

# EMERGING UTILITY BUSINESS MODELS

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NARUC WINTER MEETING

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*Director*

# THE ENERGY CLOUD

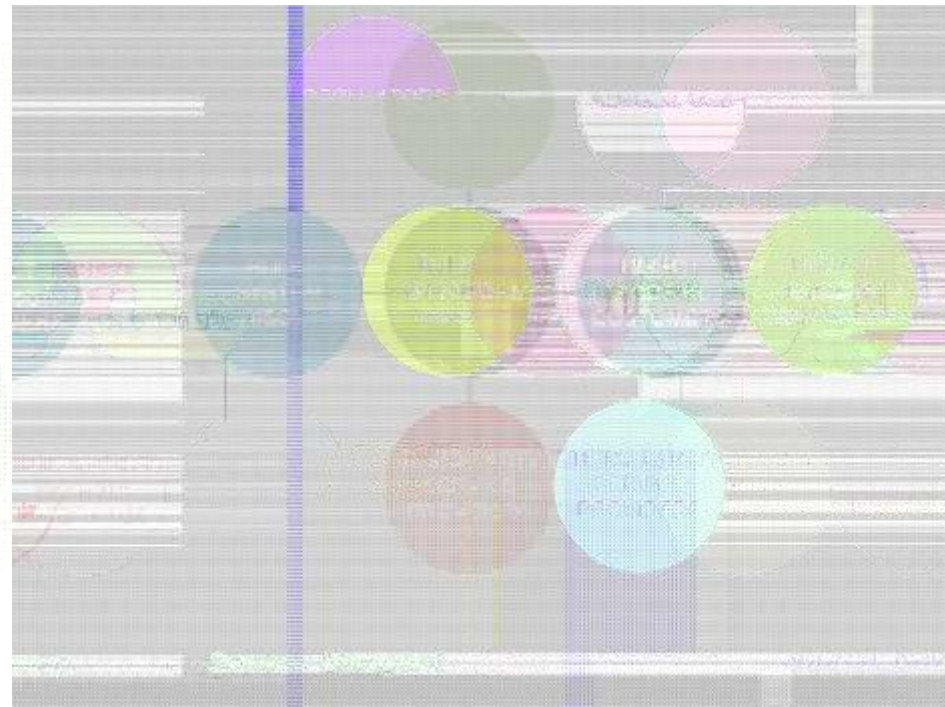
*A CHANGED BUSINESS & OPERATING ENVIRONMENT WHERE THE UTILITY IS THE CENTRAL ENABLER OF DIVERSE BUSINESS MODELS*

