STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

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

Voltus Comments on Commission Order Opening a Working Case to Consider the Commission's Response to FERC Order 2222

Voltus, Inc. (Voltus) hereby submits the following comments to the Missouri Public Service Commission (Commission) in response to its request for stakeholder comments regarding how the Commission may best implement Order No. 2222, issued by the Federal Energy Regulatory Commission (FERC) in September 2020. Voltus requests that this proceeding examine the Commission's 2010 "temporary" order banning aggregators of demand response retail customers, and ultimately remove that ban. In light of Orders No. 2222 and 2222-A, it is time for Missouri to allow aggregators to provide hundreds of megawatt hours of grid stability and millions of dollars in revenue to local electricity consumers.

I. About Voltus

Voltus is a demand response aggregator of retail customers (ARC) in the commercial and industrial sectors. Voltus is the only ARC that operates in every North America regional wholesale market. Voltus is the only ARC operating in the Southwest Power Pool (SPP), and the only ARC operating in the Midcontinent Independent Systems Operator (MISO) region. Based in San Francisco and Boston, Voltus has secured over 2,000 MW of distributed energy resources (DERs) to date.

As an ARC, Voltus leverages C&I customers' energy flexibility to obtain revenues in the wholesale and retail markets, using load curtailment, energy storage, energy efficiency, and distributed generation. Voltus is paid by the wholesale markets for these assets, in turn paying its customers to incentivize their participation.

As the market leader for distributed energy resource aggregation, Voltus has participated in proceedings at the state, federal, and wholesale market level regarding DER aggregations.

II. Relevant Background

Issues before the Commission date back to 2008, when FERC issued Order No. 719.[1] Order No. 719 enabled demand response aggregations to participate in the wholesale markets, "unless the laws or regulations of the relevant electric retail regulatory authority do not permit a retail customer to participate."[2]

In 2010, the Missouri Public Service Commission "opted-out" of demand response aggregations by deciding to "temporarily" prohibit demand response aggregations for customers of its four Commission-regulated electric utilities "from being transferred to ISO or RTO markets directly by retail customers or third party ARCs."[3]

[1] *Wholesale Competition in Regions with Organized Electric Markets*, Order No. 719, 125 FERC ¶ 61,071 (Oct. 17, 2008) (Order 719).
[2] Order No. 719, ¶ 154.
[3] Order Temporarily Prohibiting the Operation of Aggregators of Retail Customers, at 6, *In the Matter of an Investigation into the Coordination of State and Federal Regulatory Policies for Facilitating the Deployment of all Cost-Effective Demand-Side Savings*, File No. EW-2010-0187 (Mo. P.S.C. Mar. 31, 2010).

In April 2018, the Commission adopted a Staff recommendation to revisit its 2010 order temporarily prohibiting demand response in Missouri.[4] Yet the Commission has not yet given ARCs direct access to the wholesale markets, despite support for this policy change.[5]

In September 2020, FERC issued Order No. 2222, directing the Regional Transmission Organizations (RTO) and Independent System Operators (ISO) to amend their tariffs to allow distributed energy resource aggregations to participate in the regional wholesale markets.[6] A distributed energy resource is "any resource located on the distribution system, any subsystem thereof or behind a customer meter" including "electric storage resources, intermittent generation, distributed generation, demand response, energy efficiency, thermal storage, and electric vehicles and their supply equipment."[7] FERC did not grant states the authority to prohibit DER aggregations from participating in the market.[8] Order No. 2222 did not remove Order 719's demand response "opt-out,"[9] which created confusion about whether DER aggregations containing a demand response component could be opted-out by the electric regulatory authority.

The 2222 compliance filings were initially due July 19, 2021. Both MISO and SPP requested extensions, through April 18, 2022 and April 28, 2022, respectively.

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[4] Commission's Response to Staff Report Regarding Distributed Energy Resources, at 1-2, *In the Matter of a Working Case to Explore Emerging Issues in Utility Regulation*, File No. EW-2017-0245 (Mo. P.S.C. Apr. 18, 2018).

[5] *See, e.g.*, Rebuttal Testimony of James Owens on Behalf of Renew Missouri Advocates, *In the Matter of Kansas City Power & Light Companys Request for Authority to Implement a General Rate Increase for Electric Service,* Case No. ER-2018-0145 (filed July 27, 2018).

