Response of MIEC to Questions for
Electric Issues Workshop on February 22, 2010

Question No. 1:

    (a)   Does the term "energy efficiency" include shifting demand to off-peak periods? See Section 393.1124.2(4).

    (b)   Does "modify net consumption" as used in Section 393.1124.2(3) include shifting demand to off peak periods? See Section 393.1124.2(2).

Response:

    (a)   No.

    (b)   Yes.

Question No. 2:

What does "load management" as used in Section 393.1124.2(3) mean?

Response:

MIEC believes that "load management" refers to actions taken on the customer side of the meter to smooth out demand by limiting peaks, or by managing consumption so as to shift demands to off-peak or lower load periods.

Question No. 3:

    (a)   What is "demand savings"?

    (b)   How should "demand savings" be determined? See Section 393.1124.4

Response:

    (a)   "Demand savings" should be interpreted as a reduction in kilowatt demands placed on the utility system with the result that it is possible to defer or avoid the installation of generation capacity.

    (b)   It should be determined, as appropriate, by direct metering of the loads, or by sample metering using a carefully designed and monitored measurement program.

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Question No. 4:

    (a)   How should "energy savings" be determined? See Section 393.1124.4.

    (b)   Should there be a regular, standard process for determining whether a utility program achieves "cost-effective measurable and verifiable efficiency savings"? See Section 393.1124.3(3).

    (c)   If "yes," what should be that regular, standard process?

Response:

    (a)   See response to Question No. 3 (b).

    (b)   Yes.

    (c)   See response to Question No. 4 (a).

Question No. 5:

What is meant by the term(s) "rate design modifications" / "rate design modification" as it appears in Section 393.1124.5?

Response:

This refers to changes in the structure of the rates. For example, movement toward or adoption of a Straight Fixed Variable (SFV) rate design that the Commission has adopted for natural gas utilities. It could also include adding demand charges to rates that currently only have customer and energy charges.

Question No. 6:

How does a "customer" "notify" the "electric corporation" that the customer elects not to participate in demand-side measures offered by an "electrical corporation"? See Section 393.1124.7.

Response:

MIEC believes that a letter from the customer to the electric corporation indicating the customer's election not to participate should be sufficient.

Question No. 7:

Is there any significance to the fact that the term "electric corporation" appears in SB 376 in addition to the term "electrical corporation," and the term "electric corporation" is not a defined term in Section 386.020?

Response:

We do not believe so.

Question No. 8:

What is the definition of the term "customer" as that term is used in SB 376?

Response:

The term "customer" refers to an entity that receives electric service under the electric corporation's tariffs. Under Section 7, for example, Corporation X has one account with a demand of 7,000 kW and 10 additional accounts (including the customer, its affiliates and subsidiaries) that range in size from 1,000 kW to 4,000 kW. If the customer notifies the electrical corporation under Section 7, all 11 of these accounts would be covered by the opt-out.

Question No. 9:

What is meant by the term "corporation-specific settlements" which appears in Section 393.1124.11?

Response:

We presume this refers to settlements of specific matters before the Commission, such as settlements in rate cases.

Question No. 10:

How does, or how should, an electrical corporation propose a demand-side program pursuant to Section 393.1124? See Section 393.1124.4. How does, or should, the Commission approve demand-side programs proposed pursuant to Section 393.1124? See Section 393.1124.4.

Response:

MIEC takes no position at this time.

Question No. 11:

How should the determination be made whether a demand-side program is beneficial to all customers in a customer class regardless of whether the program is utilized by all customers? See Section 393.1124.4.

Response:

In order to make this determination, it is necessary that the demand-side program pass the non-participant or ratepayer impact measure test. Passing this test means that the rates will not go up, and therefore all customers will benefit, even those who are not directly taking advantage of a program.

Question No. 12:

Does any Missouri statute, case law, or regulation prohibit or restrict electric utility customers from participating directly or indirectly through aggregator of retail customers (ARCs) in demand response bidding programs, as discussed in FERC's Order Nos. 719 and 719(A)?

Response:

MIEC takes no position at this time.

Question No. 13:

Does a single retail customer or an ARC act as a public utility subject to MoPSC regulation under Missouri statute, case law, or regulation if it bids demand response into SPP's or MISO's organized energy market?

Response:

MIEC takes no position at this time.

Question No. 14:

Does the right to furnish retail electric service under Section 393.170 give a certificated utility an exclusive right to "benefit" from demand response activities of its retail customers either directly or indirectly through an ARC?

Response:

MIEC takes no position at this time.

Question No. 15:

How would a certificated utility and its other retail customers be affected if a single retail customer or an ARC bid demand response directly into SPP's or MISO's organized energy market?

Response:

MIEC takes no position at this time.

Question No. 16:

What would be the effect on utility rate design if a single retail customer or an ARC bids demand response directly into SPP's or MISO's organized energy market?

Response:

MIEC takes no position at this time.

Question No. 17:

What would be the effect on utility revenue collection if a single retail customer or an ARC bids demand response directly into SPP's or MISO's organized energy market?

Response:

MIEC takes no position at this time.

Question No. 18:

How would utility's long-term load forecasting process change if a single retail customer or an ARC bids demand response directly into SPP's or MISO's organized energy market?

Response:

MIEC takes no position at this time.

Question No. 19:

How would utility's budgeting process change if a single retail customer or an ARC bids demand response directly into SPP's or MISO's organized energy market?

Response:

MIEC takes no position at this time.

Question No. 20:

Are there any other consequences of allowing participation in demand response programs by a single retail customer or an ARC?

Response:

MIEC takes no position at this time.

Question No. 21:

How would customers' demand rates be estimated if a single retail customer or an ARC bids demand response directly into SPP's or MISO's organized energy market?

Response:

MIEC takes no position at this time.

Question No. 22:

How would demand sales be transacted from an operation standpoint if a single retail customer or an ARC bids demand response directly into SPP's or MISO's organized energy market?

Response:

MIEC takes no position at this time.

Question No. 23:

Would existing or planned demand response programs, and the costs associated with implementation of these programs, be undermined or cause a loss in benefits to retail ratepayers if a single retail customer or an ARC bids demand response directly into SPP's or MISO's organized energy market?

Response:

MIEC takes no position at this time.

Question No. 24:

If the MoPSC has the authority to do so, what conditions would the MoPSC place on a single retail customer or an ARC if it bids demand response directly into SPP's or MISO's organized energy market?

Response:

MIEC takes no position at this time.

Question No. 25:

How are efforts to encourage demand response by MoPSC jurisdictional electric utilities implicated if a single retail customer or an ARC bids demand response directly in SPP's or MISO's organized energy market?

Response:

MIEC takes no position at this time.

Question No. 26:

How are efforts to encourage energy efficiency programs by MoPSC jurisdictional electric utilities implicated if a single retail customer or an ARC bids demand response directly into SPP's or MISO's organized energy market?

Response:

MIEC takes no position at this time.