UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Midcontinent Independent System Operator) Docket No. ER22-1640-000

NOTICE OF INTERVENTION AND COMMENTS OF THE MICHIGAN PUBLIC SERVICE COMMISSION

Through Order 2222, the Federal Energy Regulatory Commission, or FERC, created a framework to enable distributed energy resource aggregators to participate in the wholesale market.[1] As part of this framework, FERC directed the Midcontinent Independent System Operator, or MISO, among other regional transmission organizations, or RTOs, to establish market rules that govern how MISO coordinates with aggregators, distribution utilities, and state and local regulators.[2] The Commission did not require RTOs and ISOs to comply by a specific date, instead requiring each RTO and ISO to "propose a reasonable implementation date, together with adequate support explaining how the proposal is appropriately tailored for its region and implements this final rule in a timely manner."[3]

In response, MISO proposed tariff revisions that pave the way for distributed energy resource aggregators to participate in MISO's wholesale market and create a framework that fosters coordination among aggregators, distribution utilities, and regulators. MISO, however, proposes to delay implementation until October 1,

[1] *Participation of Distributed Energy Resource Aggregations in RTO and ISO Markets*, 172 FERC ¶ 61,247 (2020) (Order No. 2222).

[2] *Id.* at P 278.

[3] *Id.* at P 361.

2029—more than seven years from now. The Michigan Public Service Commission, or Michigan PSC, applauds MISO for its proposed tariffs and the framework it created. But MISO's proposed implementation date will prevent distributed energy resource aggregators from participating in the market until 2030, which is too long to wait. While MISO identifies obstacles to earlier implementation, they are not insurmountable. Indeed, as explained below, efficiencies may even be gained through efforts to overcome these obstacles.

The Michigan PSC is a member of the Organization of MISO States, or OMS, and fully supports OMS's comments; the Michigan PSC's comments focus on Michigan's experience and lessons learned from demand response aggregation and electric storage resources.[4]

I. Notice of Intervention

The Michigan PSC is a statutorily established agency in the State of Michigan, created by 1939 Public Act 3. MICH. COMP. LAWS § 460.1 *et seq*. The Michigan PSC is the Michigan regulatory agency having jurisdiction and authority to control and regulate rates, charges, and conditions of service for the retail sale of natural gas and electricity in the State of Michigan. The Michigan PSC is also a "state commission" as defined in 16 U.S.C. § 796(15) and 18 C.F.R. § 1.101(k) and

[4] These comments are filed consistent with Rule 211 of the Federal Energy Regulatory Commission's Rules of Practice and Procedure, 18 C.F.R. §§ 385.211 (2021), and the Commission April 15, 2022 Errata Notice Extending Comment Period.

has an interest in this proceeding that cannot be adequately represented by another party.

As a state commission, the Michigan PSC enters this Notice of Intervention consistent with 18 C.F.R. § 385.214. Copies of all pleadings, correspondence, and other communications concerning this proceeding should be directed to:

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II. Legal Framework and Jurisdiction

To place FERC Order 2222 and MISO's proposed framework in context, as well as states' role in that framework, the Michigan PSC first discusses FERC and court precedent surrounding demand response and electric resource aggregators' participation in wholesale markets. This precedent dates back to 2009 when FERC issued Orders 719 and 719-A allowing an aggregator of retail customers to aggregate demand response for certain utilities' customers and offer it as a resource into the market. In these orders, FERC created an exception for state and local regulators giving them opt-out authority that essentially "allowed States to 'decide the eligibility of retail customers' in demand response programs."[5]

[5] *Nat'l Ass'n of Regul. Util. Commissioners v. FERC*, 964 F.3d 1177, 1189 (D.C. Cir. 2020) (quoting *Wholesale Competition in Regions with Organized Electric Markets*, 128 FERC ¶ 61,059 (Order No. 719-A) at P 50, *on reh'g*, 129 FERC ¶ 61,252 (Order No. 719-B) (2009)).