[6] Order No. 2222, *Participation of Distributed Energy Resource Aggregations in Markets Operated by Regional Transmission Organizations and Independent System Operators*, Docket No. RM 18-9-000, 172 FERC ¶ 61,247, ¶ 1 (Sept. 17, 2020) (Order No. 2222).

[7] Order No. 2222 at ¶ 114.

[8] *Id*. at ¶ 8.

[9] Order No. 2222, ¶ 59.

In October 2020, Voltus filed a complaint with FERC regarding MISO's implementation of Order No. 719's state opt-out.[10]

In February 2021, the Commission instituted this working case to examine its response to Order No. 2222.

In March 2021, FERC issued Order No. 2222-A, which clarified that all "heterogenous" DER aggregations shall have access to the wholesale markets, even those that include a demand response component.[11] Therefore demand response coupled in an aggregation with any other DER will have direct access to the wholesale markets when Order No. 2222 is implemented. FERC simultaneously issued a notice of inquiry regarding whether to revoke the authority delegated to the states to prohibit demand response aggregators ("homogenous" DR aggregations), from participating in the wholesale markets.[12]

III. Comments

The Commission should address ARC's direct access to the wholesale markets, given FERC's orders since the Commission opened this case. In the decade since the Commission temporarily prohibited ARCs, the evidence has continued to mount that ARCs benefit ratepayers, grid reliability, and the commercial and industrial energy users. ARCs should be permitted in Missouri, where demand response could provide system reliability at a more just and reasonable cost than alternative options.

[10] Complaint, *Voltus v. Midcontinent Independent System Operator*, FERC Docket No. EL21-12-000 filed Oct. 20, 2020).

[11] Order No. 2222-A, Order Addressing Arguments Raised on Rehearing, *Participation of Distributed Energy Resource Aggregations in Markets Operated by Regional Transmission Organizations and Independent System Operators*, Docket No. RM 18-9-002, 174 FERC ¶ 61,197 (Mar. 18, 2021) (Order No. 2222-A).

[12] Notice of Inquiry, *Participation of Aggregators of Retail Demand Response Customers in Markets Operated by Regional Transmission Organizations and Independent System Operators*, Docket No. RM 21-14-000 (Mar. 18, 2021).

A. Demand Response Can Increase Grid Reliability in Missouri

Demand response can easily account for 5-10% of peak load.[13] This number will only increase with expanded beneficial electrification and distributed energy resources. Meanwhile, involuntary load shed is becoming increasingly common due to extreme weather. On February 15, 2021, SPP had a 641 MW shortfall relative to its 43,661 MW peak (approximately 1.5%),[14] and significantly more (~2.8 GW) on the 16th.

Demand response is a proven grid stability tool. The North American Electric Reliability Corporation ("NERC") reported that demand response helped avoid the need for emergency operating procedures in Texas during summer 2018.[15] Demand response is cited as a necessary part of the solution following the February 2021 winter event.[16] Similarly, the PJM Interconnection (PJM) cited demand response as maintaining system reliability during the Polar Vortex in 2014.[17] In contrast, since Louisiana banned ARCs in 2019, it has faced numerous grid stresses due to Hurricane Laura and the February 2021 cold snap.[18] Only demand response can add significant grid flexibility overnight, to help deal with unforeseen circumstances.

Simply put, the status quo is not safer. Missouri should remove the ARC ban now, so that companies can begin signing customers to provide grid reliability by next winter. Furthermore,

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[13] FERC, *Staff Report: 2019 Assessment of Demand Response and Advanced Metering*, at 17 (Dec. 2019), https://www.ferc.gov/sites/default/files/2020-04/DR-AM-Report2019_2.pdf (FERC 2019 DR Staff Report).

[14] SPP, *SPP Restores Load* (Feb. 15, 2021), https://www.spp.org/newsroom/press-releases/spp-restores-load-anticipates-that-regional-grid-conditions-will-continue-to-evolve/

[15] FERC 2019 DR Staff Report, at 22.

[16] Peter Cramton, Utility Dive, *Lessons from the 2021 Texas Electricity Crisis* (Mar. 23, 2021), https://www.utilitydive.com/news/lessons-from-the-2021-texas-electricity-crisis/596998/ ("The primary market failure in today's electricity markets is the absence of demand response.").

[17] Petition for Rehearing En Banc of PJM Interconnection, L.L.C., p. 10-11, *Electric Power Supply Ass'n v. FERC*, No. 11-1486 (D.C. Cir. July 7, 2014).

