Comments

of the

Association of Businesses Advocating Tariff Equity (ABATE),

Illinois Industrial Energy Consumers (IIEC),

Louisiana Energy Users Group (LEUG),

Texas Industrial Energy Consumers (TIEC),

Coalition of MISO Transmission Customers (CMTC),

Midwest Industrial Customers (MIC),

Midwest Large Energy Consumers (MLEC)

and

NIPSCO Large Customer Group (NLCG) 1

Regarding

RASC: LMR Reforms (RASC-2019-9) (20240710)

August 2, 2024

ABATE, IIEC, LEUG, TIEC, CMTC, MLEC and MIC, as representatives of the End-Use Customer (EUC) Sector, and NLCG appreciate this opportunity to provide these comments to MISO. As we noted in our May 3, 2024 Comments to MISO², we appreciate that MISO has concerns with respect to the current notice time, availability, accreditation and registration of Load Modifying Resources (LMRs) and we are very interested in constructively working with MISO to understand and reasonably address those concerns. Furthermore, we are highly supportive of MISO Operations having the tools necessary to maintain reliability and not being unnecessarily placed into a position where it has to make discretionary decisions in real time during an emergency. However, it is imperative that MISO substantiate and support its concerns and, for those concerns that are sufficiently substantiated and supported, pursue remedies that are necessary and tailored to meet those concerns. In particular, as detailed in our May 3, 2024 comments, MISO's April 17, 2024 proposal for Planning Year 2028/2029 and beyond was highly problematic because it was overly aggressive, unworkable and included unreasonable and unsupported modifications to LMR qualification and accreditation requirements that would effectively eliminate LMRs as they exist today. The proposal, if implemented, would have had significant negative ramifications with respect to the availability of capacity within the MISO footprint, and the resulting exclusion of resources currently serving as LMRs would be unjust and unreasonable. We further substantiated our May 3, 2024 comments on MISO's April 17, 2024 proposal in our May 22, 2024 presentation to the MISO RASC, which also constructively offered alternatives for MISO and stakeholders to consider to address MISO's concerns.3

Executive Summary

MISO, in its revised proposal that it presented at the July 10, 2024 MISO Resource Adequacy Subcommittee (RASC) meeting, has made a number of important modifications to its April 17, 2024 proposal that are responsive to a number of our concerns as well as a number of concerns of other stakeholders. The modifications and MISO staff engagement are greatly appreciated. However, fundamental problems remain with respect to MISO's LMR problem statement, MISO sufficiently substantiating and supporting its concerns, and MISO only pursuing remedies that are necessary and tailored to meet the concerns that are sufficiently substantiated and supported. Furthermore, we are greatly concerned with respect to the new revelation during the July 10, 2024 MISO RASC meeting that MISO intends to discontinue the Firm Service Level option for LMR Demand Resources as part of its yet to be detailed proposed changes to how capacity accreditation is performed for LMRs. As a result, MISO's proposal, even as currently revised by MISO, will still result in the exclusion from the market of resources currently serving as LMRs that are capable of providing meaningful capacity value during emergency conditions.

Accordingly, we ask MISO to further refine its proposal to:

- Conduct analysis to identify and maintain curtailment call caps by season for Option 1 capacity-only demand response.
- Exempt existing LMR Demand Resources, who have had previous successful curtailment deployments by MISO, or previous successful real power tests, from the one-time real power test that MISO has proposed for Option 1 capacity-only demand resources
- Continue the triple non-performance penalty opt out of real-power tests at least with respect to
 Option 1 capacity-only demand resources
- Continue to allow notification time of up to six hours for Option 1 capacity-only demand resources to help ensure that existing LMRs do not exit the market
- Name Option 1 Load Modifying Resources and name Option 2 Flexible Load Modifying Resources
- Provide notice to Market Participants of the four-hour real power test curtailment period of no less than five business days.
- Provide that the only penalty for an Option 1 capacity-only demand resource failing a real power
 test be that the registration for the demand resource not be approved unless: (i) the real power
 test is later passed or (ii) the demand resource chooses to opt out of the real power test
 requirement in exchange for being subject to tripled non-performance penalties.
- Despite MISO's announced intention, continue the Firm Service Level option for LMR Demand
 Resources under both Option 1 and Option 2 because it is the foundation upon which traditional
 regulated retail interruptible electric service was built, operationally allows participation
 without requiring customers to inefficiently force run their processes, avoids the risk of
 curtailment of customer load necessary for the safe, reliable and environmentally compliant
 operation of their facilities, makes curtailment compliance clear and transparent, and maintains