Concerning the interplay between retail aggregation programs and wholesale aggregation program, FERC acknowledged state authority to regulate retail aggregation programs:

> It is up to the relevant electric retail regulatory authorities, if they so choose, to decide whether existing retail aggregation programs provide benefits and whether retail customer participation in wholesale demand response programs, individually or through an ARC [aggregator of retail customers], would adversely affect those programs and, if so, whether and how to permit such participation.[6]

Despite its decision giving states opt-out authority for aggregated demand response resources, FERC reached the opposite conclusion in Orders 841 and 841-A for electric storage resources—preventing states from opting these resources out of the wholesale market.[7] In Order 841-A, to support its decision, the Commission cited an earlier holding reaching the same conclusion for energy efficiency resources: "[B]ecause it has exclusive jurisdiction to regulate the participation of energy efficiency resources in RTO/ISO markets, RERRAs [Relevant Electric Retail Regulatory Authority] may not bar, restrict, or otherwise condition the participation of energy efficiency resources in RTO/ISO markets unless the Commission expressly gives RERRAs such authority."[8] In Order 841-A, however, the Commission did not upset its holding in Order 841 that electric storage resources "should not be

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[6] Order No. 719-A at P 68.

[7] *Electric Storage Participation in Markets Operated by Regional Transmission Organizations and Independent System Operators*, 167 FERC ¶ 61,154 at PP 37–39 (2019) (Order 841-A).

[8] *Id.* at P 37 (citing *AEE*, 161 FERC ¶ 61,245 at P 61).

required to pay both the wholesale and retail price for the same charging energy because it would create market inefficiencies due to the double payment."[9]

The D.C. Circuit Court of Appeals upheld Orders 841 and 841-A, agreeing with FERC that its authority under the Federal Power Act "to regulate the RTO/ISO markets gave it the 'authority to determine which resources are eligible to participate in [those] markets.' "[10] Nonetheless, the Court recognized that states retain authority to regulate at the retail level, including authority to "prohibit local ESRs [electric storage resources] from participating in the interstate and intrastate markets simultaneously, meaning States can force local ESRs to choose which market they wish to participate in."[11] Thus, while the Court sided with FERC because of its authority to determine what resources can participate in wholesale markets, the Court and FERC acknowledged state authority to regulate at the retail level, including preventing dual participation in retail and wholesale markets.[12]

Consistent with Order 841, which denied states the right to opt electric storage resources out of the wholesale market, in Order No. 2222, the Commission

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[9] *Electric Storage Participation in Markets Operated by Regional Transmission Organizations and Independent System Operators*, 162 FERC ¶ 61,127 at P 321 (2018); Order 841-A at P 127.

[10] *Nat'l Ass'n of Regul Util Comm'rs v Fed Energy Regul Comm*, 964 F3d 1177, 1183–84 (DC Cir 2020) (quoting FERC Order 841-A).

[11] *Id.* at 1188.

[12] *Id.*

likewise denied states the right to opt distributed energy resources out of wholesale market participation. Specifically, the Commission declined to include a mechanism for states to prohibit all distributed energy resources and aggregators of these resources from participating in RTO and ISO markets.[13] It found that "the benefits of allowing distributed energy resource aggregators broader access to the wholesale market outweigh the policy considerations in favor of an opt-out."[14]

Despite denying states an opt-out choice, the Commission preserved a role for state and local regulators by directing RTOs and ISOs to collaborate with these regulatory authorities to "accommodate and incorporate voluntary relevant electric retail regulatory authority involvement in coordinating the participation of aggregated distributed energy resources in RTO/ISO markets."[15] The Commission spelled out the "possible roles and responsibilities" that state and local regulatory authorities could assume:

> [These roles and responsibilities] may include . . . developing interconnection agreements and rules; developing local rules to ensure distribution system safety and reliability, data sharing, and/or metering and telemetry requirements; overseeing distribution utility review of distributed energy resource participation in aggregations; establishing rules for multi-use applications; and resolving disputes between distributed energy resource aggregators and distribution utilities over issues such as access to individual distributed energy resource data.[16]

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[13] Order No. 2222 at P 58.

