



granting the Midwest ISO's request for such rehearing and/or clarification, as set forth below. In support thereof, the OMS states the following:

## **II. STATEMENT OF ISSUES AND SPECIFICATIONS OF ERROR/ CLARIFICATION**

The OMS strongly concurs with the Midwest ISO's description of the issues and specification of error or clarification, as set forth below:

1. The Commission erred in failing to distinguish between Demand Resources and Behind the Meter Generation in rejecting the Midwest ISO's forecast Load netting proposal.
  
2. In addition, the Commission erred in failing to permit verifiable Demand Resources from being netted against a Load Serving Entity's forecast load requirements.

## **III. ARGUMENT**

### **The Commission Erred In Failing to Distinguish Between Demand Resources and Behind-the-Meter Generation.**

In its request, the MISO indicates that:

“In the Rehearing Order, the Commission recognized that Load Modifying Resources (“LMRs”) consist of two types of resources, Demand Resources (“DRs”) and Behind the Meter Generation (“BTMG”), which serve to reduce a Load Serving Entity's (“LSE's”) peak load in different ways. DRs, as defined in the Midwest ISO's Energy and Operating Reserves Tariff consist of ‘Interruptible Load or Direct Load Management and other resources that can reduce Demand during Emergencies’.”<sup>4</sup>

The OMS concurs with these definitions. Paragraph 64 of the Rehearing Order, FERC docket ER08-394-001, indicates that both LMRs and behind-the-meter generation resources should carry planning reserves. The OMS believes that paragraph contains a drafting mistake, and that FERC did not intend all LMRs to be included, just utility behind-the-meter generation. Under the predecessor Mid-American Interconnected Network (MAIN) and Mid-Continent Area Power Pool (MAPP) reliability guidelines, LMRs, which are non-firm load, could be netted against load. If left in place, Paragraph 64 of the Rehearing Order would be interpreted to mean

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<sup>4</sup> *Id.* at 2.

utilities would need to carry additional planning reserves. This is in error and would in practice create inappropriate incentives against LMR programs.

#### IV. CONCLUSION

**WHEREFORE**, for the foregoing reasons, the OMS respectfully requests that the Commission grant rehearing and/or clarification of the Rehearing Order, as set forth herein.

The OMS submits these comments because a majority of the members have agreed to generally support them. Individual OMS members reserve the right to file separate comments regarding the issues discussed in these comments. The following members generally support these comments.

Iowa Utilities Board  
Indiana Utility Regulatory Commission  
Kentucky Public Service Commission  
Missouri Public Service Commission  
Montana Public Service Commission  
Nebraska Power Review Board  
North Dakota Public Service Commission  
Public Utilities Commission of Ohio  
South Dakota Public Utilities Commission  
Wisconsin Public Service Commission

The Illinois Commerce Commission, Michigan Public Service Commission, Minnesota Public Utilities Commission, and the Pennsylvania Public Utility Commission abstained from the vote on this pleading.

The Manitoba Public Utilities Board did not participate in this pleading.

The Indiana Office of Utility Consumer Counselor and the Iowa Office of Consumer Advocate, as associate members of the OMS, participated in this pleading and generally support it.

Respectfully Submitted,  
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Dated: December 5, 2008

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Des Moines, Iowa, this 5th day of December 2008.

William H. Smith, Jr.

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