

Powering the People: Energy Solutions for All Customers

The Institute for Electric Innovation's (IEI's) "Powering the People: Energy Solutions for All Customers" brought together more than 120 electric power industry leaders in March—including electric company and technology company executives, state regulators, federal policymakers, journalists, academics, and other stakeholders—to discuss customer energy solutions. Participants engaged in lively conversations and panel discussions around three topics: electric vehicles (EVs), smart cities and communities, and large customer sustainability goals.

Making It Work: Growing the EV Market

Hawaiian Electric Company President and CEO Alan Oshima moderated this panel, focused on how charging infrastructure, smart rates, customer education, and customer access all play a critical role in moving the EV market forward.

"The world has spoken, and EVs are here to stay," said Michigan Public Service Commissioner Norm Saari. "But," he added, "there are a lot of issues left to be resolved."

The customer experience is key. Southern Company Services President and CEO Mark Lantrip said that allowing electric company involvement and investment in the EV market will increase customer value and access.

Charging infrastructure protocols and deployment are another key issue. Oshima noted that the lack of standard EV charging protocols in the United States

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is "even worse than Betamax vs. VHS." Greenlots Vice President of Market Development Scott Fisher agreed. "We want to make charging EVs a strong, positive customer experience."

Ensuring access to EVs for all customers also is critical. To make the transition to EVs as smooth as possible, Energy Foundation Vice President of Policy Dan Adler advocates for partnerships and coordination—or "durable coalitions."

"Large, credible companies are no longer simply catering to the 1 percent. Announcements like Volvo's recent decision to phase out internal combustion-only vehicles send a strong signal," Fisher said.

Commissioner Saari offered four key components of a successful public policy discussion:

- Customer education is fundamental. Automakers, car dealers, and electric companies all have a role in public education.
- Good rate design will help drive EV adoption, and special rates and incentives must be properly constructed.
- The impact of EVs on the energy grid must be properly evaluated and understood.

- Questions around infrastructure ownership must be addressed. Who's going to build what? Where? How will it be priced? Moving the EV market forward means moving beyond passenger vehicles to fleet electrification. Electrification of fleets, such as city buses, school buses, and the delivery vehicles used by the U.S. Postal Service, United Parcel Service, and FedEx, could accelerate the EV market more rapidly than passenger vehicles. Not only do the economics make sense, but charging is more centralized. Despite the challenges, all panelists agreed that the future for EVs is bright.

Smart Cities Discussion

Representative Yvette Clarke (D-NY), co-chair of the newly formed Congressional Smart Cities Caucus, discussed smart cities and smart communities. According to Rep. Clarke, in looking at infrastructure being built today and the convergence of technology and energy, there is no better time than now to focus on smart communities. The Smart Cities Caucus is designed to drive collaboration to enhance the effectiveness of advocating for smart infrastructure development to meet the nation's needs.

According to Clarke, "Some say smart cities are the wave of the future; I say they're the wave of now." For example, "the EU has started embedding sensors in roads; in the United States, we're still filling potholes. I wholeheartedly agree that electric companies should be at the table to provide leadership and expertise."



Hawaiian Electric Company President and CEO Alan Oshima moderates the discussion on EV market issues with panelists Dan Adler, vice president of policy at the Energy Foundation; Scott Fisher, vice president of market development at Greenlots; Mark Lantrip, president and CEO of Southern Company Services; and Michigan Public Service Commissioner Norm Saari.



EEI President Tom Kuhn provides closing thoughts after an afternoon of compelling insights at Powering the People.



Lisa Wood, EEI vice president of customer solutions and IEI executive director, talks about smart communities with Rep. Yvette Clarke (D-NY).



World Resources Institute Director of Utility Innovation Letha Tawney moderates the discussion on large customer sustainability with panelists Steve Chriss, director of energy and strategy analysis at Walmart; Bob Blue, Dominion Energy executive vice president and Power Delivery Group president and CEO; and Iowa Utilities Board member Nick Wagner.

Getting to Yes with Large Customers to Meet Sustainability Goals

This dialogue focused on how electric companies are working with large customers and regulators to implement affordable and sustainable energy solutions. Moderated by World Resources Institute Director of Utility Innovation Letha Tawney, the panel focused on providing renewable energy solutions to corporate customers with sustainability goals. To date, more than 360 companies have committed to greenhouse gas reduction and sustainable energy goals. According to Tawney, “This is not a trend, it is a tsunami.” In 2017, large customers contracted for 3.11 gigawatts of renewable energy capacity. In the first quarter of 2018, another 69 megawatts are under contract. This number is expected to grow exponentially.

Going forward, electric companies need flexibility to provide renewable and sustainable energy solutions to meet their customers’ needs. Bob Blue, Dominion Energy Executive Vice President and Power Delivery Group President and CEO discussed how Dominion has achieved success with both customers and regulators by listening to customers and coming up with creative solutions.

In Virginia, Dominion has inked a special market-based rates deal with Amazon, and is seeking approval for “Schedule RF”—a rate mechanism that Dominion will make available to Facebook (and other large customers) to help offset their energy needs with renewable energy sources. But, as Walmart Director of Energy and Strategy Analysis Steve Chriss noted, “Cost is king.”

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Competitive energy pricing precludes large customers from paying a premium for renewable energy products, particularly when they operate in deregulated states. Furthermore, electric companies, regulators, and large customers themselves want to avoid cost shifts onto other customers. According to Blue, by negotiating the right price (for the right product), the net effect on the rest of the customer base is neutral. All agreed that rates need to be set on the underlying cost of service. According to state regulator and Iowa Utilities Board member Nick Wagner, the more stakeholders are involved in the process of creating a renewable energy product, service, or tariff, the more likely it is to get to the right place. “If everybody is leaving a bit unhappy, we’re probably where we need to be.”

To be sure, regulators and electric companies need help in innovating and crafting creative solutions. Moving quickly is critical for large customers. Once products or programs are in place, electric companies can implement and scale. According to Chriss, “The key to this whole thing is

transformation and pushing things further down the road harder and faster.”

Wrap-Up

Putting all the pieces in place for the EV market to succeed; building and enabling smart communities; and getting to yes with large customers to meet sustainability goals are some of the key pillars for the customer energy solutions of the future. Regardless of the solution, the key ingredients include:

- Getting the right policies in place;
- Recognizing the critical role of electric companies in providing solutions; and
- Engaging stakeholders early and often to create solutions that benefit all customers. EP

**IEI IS HOSTING
A SECOND**

Powering the People

EVENT

— on —

OCTOBER 17, 2018

Stay tuned for more details.



LISA WOOD is vice president of customer solutions at the Edison Electric Institute, executive director of the Institute for Electric Innovation, and vice president of The Edison Foundation.
 @LisaWoodEnergy

The Institute for Electric Innovation focuses on advancing the adoption and application of new technologies that will strengthen and transform the energy grid. The Institute’s members are investor-owned electric companies that represent about 70 percent of the U.S. electric power industry and are committed to an affordable, reliable, secure, and clean energy future.

