

**HARVARD ELECTRICITY POLICY GROUP  
NINETY-SIXTH PLENARY SESSION**

The Mandarin Oriental Hotel  
Washington, DC  
TUESDAY AND WEDNESDAY, OCTOBER 1-2, 2019

**AGENDA****Tuesday, October 1**

8:30 am      **Breakfast and Informal Discussion**

9:00 am      **Session One.**  
**Decline in Revenues: Impact on Generators and Utilities and Options for Response**

Generators have been experiencing a noticeable decline in wholesale market revenue. The litany is familiar. Low natural gas prices, competition from low to no marginal cost energy sources, increases in the penetration of distributed resources, increased efficiency in the use of energy, imperfection in the markets and in the rules governing them, individual state mandates or subsidies that distort prices, and retail tariffs that do not send appropriate price signals to end users. Policy options include simply respecting marketplace outcomes and the incentives that flow from them, and doing nothing more than maintaining the current rules. At the other end of the spectrum are those who see real threats to sufficiency of supply, diversity of supply, and adverse environmental effects, and who contend that more coordinated actions must be taken at Federal and state levels to deal with those issues. Are the low revenue scenarios something other than normal market cycle, or are they part of a permanent market change? Under either scenario, what public policy or regulatory response, if any, should be undertaken? Is there any coherence to the wide variety of policy initiatives? Over the horizon, what are the implications for efficient electricity systems?

Moderator: **Angela O'Connor**, Chair, Massachusetts DPU, 2015-2019

**Dan Dolan**, New England Power Generators Association  
**Mason Emmett**, Exelon Corporation  
**Rob Gramlich**, Grid Strategies  
**David Springe**, National Association of State Utility Consumer Advocates

**Tuesday, October 1 (cont'd)**

10:30 am **Coffee Break**

10:45 am **Discussion**

12:00 pm **Lunch**

1:00 pm **Session Two.**  
**California Electricity Crisis (2000-2001): Legacy and Lessons**

According to Wikipedia, “[t]he California electricity crisis, also known as the Western U.S. energy crisis of 2000 and 2001, was a situation in which the U.S. state of California had a shortage of electricity supply caused by market manipulations and capped retail electricity prices. The state suffered from multiple large-scale blackouts, one of the state's largest energy companies collapsed, and the economic fall-out greatly harmed Governor Gray Davis' standing.” Around the world, this experience is cited as anything from a cautionary tale to an outright dismissal of the viability of markets for electricity. The costs were enormous, and the reverberations continue to this day. Yet both the “truth” and the “facts” remain controversial. Was this as simple as inefficient pricing (In February 2001, California Governor Gray Davis stated, "Believe me, if I wanted to raise rates I could have solved this problem in 20 minutes.")? Unexpected scarcity? Market manipulation? State and Federal regulatory responses at the time were conflicting and sometimes counterproductive. And the conditions extended well beyond the borders of California. What have we learned from this market and regulatory design experience? How does and how should this experience inform current and future policy with respect to markets and the electricity system?

Moderator: **John Estes**, Skadden, Arps, Slate, Meagher & Flom

**William Hogan**, Harvard Kennedy School

**John Jurewitz**, Pomona College

**William Massey**, Covington & Burling

**Jan Smutny-Jones**, Independent Energy Producers Association

2:30 pm **Coffee Break**

2:45 pm **Discussion**

4:00 pm **Adjourn**

6:00 pm **Reception and Dinner hosted by Harvard Electricity Policy Group**

On the panoramic top floor of Skadden, Arps, Slate, Meagher & Flom  
1440 New York Avenue, NW

Transportation to be provided from the Mandarin at 5:30 pm

**Wednesday, October 2**

8:30 am           **Breakfast and Informal Discussion**

9:00 am           **Session Three.**  
**Utilities on the Customer Side of the Meter: Issues and Challenges**

Market penetration of demand side management, demand response, and distributed generation, on the customer side of the meter, may well be the fastest growing business opportunity in the industry. That growth is in remarkable contrast to the lack of substantial growth for traditional regulated utility activities. The contrast has led many utilities, both vertically integrated and distribution only, to consider increasing their presence on the customer side of the meter. There is an element of *déjà vu* to this, given that many electric companies had been engaged on customers' premises from the beginning, including selling (even giving away on occasion) appliances, providing electrician services, and, of course, running energy efficiency programs. Some of those activities, have, for a variety of reasons, fallen by the wayside over the years or utilities maintain demand side management programs without earning a return on those efforts. Utility managers see many new actors providing services on customers' premises, and this is an opportunity for their companies, a natural fit given their knowledge and relationship with the customers. Many of the strengths utilities possess may be more of a barrier than a facilitator to entry. There are many players in the demand side space. They see that market as highly competitive, a status that would be heavily disrupted by the entry of the local utility. Furthermore, rapid technological change requires innovation and adaptation, as well as risk taking that has not been characteristic of the culture of heavily regulated utilities. Thus, many non-utility players in the market contend that those actors best equipped to operate and innovate in the market would be at a competitive disadvantage to a player less equipped to do business in the space. Would expansion of regulated utility activities on the customer side of the meter enhance efficiency or stifle innovations? Should such activities be treated as regulated or unregulated businesses? How can regulators strike the right balance?

Moderator: **Ashley Brown**, Harvard Electricity Policy Group

**Kerri Carnes**, Arizona Public Service

**John Kelly**, IPP Connect

**Tim Unruh**, National Association of Energy Service Companies

**Michael Wara**, Stanford Law School

10:30 am           **Coffee Break**

10:45 am           **Discussion**

12:00 pm           **Adjourn**