proper alignment between demand resource capacity accreditation and the allocation of capacity obligations to Load Serving Entities (LSEs).

MISO's July 10, 2024 Modifications Related to Real Power Testing and Notification Time

MISO in its April 17, 2024 proposal proposed to require LMRs to be subject to a minimum of two random real power tests per season (i.e., at least eight per year). In addition, it proposed that LMRs not be permitted to have notification time longer than 30 minutes. Furthermore, MISO proposed to eliminate the current limits on the number of calls per season for each LMR allowed by MISO such that MISO would now be allowed to call on LMRs an unlimited number of times during NERC Energy Emergency Alert (EEA) 2 or higher level events. Finally, MISO indicated that existing LMRs who could not meet these new requirements would be required to instead register as a Demand Response Resource (DRR), or other type of Capacity Resource, if they wished to still participate as demand response that provides, or avoids the need for, capacity.

As detailed at great length in our May 3, 2024 comments and May 22, 2024 presentation, all of the foregoing would be highly problematic and alone likely lead to the loss of several thousand MW of capacity from the MISO footprint at a time when MISO is already projecting serious future potential resource adequacy challenges.

In response to these concerns and similar ones raised by other stakeholders, MISO in its July 10, 2024 presentation proposed the following changes to the real power testing and notification time portions of its April 17, 2024 proposal:

 MISO would create two classes of capacity-only demand response that would not be required to make offers into the MISO energy and operating reserves market:

o Option 1

- Would allow notification times as short as 30 minutes, or longer than 30 minutes, in exchange for being subject to calls during NERC Energy Emergency Alert (EEA) 1 and above events rather than just NERC EEA 2 and above events.⁴.
- MISO's market systems would be modified to commit and dispatch Option 1
 resources based on their real-time availability as input into the MISO Market
 Portal rather than having MISO Operations deploy these resources through
 Scheduling Instructions through the MISO DSRI system.⁵
- Would only require a real power test for demand resources once at the time of initial registration⁶ potentially with grandfathering for existing LMR Demand Resources with successful past deployments and potentially retaining the triple non-performance penalty opt out of real power testing.

o Option 2

- Would be limited to a notification time of no longer than 30 minutes, but would remain only called for NERC EEA 2 or higher level events.
- Would continue to be deployed through Scheduling Instructions from MISO Operations through the MISO DSRI system.
- Real power test required once per year, but a successful deployment in response to an event counts as a successful test.
- For Behind the Meter Generation (BTMG) using Option 1 or Option 2, the current GVTC testing approach would continue to be used.
- Capacity accreditation would be based on response time, availability and capacity-only demand response option chosen.
- All LMR, DRR and EDR dual-registration options would be eliminated, but the capacity
 accreditation for DRRs that are demand resources would be modified to be the same as for
 Option 1 capacity-only demand response.
- The current Intermittent LMR BTMG provisions would continue to track the capacity accreditation provisions for non-BTMG Intermittent Generation resources.
- The current EDR provisions would remain unchanged except for eliminating the option to be dual-registered as a LMR or DRR in addition to being registered as an EDR.
- MISO is seeking stakeholder feedback on naming Option 1 and Option 2 in recognition the naming could impact the ease at which regulated retail interruptible service contracts and tariffs can be modified.

