

**Remarks by David Boyd**

**Commissioner of Minnesota Public Utilities Commission**

**Terry Barnich Award Ceremony**

**February 3, 2013**

Mr. Chairman, Mr. Vice-chairman, Commissioner Reha, members of the committee,

Thank you. It is indeed an honor to be recognized by your peers, but it is particularly humbling to receive this award, established in the memory of a person of the character and expertise of a great public servant like Terry Barnich. I am grateful and very flattered to accept this award.

If you will indulge me for a moment I want to give you a flavor for one of the projects we have been engaged in for over two years now. With the support of NARUC and USAID, the Organization of MISO States (OMS) has had an active and effective partnership with the regulators from six countries in the Black Sea region: Armenia, Azerbaijan, Georgia, Moldova, Turkey and Ukraine. There are six unique stories to be told here in terms of their six economies, natural resources, energy policies and regulatory regimes, and indeed many of these countries have bilateral partnerships with NARUC member states working on their individual situations. There are several common themes among the partners that will not surprise you. They are all, among other things, concerned about energy security, security of supply, the plight of the low income rate payer, developing their domestic resources (ideally to the point of export), encouraging investment, and to free themselves of unfavorable or unstable trade relationships. Thus, our partnership is a regional project focused on larger issues like renewable resource development and enabling cross border trade.

In pursuit of these goals, much of our work has focused on establishing a set of principles meant to guide development of renewable resources, to attract investment to the region, all with an eye toward export of electricity to the west toward Europe. This was not done by simply bringing case studies and best practice illustrations to the partners, but rather a process of building rapport within the group and engaging in an extended dialogue. Bear in mind that there have been conflicts among the partners historically, and that some are engaged in heated disputes as we speak. One key to our success then, was to have continuity among the participants and to build a working relationship, a level of trust, sufficient to support significant dialogue and debate among the partners. We did share information on many topics (price support through feed-in tariffs vs. RPS, market structures, RTOs, queue management, market monitoring, integration of renewables, interconnection processes and costs, cost allocation methodologies, renewable energy credits, etc.) through case studies and presentations drawn from European and U.S. experiences, but I think we knew we were making progress when the partners began to really challenge us, and to speak freely among themselves and ask questions of one another. As I have

said on many occasions this is, in part, why I learn so much from our partner friends, and why this has been such a rewarding experience.

To date we have drafted, edited, and finalized the bulk of the guiding principles document. At the request of our partners we will add two additional chapters when we meet in Tbilisi in two weeks. This is a substantial document completed and edited as a group, and unanimously endorsed by the six countries. We are now working on disseminating that document to the proper ministerial, transmission system operator, and parliamentary officials so that it can be implemented. We have also started to explore the topic of energy efficiency with the partners and think there is terrific potential to engage in a similar exercise going forward, something that was requested by the partners.

As you all know and is always true, one surely does not perform a project like this alone, so it seems a bit awkward to be recognized like this as if that were the case. I owe thanks to many who supported our efforts. First, this is an OMS partnership and indeed commissioners and staff from many states have made contributions of their time and expertise. Several of NARUC's bilateral partnerships in the region, which support our project so well, are performed by OMS states (Missouri with Moldova, Armenia with Iowa, and Kentucky with Georgia). New York is also performing a very successful partnership with Ukraine. These, together with a parallel ongoing USAID supported effort on regional planning of transmission in the Black Sea region, have created a very fertile environment for our work. And of course, Bill Smith has been there at every step. His depth of knowledge and breadth of international experience have been irreplaceable.

Peter Kaderjak, the former President of the Hungarian Energy Office and director of the Regional Center for Energy Policy Research in Budapest, has served as an integral part of the project. Peter has contributed European experiences and case studies (both successes and failures), moderated many sessions, and was the principal author of the principles document.

At home, my colleagues and the staff at the Minnesota commission have been extraordinarily supportive of this project. They have stepped up to help me prepare for our meetings, and to pick up the slack when necessary. To all the Minnesota commissioners and staff, my thanks to each of you.

My family has also shown unwavering support for this important endeavor. There is a price to be paid in accommodating the work and travel associated with this project. Someone else is always there to help with homework, drive to (and attend) hockey, gymnastics, ballet, soccer, concerts, and so on. On the bright side, my kids have decided that I must be some sort of James Bond like character---why else would I be on trips to such exotic places? As you might imagine, I am blessed to have such a wonderful family and so grateful for the indulgence, encouragement, and backing of my wife and children.

Last but not least, the financial and logistical support of NARUC and USAID make all this happen. Steve Burns, thank you to USAID for your financial assistance and vision. The NARUC team is absolutely the best. Erin, Martina, and Umida, thank you for your assistance in making this happen, and for making it so easy to do. I am forever in your debt for allowing me to step into this experience. It has touched me in many ways, made me a better regulator, and I hope, and better person.

Thank you.