[14] *Id.* at P 60.

[15] *Id.* P 322.

[16] *Id.* at P 324.

The Commission also found that "it is appropriate for RTOs/ISOs to place narrowly designed restrictions on the RTO/ISO market participation of distributed energy resources through aggregations, if necessary to prevent double counting of services," including counting a resource toward a retail program and then offering the resource into an RTO or ISO market.[17] This was consistent with earlier orders preventing dual participation in retail and wholesale markets. The Commission also preserved states' ability to opt demand response resources out of certain distributed energy resource aggregations,[18] although it has since opened a proceeding to reconsider state opt outs for demand response.[19]

As the Commission's position has evolved, the Michigan PSC has also reevaluated how it treats demand response aggregation, electric storage, and distributed energy resource aggregation. For example, the PSC is revisiting its prior ban preventing PSC-regulated electric utilities from bidding demand response resources into RTO and ISO wholesale markets,[20] and it is urging regulated utilities

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[17] *Id*. at P 161.

[18] In Order No. 2222-A, the Commission set aside this language preserving Order No. 719 opt out and prevented states from opting DR resources out of certain DER aggregations. But in Order 2222-B, the Commission in turn paused this holding from Order 2222-A. The Commission chose to further evaluate this issue in the context of a broader Notice of Inquiry proceeding in FERC Docket RM21-14-000 that is still ongoing. *Participation of Distributed Energy Resource Aggregations in Markets Operated by Regional Transmission Organizations and Independent System Operators*, 175 FERC ¶ 61,227 at P 26 (2021).

[19] FERC Docket No. RM21-14-000.

[20] MPSC Case Nos. U-20628 & U-20348, 10/29/2020 Order, pp 13–15, at https://mi-psc.force.com/sfc/servlet.shepherd/version/download/068t000000FU5D2AAL.

to develop aggregator-utility collaborative models for scaling up demand response aggregation to all retail customers in the future.[21] Third-party demand response aggregation is currently limited to Michigan's retail choice load, but the Michigan PSC is considering input on whether to change this.[22]

Similarly, for electric storage resources, the Michigan PSC has encouraged regulated electric utilities to develop pilot programs that, among other things, "[p]rovide for the utility to participate in the wholesale market on behalf of the customer-owned ESRs, including potentially engaging a third party to serve as an aggregator for the customer-owned ESRs."[23] The Commission also did not foreclose "the possibility of broader dual participation of ESRs in both the wholesale and retail markets."[24]

The Michigan PSC also recommended that regulated utilities consider adopting a "retail tariff that appropriately utilizes and compensates an ESR that does not directly participate in the wholesale market."[25] The Michigan PSC

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[21] MPSC Case No. U-20348, 8/8/2019 Order, pp 19–20, at https://mi-psc.force.com/s/filing/a00t000000Di358AAB/u203480013.

[22] In its October 29, 2020 Order in Case Nos. U-20348 and U-20628, the Commission reopened Case No. U-20348 for comments on whether to lift the partial ban on DR aggregation. Comments have been filed and the case is pending a Commission order.

[23] MPSC Case No. U-21032, 8/11/2021 Order, p 24, at https://mi-psc.force.com/sfc/servlet.shepherd/version/download/068t000000RlWgpAAF.

[24] *Id.*

[25] MPSC Case No. U-21032, 8/11/2021 Order, p 24, at https://mi-psc.force.com/sfc/servlet.shepherd/version/download/068t000000RlWgpAAF.

explained the benefits of utility pilot programs and retail tariffs that promote electric storage resource integration into the electric grid:

> The Commission finds that this approach–encouraging utilities to propose well-designed retail tariffs that account for the full value stack ESRs offer, while also allowing for participation through the utility in regional wholesale markets–is a reasonable next step in enabling increased participation of ESRs in the electric grid. Should the proposed offerings ultimately fail to fully meet the goals of customers in utilizing ESRs, or unreasonably limit the opportunity to fully realize the multiple benefits ESRs can provide, the Commission may then consider other options to better enable ESRs to market and monetize the various benefits they offer at both the wholesale and retail levels.[26]

This history is relevant because it reveals that the Michigan PSC recognizes the value of aggregation in similar contexts and could act quickly to promote distributed energy resources aggregation like it has for demand response aggregation and electric storage resources. But the Michigan PSC has been waiting on RTO tariffs adopting new participation models for distributed energy resource aggregation before it decides what steps to take and how quickly.