The above modifications represent a significant improvement with respect to the number of required real power tests, notification time requirement and required DRR participation aspects of MISO's April 17, 2024 proposal. This includes MISO, through its Option 1 and Option 2 proposal, adopting the idea we had advanced in the past of creating separate product for more flexible LMRs if there is a need for such a product.

While we appreciate the modifications MISO has made to its April 17, 2024 proposal, we have a number of remaining serious concerns. Specifically:

- MISO has not committed to maintaining a cap on the number of allowed MISO calls by season for Option 1 capacity-only demand response (demand resources and behind the meter generation).
- MISO has not committed to the grandfathering of LMR Demand Resources with a previous successful curtailment deployment or real power test from having to perform the required onetime real power test for Option 1 capacity-only demand resources.

- MISO has not committed to continue the triple-penalty opt out of real-power testing even for Option 1 capacity-only demand resources.
- For Option 1 capacity-only demand response (demand resources and BTMG), MISO has not committed to continuing a hard limit on the number of allowed MISO curtailment calls per season.
- For Option 1, MISO has not committed to continuing to allow notification times as long as six hours or detailed the amount by which capacity accreditation would be reduced for notice times longer than 30 minutes.

As discussed at past stakeholder discussions, it is important that MISO conduct the analysis necessary to identify a cap on the number of allowed MISO resource calls by season so that end use customers have certainty regarding the maximum number of calls to which they are exposed. At a minimum, this needs to be done for Option 1 capacity-only demand response (demand resources and behind the meter generation). As we indicated in our May 3, 2024 comments, it is our experience that predefined limits with respect to the number of times per season MISO may call on an LMR is a critical risk safeguard for large industrial and institutional end-use customers with respect to participation as an LMR. These customers are in the business of competitively and reliably producing goods or services for their customers or clients. In order to remain competitive, they agree to be interruptible pursuant to LMR requirements in order to reduce their overall cost for electricity provided the requirements can be met in a safe, and environmentally compliant manner, and the frequency and duration of the interruptions called do not undermine their ability to fulfil their business. A critical component toward achieving the latter are predefined limits that place an upper bound on the maximum number of interruptions that can be called and the maximum length of each interruption. Without such limits being set in advance as they are now, the upper range of exposure to interruptions would not be transparently defined such that many customers that currently participate as LMRs may find the lack of transparency to carry more risk associated with it than they are willing to continue to bear such that they cease participating in the provision of capacity through being interruptible. Put simply, imposing potentially unlimited, operational interruptions for emergencies would impose a significant burden to the business of these customers, which would threaten the future provision of capacity by these customers to the MISO footprint and risk serious adverse economic consequences within the MISO footprint that are well beyond MISO's purview.

With respect to the issue of grandfathering from the Option 1 capacity-only demand resource one-time real power test, MISO at the July 10, 2024 MISO RASC meeting indicted it would consider exempting existing LMR Demand Resources who have had previous successful curtailment deployments by MISO, or previous successful real power tests, from the one-time real power test that MISO has proposed for Option 1 capacity-only demand resources. However, MISO has not committed to providing the exemption.

Existing LMR Demand Resources that have a solid track record with respect to physically curtailing their demand during MISO curtailment deployments or real power tests have already clearly demonstrated that they can in fact curtail their demand when required. As such, they do not need to be to subject to the one-time real power test requirement proposed for Option 1 capacity-only demand resources to prove their ability to curtail demand. Therefore, they should be exempted from that one-time requirement particularly given that for some LMR Demand Resources, performance of a real power test can be highly expensive. As we discussed in our May 3, 2024 comments, it is our experience that large

industrial and institutional retail electric customers will elect to serve as LMRs only when the requirements are manageable and support their ability to operate competitively as businesses. Imposing requirements which risk the health and safety of their employees, risk the safety of their plant, increase the risk of environmental penalties and/or threaten their ability to economically meet customer and client demand, reduces or eliminates their ability to participate as LMRs. Every time a large retail electric customer is required to physically curtail their real power demand they incur significant costs and the loss of production or provision of services that potentially reaches millions of dollars of adverse impact and threatens their ability to competitively and reliably provide goods or services to their customers or clients. For all of these reasons, MISO should commit to exempting existing LMR Demand Resources who have had previous successful curtailment deployments by MISO, or previous successful real power tests, from the one-time real power test that MISO has proposed for Option 1 capacity-only demand resources.

