



AN ALLETE COMPANY

30 West Superior Street  
Duluth, MN 55802-2093  
[www.mnpower.com](http://www.mnpower.com)



April 10, 2023

**VIA E-FILING**

Will Seuffert  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
St. Paul, MN 55101-2147

Re: In the Matter of a Commission Investigation into  
the Potential Role of Third-Party Aggregation of  
Retail Customers  
**Docket No. E999/CI-22-600**

Dear Mr. Seuffert:

Minnesota Power (or “the Company”) submits the reply comments below in response to the Minnesota Public Utilities Commission’s (“Commission”) request for comments regarding the impacts of potential third-party aggregation of retail customers.

Topics open for comment included:

1. Should the Commission permit aggregators of retail customers to bid demand response into organized markets?
2. Should the Commission require rate-regulated electric utilities to create tariffs allowing third-party aggregators to participate in utility demand response programs?
3. Should the Commission verify or certify aggregators of retail customers for demand response or distributed energy resources before they are permitted to operate, and if so, how?
4. Are any additional consumer protections necessary if aggregators of retail customers are permitted to operate?

As stated in Initial Comments, Minnesota Power serves some of the nation’s largest industrial customers and has effectively implemented and managed demand response (“DR”) resources on behalf of its customers, large and small, to both efficiently respond to system emergencies and to keep rates low through the avoidance of building or buying additional capacity resources. Minnesota Power’s thirty-year history of successfully offering DR to customers demonstrates it both understands the value of DR and is committed to the continuing success of its DR programs into the future.

The Company’s argument against third-party aggregators largely remains the same today as it did when this issue first came before the Commission. Aggregators of retail

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We commit to be injury-free through continuous learning and improvement.*

customers (“ARC”) violate Minnesota service territory law (Minn. Stat. § 216B.37-43), and violate Commission approved all requirements electric service agreements with industrial customers (Minn. Stat. § 216B.05, subd. 2a).

## REPLY COMMENTS

Comments by Voltus and the Sierra Club and Union of Concerned Scientists, make the argument that ARC are non-utility entities by statute, as demand response is not a “service” because it is not selling electricity and does not involve equipment that provides electricity. The Company disagrees with this narrow interpretation. Utilities obligations to serve include both energy and capacity services, and energy demand is an inherent part of capacity. Customers would not have demand to offer without first receiving the capacity from the utility. Furthermore, demand and demand response and the associated meters to measure are built into into rates and tariffs approved by the Commission and therefore are an essential part of electric service.

Intervenors argue that the Commission’s authority is generally limited to regulating public utilities. The Company contends that Minn. Stat. Chapter 216B is much broader than the regulation of utilities. For example, the statute also grants general commission authority, the ability to regulate service territory, and the ability to grant certificates of need and address peak demand in an integrated resource plan, which includes demand response resources that allow shifting demand to different time periods. Commission authority from the legislature is much broader than any one specific statute or definition in Minn. Stat. Ch. 216B.

In conclusion, the Company does not support efforts to permit aggregators of retail customers to bid DR into organized markets or require utilities to create tariffs for third-party aggregators due to significant concerns over the statutory authority to do so. Additionally, Minnesota Power does not believe permitting third-party aggregators to bid DR into organized markets is necessary for the utility to capture the benefits of DR on its system.

The Company appreciates the opportunity to comment on this topic. If you have any questions regarding this filing, please contact me at 218.355.3602 or [avang@mnpower.com](mailto:avang@mnpower.com).

Sincerely,



Ana Vang  
*Senior Public Policy Advisor*

AMV:th

STATE OF MINNESOTA    )  
                                  ) ss  
COUNTY OF ST. LOUIS    )

AFFIDAVIT OF SERVICE VIA  
ELECTRONIC FILING

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Tiana Heger of the City of Duluth, County of St. Louis, State of Minnesota, says that on the 10<sup>th</sup> day of April, 2023, she served Minnesota Power’s Reply Comments in **Docket No. E999/CI-22-600** on the Minnesota Public Utilities Commission and the Energy Resources Division of the Minnesota Department of Commerce via electronic filing. The persons on E-Docket’s Official Service List for this Docket were served as requested.



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Tiana Heger