



City of Conway, Arkansas
Ordinance No. O-13-133

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AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CONWAY, ARKANSAS TO PERMIT ONLY CONWAY CORPORATION TO AGGREGATE DEMAND RESPONSE OF RETAIL CUSTOMERS OF CONWAY CORPORATION IN ACCORDANCE WITH FERC ORDER 719 AND TAKING OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City of Conway, Arkansas (hereinafter "City") owns and operates an electric generation and distribution system for the sale of electric power and associated energy to its retail customers in Conway, Arkansas; and

WHEREAS, the City's transmission service provider, Entergy, is integrating into the Midcontinent Independent System Operator ("MISO") a Regional Transmission Organization ("RTO") on or about December 19, 2013, or thereafter; and

WHEREAS, the Federal Energy Regulatory Commission ("FERC") issued Order No. 719, 125 FERC ¶ 61, 071, 73 Fed. Reg. 64,099 ("Order 719"); and

WHEREAS, Order 719, 18 C.F.R. § 35.28(g)(1)(i)(A) provides: "Every Commission-approved independent system operator [ISO] or regional transmission organization [RTO] that operates organized markets based on competitive bidding for energy imbalance, spinning reserves, supplemental reserves, reactive power and voltage control, or regulation and frequency response ancillary services (or its functional equivalent in the Commission-approved [ISO] or [RTO's] tariff) must accept bids from demand response resources in these markets for that product on a basis comparable to any other resources, if the demand response resource meets the necessary technical requirements under the tariff, and submits a bid under the Commission-approved [ISO]'s or [RTO's] bidding rules at or below the market clearing price, unless not permitted by the laws or regulations of the relevant electric retail regulatory authority."

WHEREAS, Order No. 719, 18 C.F.R. § 35.28(g)(1)(iii) provides that: "Each Commission-approved [ISO] and [RTO] must permit a qualified aggregator of retail customers to bid demand response on behalf of retail customers directly into the Commission-approved [ISO's] or [RTO's] organized markets, unless the laws and regulations of the relevant electric retail regulatory authority expressly do not permit a retail customer to participate."

WHEREAS, the Corporation believes that such load aggregation would expose its ratepayers to undesirable risks in the MISO Market; and

WHEREAS, the Arkansas Public Service Commission has prohibited such load aggregation within its jurisdiction; and

WHEREAS, the City Council of the City of Conway, the electric retail regulatory authority for the Conway Corporation has determined that it would be harmful to the demand response program, if any, to be implemented by the City, the collective interests of the City's electric utility system, and the City's retail

customers, to permit any entity other than the City to aggregate demand response on behalf of its retail customers.

NOW, THEREFORE BE IT ORDAINED by the City Council of the City of Conway, Arkansas, that:

SECTION 1. The City Council, as the retail electric regulatory authority for Conway Corporation, determines it to be desirable that the aggregation of demand response on behalf of its retail customers to be bid directly into the organized electric and ancillary services markets administered by the RTO be performed by Conway Corporation.

SECTION 2. Conway Corporation is the sole entity permitted to aggregate retail customers' demand response and bid demand response on behalf of retail customers of the City directly into any FERC approved ISO or RTO's organized electric markets.

SECTION 3. Retail customers of Conway Corporation desiring to bid their demand response into a FERC approved ISO or RTO's organized electric markets may do so only by participating in the program, if any, established by the City.

SECTION 4. Management of Conway Corporation is authorized to adopt any necessary regulations to implement this Ordinance.

SECTION 5. That it is found and determined that all formal actions of the Council of the City of Conway, Arkansas concerning and relating to the adoption of this Ordinance were taken in an open meeting of the Council and that all deliberations of this Council that resulted in such formal actions were in meetings open to the public, in compliance with Arkansas law.


SECTION 6. If any section, subsection, paragraph, clause or provision or any part thereof of this Ordinance shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this Ordinance shall be unaffected by such adjudication and all the remaining provisions of this Ordinance shall remain in full force and effect as though such section, subsection, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not, to the extent of such invalidity, been included herein.

PASSED this 10th day of December, 2013.

Approved:


Mayor Tab Townsell

Attest:


Michael O. Garrett
City Clerk/Treasurer