With respect to the triple-penalty opt out for real-power testing, MISO also at the July 10, 2024 MISO RASC meeting indicated it was considering continuation of the option of opting out of real power testing in exchange for being subject to tripled penalties for non-performance during curtailment event and mandatory participation in LMR drills. MISO should continue the triple non-performance penalty opt out at least with respect to Option 1 capacity-only demand resources. As just discussed above, every time a large retail electric customer is required to physically curtail their real power demand they incur significant costs and the loss of production or provision of services that potentially threatens their ability to competitively and reliably provide goods or services to their customers or clients. The triple non-performance penalty opt out from real power testing provides an important option for new capacity-only resources, and those existing LMR Demand Resources that have not been curtailed in many years such that they would not be eligible for an outright exemption from the proposed one-time real power test for Option 1 capacity-only demand resources, to participate without incurring the high cost associated with a one-time real power test.

Finally, with respect to the maximum allowed length of notification time and the amount by which capacity accreditation would be reduced for longer notification times, as we have noted above, MISO has not yet committed to allow notification times as long as six hours for Option 1 capacity-only demand response (demand resources and behind the meter generation) or identified the amount by which MISO would reduce capacity accreditation for notification times longer than 30 minutes. To assure all existing LMRs that otherwise meet MISO's proposed requirements for Option 1 capacity-only demand response can qualify as an Option 1 capacity-only demand response, we urge MISO to allow notifications time of up to six (6) hours for Option 1 capacity-only demand resources. In addition, to minimize the exit from the market of capacity associated with existing LMR Demand Resources and Behind the Meter Generation with longer notification times, any reduction of capacity accreditation based on notice time under MISO's Option 1 capacity-only demand response proposal should be limited to no more than that which is reasonably supported by analysis.

Naming for Option 1 and Option 2 Capacity-Only Demand Response

MISO has requested recommendations with respect to the naming of Option 1 and Option 2. We believe the best course of action would be to label Option 1 capacity-only demand response as "Load Modifying Resources" and Option 2 capacity-only demand response as "Flexible Load Modifying Resources". We believe this will cause the least amount of confusion and disruption with respect to existing regulated retail interruptible service contracts and tariff rates, which frequently indicate the

customer's load taking service under the contract or tariff rate will be registered with MISO as a LMR and be subject to MISO's LMR requirements. This would also make it easier to modify these tariffs to use the Option 2 provisions if applicable, because only the word "Flexible" would need to be inserted before "Load Modifying Resource" in the contract or tariff.

MISO's July 10, 2024 Proposal with Respect to Scheduling Demand Resource Real Power Tests and Test Failure Penalties

As part of LMR changes for the 2028/2029 Planning Year and beyond, MISO is proposing to modify the way real power tests for demand resources are performed by using the following proposed process:

- 1. MISO will notify the Market Participant a test is going to occur and provide the Market Participant a four-hour window to perform the required test.
- 2. The Market Participant acknowledges the notification if it wishes to participate.
- 3. If the notification is not acknowledged, MISO will reschedule the test.
- 4. If the notification for the rescheduled test is also not acknowledged, the test is considered to be failed.
- 5. If the test moves forward, the Market Participant updates its capability in the MISO DSRI or Market User Interface, as applicable, and then curtails demand as necessary when it receives a test instruction from MISO.
- 6. Two failed tests will be treated the same as failing to perform for a curtailment call by MISO and subject to non-performance penalties.

MISO's July 10, 2024 proposal with respect real power tests and penalties for test failures is both confusing and problematic.

