

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

In the Matter of a Working Case to Explore)
Emerging Issues in Utility Regulation)

File No. EW-2017-0245

**MISSOURI DIVISION OF ENERGY’S RESPONSE TO
NOTICE OF SECOND DRAFT RULE FOR COMMENT**

COMES NOW the Missouri Division of Energy (“DE”), by and through the undersigned counsel, and in response to the Missouri Public Service Commission (“Commission”) Staff’s (“Staff”) *Notice of Second Draft Rule for Comment* states as follows:

1. DE appreciates Staff’s inclusion of a number of DE’s suggested revisions in the second rule draft. These revisions improve upon the initial draft by supporting more comprehensive distribution system and distributed energy resource planning. DE’s recommendations and comments on Staff’s second draft are contained in the document attached to this pleading; a number of these recommendations and comments are also discussed below.

2. Subsection (3) of the draft rule would enable utilities to exclude numerous types of customer-owned DERs from any sort of explicit analysis so long as the utility has analyzed such DERs under another part of Chapter 22. Although customer-owned DERs should be analyzed in conjunction with other parts of the Chapter 22 analysis, such DERs should still be specifically discussed. DE recommends clarifying this subsection to indicate the need for references to such analyses if utilities conduct analyses of customer-owned DERs under other parts of Chapter 22.

3. As revised, subsection (4), part (F) would only require utilities to analyze “existing non-utility-owned DER,” as opposed to the requirement in that same part to

analyze both “existing and potential utility-owned DER.” In addition, Staff omitted multiple suggestions by DE to include language in the rule about planning for greater consumer choice. Based on these observations, DE is concerned that Staff’s second draft would create an overly constrained analysis and avoid a planning process that would provide customers with the greatest ability to integrate their own DERs into the utility system. Missouri’s Comprehensive State Energy Plan recognizes that Advanced Metering Infrastructure can enable greater customer choice and beneficial DER deployment;¹ the rule should support planning by utilities and their customers to fully use the capabilities of new technologies.

4. DE is supportive of studying the potential for customer resources to voluntarily participate in utility-managed dispatch. This may be an option that can facilitate greater deployment of customer-owned DERs by improving the economics of customer-owned systems. DE recommends clarifying the language at subsection (3) regarding utility management of customer-owned DERs to indicate that such management would occur on a voluntary basis.

5. DE also notes that certain revisions to subsection (2) create contradictory directives. While the language proposed by DE – and included by Staff – requires the publication of aggregated data with customer privacy protections, other edits to this subsection require location-specific data on distributed generation and storage. DE recommends revisions to subsection (2) in order to consistently require the protection of customer-specific information.

¹ Missouri Department of Economic Development – Division of Energy. 2015. “Missouri Comprehensive State Energy Plan.” <https://energy.mo.gov/sites/energy/files/MCSEP.pdf>. Page 142.

6. Throughout the draft, DE has also incorporated revisions to reflect the need to plan for future customer-owned DERs, rather than only existing DERs.

7. The ability to comment in writing on proposed rule revisions has been valuable. However, DE anticipates that there could be a need for discussions of parties' proposed revisions in person. Therefore, DE suggests that an additional workshop would be useful prior to Staff providing any additional drafts.

WHEREFORE, the Missouri Division of Energy respectfully files its response to the Staff's *Notice of Second Draft Rule for Comment*.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been served electronically on all counsel of record this 16th day of July, 2018.

/s/ Marc Poston

Marc Poston