

UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

Midwest Independent System Operator, Inc.)

Docket No. ER19-651-000

NOTICE OF INTERVENTION AND COMMENTS OF THE ORGANIZATION OF MISO STATES

Pursuant to Rule 214(a)(2) of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. §385.211 and §385.214(a)(2), the Organization of MISO States (“OMS”) submits its Notice of Intervention and Comments in the above-captioned docket.

On December 21, 2018, the Midcontinent Independent System Operator, Inc. (“MISO”) filed proposed revisions to its Open Access Transmission, Energy, and Operating Reserves Market Tariff (“Tariff”) amending the requirements placed on Demand Resources (“DR”) that are participating as Load Modifying Resources (“LMRs”) in MISO’s markets. The changes are part of ongoing and extensive stakeholder process, known as Resource Availability and Need (“RAN”), to evaluate and improve access to resources when they are needed by MISO. The OMS has supported the RAN initiative since its inception in 2017. The OMS believes that the issues MISO has identified within the RAN Issue Paper are ripe for stakeholder discussion and resolution and this filing represents one step in working towards longer-term holistic solutions.

I. Notice of Intervention

The OMS is a non-profit, self-governing organization comprised of representatives from the seventeen regulatory bodies with jurisdiction over entities participating in MISO and serves

as the regional state committee. The purpose of the OMS is to coordinate regulatory oversight among its members; make recommendations to MISO, the MISO Board of Directors, the Commission, and other relevant government entities and state commissions as appropriate; and intervene in proceedings before the Commission to express the positions of the OMS member agencies. As such, the OMS files its Notice of Intervention in this proceeding under Rule 214(a)(2), 18 C.F.R. §385.214(a)(2), of the Commission’s Rules of Practice and Procedure.

Service of pleadings, documents, and communications should be made on the following:

Marcus Hawkins
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II. Comments

Some of the issues that MISO intends to address within this process have been a focus of the states¹ for years. Specifically, the OMS has been supportive of investigating the improvements to the visibility of generator availability and capability since 2015.² In the past, the OMS has supported investigating a seasonal resource adequacy construct within the MISO footprint to enable a more accurate picture of resource availability. After incorporating stakeholder input and feedback, MISO has arrived at appropriate near-term solutions in this filing that will not interfere with further development of more robust modifications in the future.

The OMS supports the new testing requirements placed on Demand Resources in this filing. State regulators have a long history of involvement with creating demand-side programs

¹ Throughout this filing the term “states” should be understood to include the City of New Orleans.

² See, OMS Response to February 2015 MISO Hot Topic, p. 2, available at: <http://misostates.org/images/stories/Filings/HotTopics/2015/HotTopic-Feb15-ResourceAdequacy.PDF>

within the MISO footprint, and this filing is an appropriate avenue to ensure that ratepayers continue to benefit from their implementation. In the past, the MISO Independent Market Monitor (“IMM”) and other stakeholders have suggested various methods of “de-rating” Demand Resources with little to no operational history or performance data to back-up such a claim.³ This proposal will increase the certainty around LMR performance and eliminate the need for more drastic proposals, such as de-rating.

More specifically, the OMS supports the flexibility contained within the instant filing that is reflective of input given to MISO from a broad section of stakeholders. For example, the retail tariff testing exemption⁴ was incorporated into the filing after learning that some LMRs may be precluded from conducting a physical curtailment test based on their enabling retail tariff language. Likewise, a two-year transition period was put in place for LMRs that may have testing limitations included in a contract between a customer and a MISO market participant, such as an aggregator of demand response⁵. This type of exemption is necessary to reduce conflict between the wholesale and retail tariffs, which is important for any resource type based on actions at the retail level and subject to jurisdiction of state regulators. Likewise, this exemption will allow states to more flexibly align current measurement and verification requirements already present in many retail tariffs with MISO’s goal of validating the ability to physically curtail.

³ 2013 State of the Market Report, Potomac Economics, see pp 14, 90. The IMM Frequently stated a derating of around 50%.

⁴ Aliff Testimony at 13.

⁵ The Illinois Commerce Commission supports deletion of the two-year limit on contractual testing terms to eliminate undue preference between the traditionally regulated and restructured business models with respect to DR testing. Contractual testing terms should remain valid for the life of the contract.

Lastly, the OMS supports further development of demand response products and requirements in the future to clearly define values and needs of the system. More time is needed to evaluate potential larger changes and allow for coordination between customers, retail tariffs, and wholesale market requirements. The OMS looks forward to continued stakeholder engagement in the RAN initiative to ensure that MISO markets provide the appropriate signals to maintain reliability and efficiency in a changing resource mix.

The OMS submits these comments because a majority of its members have agreed to generally support them.⁶ Individual OMS members reserve the right to file separate comments regarding the issues discussed in these comments.

Respectfully Submitted,
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⁶ The Manitoba Public Utilities Board did not participate in this filing.

Dated: January 21, 2019

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 this 21st day of January 2019.

Marcus Hawkins