## **TODAY:** The Energy Cloud

Distributed, Cleaner, Two-Way Power Flows

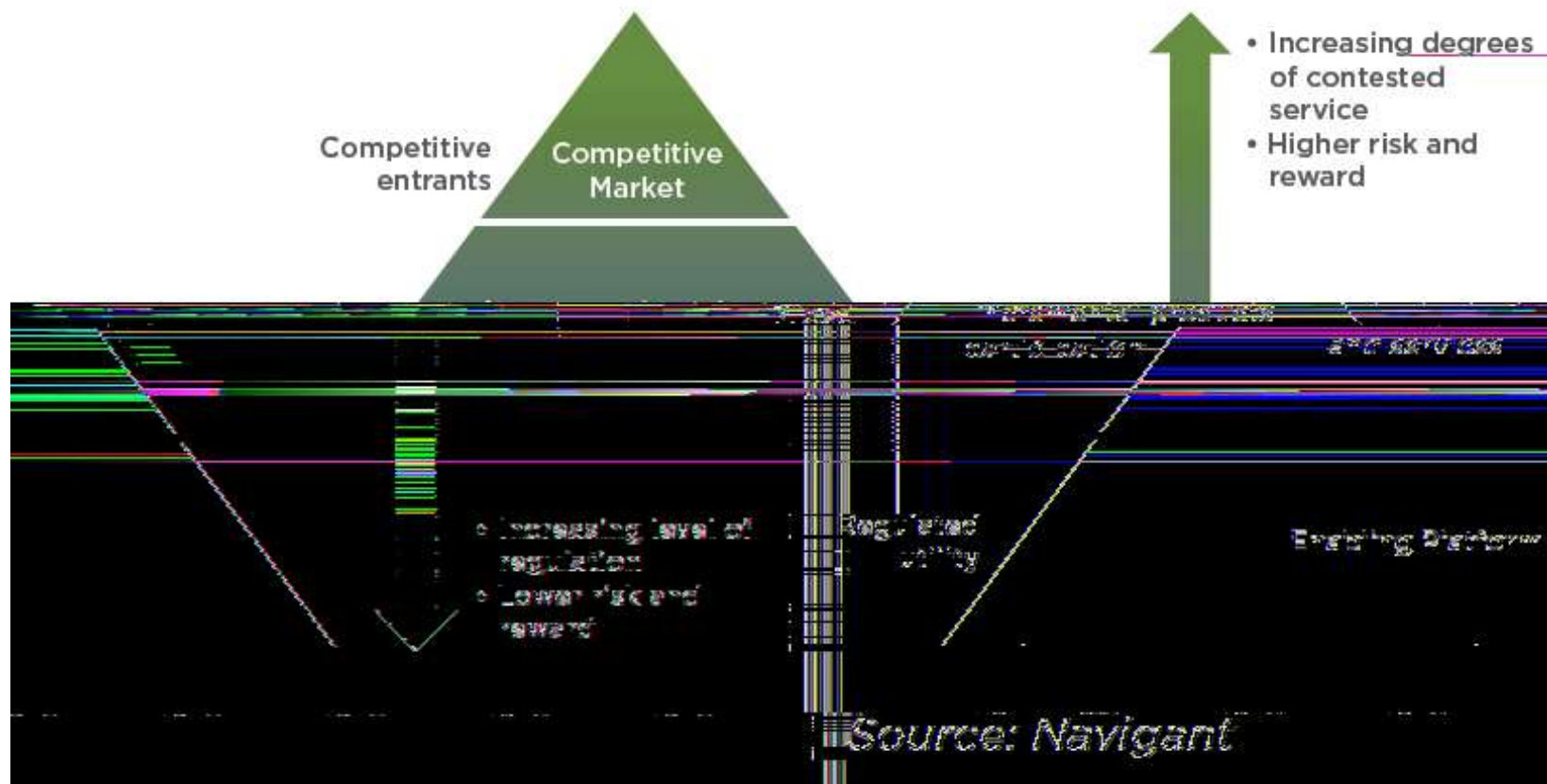


**Regulated Platform:** Distribution utility plays critical enabling role

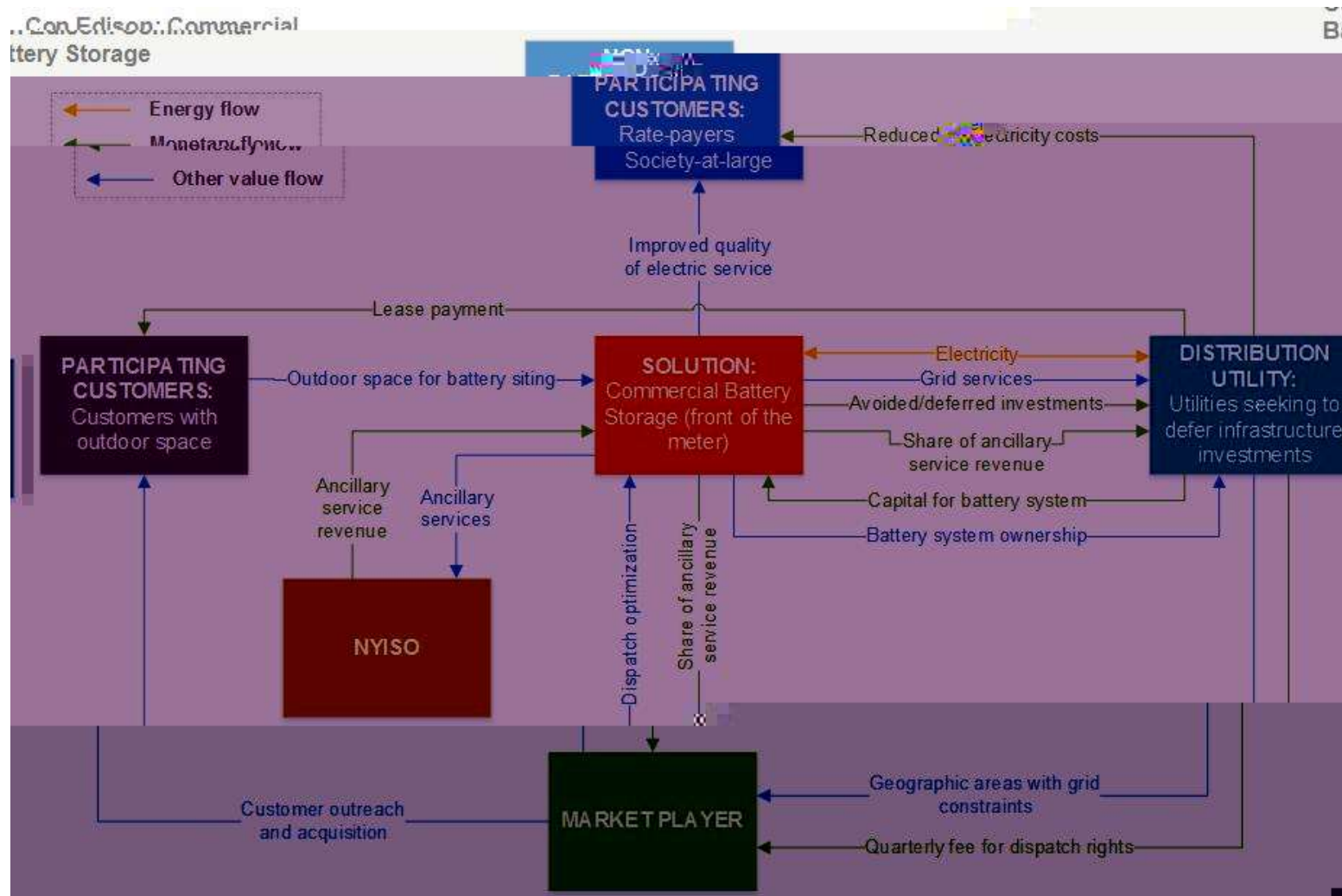


<sup>1</sup> Navigating the Energy Transformation: Building a Competitive Advantage for Energy Cloud 2.0 ([white paper](#))

# AS DER SOLUTIONS PROLIFERATE THE REGULATED UTILITY BUSINESS BECOMES A CONTESTED MARKET



# BUSINESS MODEL DIAGRAMS OUTLINE ROLES AND BENEFITS OF NEW CUSTOMER OFFERINGS



# UTILITIES ARE LEVERAGING DER SOLUTIONS TO BRING NEW VALUE TO CUSTOMERS

*GMP - NEW PRODUCTS AND SERVICES THROUGH PARTNERSHIPS*

**GMP is building the utility of the future ecosystem for their customers through its vertically integrated franchise.**

- **Personal Energy Management:** A comprehensive multilevel, home control and convenience offering to remotely manage energy consumption in homes and to increase comfort and save money
- **NRG Portable Power:** GMP offers NRG's Portable Power solution, allowing customers to break free from the outlet and charge their smartphones with an NRG Power Pack
- **EV Infrastructure:** GMP works with NRG's eVgo to develop and roll out an expanded, interconnected network of EV charging stations throughout the state, including several charging package options.

*Source: Green Mountain Power*



**Offering NEW-AGE ENERGY PRODUCTS DIRECTLY TO CUSTOMERS,**  
including heat pump water heaters, heating and cooling systems, EV charging,  
and home energy management.

