

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

Midwest Independent Transmission System ) Docket Nos. ER07-885-000  
Operator, Inc. )  
\_\_\_\_\_ )

**NOTICE OF INTERVENTION  
AND COMMENTS IN SUPPORT OF  
THE MICHIGAN PUBLIC SERVICE COMMISSION**

Pursuant to Rule 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. § 385.214 (2006) and the Combined Notice of Filing issued by the Commission on May 15, 2007, the Michigan Public Service Commission (“MPSC”) hereby submits its notice of intervention and comments in support of the May 17, 2006 filing of the Midwest Independent Transmission System Operator, Inc. (“Midwest ISO”). The MPSC states as follows:

**I. DESCRIPTION OF THE FILING**

On May 11, 2007, the Midwest ISO filed an application requesting “revisions to its Open Access Transmission and Energy Markets Tariff (“EMT” or “Tariff”) in order to exempt from Real-Time Revenue Sufficiency Guarantee Charges (“RSG Charges”) entities either decreasing Load, increasing behind-the-meter generation, increasing their level of Imports, or decreasing their level of Exports, in compliance with the Midwest ISO’s directives during a declared Emergency. Filing at 1. In an effort to ensure that these provisions are effective prior to the Midwest ISO’s summer peak conditions the Midwest ISO is requesting that the Commission grant an expedited review process for the Tariff revisions submitted herein and make them effective on June 15, 2007.” Filing at 1.

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In its filing, the Midwest ISO explains that RSG charges are allocated to Market Participants whose real-time Load, or level of Imports or Exports, deviates from cleared Day-Ahead positions. Filing at 3. The Midwest ISO states that “[t]he Midwest ISO is submitting the following Tariff modification in order to ensure Market Participants are provided the proper incentives to follow Midwest ISO directives during a declared Emergency, and to ensure that they are not subject to Real-Time RSG Charges as a result of following Midwest ISO directives.” Filing at 2. To support its filing, the Midwest ISO cites to recent Commission approval of similar Tariff changes that the Midwest ISO had proposed relating to Tariff provisions that excuse Generation Resources from allocation of Real-Time RSG Charges for any scheduled deviations resulting from compliance with the Midwest ISO’s Manual Redispatch directives. Similarly, in this instant proceeding, the Midwest ISO asserts that it proposes to provide similar Real-Time RSG Charge exemptions for Market Participants increasing their level of Imports or decreasing their level of Exports, in compliance with a Midwest ISO directive during a declared Emergency. Filing at 4.

## **II. NOTICE OF INTERVENTION**

The MPSC is an agency of the State of Michigan, created by 1939 Pub. Acts 3, Mich. Comp. Laws Ann. § 460.1 *et seq.* As the Michigan regulatory agency having jurisdiction and authority to control and regulate rates, charges, and conditions of service for the retail sale of electricity in the State, the MPSC is a “state commission” as defined in 16 U.S.C. § 796(15) and 18 C.F.R. § 1.101(k) (2006). Accordingly, the MPSC hereby provides its notice of intervention pursuant to 18 C.F.R. § 385.214(a) (2) (2006).

Copies of all pleadings and correspondence in the proceeding should be addressed to:

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### III. COMMENTS

The MPSC supports the Midwest ISO's application. It is imperative that market participants be provided the appropriate price signals to follow all Midwest ISO directives during a declared emergency. RSG charges are currently allocated to entities whose real-time actions deviate from their day-ahead positions; except for generation resources where such deviations result from MISO manual redispatch directives. Filing at 3. The Midwest ISO's proposal to also provide similar Real-Time RSG Charge exemptions for Market Participants decreasing load, increasing behind-the-meter generation, increasing imports or decreasing exports in compliance with a Midwest ISO directive during a declared Emergency will eliminate a deterrent that currently exists for such Market Participants to comply with those directives. During an emergency, the focus of all market participants should be to take any and all actions necessary to maintain the reliability of the grid, and as such, Market Participants should not be financially penalized when taking action at the Midwest ISO's directive during a declared emergency. The

Midwest ISO's proposal improves incentives to follow its directives when it declares an emergency, and is therefore important for maintaining reliability.

The Midwest ISO currently exempts RSG charge allocations to generation resources that deviate per Midwest ISO directives, but do not for alternative capacity resources such as demand reductions or increases in behind-the-meter generation. The Midwest ISO's proposal to expand the exemption to also apply to other resources eliminates discriminatory treatment of RSG charge allocations between generation and non-generation resources. Including demand response resources in the exemption also helps improve MISO's market by improving the incentives for the participation of demand response during emergency conditions.

The Midwest ISO's request for an expedited review process in order for the Tariff revisions to be effective by June 15, 2007 is in the public interest because the changes will be in effect for this summer's peak season. Delays or modifications to the requested tariff provisions would create the potential for mixed signals to Market Participants during possible Emergency events this summer. Because emergency events are unpredictable, we recommend expedited approval.

#### **IV. CONCLUSION**

As set forth more fully above, the MPSC hereby provides its notice of intervention in this proceeding and respectfully requests that the Commission approve the subject application filed by the Midwest ISO to accept the proposed tariff language, without modification, suspension, or hearing, to go into effect on June 15, 2007.

Respectfully submitted,

#### **THE MICHIGAN PUBLIC SERVICE COMMISSION**

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Dated: May 31, 2007

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served, via electronic mail or first class mail, the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C. this 31<sup>st</sup> day of May, 2007.

/s/ M. Denyse Zosa