[18] *See* Order, *In re: Rulemaking to study the implications of participation of Aggregators of Retail Customers to determine whether, and under what conditions, such activity should be allowed in the Louisiana Public Service Commission 's jurisdiction*, La. P.S.C. Docket No. R-34948 (Mar. 7, 2019).

permitting ARCs now will grant Missouri valuable experience to inform the MISO and SPP Order No. 2222 compliance filings.

B. Demand Response Provided by ARCs is the Least-Cost Method to Meet Peak Demand Needs

Demand response is a lower-cost method of meeting peak demand than alternatives, including electricity generation and utility interruptible rates. Missouri's peak demand is approximately 18 GW,[19] meaning large C&I customer demand response could account for 900 MW-1.8 GW, using the 5-10% benchmark. On average in the US, the cost of new entry for a simple cycle peaking power plant ranges from $87,300 per MW-year to $121,300 per MW-year.[20] If Missouri were to obtain an additional one GW of capacity through electricity generation at a mid-range cost of $100,000 MW/year, the cost would be $100,000,000 a year. One GW of capacity at Liberty's lowest interruptible credit of $0.51 kW/month would cost $6,120,000/year.[21] In contrast, $1,825,000 is a reasonable estimate for an additional GW of demand response capacity.[22]

C. ARCs Create Clear Economic Value for Local Businesses

ARCs create significant value for local businesses, which is even more critical in the current economic climate. A hypothetical C&I site with a peak demand of 15 MW might reasonably commit to curtailing 6 MW when dispatched by the market, and could have earned

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[19] *See* American Council for an Energy-Efficient Economy, *Missouri's Energy Efficiency Potential*: *Report E114*, Table ES-1, vi (August 2011), https://energy.mo.gov/sites/energy/files/aceestudy.pdf.

[20] ERCOT, *Study Process and Methodology Manual: Estimating Economically Optimum and Market Equilibrium Reserve Margins (EORM and MERM) Version 1.0*, at 27 (Dec. 11, 2017) http://www.ercot.com/content/wcm/lists/114801/ERCOT_Study_Process_and_Methodology_Manual_for_EORM-MERM_12-12-2017_v1.0.docx.

[21] *See* Liberty Interruptible Service Rider, included as Attachment A. Liberty's tariff was selected as a straightforward example, rather than comparing all Missouri interruptible programs.

[22] In the 2021-22 MISO Planning Resource Auction, the price was $5 per MW per day—or $1,825 per megawatt per year—for Zone 5 which includes part of Missouri. *See* MISO, 2020/2021 Planning Resource Auction (PRA) Results, at 5 (Apr. 14, 2020) https://cdn.misoenergy.org/2020-2021%20PRA%20Results442333.pdf.

upwards of $700,000 in February 2021 for participation in SPP's Operating Reserves Program, owing to high demand for services providing grid stability in the polar vortex.[23] In a typical month, that same site might earn $6,000-$12,000.[24]

In contrast, Liberty's interruptible rate pays $0.51 per kW of interruptible demand per month for a one-year contract. A customer committing to 6 MWs/6,000 kWs of interruptible demand would be compensated $3,600 per month.

D. ARCs Can Increase the Amount of Demand Response in Missouri

Voltus and other ARCs have the expertise to enroll a greater range of commercial and industrial customers in demand response than do utilities through their interruptible tariffs. ARCs offer more program options, including access to capacity, energy, and ancillary services markets. ARCs are also capable of assisting customers with automated load monitoring and curtailment, which is essential for participation in programs that require rapid load reduction. Finally, ARCs have the ability to enroll aggregations of many very small commercial loads, while utility interruptible tariffs typically have a minimum participation level of 100 kW. Voltus has aggregated several hundred megawatts across MISO, including loads as small as 6 kW.

E. Permitting ARCs is in the Public Interest

As explained above, ARCs cost ratepayers less money, create more value for C&I customers, and bolster the local economy, all while providing zero-carbon grid flexibility. Only demand response can stand up a virtual power plant by next winter, while also lowering costs for

[23] Market energy payments vary. Customer load curtailment plans are customized based on the customer's energy usage and individual willingness to curtail.

[24] SPP pricing data is available here: https://marketplace.spp.org/pages/operating-reserves. Pricing is based on five-minute intervals. This estimate is derived from the most recent year's worth of five-minute data.

Missouri citizens. Quite simply, demand response provided through ARCs is in Missouri's public interest. Customers are standing by, waiting to participate.

