

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

In the Matter of an Investigation into the)	
Coordination of State and Federal Regulatory)	
Policies for Facilitating the Deployment of all)	File No. EW-2010-0187
Electric Customers of All Classes Consistent)	
With the Public Interest)	

**INFORMATIONAL FILING OF
SOUTHWEST POWER POOL, INC.**

Pursuant to the Missouri Public Service Commission’s (“Commission”) “Order Opening a Case to Investigate Implementation of Various Demand-Side Programs” (“Order”) and the “Staff Report”, issued on January 6, 2010 and January 27, 2010, respectively, Southwest Power Pool, Inc. (“SPP”), by and through its attorneys, submits this informational filing as to the status of its Federal Energy Regulatory Commission (“FERC”) Order 719 and 719-A¹ compliance filings.

1. On January 6, 2010, the Commission issued the above-referenced order initiating this proceeding to investigate how it may achieve its new responsibilities under the Missouri Energy Efficiency Investment Act (“MEEIA” – also known as Senate Bill 376), within the background of FERC policies that eliminate barriers to demand response and that direct the Midwest Independent System Operator (“MISO”) and SPP to accommodate state policy regarding retail customer demand-side activity. Order at 2. In the Order, the Commission invited the public and interested parties to submit written comments on a series of questions addressing the MEEIA and Aggregators of Retail

¹ *Wholesale Competition in Regions with Organized Electric Markets*, Order No. 719, 73 Fed. Reg. 64,100 (Oct. 28, 2008), FERC Stats. & Regs. ¶ 31,281 (2008), *order on reh’g*, Order No. 719-A, 74 Fed. Reg. 37,776 (July 29, 2009), FERC Stats. & Regs. ¶ 31,292 (2009) (Order 719).

Customers (“ARCs”), the product of which is to be discussed at a future workshop and will culminate in the development of a new rule. Order at 3-7. No timeline was provided in the Order.

2. On January 27, 2010, Commission Staff submitted its Staff Report in this proceeding *inter alia* encouraging all participants to review the 26 questions posed by the Commission in its Order and submit written responses to as many questions as possible by February 17, 2010, for consideration prior to a workshop scheduled for February 22, 2010. Staff Report at 4. In its Staff Report, Commission Staff indicates that such responses should be useful in (a) determining how the subject matter and subjects of the various proceedings interrelate and (b) developing proposals for how to proceed in File Nos. EW-2009-0291, EW-2009-0292, EW-2010-0187, and any related files or cases. *Id.*

3. Although SPP is very much committed to furthering the Commission’s objectives in this proceeding, it is premature for SPP to respond to the Commission’s questions pending final resolution of its Order 719 and 719-A compliance filings upcoming with FERC. To better assist the Commission and all participants in their consideration of these issues, SPP provides below a historical overview, and the current status, of its Order 719 and Order 719-A compliance filings.

4. On October 17, 2008, FERC issued Order 719. Among other things, Order 719 required in the area of demand response each Regional Transmission Organization (“RTO”) and Independent System Operator (“ISO”) to: (1) accept bids from demand response resources in the RTO’s or ISO’s markets for certain ancillary services, on a basis comparable to other resources; (2) eliminate, during a system emergency, a charge to a buyer that takes less electric energy in the real-

time market than it purchased in the day-ahead market; (3) in certain circumstances, permit an ARC to bid demand response on behalf of retail customers directly into the organized energy market; and (4) modify its market rules, as necessary, to allow the market-clearing price, during periods of operating reserve shortage, to reach a level that rebalances supply and demand so as to maintain reliability while providing sufficient provisions for mitigating market power.² It required each RTO and ISO to assess and report upon any remaining barriers to comparable treatment of demand response resources that are within the Commission's jurisdiction. It also required each Independent Market Monitor to submit a report describing its views. On April 28, 2009, SPP submitted a compliance filing to FERC in response to Order 719 proposing revisions to its Open Access Transmission Tariff ("Tariff").³ SPP submitted additional Tariff revisions to comply with those requirements established in Order 719-A on October 27, 2009.⁴

5.. On November 20, 2009, FERC issued an order accepting in part and rejecting in part SPP's Order 719 Compliance Filing, to be effective June 28, 2009, and directing that SPP submit a further compliance filing by February 18, 2010, to further comply with Order 719.⁵ Among other things, FERC directed SPP to incorporate its demand response resource bidding parameters into its tariff,

² *Id.* at P 4, 15.

³ Submission of Order No. 719 Compliance Filing Revising Tariff of Southwest Power Pool, Inc., Docket No. ER09-1050-000 (Apr. 28, 2009) (Order 719 Compliance Filing).

⁴ Submission of Order No. 719-A Compliance Filing, Docket No. ER09-1050-001 (Oct. 27, 2009).

⁵ *Southwest Power Pool, Inc.*, 129 FERC ¶ 61,163 (2009) (November 20 Order).

include its acceptance criteria and describe its methodology for determining a demand response resource's baseline, measurement and verification.⁶ In addition, the November 20 Order permitted SPP in its compliance filing to require an ARC to certify that its participation in the wholesale market is not precluded by the relevant electric retail regulatory authority.⁷ Finally, the Order directed that SPP and its Market Monitor file demand response reports by May 20, 2010.⁸

6. On December 15, 2009, SPP filed a motion with FERC to request an extension of time to file certain compliance filings related to Order 719 and 719-A in Docket Nos. ER09-1050-000 (SPP Order 719 Compliance), ER09-748-000 (SPP Demand Response Revisions), and ER09-1192-000 (SPP Bylaws Revisions). Specifically, SPP requested: (1) a 90-day extension to file demand response-related Tariff revisions required in the November 20 Order; (2) an extension to permit SPP to file its Order 719-A compliance filing when it files its other demand response revisions; and (3) a 90-day extension for SPP and the Market Monitor to submit reports regarding demand response once the demand response reforms have been adopted.⁹

7. On December 23, 2009, FERC issued a "Notice Addressing Motion for Extension of Time" in which it granted SPP an extension of time up to and including May 19, 2010, to comply with the demand response requirements set forth in section III.B.1 of the November 20 Order and the demand response requirements ordered in

⁶ *Id.* at P 46, 48, 51.

⁷ *Id.* at P 71.

⁸ *Id.* at P 96.

⁹ Motion for Extension of Time of Southwest Power Pool, Inc., ER09-1050-000, ER09-748-000, ER09-1192-000 (Dec. 15, 2009).

Order 719-A and further directed that SPP submit its demand response reports on May 20, 2009, as required by the November 20 Order.¹⁰ SPP did not request additional time to submit the market monitoring revisions required by the November 20 Order, which remain due February 18, 2010.

8. SPP will attend workshops as appropriate. In addition, SPP will be pleased to provide information as it becomes available and comment as appropriate to assist in addressing the Commission's questions.

9. Pleadings, notices and orders and other communications in this matter should be addressed to the following:

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Respectfully submitted,

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¹⁰ Notice Addressing Motion for Extension of Time, Docket Nos. ER09-1050-000, ER09-748-000, ER09-1192-000 (Dec. 23, 2009).

Attorneys for
Southwest Power Pool, Inc.

Dated: February 8, 2010

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing Informational Filing of Southwest Power Pool, Inc. was e-mailed on this 8th day of February, 2010, to the Staff of the Missouri Public Service Commission, Office of Public Counsel, and all counsel of record in File No. EW-2010-0187.

/s/ David C. Linton
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