



**NARUC**

*Serving the consumer interest  
by seeking to improve the  
quality and effectiveness  
of public utility regulation  
in America.*

# ***The Utility of the Future: Innovation in Regulated Industries***

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# Change Agents

## **New Mandates**

- **Federal rules on emissions reductions**

## **New Technology/Programs**

- **Smart meters, DG resources, etc.**

## **New/Increased expectations**

- **Electricity dominates lifestyles, prolonged outages result in lost productivity, money**



# New Mandates

## **U.S. Environmental Protection Agency rules**

### **➤ Mercury & Air Toxics Standard**

- Rule limits mercury emissions from power plants
- Upheld by federal appeals court in April 2014

### **➤ Carbon Standards for New Power Plants**

- Rule requires all new coal, gas plants to capture and store a percentage of carbon emissions



# New Mandates

## U.S. Environmental Protection Agency rules

### ➤ 111d Rule

- Proposed in June, aimed at reducing carbon emissions from existing plants
- Proposal sets benchmarks for each State to reduce emissions
  - Florida must reduce emissions by approximately 38% from 2012
- Proposal gives options for States to meet targets, including:
  - Heat-rate improvements to State coal plants
  - Redispatch to natural gas
  - Increased use of nuclear/renewable energy
  - Increased use of energy efficiency
- Once rule is final (anticipated to be June 2015), States must propose compliance plans within one year



# New Technologies/Programs

## States Leading the Way

### ➤ Renewable Energy

- 29 States, D.C., have renewable energy policies

### ➤ Smart Meters

- By end of 2012, 22 utilities in 16 States deployed smart meters, according to industry stats

### ➤ DG/Net-metering

- 43 States, plus D.C., have net-metering policies, according to industry stats



# Florida

## Florida specifics

- Emissions reduced from 1,835 lbs. per MW/h to 1,292 lbs. per MW/h in 2012
- FP&L installed 4.5 million smart meters in Florida
- 5,000 consumer-owned renewable energy resources installed at close of 2013



# Conclude

- **Innovation is here**
  - **Consumers more reliant on electricity now than ever**
- **Wireless, IP-based communications**
  - **Smart phones**
- **State leadership**
  - **DG, smart meter programs**

**Change is Coming!**