Respectfully submitted,

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Attachment A

THE EMPIRE DISTRICT ELECTRIC COMPANY d.b.a. LIBERTY

P.S.C. Mo. No. 6 Sec. 4 Original Sheet No. 4

Canceling P.S.C. Mo. No. _____ Sec. _____ Original Sheet No. _____

For ALL TERRITORY

INTERRUPTIBLE SERVICE
RIDER IR

APPLICATION:

This Rider is available to any Commercial or Industrial Customer with a minimum monthly billing demand of 200 kilowatts (kW), an anticipated minimum load curtailment capability of 200 kW and currently receiving or requesting electric service under Total Electric Building (TEB), General Power Service (GP) or Large Power Service (LP) rates. Customers must enter into an Interruptible Rider (IR) contract incorporating the provisions of this Rider for a term of from one to five years. Availability is further subject to the economic and technical feasibility of the installation of required Company equipment. The Company reserves the right to limit the total Interruptible load eligible to take service under this Rider. The total kilowatts contracted for by The Empire District Electric Company (Company) shall not be greater than fifty (50) megawatts annually.

PURPOSE:

This Rider is designed to reduce Customer load during peak periods upon request by Company.

TERM OF CONTRACT:

IR contracts shall be for a one-year, three-year or five-year term. Thereafter, Customers may enter into a new IR contract for a term of one, three or five years subject to the terms and conditions of this Rider as may by modified from time to time. Upon expiration of the initial term of the contract, the contract will automatically be renewed for the term of equal length unless termination notice is given by either the Customer or Company at least 30 days prior to the expiration date.

CURTAILMENT YEAR:

The Curtailment Contract Year shall be June 1 through May 31.

CURTAILMENT HOURS:

Curtailment will typically occur during the hours of 12:00 noon through 10:00 p.m., Monday through Friday during the Curtailment Year, but may occur outside of this window to address a system reliability driven event. The curtailment Hours associated with a Curtailment Event will be established at the time of Curtailment Notification.

CURTAILMENT LIMITS:

The number of Curtailments Events in a Curtailment Year shall be no more than ten (10). Each Curtailment Event shall be no less than two or no more than eight consecutive hours and no more than one occurrence will be required per day unless needed to address a system reliability event. The cumulative hours of curtailment per Customer shall not exceed eighty hours (80) during the Curtailment Year.

CURTAILMENT NOTIFICATION:

Customers will receive curtailment notification a minimum of four (4) hours prior to the start time of a Curtailment Event. Company may use either phone or electronic notification procedures to contact a participating Customer of a curtailment. Customers participating in this program shall be required to acknowledge the Company's notification of curtailment in writing via fax, email or by utilizing a portal provided by the Company at its webpage (www.empiredistrict.com) within one (1) hour of the Company's notification of a Curtailment Event. The specific method of communication used to provide notification of curtailment and customer acknowledgement of curtailment shall be specified in the IR contract.

CURTAILMENT EVENT:

A "Curtailable Event" is defined as an actual customer curtailment request made by Empire.

NEED FOR CURTAILMENT:

Curtailment can be requested for operational or economic reasons. Operational curtailments may occur when physical operating parameters approach becoming a constraint on the generation, transmission, or distribution systems, or to maintain the Company's capacity margin requirement. Economic curtailment may occur when the opportunity to sell

INTERRUPTIBLE SERVICE
RIDER IR

the energy in the wholesale market affords the Company the opportunity to increase off system sales margins-net of the additional compensation paid ($/kW of ID per hour for actual curtailment) which in turn is reflected in the Fuel Adjustment Clause.

DETERMINATION OF DEMANDS

CUSTOMER PEAK DEMANDS:

An appropriate level of demand at the time of the Company's system peak during the Contract Year shall be determined for each Customer taking service under this Rider. This Customer Peak Demand ("CPD") shall be either the Customer's historical actual maximum measured kilowatts ("kW") demand during a peak period, or an amount determined based upon the specific circumstances involving a Customer's actual or expected operations, and agreed upon between Company and Customer. The CPD shall be specified in the IR contract.

FIRM POWER LEVEL:

This shall be the maximum level of demand that the Customer can place on the system during a Curtailment Event, and will be at least 200 kW lower than the Customer's CPD. The IR contract shall also specify an amount of kW demand, which the Customer can curtail or otherwise not cause to be placed on the Company's system during a Curtailment Event. The maximum level of demand or Maximum Firm Demand ("MFD") of the Customer shall be specified in the IR contract. For verification purposes, the Customer shall be required to demonstrate, at the Company's request, its ability to curtail its operations to the MFD level. The Company may also use a Test Curtailment to establish the MFD for the Customer.