# In reality, hybrid models most likely to emerge, consistent with existing leading examples

UTILITY PROCUREMENT OF  
THIRD PARTY SOLUTIONS



SPLIT ROLES BY PRODUCT  
OR SCOPE OF ACTIVITY

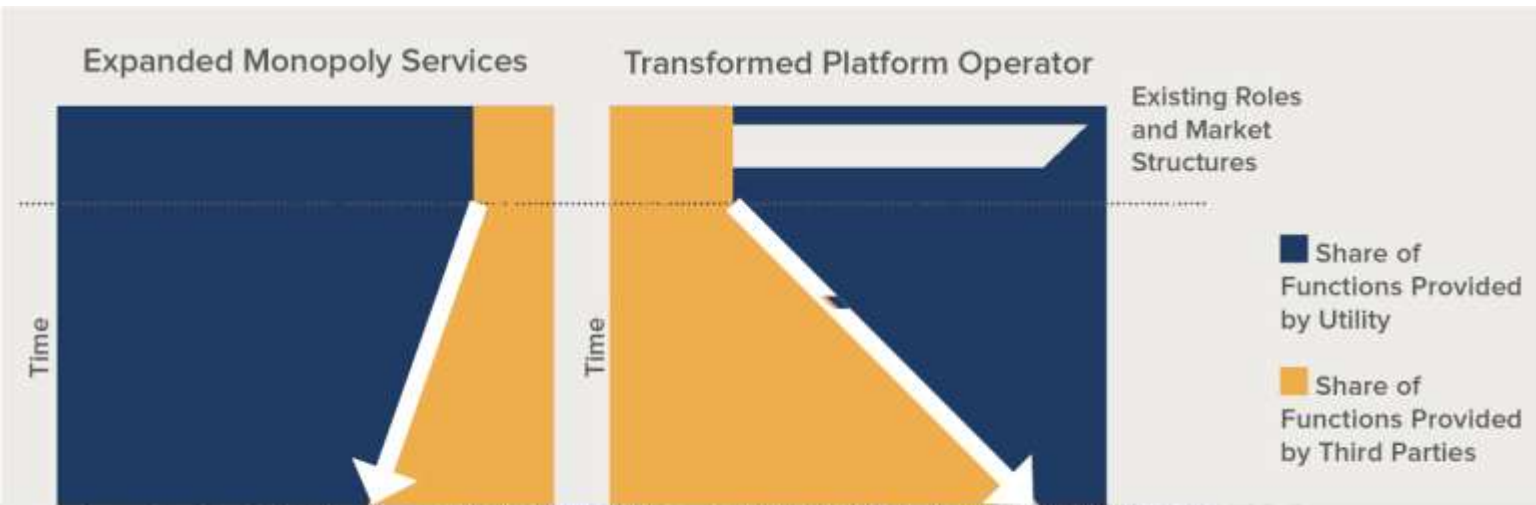


UTILITY HOSTED  
MICROPLATFORMS





Regardless of the model, an increasing share of functions may be performed by third parties – but the overall market may also grow