The situation is fluid, and the Michigan PSC continues to grapple with distributed energy resource aggregation at the retail level as it awaits direction from the Commission on wholesale participation. Nonetheless, the Michigan PSC's experience with demand response aggregation and electric storage resources are likely to inform how it coordinates with MISO and others to accommodate

[26] *Id.* at 27–28.

distributed energy resource aggregators' involvement in retail and wholesale markets.

III. Comments

The Michigan PSC supports MISO's proposed tariff revisions that will provide a path for distributed energy aggregated resources to participate in wholesale markets on equal footing with other resources. If these resources are successfully integrated into RTO and ISO markets, they have the potential to benefit these markets and ultimately the electric system as a whole. The Commission has explained that integrating these resources "will help the RTOs/ISOs account for the impacts of these resources on installed capacity requirements and day-ahead energy demand," which will improve load forecasts and planning to optimize resource selection and avoid over procurement.[27] Plus, these aggregated resources can be located "where price signals indicate that new capacity is most needed, potentially helping to alleviate congestion and congestion costs during peak load conditions."[28] And these resources "relatively short development lead time allows distributed energy resources to respond rapidly to near-term generation or transmission reliability-related requirements, further improving their ability to enhance reliability and reduce system costs."[29]

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[27] Order No. 2222 at P 4.

[28] *Id.*

[29] *Id.*

As discussed below, MISO's tariffs appropriately encourage coordination with aggregators, distribution utilities and other load-serving entities, and state regulatory authorities. The Michigan PSC is concerned, however, with the implementation schedule. While there are certainly obstacles to rapid implementation, MISO has not demonstrated that these obstacles justify an implementation date that will prevent distributed energy resource aggregators from participating in MISO's wholesale market until the next decade.

The Michigan PSC stands ready to expeditiously fulfill its role in the aggregation process, coordinating with MISO to facilitate registration, interconnection, operations, and dispute resolution.

A. MISO's proposed tariffs appropriately balance federal, regional, and state interests in distributed energy resource aggregation.

MISO has carved out a role for state and local regulatory authorities that furthers the Commission's stated goal of "accommodate[ing] and incorporate[ing] voluntary relevant electric retail regulatory authority involvement in coordinating the participation of aggregated distributed energy resources in RTO/ISO markets."[30] MISO's compliance letter outlines touchpoints for state and local regulatory authorities throughout the pre-registration and registration processes. MISO's compliance filing allows, but does not require, state and local regulatory action in key areas: Encouraging communication between distribution utilities and

[30] Order No. 2222 at P 322.

aggregators (i.e., enabling communication pathways),[31] overseeing distribution utilities technical review of aggregated distributed energy resources,[32] overseeing distribution utility overrides, and resolving disputes between aggregators and distribution utilities.[33]

Specifically, MISO's proposed tariffs would encourage coordination among all actors involved in the aggregation process to facilitate registration, interconnection, operations, and dispute resolution. To these ends, the following requirements and guidelines are relevant:

- Concerning registration, after MISO and the distribution utility or load-serving entity reviews an application for distributed energy resource aggregation, MISO proposes to give state and local regulatory authorities an opportunity to review the application for any eligibility issues, including potential double counting or dual compensation. MISO's process would allow state and local regulators to confirm that an aggregated resource is not dual compensated through a retail program if it is also offered in the wholesale market.[34]
- Concerning interconnection, aggregated distributed energy resources that need to connect to the distribution system—in front or behind a customer meter—may be required to enter into an interconnection agreement or complete an interconnection study. This would largely depend on the distribution utility's tariffs approved by state or local regulators. MISO recognizes that interconnection for aggregated resources being connected to the distribution grid will be subject to state and local "jurisdictional interconnection processes."[35]

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[31] ER22-1640-000, MISO's Transmittal Letter (April 14, 2022), at 14; Tab E, Laura Rauch Test., at 43.

