

STATE OF IOWA
BEFORE THE IOWA UTILITIES COMMISSION

IN RE: PARTICIPATION OF DEMAND RESPONSE AGGREGATORS IN MARKETS OPERATED BY REGIONAL TRANSMISSION ORGANIZATIONS AND INDEPENDENT SYSTEM OPERATORS	DOCKET NO. RMU-2025-0020
--	---------------------------------

Comments of the R Street Institute

The R Street Institute (R Street) submits these comments in response to the Iowa Utilities Commission (IUC or Commission) “Order Opening Rulemaking Docket and Setting Technical Conference and Comment Deadline” issued September 4, 2025.¹ R Street thanks the Commission for the opportunity to offer its perspectives on topics raised in the Order and to provide comments on this initiative.

Introduction

The Federal Energy Regulatory Commission (FERC) issued Order No. 719 on October 17, 2008.² Order 719 directed Regional Transmission Organizations (RTOs) to institute reforms to “accept bids from demand response resources in their markets for certain ancillary services, on a basis comparable to other resources.”³ In particular, FERC sought to remove barriers to participation in RTO tariffs for demand response. As stated in Order No. 719, “[E]nabling demand-side resources, as well as supply-side resources, improves the economic operation of electric power markets by aligning prices more closely with the value customers place on electric power.”⁴ However, it noted that while RTOs must allow a bid from an aggregator of retail customers (ARC), such participation by the ARC may be limited if “the laws or regulations of the relevant electric retail regulatory authority do not permit the customers aggregated in the bid to participate.”⁵ FERC Order No. 719-A further notes that “we leave it to the appropriate state or local authorities to set and enforce their own requirements” for ARC participation.⁶

¹ *In re: Participation of Demand Response Aggregators in Markets Operated by Regional Transmission Organizations and Independent System Operators*, Order Opening Rulemaking Docket and Setting Technical Conference and Comment Deadline, Docket Nos. NOI-2025-0001, RMU-2025-020 (September 4, 2025) (Order).

² *Wholesale Competition in Regions with Organized Electric Markets*, Order No. 719, 125 FERC ¶ 61,071 (2008), *order on reh’g*, Order No. 719-A, 128 FERC ¶ 61,059 (2009), *order on reh’g*, Order No. 719-B, 129 FERC ¶ 61,252 (2009).

³ Order No. 719 at P 15.

⁴ *Id.* at P 16.

⁵ *Id.* at P 155.

⁶ Order No. 719-A at P 54.

Like many states within the Midcontinent Independent System Operator (MISO) footprint, the Commission issued an order prohibiting ARCs from aggregating Iowa customers.⁷ The Commission initiated the original proceeding on March 25, 2025. In this Order, the Commission closes that original proceeding and opens this new docket to consider developing rules related to enabling ARCs to participate in Iowa. The Order also identifies a number of topics that informed the Commission's decision to date, includes a regulatory analysis of creating a new rule for ARC participation, and sets a date for a technical conference where the Commission can gather more information. The Commission seeks comments on its Order as well as a Regulatory Analysis that describes the effect of a rulemaking and the costs of implementing the rule.⁸

R Street appreciates the opportunity to provide these comments in response to the Commission's Order.

About the R Street Institute

R Street is a nonprofit, nonpartisan public policy research organization. Our mission is to engage in policy research and outreach to promote free markets and limited, effective government. We favor regulation that is transparent and applied equitably, as well as systems that rely on price signals rather than central planning. At the same time, we recognize that natural monopolies and externalities are real concerns that governments must address. We offer research and analysis that advance the goals of a more market-oriented society and limited, effective government, with the full realization that progress takes time.

As one of the preeminent free-market entities in the United States, R Street has a unique perspective on the issues raised in this proceeding regarding the growth and development of ARCs and demand-response participation in wholesale markets, ensuring transparency in wholesale market structures, reducing barriers to entry in wholesale markets, and lowering costs via market-based solutions.

Contact Information

Please address any correspondence and communications regarding this filing as follows:

Chris Villarreal
Associate Fellow
Energy and Environmental Policy
R Street Institute
1411 K Street NW, Ste. 900
Washington, D.C. 20005
cvillarreal@rstreet.org

Kent Chandler
Resident Senior Fellow
Energy and Environmental Policy
R Street Institute
1411 K Street NW, Ste. 900
Washington, D.C. 20005
kchandler@rstreet.org

⁷ *Investigation to Develop and Analyze Alternative Electric and Natural Gas Rate Design and Load Management Options which have the Potential to Reduce Emissions of Greenhouse Gases*, Order Temporarily Prohibiting Operation of Aggregators of Retail Customers, Docket No. 5-UI-116 (Oct. 15, 2009).

⁸ Order at 10-11.

