

MEMO

To: Energy Association of Pennsylvania
Fr: Christina Simeone, Kleinman Center for Energy Policy
Re: Select Examples of State-Based Proceedings on “Future Utility Business Models”

- **Arizona’s [Innovation and Technological Development’s Investigation](#)**
 - **About:** In November of 2013, the Arizona Corporation Commission (“ACC” or “Commission”) opened its Innovation and Technological Development docket. This docket was opened to provide a forum for discussing the impacts emerging technologies will have on the electric utility industry, and to help the Commission recognize regulatory issues that will arise as technology evolves. Technological developments that could potentially disrupt the traditional utility business model were of particular interest. The ACC conducted six workshops, and invited a broad range of industry experts and professionals to speak about six key topics.
 - **Driver:** Arizona Corporate Commission, [Docket No. E-00000J-13-0375](#), “Inquiry into the potential impacts to the current utility model resulting from innovations and technological developments in generation and delivery of energy”.

- **California PUC, [“The Business Model for the Electric Utility of the Future”](#)**
 - **About:** En Banc educational discussion regarding the nature of the impact of new technologies and services on the traditional electric utility model. An expert panel discussed their views of how the traditional utility business model is impacted by grid modernization and technological and service innovations, as well as what they believe some of the potential options are for addressing such challenges.
 - **Driver:** Regulatory investigation, no voting. October 13, 2013.

- **Minnesota’s [“e21 Initiative”](#)**
 - **About:** “The e21 Initiative aims to develop a more customer-centric and sustainable framework for utility regulation in Minnesota that better aligns how utilities earn revenue with public policy goals, new customer expectations, and the changing technology landscape.”
 - **Key Partners:** Great Plains Institute, Xcel Energy, Minnesota Power, Center for Energy and Environment, Energy Systems Consulting Services, George Washington University Law School, and [other stakeholders](#).
 - **Driver:** Non-regulatory. Stakeholder collaborative aimed at developing consensus recommendations. Launched February 2014.

- **New York’s [“Reforming the Energy Vision”](#)**
 - **About:** “The energy industry is in transition. Technological innovation and increasing competitiveness of renewable energy resources, combined with aging infrastructure, extreme weather events, and system security and resiliency needs, are all leading to significant changes in how electric energy is produced,

managed and consumed. New York State must lead the way to ensure these trends benefit the State's citizens, whose lives are so directly affected by how electric energy is manufactured, distributed, and managed. To meet this challenge, the Commission commenced its Reforming the Energy Vision (REV) initiative to reform New York State's energy industry and regulatory practices."

- **Driver:** Regulatory. NYS PSC Case 14-M-0101 "Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision", [Order Instituting Proceeding](#) issued on April 24, 2014.

- **Massachusetts' [Electric Grid Modernization Stakeholder Working Group Process](#)**
 - **About:** "The Department of Public Utilities ("Department") opens this inquiry to investigate policies that will enable Massachusetts electric distribution companies and their customers to take advantage of grid modernization opportunities. Specifically we will examine our policies to ensure that electric distribution companies adopt grid modernization technologies and practices in order to enhance the reliability of electricity service, reduce electricity costs, and empower customers to adopt new electricity technologies and better manage their use of electricity. The purpose of this investigation will be to solicit input from stakeholders that will guide the Department's approach to grid modernization over the short, medium, and long term."
 - **Driver:** Regulatory. Mass Department of Public Utilities, Order D.P.U. 12-76, "[Investigation by the Department of Public Utilities on its own Motion into Modernization of the Electric Grid](#)", issued October 2, 2012.

- **Maryland's [Utility 2.0](#)**
 - **About:** On July 25, 2012, Governor Martin O'Malley signed Executive Order 01.01.2012.15 directing his Energy Advisor, in collaboration with identified agencies, to solicit input and recommendations from experts on how to improve the resiliency and reliability of the Maryland electric distribution system. Referencing the potential impact of climate change on regional weather patterns and the prolonged power outages brought by recent hurricanes, blizzards, and the Derecho, the Executive Order specifically charged the Task Force with evaluating 1) The effectiveness and feasibility of undergrounding supply and distribution lines; 2) Other options for infrastructure investments to improve resiliency of the grid; 3) Options for financing and cost recovery for capital investment.
 - **Driver:** Governor Martin O'Malley, Executive Order 01.01.2012.15, issued July 25, 2012.

- **PG&E Roundtable on [Adapting for the 21st Century](#)**
 - **About:** On behalf of PG&E, the Rocky Mountain Institute (RMI) organized and facilitated a roundtable of experts to evaluate the potential implications for the utility and its customers of a future business environment characterized by high levels of customer energy efficiency, growing numbers of zero net energy buildings, and increased adoption of distributed generation (DG) by utility customers.
 - **Driver:** Non-regulatory. Collaboration between RMI and PG&E. Report issued in March 2012.