[32] MISO's Transmittal Letter, at 12, 16.

[33] *Id.* at 27

[34] MISO's Transmittal Letter, at 27.

[35] *Id.* at 17.

- Concerning operational issues, MISO proposes a technical review designed to prevent adverse safety or reliability impacts on the distribution system by involving aggregators, distribution utilities, regulatory authorities, and transmission owners.[36] The framework should "streamline technical reviews that show no system impacts, while creating a pathway for novel or more complex" aggregated resources that merit "closer examination, such as when a potential reliability impact is identified."[37]

- Concerning dispute resolution, MISO recognizes in its proposal that state and local regulators may be in the best position to resolve disputes between distributed energy resource aggregators and distribution utilities. According to MISO, state regulators may decide to develop new dispute resolution processes, given the new role of aggregators, or may simply adapt existing dispute resolution processes to meet the need.[38]

Flagging these areas for state and local regulators' consideration and voluntary involvement strikes an appropriate balance between attempting to compel state and local regulatory involvement and deferring completely to state jurisdiction in these areas. Given state regulators' authority to regulate aggregation at the retail level,[39] it makes sense to allow them to exercise this authority cooperatively with federal and regional regulators, who have authority to regulate aggregation at the wholesale level, to integrate distributed energy

[36] *Id.* at 18.

[37] *Id.*

[38] *Id.* at 23.

[39] See *Nat'l Ass'n of Regul Util Comm'rs v Fed Energy Regul Comm*, 964 F3d 1177, 1188 (DC Cir 2020) (recognizing that states retain authority to regulate at the retail level, including authority to "prohibit local ESRs from participating in the interstate and intrastate markets simultaneously, meaning States can force local ESRs to choose which market they wish to participate in").

resources into the grid. The Michigan PSC appreciates MISO's willingness to coordinate with state regulators in areas of MISO's jurisdiction.

MISO's efforts to coordinate the registration, interconnection, operations, and dispute resolution processes for distributed energy resources aggregators exemplify how MISO's proposed framework involves aggregators, distribution utilities, MISO itself, and state and local regulatory authorities. MISO is to be applauded for involving this diverse cast of actors.

Although the Michigan PSC has not yet taken formal action to develop rules and procedures in direct response to Order 2222, Michigan has experience with demand response aggregation and electric storage resources, as described above, which will serve as a building block for Michigan PSC processes and procedures needed to facilitate and regulate distributed energy resource aggregation.

B. **MISO's proposed implementation timeline is too long.**

The Michigan PSC shares OMS's concern that an October 1, 2029 implementation date for MISO's tariff revisions would delay the reliability and economic benefits that distributed energy aggregated resources are expected to provide. Neighboring RTOs and ISOs plan to comply with Order 2222 much sooner—some as early as 2025. MISO could also comply sooner if it is directed to implement Order 2222 in parallel with MISO's Multiple Configuration Resources initiative or, at a minimum, better explain why parallel implementation is not possible. This is OMS's recommendation, and the Michigan PSC agrees. There is

no question that MISO's Multiple Configuration Resources initiative is important, as it will provide "operational flexibility needed to manage the MISO Region's increased reliance on intermittent resources, such as wind and solar, to meet the region's baseload demand needs."[40] But MISO does not adequately explain the risk it perceives in pursuing this initiative together with Order 2222 compliance. Unless it does, it should not be allowed to delay compliance.

MISO supports its argument that its Market System Enhancement initiative must be completed before it can comply with Order 2222; by contrast, MISO largely fails to support its argument that its Multiple Configuration Resources initiative cannot be implemented while it is complying with Order 2222. As support for the latter position, MISO witness Todd Ramey says only, "From a system enhancements perspective, simultaneous implementation of the MCR [Market System Enhancement] product and integration of Distributed Energy Resource Aggregations is imprudent as discussed earlier because of significant impacts of each product on multiple systems."[41] He made no effort to quantity these "significant impacts." And in the earlier testimony he referenced, which discussed parallel implementation of Market System Enhancement and Order 2222 compliance, he essentially said only that "pursuing these changes simultaneously

[40] MISO's Transmittal Letter, at 2.

