

Demand Response Aggregator Draft Rule Text, 01-07-11

(1) Definitions

- a. **Ancillary Services** - Those services necessary to support the transmission of electric power from seller to purchaser, given the obligations of the Balancing Authority and transmitting utilities within the Balancing Authority Area, to maintain reliable operations of the interconnected transmission system. Ancillary services supplied with generation include load following, reactive power-voltage regulation, system protective services, loss compensation service, system control, load dispatch services, and energy imbalance services while maintaining reliable operation of the ISO/RTO controlled Grid in accordance with National Electric Reliability Commission (NERC) standards and Good Utility Practice.
- b. **Aggregator of Retail Customers (ARC)** - A company who bids demand reductions or acts as an agent on behalf of retail customers directly into the Regional Transmission Organization's (RTO's) and/or Independent System Operator's (ISO's) organized markets.
- c. **Balancing Authority (BA)** - The responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time.
- d. **Balancing Authority Area** - The collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.
- e. **Business Practice Manual (BPM)** - A collection of business practices ("administrative elaboration and clarification of the FERC approved Open Access Transmission Tariff (OATT) for purposes of administering the OATT", and the official statement of ISO / RTO practice) by an ISO / RTO that includes 'market protocols' and other documents maintained by the ISO / RTO in support of the OATT.
- f. **Commercial Customer** - A customer of an Electric Utility that takes service under the terms and conditions of the Electric Utility's non-residential rate schedule that is classified as a Commercial Customer using the Standard Industrial Classification (SIC) code or North American Industry Classification System (NAICS) code.
- g. **Demand Response (DR)** - Changes in electric usage by end-use customers from their normal consumption patterns in response to changes in the price of electricity over time, or to incentive payments designed to induce lower electricity use at times of high wholesale market prices or when system reliability is jeopardized.
- h. **Demand Response Program**- Program of an Electric Utility filed in a Commission tariff or an ARC filed with the ISO / RTO that describes conditions, payments, and terms regarding the Demand Response of a Retail Customer.
- i. **Economic Demand Response** – Any Demand Response that is not utilized for Ancillary Services

- j. **Electric Utility** – Any electric corporation as defined in section 386.020(15), RSMo.
 - k. **Good Utility Practice** - Acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).
 - l. **Industrial Customer** - A customer of an electric utility that takes service under the terms and conditions of the electric non-residential rate schedule that is classified as an industrial customer using the Standard Industrial Classification (SIC) code or North American Industry Classification System (NAICS) code.
 - m. **Independent System Operator / Regional Transmission Organization (ISO / RTO)** – An independent system operator or regional transmission organization, as defined in Federal Energy Regulatory Commission (FERC) Order 2000 and subsequent FERC Orders.
 - n. **Load Serving Entity (LSE)**: Any entity that serves end-users within a Balancing Authority area and has been granted the authority or has an obligation pursuant to state or local law, regulation, or franchise to sell electric energy to end-users located within the Balancing Authority Area.
 - o. **Market Participant** - A registered entity with an ISO / RTO, as defined in the relevant ISO / RTO Business Practice Manual and/or OATT.
 - p. **Marginal Foregone Retail Rate (MFRR)** – As defined in the ISO/RTO’s OATT and / or Business Practice Manual
 - q. **Open Access Transmission Tariff (OATT)** – An ISO / RTO’s Open Access Transmission Tariff, filed at FERC, and currently effective.
 - r. **Relevant Electric Retail Regulatory Authority (RERRA)** – As defined in FERC Order 719, is the Missouri Public Service Commission for the state of Missouri.
 - s. **Residential Customer** - A customer of an electric utility that takes service under the terms and conditions of the electric utility’s residential service rate schedules.
 - t. **Retail Customer** – A Residential Customer, Commercial Customer, or Industrial Customer of an electric utility.
- (2) An Aggregator of Retail Customers (ARC) shall not directly aggregate the Demand Response of a commercial customer or industrial customer of an electric utility where the Commission is the Relevant Electric Retail Regulatory Authority (RERRA) unless:
- a. The ARC is properly registered as a market participant with the Independent System Operator / Regional Transmission Organization (ISO / RTO) that the Electric Utility is a member of, as defined in relevant ISO / RTO tariff or Business Practice Manual; and
 - b. The Demand Response of that retail customer, added to the existing Demand Response already aggregated by ARCs in the electric utility’s Balancing Authority Area, is less than 100 megawatts (MW); and

- c. The ARC has followed the proper ISO / RTO procedure, as described in the ISO / RTO's Open Access Transmission Tariff (OATT) and / or Business Practice Manual, regarding registering the Retail Customer's Demand Response; and
 - d. The customer is not currently enrolled in the same type of Demand Response program, Economic or Ancillary Services, with an Electric Utility or Load Serving Entity (LSE).
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- (3) An Electric Utility or LSE shall not enroll a Retail Customer into an Economic or Ancillary Services Demand Response program if that Retail Customer is currently enrolled in the same type of Demand Response program with an ARC.
 - (4) An ARC may not directly aggregate the Demand Response of a Residential Customer of an electric utility where the Commission is the RERRA, unless the Commission makes an affirmative decision that ARCs aggregating the Demand Response of Residential Customers is not detrimental to the public interest.
 - (5) The Commission Staff shall provide a recommendation no later than 3 years of the effective date of the rule whether ARCs directly aggregating the Demand Response of Residential Customers is not detrimental to the public interest
 - (6) An ARC may enter into a contract agreement with an Electric Utility or LSE to aggregate Commercial, Industrial or Residential Customers in behalf of the Electric Utility or LSE.
 - (7) The Commission reserves the right to set the Marginal Foregone Retail Rate (MFRR), or any successor or equivalent to the MFRR.