

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Participation of Distributed Energy Resource)	
Aggregations in Markets Operated by Regional)	Docket Nos. RM18-9-000
Transmission Organizations and Independent)	AD18-10-000
System Operators)	

**JOINT STATEMENT OF THE ORGANIZATION OF MISO STATES AND THE
MIDCONTINENT INDEPENDENT SYSTEM OPERATOR, INC.**

The Organization of MISO States¹ (“OMS”) and the Midcontinent ISO (“MISO”) appreciate the Commission’s efforts to explore key issues around the integration of Distributed Energy Resources (“DER”) into wholesale markets and their impacts on the bulk power grid. Both OMS and MISO participated in the recent Technical Conference on the topic because greater deployment of DER is an important emerging policy issue across the nation, including in the MISO footprint. As a multi-state RTO region with predominately vertically integrated utilities, DER implementation raises different questions of jurisdictional cooperation than those found in restructured or single state RTOs. To address these issues, and the complex coordination needs between the distribution and transmission systems, the OMS and MISO are committed to working collaboratively to develop a long-term proposal for how to reliably and efficiently integrate DERs into the bulk power grid in support of our region's needs.

With this growth comes immense opportunity to enhance both reliability and efficiency of the grid leveraging this unprecedented change in how customer needs are met for electricity. As this Commission has recognized, this rate of growth has significant implications for reliability and

¹ The Illinois Commerce Commission and the Indiana Utility Regulatory Commission abstain.

economics on both the distribution and transmission systems, including bulk grid wholesale markets. MISO's multi state region and regulatory structure calls for tailored solutions that fit this unique character. We encourage FERC to build on its history of recognizing the value in tailored approaches and how they can then represent future building blocks for RTOs to learn from experiences in other regions. Recognizing that we, as an industry, don't yet know what best practices look like for integrating DER, fostering these "laboratories for innovation" should be viewed as a goal in our search for the initial way forward on DER integration into wholesale markets.

Both OMS and MISO believe that maintaining the momentum of our collaborative relationship is critical at this stage. We note that moving prematurely toward implementation of prescriptive DER applications could ultimately create artificial barriers and hamper future operational flexibility. More troubling, however, would be the premature application of a one size fits all solution when what is called for is further experiences with different approaches that uncover best practices given local conditions. For example, MISO today has in place a robust market roadmap process that evaluates, prioritizes and implements new market elements in a coordinated and holistic manner that meets the region's unique evolving needs. This process has positioned MISO as a leader in price formation reforms with some, like Extended LMP, becoming the model for FERC rules for all RTOs. It is important to remember that these innovations came after many years of research and exploration with adjustments along the way to ensure the approach is proven and valuable before being applied in a more uniform manner.

To that end, OMS and MISO support a deliberative and robust forum in which the broader stakeholder community of MISO members can help to identify and prioritize key issues for reliability, operations, markets and long-term planning on 1) integration approach 2) governance

coordination, 3) visibility tools 4) market design/pricing and 5) IT system enhancements in order to capture the value of these resources for the benefit of consumers. We believe that this sort of coordinated approach to DER implementation has the potential to enhance grid reliability and efficiency across our footprint, which includes 15 states, the City of New Orleans and the Province of Manitoba, while at the same time helping the industry uncover best practices.

We encourage the Commission to focus on pathways and exploration of options that will ultimately reveal best practices and advance efforts to take advantage of DERs in the manner best suited to each region. DER development and penetration in the MISO region is relatively low today and no immediate action is necessary. Therefore, we encourage the Commission to provide the time and flexibility to address these important issues in unique and innovative ways. And lastly, we look forward to working with the Commission to identify and implement policies that focus on market and reliability enhancements of most value to the MISO region.

Both OMS and MISO will be submitting individual Post-Technical Conference Comments to address the issues unique to each organization but felt strongly that the Commission be aware of the joint efforts underway to address the myriad of complicated issues related to DER in a manner that best serves the customers and stakeholders in the MISO region.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have this day e-served a copy of this document upon all parties listed on the official service list compiled by the Secretary in the above-captioned proceeding, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2012).

Dated this 1st day of June, 2018 in Carmel, Indiana.

/s/ Julie Bunn

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