Mixed Signals

Harvard Electricity Policy Group
83rd Plenary Session

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Our lens into energy

August 2000
Centrica acquired Direct Energy

Grown to more than 5,500 employees

Largest Residential Retailer
One of the Largest Home Services & B2B Retailers

Revenues of US$19.5 billion in 2014

Nearly 5 million customer relationships
Conversation on pricing should recognize key trends
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- Digitized future
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- Distributed future
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- Digitized future
- Distributed future
- Decarbonized future
Conversation on pricing should recognize key trends

- Digitized future
- Distributed future
- Decarbonized future
- Designed future
Regulated electricity pricing is confusing and random

- Misalignment of input costs
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- Unclear subsidy path
Regulated electricity pricing is confusing and random

- Misalignment of input costs
- Unclear subsidy path
- Institutional inertia
Regulated electricity pricing is confusing and random

- Misalignment of input costs
- Unclear subsidy path
- Institutional inertia
- Focus on the past
Competitive retail simplifies products for consumer

Cost Certainty

Sustainability

Energy Efficiency
Competitive retail delivers innovative time variant pricing
Competitive retail delivers energy saving programs
Competitive retail changes the energy conversation
Competitive retail offers daily billing to empower customers
Smart meters can unlock the future for consumers
The path forward is clearer prices via the market

- Engaged energy consumers
  linked to
- Well-functioning wholesale markets
  through
- Smarter retail pricing products and solutions
THANK YOU