First, MISO's proposal is not clear with respect to how far in advance MISO would provide notice to the Market Participant of the proposed four hour test window. MISO needs to be clear with respect to how far in advance it will provide notice of the four test window to Market Participants so that those Market Participants, and the retail customers that are the LMRs for those Market Participants, can reasonably prepare for the test much in the same way they currently prepare for the possibility of a LMR curtailment event when they receive a Cold Weather Alert, Hot Weather Alert or Capacity Advisory from MISO. Furthermore, for the notice time to be reasonable, it needs to be comparable to the horizon upon which MISO issues these notices or is aware from its forecasting that it is likely to issue these notices. For the foregoing reasons, MISO should be required to provide notice to Market Participants of the four-hour real power test curtailment period of no less than five business days. As an aside, it is our understanding that PJM currently schedules such tests with 14 days of notice. This

further supports the reasonableness of our request for a real power test notice no less than five business days.

In addition, it is also not clear why normal curtailment non-performance penalties would apply to test failure for Option 1 capacity-only demand resources given Option 1 capacity-only demand resources are only subject to a one-time real power test that would likely be performed during the registration process prior to the start of the first Planning Year in which the load participates as a capacity-only demand resource. At that time, the Option 1 capacity-only demand resource is not providing capacity to MISO. As such, the only penalty for an Option 1 capacity-only demand resource failing a real power test should be that the registration for the demand resource not be approved unless the real power test is later passed or the demand resource chooses to opt out of the real power test in exchange for being subject to tripled non-performance penalties.

MISO's July 10, 2024 Statements Regarding Capacity Accreditation and the Firm Service Level Option

MISO in its July 10, 2024 MISO RASC presentation did not detail its proposed capacity accreditation for demand resources for Planning Year 2028/2029 and beyond and instead deferred presenting the detail of that proposal until the August 21, 2024 MISO RASC Meeting. However, MISO did indicate at a high level the capacity accreditation for demand resources would be based on the available MW of <u>demand reduction</u> of the demand resource during hours of a Capacity Advisory and other emergency declarations. Furthermore, when questioned at the July 10, 2024 MISO RASC Meeting, MISO indicated that this would involve elimination of the Firm Service Level option for demand resources.

While we do not have the benefit of the details of MISO's capacity accreditation proposal for demand resources, MISO's indication that it intends to propose to eliminate the Firm Service Level option for demand resources is extremely troubling.

The Firm Service Level option is the foundation upon which traditional regulated retail interruptible electric service was built. It has been utilized for interruptible electric service for decades and continues to be utilized in the regulated retail electric rates of over 17 different electric utilities within the MISO footprint including, but not limited to, AES Indiana⁷; CenterPoint Energy Indiana South⁸; Consumers Energy Company⁹; DTE Electric Company¹⁰; Duke Energy Indiana¹¹; Entergy Arkansas, LLC¹²; Entergy Louisiana, LLC¹³; Entergy New Orleans, LLC¹⁴; Entergy Texas, Inc.¹⁵; Minnesota Power¹⁶; Northern Indiana Public Service Company¹⁷; We Energies; Alliant Energy; Wisconsin Public Service Corporation; Madison Gas and Electric; Xcel Energy; and Otter Tail Power Company.

For large retail electric customers who currently participate as LMR Demand Resources (either through their vertically integrated electric utility, through Aggregators of Retail Customers (ARCs), through their alternative retail electric supplier or directly with MISO) the Firm Service Level option operationally allows participation without requiring customers to inefficiently force run their processes to provide a specified amount of MW of demand reduction. It also allows them to ensure no curtailment would require then to curtail the portion of their load necessary for safe, reliable and environmentally compliant operation of their facilities.

In addition, the Firm Service Level option makes curtailment compliance clear and transparent for these retail customers in that all that they need to do to assure compliance with a curtailment

instruction is to keep the metered demand of their load at or below their firm service level during curtailment periods.

