

The background of the slide is a light blue gradient. It features a network diagram with several red spheres connected to yellow rectangular blocks by white lines. Several 3D-rendered figures in business suits are standing on these yellow blocks, some holding briefcases. The overall theme is interconnectedness and business.

Smart Grid and Utility Regulation: The Case for Change

- Pace of change is faster
- Technology is changing
 - DG
 - Power quality, Voltage/VAR issues
 - Intermittency
 - Storage
 - Electric Vehicles
- Business models are changing
 - Pseudo monopolies
 - New players in the industry

- Role of utility is changing
 - Demarcation of boundaries – “customer side of the meter”
 - From one-way, monopoly distributor to transaction facilitator
- Role of the customer/ratepayer is changing
 - From passive consumer to active consumer (more data, choices, capabilities and incentives to act)
 - From consumer to generator, trader and ancillary services supplier
- What’s the role of the utility in a DG world?

- Minimize costs to ratepayers
- Maintain reliability and access to electricity
- Allow for market competition in new products and services
- Avoid stranded costs
- Orderly transition to de-regulation?
- Expanding or maintaining regulation for ratepayer benefit?
- Maintain ability to implement public policy through utility rates?
- The incredible shrinking utility?

What are the goals of utilities?

- Orderly and predictable transition to new business model
- Timely and fair opportunity to participate in new business models
- Minimizing stranded assets and legacy costs that will be passed on to declining customer base
- Maintain system reliability and universal access to energy

- What changes are needed to address the Green/Smart Grid world?
 - Faster review and approval
 - Differentiate between changes to regulation (regulations can change through existing processes) and changes to the regulatory model

- How do we align the interests of utilities and regulators?
 - Identify and engage stakeholders in creating new vision
 - Education to ensure a common factual understanding
 - Share goals
 - Develop and shape policy through joint efforts