

**BEFORE THE  
MISSOURI PUBLIC SERVICE COMMISSION**

In the Matter of an Investigation into the	)	
Coordination of State and Federal Regulatory	)	
Policies for Facilitating the Deployment of all	)	File No. EW-2010-0187
Cost-Effective Demand-Side Savings to	)	
Electric Customers of All Classes Consistent	)	
With the Public Interest	)	

**COMMENTS OF MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR  
INC.'S RESPONSE TO STAFF'S REQUEST**

The Midwest Independent Transmission System Operator, Inc. ("MISO") welcomes and appreciates the opportunity to submit comments in response to the Missouri Public Service Commission's Staff's ("MoPSC Staff") request for comments regarding its Draft Notes in the instant workshop docket. The comments that follow will not and do not attempt to directly address, review, or discuss each and every one of the topic areas presented by Staff or the other participating parties. Rather, MISO's Comments take a different approach based upon recent developments at the Federal Energy Regulatory Commission ("FERC") in its Order No. 745 RM10-17-000, a Final Rule regarding Demand Response Compensation in Organized Wholesale Energy Markets ("FERC DR Compensation Rule"). The Rule requires RTOs and ISOs to meet specific requirements forth establishment of the net benefits test to determine when demand response resources are cost-effective. More specifically, the FERC DR Compensation Rule also sets forth a method for allocating the costs of demand response payments among all customers who benefit from the lower LMP resulting from the demand response. The FERC DR Compensation Rule notes that any MISO tariff changes that may be needed to implement the Compensation Rule's approach, including the described net benefits test, measurement and verification explanation and proposed changes, and any cost allocation mechanism must be made by MISO on or before July 22, 2011.

The Midwest ISO is currently considering the implications of this recent FERC DR Compensation Rule with specific emphasis on the possible impacts to the still pending MISO filing on Aggregators of Retail Choice (ARC) to comply with FERC Orders 719 and 719-A<sup>1</sup>. MISO notes that many of the other parties' comments suggest and recommend that they continue to work with MISO on specific components of our still pending 719/719A ARC related filing and now the impacts to that MISO filing. That continuing stakeholder input will be vital as we all digest and consider the impacts and implications of this most recent FERC action in Order 745 and look at the appropriate and necessary modifications to become compliant with this new FERC rule. Accordingly, MISO looks forward to working with the Mo PSC Staff, Ameren Missouri and other stakeholders on any needed changes to the MISO tariff, the MISO Business Practices Manual (BPM), and where appropriate assisting Staff and the parties to best coordinate the requirements and conditions of specific state needs and programs such as those being considered in Missouri.

The MISO appreciates the opportunity to present its Comments which, out of necessity, only summarily review the issues because of the recently issued FERC DR Compensation Rule and the corresponding, possible impacts to the MISO Tariff and its pending ARC procedural filing. The MISO recognizes that these Comments, as a practical matter, do not provide detailed and direct feedback to many of the issues raised, however, MISO submits that this most recent development at FERC does bear upon the efforts underway in this Workshop. As such, the MISO continues to promote and encourage the MoPSC Staff and all of the parties in this Workshop to continue their

---

<sup>1</sup> *Midwest Independent Transmission Systems Operator, Inc.*, 125 FERC ¶ 61,071 (2008)  
*Midwest Independent Transmission Systems Operator, Inc.*, 128 FERC ¶ 61,059 (2009)

involvement in MISO's stakeholder processes regarding the tasks that lay ahead as a result of the FERC DR Compensation Rule. The Midwest ISO is committed to continue to evolve and improve upon the benefits it ultimately provides to Missouri's consumers through: (i) its ongoing open and transparent stakeholder processes; and (ii) driving value creation through efficient, reliable market operations, coordinated and effective planning, and creative innovation – including its efforts related to ARCs and accommodating state initiatives relating efforts to enhance demand response.

To further facilitate the specific efforts underway in Missouri, the MISO commits to making itself available at a subsequent Staff workshop in this docket to provide an update on the status of MISO's efforts to adjust its proposed ARC procedures and processes to conform to the FERC DR Compensation Rule. Recognizing the detail and magnitude of the tasks at hand as well as the MISO's need to fully vet the issues through its own stakeholder processes before any such proposals will be determined; we submit and suggest such subsequent meeting for these workshop purposes be scheduled for sometime in the early summer 2011.

Respectfully Submitted,

/s/ Keith L. Beall

Keith L. Beall, Esq.  
Senior Attorney - State Regulatory  
Midwest ISO - Legal Dept.  
P.O. Box 4202  
Carmel, IN 46082-4202  
(317) 249-5400 (phone)  
(317) 249-5912 (fax)  
kbeall@midwestiso.org

April 1, 2011