INTERRUPTIBLE DEMAND:

The difference between the CPD and the MFD, to be known as the Interruptible Demand ("ID"), expressed in kW, shall be the demand upon which credits under this Rider shall be available to the Customer. For all Customers under an IR Contract, the ID specified must be 200 kW or greater. The ID shall represent that portion of a Customer's CPD that the Customer is willing and able to commit for curtailment during a Curtailment Event, and that the Company agrees to accept for curtailment. The ID shall be the same amount for each month of the IR contract. Under no circumstances will the ID be less than 200 kW. The Minimum Billing Demand will be no less than the contracted ID during the Curtailment Year(s).

PEAK DEMAND MODIFICATIONS:

The Company may review and, if necessary, adjust the Customer's CPD. MFD and ID levels based upon evidence that the Customer's actual peak demand has changed, or will change, significantly from the demand levels being used to calculate the Customer's ID. If a change in the Customer's demand levels results in a change in the ID, the Customer shall lose and/or repay its curtailment compensation proportional to the number of days curtailment was not available and for the change in ID.

FIRM POWER LEVEL MODIFICATION:

Between September 30 and May 1, and upon ninety (90) days written notice by the Customer to the Company, the MFD may be modified to reflect significant change in Customer load, subject to verification and approval by the Company. At any time the Company may adjust the Customer's MFD downward based upon evidence the Customer's actual annual demand has dropped, or will drop, significantly from the CPD. Any adjusted MFD shall continue to provide for an ID of at least 200 kW. Future Customer participation compensation under this Rider will be adjusted accordingly. Additionally, for any change in MFD that decreases the ID for the Customer shall result in a re-evaluation of all curtailment compensation to the Customer, including any payment or credits made in advance of the Curtailment Year. The Customer shall repay the Company for prior payments/credits made in excess of the curtailment compensation due based on the decreased level of ID.

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P.S.C. Mo. No. 6 Sec. 4 Original Sheet No. 4b

Canceling P.S.C. Mo. No. _____ Sec. _____ Original Sheet No. _____

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BILLING DEMAND:

The minimum monthly billing demand for all Customers on this rider shall never be less than 200 kW or the contracted interruptible demand (ID), whichever is greater.

CUSTOMER COMPENSATION:

Customer compensation shall be defined within each IR contract and will be based on contract term, the maximum number of Curtailment Events and the number of actual Curtailment Events per Curtailment Year. Timing of all payments/credits shall be specified in the IR contract with each Customer. Compensation shall be paid to the Customer in the form of a check or bill credit as specified in the IR contract. Any payment/credits shall be applied before any applicable taxes. All other billing, operational, and related provisions of other applicable rate schedules shall remain in effect.

PROGRAM PARTICIPATION PAYMENTS:

For each Curtailment Year, a Customer shall receive a payment/credit based upon the IR contract term. The Monthly Program Participation Payment per kW of ID is shown in the table below.

Contract Term	$/kW of ID per month
One year	$0.51
Three years	$1.27
Five years	$2.02

The Customer shall receive a credit on the monthly bill during each month of the Contract Year for the ID kW multiplied by the credit amount specified in this Rider, providing that all conditions of this schedule are met. The IR Customer shall receive Additional Compensation equal to $0.30 per kW of ID for each hour of actual curtailment during the Curtailment Year.

All Additional Compensation payments of $0.30 per kW of ID shall be included in FERC Account 555 to be recovered through the Company's Fuel Adjustment Clause, subject to prudence review. Monthly Program Participation Payments, $/kW or ID per month, shall be charged to the Customer Programs Collaborative Regulatory Asset.

PENALTIES:

The failure of a Customer to interrupt the full amount of the ID or to keep its demand at or below the MFD, for any reason, during a Curtailment Event shall result in the following:

1. The Customer's contract ID shall be adjusted to equal the amount of ID which the Company could utilize during the Curtailment Event;
2. The Customer's contracted MFD shall be adjusted to equal the amount of demand actually placed on the Company's system by the Customer during the Curtailment Event;
3. The adjustments to the Customer's ID or MFD described in paragraphs 1 and 2 above shall remain at those adjusted levels for the remainder of the IR contract term, except that in the event of additional adjustments to the ID or MFD due to the Customer's failure to meet the adjusted ID and MFD levels will result in further adjustments to the levels of ID and MFD, as specified in paragraphs 1 and 2 above;
4. In addition to the adjustments in ongoing ID and MFD levels setout above, the Customer shall refund the Company all credits or payments previously received under the current contract in an amount equal to the change in ID multiplied by 150% of the contract demand rate for the remaining months of the contract period. This refund calculation shall be based on the portion of the ID that the Customer failed to meet during the Curtailment Event. The Company shall include an amount covering the return of the excess Program Participation Payments on a future bill to the Customer.
5. Any Customer who fails to reduce load to its MFD during three or more Curtailment Events during a Contract Year shall be ineligible for this Rider for a period of two-years from the date of the third failure.

