

DR Aggregation Stakeholder Meeting #1

Homework Assignment

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The due date for responses is February 28th.

State vs. federal jurisdictional questions

- 1) Per FERC Order 745, it is clear that the Relevant Electric Retail Regulatory Authority (RERRA) may prohibit 3rd party Demand Response (DR) aggregation in their jurisdiction. However, it is unclear whether the MPSC can partially permit aggregation and also place restrictions on multiple Alternative Electric Supplier (AES) aggregation and who is able to register the aggregated DR at MISO.

Do the MPSC's Orders in Case Nos. U-16020, U-18369 or U-20348 raise any jurisdictional questions in your mind?

- a. Example: Does the MPSC have the authority to prohibit aggregation across multiple AESs?
 - i. Aggregators would be able to operate within an individual AES's customer base (all customers in AES₁).
 - ii. Aggregators would not be able to aggregate some customers from AES₁ and some from AES₂ and combine the use of the demand response resources.
- b. Example: Would the MPSC be able to permit the aggregation of AES customers, with only this strict condition that the AES is the entity that registers the aggregated DR with MISO?

Tracking aggregated DR

- 2) Per MISO's Business Practice Manual (BPM) 1 Sec. 9.5, MISO will notify the MPSC of every new aggregated customer and provide who is the market participant, the MW amount, the load balancing area (LBA), and Commercial Pricing (CP) Node information.
 - a. Is this information sufficient to allow the MPSC to track demand response resources and ensure that cross-subsidization and double counting are not occurring?
 - b. How would the MPSC be able to track DR that has been procured out of state for use in Michigan? Would it be necessary for the MPSC to track DR in other states?
 - c. Would your answers for the prompt-year and a four-year forward capacity demonstration differ? How so?

The effects of aggregated DR on an LSE's capacity requirement

- 3) A Load Serving Entity (LSE's) capacity requirement is determined by their historical Peak Load Contribution (PLC).
 - a. What potential problems does aggregation of DR resources across multiple AESs' have on the PLC calculation?
 - b. Example: An aggregator procures DR from AES₁. The aggregator sells this DR into the market, where it is procured by AES₂ to meet their capacity requirement. If this DR is dispatched on the MISO peak, AES₁'s PLC is reduced by xMW, even though that DR has been sold to AES₂. The next year, AES₁ would have a lower capacity requirement and AES₂ would still have the same capacity requirement as the previous year.
 - i. Is this accurate?
 - ii. If so, is this a problem and what can be done to fix it?

Acceptable reporting requirements for Capacity Demonstration

- 4) Through the Capacity Demonstration process, electric distribution companies (EDCs) and/or LSEs are able to show that they have enough resources to cover their capacity commitment. For supply side resources, the MPSC has a process for determining the availability and certainty of resources combined with adequate documentation from utilities and their partners.
 - a. What procedures would be appropriate to apply to demand side resources, particularly aggregated demand response that could be spread across multiple service territories and multiple AES customers?
 - i. Example: An AES submits a four year forward ZRC contract for aggregated DR.
 1. Should that ZRC contract be treated any differently than if it was a ZRC contract four years forward with a supply-side generation owner? How so?
 - b. What information would be sufficient to ensure capacity exists for the commitment period?
 - c. What entity would be best to supply this information?
 - d. Should a four year forward ZRC contract for aggregated DR (aggregated AES customer load) be considered an acceptable resource if submitted as part of a capacity demonstration on behalf of a utility, municipality or cooperative? Why or why not?
- 5) Voltus and AEMA both suggested in the February 13, 2019 stakeholder meeting that the MPSC should not limit DR aggregation to only AES customers. What are your initial thoughts on that?
- 6) Do you have any other recommendations you would like to suggest?
- 7) Do you have any additional topics you would like to discuss for our next DR aggregation stakeholder meeting on March 12th?
- 8) Are you opposed to having your written response included with the MPSC Staff report that is due to the Commission on May 30th?