[41] Tab D, Todd Ramey Test., at 18 (Tab D, Ramey).

would significantly increase the risks to secure and operationally reliable implementations of these products."[42] Here is his full question and answer:

> Q. CAN MISO IMPLEMENT THE CHANGES NEEDED TO ALLOW DERAs TO PARTICIPATE IN MISO'S MARKETS IN PARALLEL WITH THE MSE?
>
> A. No. As indicated in the systems enhancement timeline above, MISO is pursuing the parallel implementation of a number of complex changes to the market, settlement and registration system over the next 3 years. While some degree of efficiency can be gained by working in parallel on largely independent systems, our experience has shown that making multiple, complex changes simultaneously to a given market calculation or settlement schedule substantially increases the risk, which in turn could jeopardize MISO's ability to deliver reliable and efficient operational outcomes. The system changes to integrate MCR and DEAR into MISO's markets are highly complex, multi-system implementations, and pursuing these changes simultaneously would significantly increase the risks to secure and operationally reliable implementations of these products. This is similar reasoning as to why MCR is scheduled to be completed after the MSE program completion, despite the high projected benefits to the footprint and strong stakeholder desire for implementation of the MCR product. Order No. 2222 enhancements are, for the same reasons, scheduled to follow the MCR implementation work.[43]

Elsewhere, Mr. Ramey explains how market system enhancements will upgrade the legacy system to better support its operations and markets, noting that the legacy system is already taxed by demands on the system that "have increased exponentially over the last seventeen years" since its inception.[44] But MISO does not adequately explain why, once these system enhancements are completed in late 2024, its Multiple Configuration Resources initiative cannot be implemented while

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[42] *Id.* at 11.

[43] *Id.* at 11–12.

[44] *Id.* at 9.

it also complies with Order 2222. While the market system enhancements may be a prerequisite to complying with Order 2222, no argument is made that the Multiple Configuration Resource initiative is a prerequisite to distributed energy resource aggregators participating in the market.

MISO concedes that "some degree of efficiency can be gained by working in parallel on largely independent systems," but it claims that in this instance the two independent systems are too complex.[45] No effort is made to quantify the efficiencies gained by working on these systems in parallel or to explain how complex is too complex to negate these efficiencies. Other RTOs are upgrading independent systems at the same time, and even MISO plans to do so for other systems. As Mr. Ramey said, "Foundational enhancements to the market settlements and Market Participant registration systems will be developed in parallel with the MSE program."[46] It is not clear why this cannot also be accomplished for system changes needed to accommodate aggregated distributed energy resources and the Multiple Configuration Resource initiative. If it is because these systems are more complex, MISO should show how this complexity prevents their simultaneous development.

[45] *Id.* at 11.

[46] Tab D, Ramey, at 6–7.

Without additional support for MISO's recommendation, the Michigan PSC recommends that the Commission direct MISO to implement Order 2222 in parallel with MISO's Multiple Configuration Resources initiative.

C. The Michigan PSC stands ready to fulfill its role in facilitating distributed energy resource aggregation.

The Michigan PSC recognizes the significant role it and other state regulatory authorities will need to play to ensure Order 2222's success. Since 2019, the Michigan PSC has allowed third-party demand response aggregators to aggregate retail choice customers and directly participate in RTO and ISO markets.[47] Although the State of Michigan limits retail choice to "no more than 10% of an electric utility's average weather adjusted retail sales for the preceding calendar year,"[48] Michigan's experience with third-party demand response aggregation has led to process improvements that have increased communication between demand response aggregators and distribution utilities, enhanced Michigan PSC visibility into aggregator activities, and better aligned state and regional processes.[49]

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[47] MPSC Case No. U-20348, 8/8/2019 Order, pp 14–15, 23, at https://mi-psc.force.com/s/filing/a00t000000Di358AAB/u203480013.

