TRANSFORMATION OF THE ELECTRICITY INDUSTRY

1. Confirm Local Policy Priorities

2. Refine the Vision

3. Implement a New Integrated Model

Absolutes
- Safety
- Reliability

Frequently Expressed
- Affordability
- Resiliency
- Clean
- Economic Growth

• Supply: Cleaner, with distributed energy resources
• Products and Services: innovative P&S
• Markets and competition: wholesale and retail design, including competitive service providers
• Regulated Pricing and Compensation: efficient pricing for grid access and value-based compensation for DERs
• Utility Roles: (a) DSO/DSP, (b) interconnect, integrate and support DER deployment, and (c) enable optimization of supply, load, and DERs with customer choice
• Technology Platform: technologies that provide visibility and control of DER and generate information and insights to support participant decision-making
DESIGNING A REGULATORY FRAMEWORK THAT IS ALIGNED WITH NEW BUSINESS AND PLANNING & OPERATIONS MODELS

CHALLENGES

- Complexity of an Integrated Market Design
- Willingness of policy makers to accept market outcomes
- Conflicts between policy and market outcomes
- Transition from legacy pricing and DER compensation to more economically efficient pricing and valuation
- Outdated earnings and regulatory models
- Role of the Utility vs. Third-Parties
- Delivering Benefits to Low-and-Moderate Income Customers