Utilities Commission of Ohio](#)).