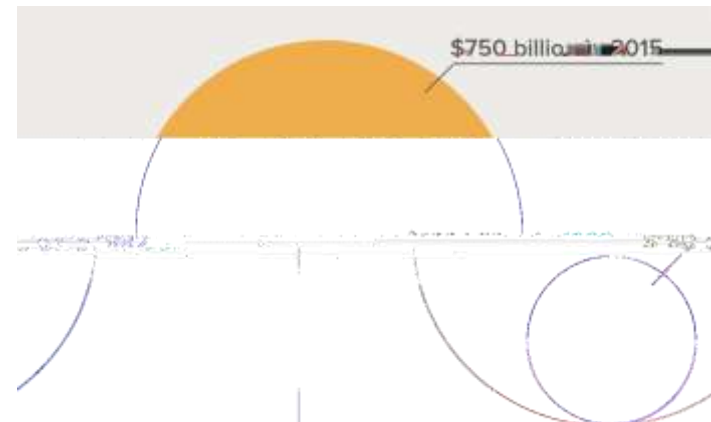


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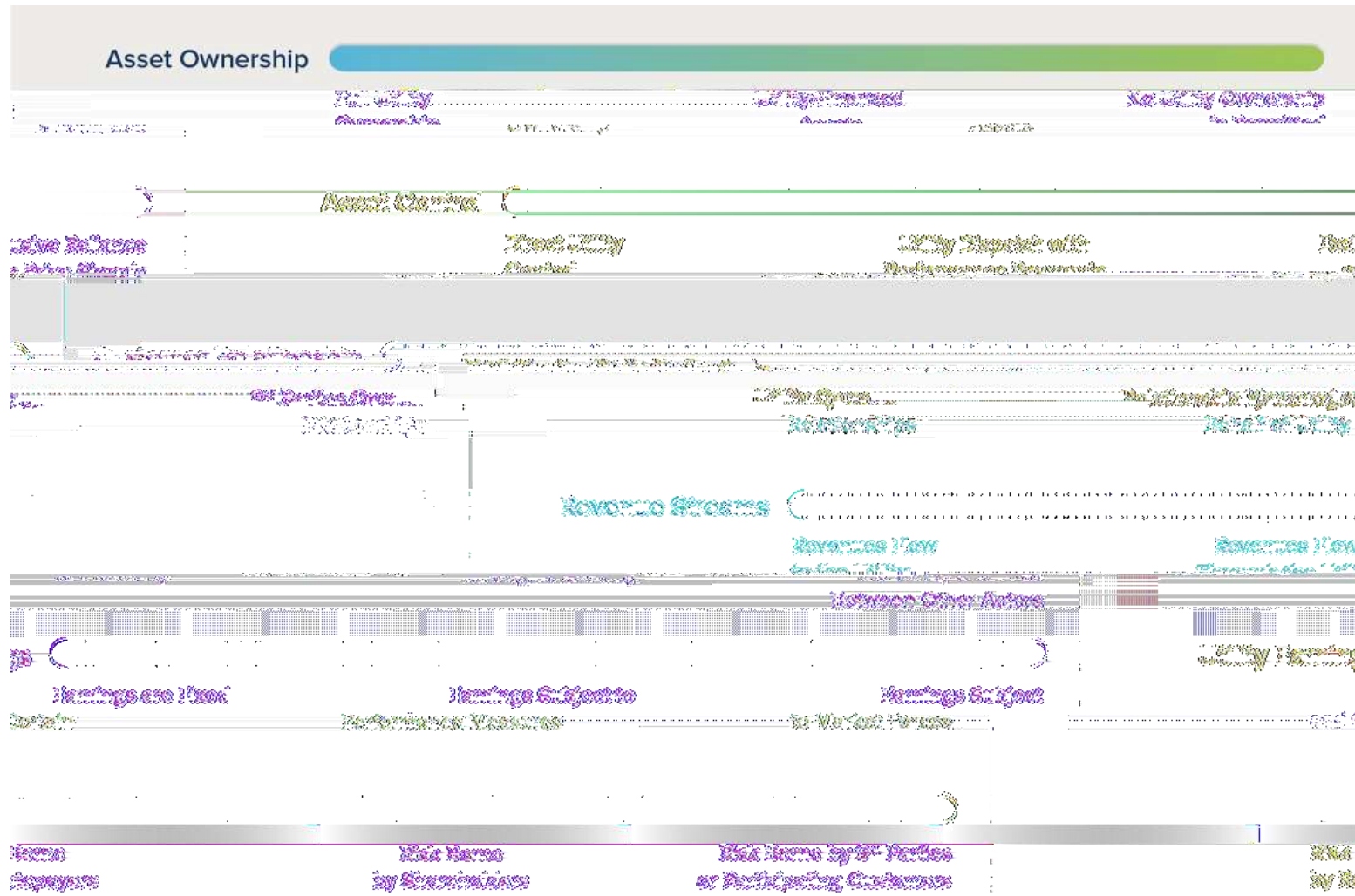
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SPECTRUM OF UTILITY MODELS

GROWTH IN TELECOM  
MARKET SIZE SINCE  
DEREGULATION AND  
MARKET REFORM



## Key questions – beyond just DER ownership – can help align utility actions with regulatory vision





**Utilities and regulators can take no-regrets moves to explore new utility roles in DER optimization, regardless of the model chosen**

**SET A GUIDING VISION**

**IMPLEMENT NEW MARKET OVERSIGHT**

**TEST THE MODEL, FLEXIBLY**

**SET METRICS AND REALIGN INCENTIVES**

**SUPPORT KEY ENABLING ELEMENTS**





# Thank You

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