Live Seminars

THE FUTURE OF THE UTILITY: EVOLVING CUSTOMERS, CHANGING TECHNOLOGY, REVISED REGULATION, NEW BUSINESS MODELS, AND GROWING OPPORTUNITIES

Course length: Two days
Prerequisites: None
CPE credits: 8

A detailed exploration of the rapidly changing utility business and strategies companies are employing for success in the new world

The utility business model is undergoing a dramatic reinvention. Rapidly changing technologies (including utility-scale solar and wind, batteries and other storage, rooftop solar and other distributed generation, advanced demand response, electric vehicles, microgrids, advanced communications and control capabilities, data analytics, renewable natural gas, biogas, hydrogen fuel, and fuel cells) combined with rising competition from non-utility service providers are pushing utilities and their regulators to rethink how utilities offer services and make money. This seminar examines technological, regulatory, and marketplace changes and their impacts on the energy industry. Participants are then invited to collaboratively develop visions for how utilities can not only survive but thrive in a changing world.

WHO WILL BENEFIT FROM THIS SEMINAR?

- Utility vice presidents
- Utility directors, managers, and supervisors identified as future leaders
- Similar leaders at holding companies with investments in utilities
- Leaders from companies that provide services to utilities and interact with utility executives and/or regulatory commissioners

WHAT PARTICIPANTS WILL LEARN

- Key technology, market, regulatory, and policy forces impacting energy companies
- How new technologies impact the operation and design of electric and gas grids
- How changes in markets, regulation, and policy impact your company as a whole, as well as your specific work group
- Expected changes in customer desires and how these will affect the services a successful energy company will offer
- Tools to develop your own vision of future electric and gas grid operations and future electric and gas market structures
- Future energy company business models including services offered and earnings possibilities and the challenges and opportunities associated with each approach
- Strategies employed by other leading energy companies

COURSE AGENDA

Introduction
- Introductions with discussion of changes each attendee is observing
- The 20th century and 21st century gas and electric grids
- Pressures utilities are experiencing
- Key issues for your company

Technological Forces and the Future Gas and Electric Grids
- Overview of how a power system works
- Overview of new technologies
- How new technologies impact operation and planning of a power system
- How natural gas fits into the "new grid"
- Integration of utility scale renewable resources
- Integration of distributed resources (generation, load management, storage)
- Distribution system design for the changed world including locational value
- The future electric and gas grids

Market Forces Changing the Energy Business
- Overview of the current gas and electric market structures in your region
- Flat load growth
- Community aggregation and retail access
- Impacts of new technologies on wholesale and retail markets
- New service providers entering market
- New types of consumers and what they want

Policy and Regulatory Issues Changing the Energy Business
- Overview of the cost-of-service methodology and how a utility makes money
- The issue of fixed versus variable costs and how they are recovered in rates
- The rate impacts of increased capital spending with low load growth and distributed energy resources (DERs)
- Pressures for greater transparency in data utilized by the energy company
- The procurement function and how it is impacted by market forces

For more information, please call 866.765.5432 ext. 700 or e-mail us at info@enerdynamics.com

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- Greenhouse gas reduction and renewable energy policy implications
- Treatment for utility capital investments versus DERs
- How technology and market forces impact rates and utility earnings
- The concept of the utility death spiral
- Discussion of whether the death spiral is real
- Rate design issues (minimum bills, fixed fees, demand charges, TOU)
- Charges for departing customers
- Grid charges for distributed resources
- Payments for network services provided by distributed resources
- Changes to earnings mechanisms (time between rate cases, incentive rates, non-regulated earnings, etc.)

Business Impacts on Your Company
- Levels of DERs
- Levels of retail access and community aggregation
- Efforts to reduce natural gas environmental impacts
- Costs associated with grid modernization
- Customer program design and evolution
- New customer program trends and opportunities
- Current regulatory proceedings and legislative initiatives impacting your company
- Initiatives within your company to address future changes

Review and Discussion of Future Vision
- Key takeaways from first part of seminar
- Based on what you have learned yesterday, what are the key impacts you expect in your department over the next five years?
- Vision of an energy future

Consumers in the New World – Services they Will Want to Buy (and Provide)
- How changing technology affects consumers (residential, commercial industrial)
- Customer segmentation
- Research on the changing customer
- Possible new customer segmentations (such as New York REV’s Traditional, Active, and Prosumer segments)
- Will customers “cut the cord”?
- Future services

Market Structures for a Future Electric Grid
- Wholesale markets (large geographical footprint, new market services, role of DERs)
- Distributed markets run by a Distribution Market Operator
- Services consumers may want to buy/provide
- Competitive service providers

Utility Business Models for the Future
- Key areas of opportunity (battery storage, advanced distribution technologies, clean transportation, software systems, services platforms, etc.)
- Various service roles in the future
- Which roles are appropriate to a distribution utility? A transmission utility? A gas utility?
- The spectrum of potential utility business models
- Services that utilities may provide under each model

Case Studies of Companies in Transition
- Overview of key regulatory and utility initiatives
  - U.K. RIIO
  - Germany’s Energiewende
  - Hawaii
  - New York Reforming the Energy Visions (REV)

Conclusions
- Defining three key actions you can take in your department to address the changing industry
- Key factors to remember as participants go back to their jobs

In each section, discussions and other groups activities are included so that participants are continually challenged to apply learning to their specific department and company situation.