

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Establishment of a Working)	
Case Regarding FERC Order 2222 Regarding)	
Participation of Distributed Energy Resource)	File No. EW-2021-0267
Aggregators in Markets Operated by Regional)	
Transmission Organizations and Independent System)	
Operators)	

COMMENTS OF MIDWEST ENERGY CONSUMERS GROUP

COMES NOW, the Midwest Energy Consumers Group (“MECG”), in compliance with the Commission’s February 24, 2021 *Order Opening a Working Case to Consider the Commission’s Response to FERC Order 2222*, and for its Comments in this docket states as follows:

1. In 2008, the Federal Energy Regulatory Commission (“FERC”) issued Order 719. That order allowed demand response aggregators to participate in wholesale energy markets. That said, however, the order also allowed state utility commissions to prohibit such participation by its retail customers.

2. Shortly after the issuance of Order 719, the Missouri Public Service Commission opened Docket No. EW-2010-0187. Among other things, that docket considered issues related to the inclusion of Missouri retail customers within an Aggregator of Retail Customers (“ARCs”) participating in the RTO energy market. On March 31, 2010, the Commission issued its *Order Temporarily Prohibiting the operation of Aggregators of Retail Customers*. In that order, the Commission stated that “[d]emand response load reductions of customers of the four Missouri electric utilities regulated by the Commission are prohibited from being transferred to ISO or RTO markets directly by retail customers or third party ARCs.” 11 years later the “temporary” prohibition against Missouri retail customers participating within ARCs still stands.

3. In September 2020, FERC issued Order No. 2222. That order required RTOs to amend their tariffs to allow distributed energy resource aggregations to participate in the regional wholesale markets. Most recently, in March 2021, FERC issued Order No. 2222-A which clarified that all “heterogenous” aggregations shall have access to the wholesale markets, even those aggregations that include a demand response component.

4. Given the decisions reflected in Order No. 2222 and 2222-A, it is time that the Commission reconsider its “temporary” 11-year prohibition against Missouri retail customers participation in the RTO wholesale market through an ARC. It should be pointed out that, simultaneous with the issuance of Order 2222-A, FERC also issued a Notice of Inquiry to consider whether to eliminate the option found in Order 719 for state utility commissions to prohibit the participation of retail customers in ARCs. Despite the existence of this inquiry, the Missouri Commission should not wait for FERC action and, instead, should unilaterally act to eliminate its “temporary” prohibition. Such action may allow for action prior to next winter when these curtailable options may be needed again.

5. Reconsideration of the ARC prohibition in Missouri is particularly timely. One must necessarily wonder, given the increased compensation for load curtailment available through the RTO energy market, whether more commercial and industrial customers would agree to the curtailment of load. The greater availability of curtailable load, resulting from this increased compensation, could have mitigated some of the implications of the recent polar vortex including the controlled outages called by SPP. Increased curtailable load, which could have been called upon as a resource by SPP, would have reduced the outages that were imposed by SPP on the local regulated utilities.¹

¹ Interestingly, while Evergy has a curtailable program, it was not available as a resource during the recent polar vortex. Evergy’s demand response program, recently approved by the Commission as an Evergy’s third cycle

6. While some may argue that these curtailable options can participate directly in wholesale markets, this is not a practical option. Given the operational complexities associated with bidding demand response into the wholesale market, direct participation is not a viable option. Instead, for most customers with an interest in curtailment, such participation can only practically be done through an ARC.

7. Given the limitations of the demand response programs of Missouri utilities as well as FERC's efforts to expand the availability of RTO markets to demand response, MECG urges the Commission to reconsider its prohibition against Missouri customers participating within ARCs.

Respectfully submitted,



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MEEIA program only allows for curtailment compensation during summer months. As such, these curtailable resources, while operationally available, for not available to Evergy as a curtailable option and also could not participate in the RTO market as part of an ARC. As such, while curtailable options existed in the Evergy service area, they were not available to help mitigate the response to the polar vortex.