SESSION OVERVIEW: The line between state and federal jurisdiction has been the recent subject of active litigation in multiple venues. At the Commission, parties have explored the question in the context of capacity market redesign, state programs, and the integration of demand response, energy efficiency, and distributed energy resources in the wholesale markets. In federal court, constitutional challenges are pending involving state programs on transmission and generation. Within the states, policymakers are reexamining their authority in light of the changing nature of the electric grid. This panel will explore these issues and the direction of state/federal jurisdiction going forward.

Moderator: Matthew Price, Partner, Jenner & Block

Speakers:
James Danly, General Counsel, Federal Energy Regulatory Commission
Colette Honorable, Partner, ReedSmith
Amanda Rome, Managing Attorney, Federal and State Regulatory, Xcel Energy
Andre Porter, General Counsel, MISO
State/Federal Jurisdiction

Andre Porter
Vice President and General Counsel
MISO Vision – The most reliable, value-creating RTO

Serve and Grow Membership
Deliver value to support membership needs and objectives

Envision the Grid of the Future
Facilitate the planning and development of the grid to optimize the changing resource portfolio

Operate Reliably and Efficiently
Evolve the markets and services to enable the grid today and the future’s changing resource portfolio

MISO Mission - Work collaboratively and transparently with our stakeholders to enable reliable delivery of low-cost energy through efficient, innovative operations and planning
MISO continues to fulfill our many roles as the industry evolves

ISO – RTO Paradigm

Externalities

- Federal and State
- Design and Operation
- Emerging and Future
- Formal and Informal
- Current and Future

MISO Role

- Ensure reliability
- Create value for members and consumers
- Create and operate efficient markets
- Enable efficient infrastructure investment
- Inform policy decisions via independent analysis
- Inform stakeholders of future market possibilities

Roles:

- Policy
- Markets
- Technology
- Stakeholders
- Members
- Fuels
- Grid
- Regulation
- Risks
- Entrants
- Supply and Demand
- Regional and Local
- Known and Unknown
- Precedent and Direction
- Traditional and Unconventional

MISO continues to fulfill our many roles as the industry evolves.
The resource fleet composition and customer requirements are changing…

Future Scenarios
- Limited Fleet Change
- Continued Fleet Change
- Accelerated Fleet Change

- Distributed Generation
- Resource Portfolio
- Central Station
- Utility
- Customer Contact Point
- End Use Customer

Illustrative
…which is driving the region’s generation mix to transition at an accelerating pace
The themes underlying this shift will bring about the need for collaboration and regulatory flexibility

**FORCES OF CHANGE**

**Digitalization**
New classes of, and controls for, electric consuming devices

**Decentralization**
Migration from large stations to smaller distributed resources

**De-marginalization**
Substantial growth of renewables, non-price sensitive DERs, and continued availability of nuclear and hydro
## Current jurisdictional landscape

<table>
<thead>
<tr>
<th>State Jurisdiction</th>
<th>State opt-out authority</th>
<th>Federal Jurisdiction</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Retail sale of electricity to end-use consumer</td>
<td>• Permissible for demand response</td>
<td>• Wholesale sales of electricity</td>
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<tr>
<td>• Purchase of wholesale electricity</td>
<td>• Possible for energy efficiency (state must seek FERC permission)</td>
<td>• Rules and terms for participation in wholesale electricity markets</td>
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<tr>
<td>• Interconnection of purely distribution facilities</td>
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<td>• Interconnection to the Transmission System</td>
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<tr>
<td>• Integrated Resource Planning</td>
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<td>• Use of Transmission Facilities</td>
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<td></td>
<td></td>
<td>• Wholesale distribution service (non-local distribution)</td>
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<td></td>
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<td>• Resources eligible to participate in wholesale markets</td>
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</tbody>
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**Distributed Energy Resources: Shared jurisdictional opportunities**