

NARUC

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

Encouraging Flexibility – A Regulators' Perspective

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25 April 2016

12th US-EU Regulators Roundtable Madrid, Spain





- **#**Methods
- **#MISO-region issues**
- ***Retail rate restructuring**
- #Wisconsin and flexibility
- #What flexibility is not





****Administrative tools**

- Contracts, requests for proposals, acquisitions
- Demand response
- **#Market-based mechanisms**
 - ☑Intra-day markets
 - Ancillary service markets
 - Price-responsive demand
 - Capacity markets





- #Dispatchable Intermittent Resources
 (DIR)
- **#Centralized wind forecasting**
 - 7-day ahead hourly forecast
 - 5-minute forecast for next 6 hours
- #2.5% improved wind forecast accuracy
 - Manual curtailments fallen dramatically



Retail rate restructuring

- #State regulatory options in response to the need for flexibility

 - □3 part rate/demand charges

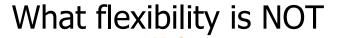


Wisconsin's response

#Wisconsin's regulatory response

- "Real time" pricing tariffs
- Customer choice in a regulated state

 - **区**Community Solar





#How to inhibit flexibility

- Incentives that exist in perpetuity
 - **Sending false price signals** ■
- Regulations that favor on resource over another
- Overlook importance of baseload power
- Making consumers pay for bad bets



Questions?