INTERRUPTIBLE SERVICE
RIDER IR

TEST CURTAILMENT:

The Company reserves the right to request a Test Curtailment of no less than one (1) hour and no more than two (2) hours once each year and/or within three months after a Customer's failure to reduce load to its IR contract MFD during a Curtailment Event. Test Curtailments do not count toward the Maximum Number of Curtailment Events. Customers will not be compensated for Test Curtailments.

CURTAILMENT CANCELLATION:

The Company reserves the right to cancel a scheduled Curtailment Event prior to the start time of such Curtailment Event. If cancellation occurs with less than two hours of the notification period remaining prior to the commencement of a Curtailment Event, the canceled Curtailment Event shall be counted as an actual Curtailment Event with a zero-hour duration.

SPECIAL CONDITIONS OF SERVICE:

1. This Rider requires that the Customer execute an IR contract with a minimum term of one year, which specifies the Customer's applicable CPD, MFD, and ID. The ID shall not be less than 200 kW.

    a. For one-year IR contracts, the Company shall notify the Customer before May 1 of each IR contract period of the amount of interruptible credit that the Company will make available to the Customer. Such offer may be made by the Company as early as November 1 of the year preceding the proposed IR contract term.
    b. For three-year and five-year IR contracts, the Company shall notify the Customer before May 1 in the year the IR contract is due for renewal, or as early as November 1 of the preceding IR contract year.
    c. Customers electing to enter into an IR contract, must reach agreement with the Company and execute the contract no later than seven calendar days following the Customer's receipt of the IR contract requiring the Customer signature, unless such deadline is extended at the sole discretion of the Company.
    d. IR contracts shall normally begin on June 1 and terminate on May 31 of the expiration year, unless the Company deems it necessary to allow a different term of IR contract.
    e. No IR contract shall be less than one year in length nor longer than five years in length.
    f. These IR contracts may be cancelled upon mutual agreement of the Company and the Customer.

2. The Company reserves the right, through inquiry and inspection, to assure itself that any ID subject to curtailment has a reasonable probability of being on the Company's system during periods of the Company's peak demand and that the Customer's load can be readily reduced to the MFD level.

3. The Customer will be responsible for monitoring his or her load in order to comply with the terms of the IR contract.

4. The Company shall have no liability to the Customer or to any other person, firm, association, trust, governmental unit, or corporation, of any kind, for any loss, damage or injury by reason of any interruption or curtailment of the Customer's load as provided herein.

5. For purposes of personnel safety and equipment protection, a Customer prior to the installation of a generator, shall notify the Company to insure conformity to the Company's standards for connection.

6. In order to insure timely verification of the Customer's ID, any Customer on an IR contract will provide an acceptable communication path for retrieval of meter data. Such communication path shall be in place prior to the effective date of the IR contract, unless an alternative deadline is agreed to in writing by the Company.

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P.S.C. Mo. No. 6 Sec. 4 Original Sheet No. 4d

Canceling P.S.C. Mo. No. _____ Sec. _____ Original Sheet No. _____

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RIDER IR

NON-ANNUAL CONTRACT INTERRUPTIBLE CREDITS:

In addition to the credits available under this rider, any Customer operating under an IR contract shall also be eligible for the non-annual contract interruptible credit under the following conditions:

1. If the Company has already required the Customer to reduce demand by 80 hours or ten (10) Curtailment Events in a Contract Year, the Company may nevertheless request the Customer to curtail load on a voluntary basis.

2. The Company may also request that any existing IR Customer voluntarily reduce load in excess of the ID amount specified in the Customer's IR contract.

3. If the Customer agrees to curtail load under those circumstances, the Company shall apply compensation equal to $0.30 per kW of ID for each hour of actual voluntarily curtailed load by the Customer and apply those credits/payments to the Customer's next bill