[48] Mich. Comp. Laws § 460.10a(1)(a)

[49] See generally FERC Docket No. RM21-14-000, Michigan PSC's Notice of Intervention and Comments (July 23, 2021); FERC Docket No. RM21-14-000, Michigan PSC's Reply Comments (August 23, 2021).

While the Michigan PSC has made progress in these areas, it recognizes that Order 2222 will magnify the importance of creating and improving upon these processes for distributed energy resource aggregators. Process improvements will ensure the Michigan PSC is able to establish guidelines for entities under its jurisdiction that complement RTO guidelines in the wholesale market. The Michigan PSC has been involved in regional stakeholder processes since the Commission issued Order 2222 and has been preparing for its eventual implementation through several stakeholder processes of its own, including the MI Power Grid initiative. For example, the Michigan PSC has a stakeholder workgroup dedicated to updating its interconnection standards and providing feedback on its proposed new Interconnection and Distributed Generation Standards,[50] as well as a workgroup dedicated to fostering customer engagement and education.[51]

The Michigan PSC is also aware of the importance of secure, streamlined, third-party data access. And while aggregators are responsible for providing

[50] MPSC Case No. U-20890, 5/12/2022 Order on Rehearing at 2, 10, at https://mi-psc.force.com/sfc/servlet.shepherd/version/download/0688y000002tmXxAAI (describing the stakeholder process and allowing members of the public to submit comments on the proposed rules).

[51] MPSC, *Customer Education and Participation*, MI Power Grid Workgroup, at https://www.michigan.gov/mpsc/commission/workgroups/mi-power-grid/customer-education-and-participation (focused on "[b]etter integration of multiple rate offerings (demand response, time-based pricing, electric vehicles, energy waste reduction or energy efficiency . . . shadow billing [and] low-income assistance)."

distribution utilities and state regulators with accurate data—ideally when aggregated resources are registered—load balancing authorities are responsible for ensuring customers have access to the data. And to facilitate distributed energy resource aggregation, load balancing authorities should use tools that enable continuous and secure data access. Further, to the same end, third-party aggregators should also have access to customer data. And since third-party aggregators typically rely on existing utility infrastructure, the aggregators should be given access to customer meter data through a utility portal.

Besides this, the Michigan PSC Staff have been meeting with Michigan's major electric utilities, while MISO has been developing its proposed framework, to discuss distribution level impacts, action items, and areas of focus. These conversations have helped highlight areas where the Michigan PSC can exercise its retail rate authority to coordinate with MISO as it moves closer to Order 2222 compliance. The Michigan PSC expects to continue these conversations and to include potential aggregators and other stakeholders as well, both within Michigan and at MISO stakeholder forums. The aim is to ensure that state and RTO processes are properly aligned and to address other outstanding matters ahead of Order 2222 implementation.

The Michigan PSC continues to prepare for next steps, and it stands ready to fulfill its role as described in MISO's tariffs if they are approved. As explained in the background section, the Michigan PSC acted quickly in response to Commission orders allowing demand response aggregators and electric storage resources to

participate in the wholesale market, and it will do the same for distributed energy resource aggregators.

IV. Conclusion and Relief Requested

The Michigan PSC eagerly awaits MISO's proposed tariff revisions that will unlock opportunities for distributed energy resources. The Commission has recognized the many benefits these resources will provide once they are successfully integrated into RTO and ISO markets. MISO should be required to aggressively pursue the system improvements needed to reap these benefits. Improvements cannot wait until 2029 but should be implemented well before then together with MISO's other important initiatives.

Respectfully submitted,

MICHIGAN PUBLIC SERVICE COMMISSION

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Dated: June 6, 2022

CERTIFICATE OF SERVICE

I hereby certify that I have this day served, via electronic mail or first-class mail, the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Lansing, Michigan this **6th** day of **June, 2022.**

/s/ Cherie A. R. Shea