Finally, for these retail customers and the Load Serving Entities (LSEs) that supply them, which include vertically integrated electric utilities, alternative retail electric suppliers or the customer itself when the customer is authorized to be its own alternative retail electric supplier, the Firm Service Level option currently provides capacity accreditation that is in full alignment with how capacity obligations are currently assigned to LSEs by MISO such that, if the entire capacity amount awarded for the LMR is applied against the Planning Reserve Margin Requirement (PRMR) for the load associated with the LMR, the remaining net PRMR of the load is equal to the firm service level for the load grossed up for Planning Reserve Margin (PRM) and transmission losses. This is consistent with the fact that, if the non-firm portion of the load is available for curtailable with reasonably short enough notice, for a reasonably long enough time for each curtailment, and for a reasonable number times per season or year, from a resource adequacy perspective, it is essentially no different than if that non-firm demand did not exist. Vertically integrated electric utilities have reflected this in their long-term resource planning for decades by not carrying generation capacity to serve non-firm load – the portion of customer load that is in excess of a customer's firm service level.

Given all of the foregoing, it important for MISO to understand that it is facing a high burden of proof with respect to convincing stakeholders that an elimination of the Firm Service Level option is just and reasonable. In particular, for any demand resource capacity accreditation proposal of MISO that excludes the Firm Service Level option, MISO will need to show the following:

- It does not inefficiently require retail electric customers to force run processes in order to comply with a requirement to be available to provide a specific MW amount of demand reduction.
- 2. It would not place a retail customer in the position of having to curtail the portion of their load necessary for safe, reliable and environmentally compliant operation of their facilities.
- 3. Well in advance of curtailment, MISO provides a maximum demand MW value to the retail customer such that, if the customer maintains its demand at or below that value during the curtailment period, the retail customer is fully in compliance with the curtailment.
- 4. It provides a capacity accreditation in full alignment with the allocation of capacity obligations to LSEs such that, if a retail customer that is a demand resource has a firm service level of zero (0) MW, there is no net capacity obligation for its load if the accredited capacity for the LMR is applied in its entirety to the load's PRMR assuming the retail customer's load is an Option 2 capacity-only demand resource (i.e., does not have a capacity accreditation reduction due to notification time).

We understand MISO's proposal to base capacity accreditation for demand resources on available MW of demand reduction is driven by a combination of a desire to: (i) generally align the capacity accreditation for LMRs with that for generation resources under MISO's Direct Loss of Load method currently pending at FERC and (ii) provide better information to MISO Operations with respect to how MISO system demand will change when LMRs are called. While both of these are desirable pursuits, great care is necessary is pursuing those pursuits and their ultimate achievement does not necessarily require the elimination of the Firm Service Level option.

With respect to generally aligning the capacity accreditation for LMRs to that for generation facilities, we caution that the capacity accreditation for LMRs is necessarily directly tied the allocation of capacity obligations to LSEs. Failure to address them together would lead is a misalignment between the two such that, for example, a customer with a load factor in the 70 to 90% range that can curtail all of its demand within 30 minutes as a demand resource could end up with a net capacity obligation because its capacity accreditation as an LMR is determined based on Capacity Advisory hours, or something similar, while its capacity obligation is instead based on its forecasted demand at the time of the seasonal MISO system peaks. Furthermore, if the two are addressed together, retention the Firm Service Level option would be viable as the hours for LMR capacity accreditation and the hours for the determination of PRMR values for LSEs could be made one and the same.

With respect to providing better information to MISO Operations with respect to how MISO system demand will change when LMRs are called, we caution that forcing all LMRs to accept capacity accreditation based on available of demand reduction MWs in order to obtain better information for MISO Operations appears to be an overly complicated approach that would place a significant burden on LSEs and those retail customers who participate as LMRs by eliminating the Firm Service Level option and the benefits it provides. Ultimately, what MISO is facing is a forecasting issue. Furthermore, solving that forecasting issue, especially when the Firm Service Level option is used, may be possible through the collection of telemetry where it already exists for large retail customer loads and state estimation where there is not telemetry. Specifically, it may be possible with sufficient historical hourly information to forecast the aggregate demand of LMRs by Local Balancing Authority Area such that a comparison of the forecasted level of demand in real-time to aggregate Firm Service Levels of those LMRs would provide the better information MISO Operations is looking for with respect to how system demand will change when they call LMRs.

