BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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

File No. EW-2017-0245

UTILITIES COMMENTS

These Comments, submitted jointly the Ameren Missouri, Kansas City Power & Light Company and KCPL-GMO, and The Empire District Electric Company (the "Utilities") address the attached changes suggested to the draft rule circulated by the Staff on May 18, 2018. As previously expressed by the Utilities, there is considerable discussion underway in different jurisdictions around the country on how to properly evaluate, incorporate and leverage distributed energy resources (DERs). In most cases, these discussions are in the early stages and even the jurisdictions with the highest penetrations of DERs or significant load constraints on the system are still learning what processes and software work best as they continue to develop. A measured and prudent approach to address the growing emergence of DERs will also consider measures that do not have significant costs that far outweigh the anticipated benefits in today's market.

The Utilities appreciate Staff's efforts at preparing a draft to start this important discussion. The suggested changes are designed to provide information about, and to allow the timely and proper evaluation of, DERs and to do so in a cost-effective manner in the event the Commission decides to move forward with a rule change at this time. The Utilities believe the rule, with these changes, will allow them to be prepared for the impact this rapidly evolving technology will have on their systems.

The rest of these Comments accompany the attached mark-up.

- Definition (A) deleted because not used elsewhere in the rule.
- DER Definition "DG" was added for clarification and because it is used later in the rule. Because the definition was modified, the reference to the NARUC DER manual was no

longer entirely accurate. In addition, it was not clear a footnote can be included in a rule in this fashion.

- Subsection (2) Maintaining such a database only makes sense for DERs that are generation or constitute storage and, for practical reasons, they must be known to the utility.
- Subsection (3) The addition to this subsection is designed to avoid duplication with portions of Chapter 22 that already cover many of the DERS included in the definition, while adding consideration of the market potential for others.
- Subsection (4)
 - Congestion is a type of reliability concern, but there are others that DERS could improve;
 - "(C)" is now already covered in Subsection (3).
 - DERs do not always reduce peak demand or the size of supply-side resources (and do not always delay them), e.g., EVs that do not charge in the off-peak.
 - "(E)" simply stated that RTO requirements must be followed. If this is an RTO requirement, the rule need not provide for it.
 - New "(E)" (formerly "(G)") has been modified to exclude the line-by-line analysis, as this kind of detailed analysis would be costly and time consuming and in the Utilities' view, unnecessary. However, an estimate of the transmission network loss reduction on existing and potential DER is supported but should be designed to capture value based specifications.

The Utilities appreciate the opportunity to provide these suggestions and look forward to

discussing them further as the workshop process proceeds.

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