Comments

R Street thanks the Commission for seeking input on these important procedural considerations and believes now is an opportune time for the Commission to have this discussion regarding the ability of ARCs to participate in Iowa. R Street recommends that the Commission continue this proceeding to develop appropriate requirements and processes to allow ARCs to participate in Iowa (as discussed further below). R Street will not repeat its position as stated in its initial comments filed April 30, 2025 in Docket No. NOI-2025-001, responding instead to issues raised in the Commission's Order and the accompanying Regulatory Analysis.

Regulatory Analysis

R Street agrees with the conclusion that “the cost of inaction is an economic opportunity lost to Iowa businesses” if the Commission fails to repeal the prohibition on ARCs.⁹ An important consideration for the development of this rule is that monopoly electricity providers act entirely within the authority of the Commission and must act with the orders of the Commission and state statutes. While FERC Order Nos. 719 and 745 directed RTOs to allow ARCs to participate in organized markets, it also allowed states to decide whether to not allow ARCs to participate and to craft any rules necessary to enable such participation.¹⁰ By prohibiting ARCs from participating in Iowa and aggregating retail customers, those customers have lost the opportunity to reduce their bill, lower their usage, and reduce wholesale costs. R Street notes that while the Commission's proposed rulemaking would only apply to customers with demand greater than 100 kilowatts (kW), customers below that threshold would similarly benefit from participation. R Street encourages the Commission to continue this docket to determine additional necessary rules or requirements to allow customers below 100 kW to participate with ARCs eventually.

Proposed Rulemaking

R Street supports the modifications proposed under Item 1, adding new definitions to the Commission's subrule. For Item 2, R Street agrees with the Commission that customers with demand greater than 100 kW should initially be allowed to participate with an ARC; however, R Street reiterates its position that the draft language in proposed 199-20.22(3) is insufficient. The text of this proposed rule states the following:

20.22(3). A rate-regulated electric utility and an ARC shall cooperate in the exchange of customer data, with authorization of the customer, in order to effectuate participation in wholesale electricity demand response programs operating in conjunction with wholesale electricity markets, including but not limited to the following:

- a. The provision of data from the rate-regulated electric utility to an ARC in regard to meter location and historic customer usage data.
- b. Communication from the customer or an ARC, as applicable, to the utility of demand response load reductions undertaken by the customer.¹¹

⁹ Order at Attachment A, p. 2.

¹⁰ See, Order No. 719-A at P 49 (“our Final Rule did not challenge the role of states and others to decide the eligibility of retail customers to provide demand response...”) and Order No. 745 at P 115 (“this Final Rule is not intended to usurp state authority or impede states from taking any actions within their authority.”).

¹¹ Order at Attachment A, p. 3.

The Commission must be more direct in detailing the specifics of how to make customer energy-usage data available to customers and how a customer can share that information with an ARC. The availability and accessibility of customer energy-usage data is vital to the success of an ARC product. Without such information, an ARC will not be able to plan, develop, or propose a demand response product, nor will it be able to show a customer potential savings from participating in an ARC product or settle with the RTO. Furthermore, the Commission should not and cannot rely on FERC or the RTOs to fill this gap.¹²

Last year, an ARC filed a complaint with FERC against the PJM Interconnection. CPower Energy requested FERC to allow alternative means of showing that its aggregation responded consistent with the bid submitted to PJM. According to PJM rules, bid settlement is to happen using data from the retail utility's advanced meter (AMI). However, some states in the PJM footprint have not developed rules to allow ARCs to access customer energy-usage data or have made it difficult to impossible for them to access it. In its order denying the complaint, FERC stated "We recognize that some questions governing the availability to third parties of data held by electric distribution companies, including interval data, along with larger questions involving deployment of advanced metering infrastructure, are questions under the jurisdiction of state regulatory authorities."¹³

In her concurrence, FERC Commissioner Judy Chang highlighted the importance of data access:

I am concerned that metered interval data are often difficult or impossible to obtain for third parties interested in deploying demand-side resources, which highlights a potential gap where CSPs in areas with metered interval data may face a barrier to participation in the PJM market. This restriction in demand-side resources' access to the market would reduce competition that otherwise could bring value to customers.¹⁴

More recently, Voltus and Mission:data submitted another complaint against PJM on the same issue: the availability of customer energy-usage data.¹⁵ In the complaint, Voltus described the difficulty in accessing customer energy-usage data from the distribution utilities, including poor implementation of the Green Button "Connect My Data" standard. R Street highlights this complaint not only because data access is essential to enabling the demand response marketplace, but also because it is important for state regulators to craft specific and durable rules and requirements to govern and guarantee data access by ARCs. The Commission's current proposed language fails to provide that guarantee, does not require utilities to use standards, and lacks a description of the data necessary to enable and support customer participation with ARCs. In essence, the question of data access is most acute on settlement requirements at the RTO. To the extent the RTO requires settlement be based on AMI data, ARCs must have access to that information. The Voltus complaint makes the point that if a utility has AMI data but otherwise is unavailable to the ARC then there can be no opportunities for ARCs. The same applies here; Iowa customers will continue to miss out on demand response opportunities without specific data

¹² While not part of this discussion in this Order, R Street would extend this concern to registration of ARCs. Solely relying on the RTO to act as the registration agent for an ARC would not help the ARC marketplace and R Street questions whether the Commission should delegate its authority to the RTO and deprive the Commission of its authority over retail customers.