Thank you for providing us with an opportunity to provide the above comments. If it would be of help, we would be glad to discuss the above comments further with MISO and other stakeholders. If you have any questions regarding these comments, please do not hesitate to contact any of the following representatives:

Jim Dauphinais
Brubaker & Associates, Inc.
(Consultants to ABATE, IIEC, LEUG, NLCG and TIEC)
(636) 898-6725
jdauphinais@consultbai.com

Ali Al-Jabir
Brubaker & Associates, Inc.
(Consultants to ABATE, IIEC, LEUG, NLCG and TIEC)
(361) 994-1767
aaljabir@consultbai.com

Ken Stark
McNees Wallace & Nurick LLC (for CMTC)
(717) 237-5378
kstark@mcneeslaw.com

Kavita Maini
KM Energy Consulting, LLC (Consultants to MLEC and MIC)
(262) 646-3981
kmaini@wi.rr.com

¹ ABATE, IIEC, LEUG, TIEC, CMTC, MLEC and MIC are all MISO Members in the End-Use Customer Sector. NLCG is a non-MISO Member stakeholder whose members include large end-use customers within Indiana that are interruptible and/or have cogeneration facilities and that take service under NIPSCO Rate Schedule 531, which allows limited market purchases through Northern Indiana Public Service Company (NIPSCO).

https://cdn.misoenergy.org/End%20Use%20Sector%20Feedback%20on%20Accreditation%20Reforms%20for%20LMRs%20(RASC-2019-9)%20(20240417)632800.pdf

³ https://cdn.misoenergy.org/20240522%20RASC%20Item%2006ai%20End%20Use%20Sector%20Presentation%20on%20LMR%20Accreditation632925.pdf

⁴ MISO has informally indicated that in recent years it is rare that MISO calls an NERC EEA 1 event and it much more commonly goes directly to EEA2. With the proposed change, MISO expects EEA 2 events to become rarer than they are today since a large portion of existing LMRs would likely become Option 1 capacity-only demand response that would be called at EEA 1 rather than EEA 2 allowing MISO to potentially avoid declaring an EEA 2 level event and keep the more flexible to deploy Option 2 capacity-only demand response in reserve.

⁵ This change would eliminate the current MISO Operations need to make a discretionary decision with respect to when to deploy slower capacity-only demand response by having MISO's market systems commit and dispatch this slower demand response.

⁶ MISO indicated it expects there to be more EEA events in the future (possibly 4 to 6 per year) as capacity margins further tighten such that annual testing would not be needed for Option 1 capacity-only demand response. Essentially, an annual real power test would inherently already occur due to the frequency of curtailment calls.

⁷ AES Indiana Standard Contract Rider No. 14 Interruptible Power.

⁸ CenterPoint Energy Indiana South Rider IP-2 Interruptible Power Service

Onsumers Energy Company Rate GPD Options GI and GI2, Rate GPTU Option GI, Rate LED, and Rate LTILRR.

¹⁰ DTE Electric Company Standard Contract Rider No. 10 Interruptible Supply Rider.

¹¹ Duke Energy Indiana Experimental Rate – Demand Management and Stability Program

¹² EAL Rate Schedule No. 41 Optional Interruptible Service Rider (OISR)

¹³ ELL Schedule CS-L, Schedule EECS-L, Schedule EIS-I-G, Schedule EIO, Schedule IES, Schedule IS-G, and Rider 2 to Schedule LISL-L.

¹⁴ ENO Schedule LIS-14.

¹⁵ ETI Schedule IS.

¹⁶ Minnesota Power Rider for General Service/Large Light and Power Interruptible Service.

 $^{^{17}}$ NIPSCO Rate 531 Industrial Power Service – Large Tier 2 and Tier 3.