

March 13, 2023

VIA ELECTRONIC FILING

Consumer Affairs Office  
Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
St. Paul MN 55101

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

Clean Energy Economy Minnesota (CEEM) respectfully submits these comments In the Matter of a Commission Investigation into the Potential Role of Third-Party Aggregation of Retail Customers (PUC Docket No. E999/CI-22-600).

CEEM is an industry-led, nonpartisan, non-profit organization representing the business voice of energy efficiency and clean energy in Minnesota. CEEM’s mission is to provide educational leadership, collaboration, and policy analysis that accelerates clean energy market growth and smart energy policies. We work to support and expand clean energy jobs and the economic opportunities provided by clean, reliable, and affordable energy on behalf of all Minnesotans. As such, we seek to educate Minnesotans about the economic benefits of transitioning to a clean energy economy and are committed to delivering a 100% clean energy future where all Minnesota businesses and citizens will thrive. Our business membership is comprised of nearly 50 clean energy companies ranging from start-up businesses to Fortune 100 and 500 corporations that employ tens of thousands of Minnesotans across the state.

CEEM is fueled by the support of our business members, partners, and individuals working across Minnesota’s sustainable energy economy. Our diverse membership and partner network represents a wide array of businesses providing and seeking energy solutions across energy technologies and business models. CEEM staff has experience in participating in regulatory reform, grid modernization, and “utility of the future” discussions as well as regulatory proceedings.

Our organization supports policies that empower consumers and provide efficient pathways that expand business opportunities for distributed energy resources (DERs) to benefit consumers.

## 1. Should the Commission permit aggregators of retail customers to bid demand response into organized markets?

Yes. The Commission should eliminate the opt out under FERC Order 719<sup>1</sup> and permit ARCs to aggregate the demand response (load flexibility) resources of Minnesota electric consumers into the Midcontinent Independent System Operator (MISO) markets because:

- By lifting the ban on ARCs, CEEM members will be able to realize carbon reductions from more carbon-free DERs like demand response, batteries, and rooftop solar to achieve sustainability goals;
- Federal regulations allow for energy storage and DERs to participate in wholesale markets; and
- CEEM members and their customers will directly benefit.

One example is CEEM member, Trane. They are the Detroit Lakes Community and Cultural Center (DLCCC) project developer. If ARCs were allowed, the chiller and ice storage could participate as Demand Response Resources in MISO's ancillary services market, creating an additional revenue stream for DLCCC. For purposes of comparison, United States Cold Storage, a cold storage logistics company with facilities in Illinois – which allows ARCs – participates in the PJM market. PJM has a fast demand response program called Synchronized Reserves Market (SRM), similar to MISO's Spinning Reserves Market. United States Cold Storage reduces its energy consumption within 10 minutes when it receives the notification from its Aggregator. According to United States Cold Storage<sup>2</sup>, “a decrease in refrigeration for the length of an SRM event has no significant effect on the temperature in the freezers.” Similarly, DLCC's chiller and ice storage can participate in the MISO market and earn revenue by reducing its energy consumption during MISO emergency events.

In addition, CEEM member, Ameresco was recently<sup>3</sup> awarded a contract by the United States Army, saving \$125,000 annually. As part of this contract, in Fort Detrick, Maryland, Ameresco is deploying a 6 MW/6 MWh Battery Energy Storage System (BESS) that participates as a demand response resource and provides frequency regulation services in the PJM market. Similarly, if ARCs are allowed in Minnesota, Ameresco can provide demand response in the MISO frequency regulation market for United States Army locations in Minnesota.

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<sup>1</sup> FERC Order 719, 125 FERC ¶ 61,071, page 9, “Demand response can provide competitive pressure to reduce wholesale power prices; increases awareness of energy usage; provides for more efficient operation of markets; mitigates market power; enhances reliability; and in combination with certain new technologies, can support the use of renewable energy resources, distributed generation, and advanced metering.”

<https://cms.ferc.gov/sites/default/files/2020-04/E-1%281%29.pdf>

<sup>2</sup> Enel X Case Study, <https://www.enelx.com/n-a/en/resources/case-studies/US-cold-storage-sync-reserves>

<sup>3</sup> Ameresco Press Release, <https://www.ameresco.com/ameresco-awarded-6-mw-battery-energy-storage-system-bess-at-u-s-armys-fort-detrick-base/>

**2. Should the Commission require rate-regulated electric utilities to create tariffs allowing third-party aggregators to participate in utility demand response programs?**

CEEM does not have any comment on this question.

**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?**

CEEM believes any role of the Minnesota Public Utilities Commission to verify or certify aggregators of retail customers for demand response is unnecessary regulation. As a market operator, MISO has sufficient provisions to oversee the activity of ARCs. And Minnesota state consumer protection laws and contract laws provide customers of ARCs with sufficient remedies to provide adequate protection. And finally, no state that currently allows ARCs to aggregate consumers provides for verification or certification by the state regulator of ARCs.

**4. Are any additional consumer protections necessary if aggregators of retail customers are permitted to operate?**

CEEM believes that additional consumer protections are unnecessary. Michigan recently determined that none are necessary for consumers with aggregated loads of 1 MW or more and will hold further proceedings to determine if any additional protections are necessary for smaller consumers.

CEEM appreciates the opportunity to comment on these important issues. Please feel free to contact us with any questions that you may have.

Sincerely,



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