¹³ *Enerwise Global Technologies, LLC v. PJM Interconnection, L.L.C.*, 188 FERC ¶ 61,191 at P 35 (2014).

¹⁴ *Id.* at Commissioner Chang concurring at P 3.

¹⁵ *Voltus, Inc. and Mission:data v. PJM Interconnection, L.L.L.*, Complaint of Voltus, Inc. and Mission:data, Docket No. EL25-4-000 (filed October 8, 2025).

access requirements. Lastly, this would degrade the value of AMI itself. Customers paid for it, but their investment loses value if utilities make accessing pertinent data too difficult.

R Street does note that there may be entities other than ARCs that a customer may want to share their energy usage with or that may seek access to that information. Therefore, any rule the Commission issues should ensure that access to customer energy-usage data is not limited to ARCs. (For example, data access in Pennsylvania is limited to retail electricity providers.) The Commission should take care not to inadvertently limit with whom a customer can authorize the sharing of their energy usage information.

R Street encourages the Commission to consider the following additions to its proposed data access language:

c. Customer energy-usage data shall be provided to an ARC via a **standardized protocol and interface** (e.g., Green Button Connect) that minimizes customer confusion and barriers to ARC participation while facilitating an easy process for customers to consent to the sharing of their energy-usage data.

d. A rate-regulated utility shall adopt and implement an **industry-accepted standard**, such as Green Button, and have such implementation be certified by an appropriate certifying entity (e.g., the Green Button Alliance). Such certification must be provided to the Commission within 90 days of finalization of this rulemaking.

e. Rate-regulated utilities shall work with ARCs to develop a **common and standardized customer consent process** to enable this section. Such a consent process should be web-based, follow the requirements of any standard utilized to share customer energy-usage data, and allow for one-time and ongoing sharing of customer usage data with an authorized ARC.

f. This section shall not be used to limit the ability of non-ARCs to access customer energy usage data.

R Street again recommends that the Commission align its requirements with the Green Button Connect standard. In its Order, the Commission expressed concern about adopting the North American Energy Standards Board (NAESB) REQ-21—the very standard underlying Green Button. Specifically, the Commission notes that if it adopts such a standard under Iowa statute, then it must provide “public access” to that standard, which may violate NAESB’s copyright.¹⁶ R Street encourages the Commission to engage with NAESB regarding this concern. Nevertheless, R Street is aware that NAESB has processes in place that allow for limited, public, read-only access to its standards.¹⁷ Such a process may satisfy the Commission’s concerns regarding Green Button adoption.

Registration

Since the Commission is proposing that only those customers with demand greater than 100 kW be allowed to sign with an ARC, R Street does not believe that ARC registration is necessary at this time. However, R Street believes it is appropriate for the Commission to register ARCs that work with small

¹⁶ Order at 6-7.

¹⁷ NAESB, “Procedures for non-members to evaluate work products before purchasing,” (May 22, 2013) (https://www.naesb.org/misc/NAESB_Nonmember_Evaluation.pdf).

commercial and residential customers. R Street does not believe that relying on the RTO to register an ARC is sufficient to ensure customer protection. While R Street agrees that the Commission does not have the authority to regulate ARCs directly, it agrees that the Commission has authority over its rate-regulated utilities. As more fully described in its initial comments, R Street's proposal is to leverage that authority by directing each utility to create a tariff that details how an ARC engages with that utility—including what data is available from the utility and what information is needed from the ARC to enable customer participation. As a condition of participation under that tariff, an ARC may be required to register with the Commission. The purpose of registration is not to regulate the ARC per se, but for the Commission to collect information about the entities operating in its jurisdiction. As the entity with the most direct authority to protect retail customers, the Commission would be able to exercise limited authority over ARCs via the utility tariffs. Such action could include limiting customer data access or prohibiting utilities from providing customer data to an ARC if it is found to be in violation of the utility tariff.

Notice of Intent to Participate in Technical Conference

R Street notifies the Commission that it is available to participate virtually in the Technical Conference.

Conclusion

Once again, R Street thanks the Commission for the opportunity to comment on these important topics.

Respectfully submitted,

/s/ Christopher Villarreal

Christopher Villarreal
Associate Fellow
Energy and Environmental Policy
R Street Institute
1411 K Street NW, Suite 900
Washington, D.C. 20005
415-680-4224
cvillarreal@rstreet.org

November 10, 2025