Energy Transformation &
the Changing Role of
Electric Utilities

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The GPI Method

Consensus-based Approach to Developing Energy Solutions

**CONVENE**
Gather key energy stakeholders with diverse views.

**INFORM**
Use transparent research and analysis to inform decisions and recommendations.

**AGREE**
Develop solutions through consensus.

**ACT**
Continue to work with these partners to change policy and speed technology adoption and practice innovation.

Virtuous Cycle of Energy Problem-solving

Translates into more durable energy solutions

The GPI Method

Great Plains Institute
The Changing Electric System

Analog & Manual
- Centralized
- One-way flow
- Little consumer choice

Digital & Automated
- Cleaner
- More Distributed
- Multi-directional flow

Little consumer choice
- More consumer choice
Does the utility regulatory framework and business model need to evolve to keep pace with rapid changes in the electric sector, and if so how?
Phase III: Ideas to Action

Phase I
Consensus for Change

PHASE II
Implementation Plans

Phase III
Ideas to Action
e21’s Distinguishing Features

**Proactive**
Done in advance of crisis
Agreement on arc of change could reduce transaction costs & improve outcomes

**Multi-interest & Collaborative**
Consensus-oriented
Safe space outside of formal regulatory process

**Voluntary**
Arose from mutual interest among participants
Opportunity for diverse interests to travel common learning curve
What are other states & utilities doing?

39 states + D.C. took actions related to grid modernization during Q3 2018
Implications?

1. Grid Modernization is “when” not “if.”

2. Will look different in every state & utility, but many issues & opportunities are common.

3. The issues are necessarily intertwined, but you don’t have to eat elephant all at once.

4. Most change across country is incremental, though more states are taking up broad reform.
Upshot?

• 100-plus-year-old utility business model is changing

• The Technology, Consumer & Market forces

• New players will be able to compete, partner

• Regulators see the trends

• At some point, relied upon revenue may not be there

• Time to start is before you have to