



National
Association of
Regulatory
Utility
Commissioners



NATIONAL COUNCIL
ON ELECTRICITY POLICY

NOTICE OF DEADLINE EXTENSION AND MODIFICATION TO
THE REQUEST FOR PAPERS FOR THE

NARUC/NCEP Climate Change Conference

***Utilities of the Future: Implications of a Carbon
Constrained World***

In response to requests, NARUC has decided to extend the deadline for its request for papers according to the following schedule:

August 31, 2009: Final due date for proposals, papers are strongly encouraged.

September 15, 2009: NARUC will notify* those whose papers have been chosen as finalists, review staff may be in contact with the author to discuss the direction of the paper and how the topic will fit in to the conference.

October 15, 2009: Authors of chosen submissions will be asked to submit their presentation materials for the conference.

Additional information regarding the format of submissions and the review process can be found below. Topics and all other parameters for submissions will remain the same as in the original RFP, all changes to the original RFP are demarcated in red text.

Conference Dates: **December 2-4, 2009**

Conference Location: **Dallas, Texas**

<http://www.naruc.org/climateconference>

Introduction

The National Association of Regulatory Utility Commissioners (NARUC) and the National Council on Electricity Policy (NCEP) are soliciting papers for presentation at a conference entitled “Utilities of the Future: Implications of a Carbon Constrained World.” This conference will be devoted to the exploration of a utility sector affected by carbon imperatives, and the related questions of how to ensure that utility companies operate effectively and how to meet consumer demand for energy services in an efficient and cost-effective manner in an environment where existing CO₂ emissions must be substantially reduced.

NARUC and NCEP welcome various viewpoints on this topic. We are interested in the viewpoints that stakeholders have on these issues; and we define “stakeholders” broadly to include utility companies, consumers, the financial community, environmental regulators, academics, companies, and other organizations and persons that would expect to participate in providing energy services in the future.

Topics

In considering a topic, please review the list below that contains potential ideas for development. **Please note, however, that the list is not exhaustive, and that papers on different subjects are welcome. The topics below are intended to serve as guidelines, not as limits.** Papers may deal with any aspect of this broad subject, for instance:

- Getting Here: 36 Years On, How Have We Done? -- An overarching retrospective describing where we are today in terms of fossil, nuclear, and renewable energy production, energy demand and consumption, energy efficiency, energy security, and environmental emissions, including carbon. Describe how the world would look today if utilities had continued business-as-usual from the time of the Arab oil embargo in 1973-4 to 2009. Provide context for a look toward the future and provide reasons for pessimism and optimism based on our past record.
- Climate Goals: What climate goals are desirable, achievable, and when will they be achieved? What results can be expected if major world economies do not address this challenge together? What US policies could enable or move other countries to curb GHG emissions? What lessons can be learned from other large industrial countries which already have in-place aggressive GHG reduction programs?
- Demographic Trends: What effects on access to energy and to its production, delivery, and use can be expected from both national and international trends in population growth and movement? What effects might these trends have on energy prices over the next 5, 10 or 15 years?
- Potential State and Federal Legislation and Regulation: What elements are necessary to ensure that emissions reductions are achieved efficiently and cost-effectively? What, if any, legislation is necessary to ensure the continued safe and reliable provision of energy and energy services in the future? What are the implications and consequences of moving elements of state utility regulation to federal or regional entities? Is a greater federal mandate to impose solutions necessary to achieve national carbon reduction goals? Are there regional approaches that, while different, can still help achieve national emissions reduction goals? Will current

laws governing property rights hinder siting of necessary generation, transmission, carbon sequestration or other GHG mitigation facilities?

- Cutting Emissions: What GHG mitigation options are and will become available?
- Resources: What policies, practices, and technologies can promote the types of resource development necessary to meet climate goals? What will need to happen to ensure that the amounts of cleaner capacity, demand response, and energy efficiency necessary will become available?
- The Future of Coal: Roughly half of US electricity is produced by coal-fired generation. Can this continue? Can new clean coal technologies make continued use of coal cost-effective and environmentally sustainable? What are the prospects for geological sequestration? What legal and regulatory policies may be needed to facilitate sequestration?
- Planning: Is current utility resource planning achieving all goals? What is the optimal way to monetize carbon prices? Are states, acting alone, capable of planning national infrastructure? Do all network planners and decision makers value all resources equally? Do entities currently responsible for transmission development have sufficient tools to meet the needs of the system twenty years from now? How can effective planning be accomplished when private companies are reluctant to share potentially market sensitive information?
- Innovation: In what areas is innovation needed to make deep and cost effective emissions reductions possible? What should utilities and regulators be doing to encourage research, development, and innovation? How should the utility system be opened to facilitate integration of innovative third-party solutions? Are there models for encouraging innovation that have been successful in other industries (e.g. open source development) that can be applied in the utility sector?
- System Architecture: How can the existing utility sector, with its varied systems (customer, generation, distribution, transmission), be coordinated and reshaped to ensure the most effective delivery of services in the future? Will this be accomplished with technology alone (e.g., smart grid) or will other more traditional tools (i.e., rate design) play as much of a role? What factors drive the development of centralized systems or promote distributed development?
- Business Models: Many of today's utilities are structured on the basis of models developed in the 19th and early 20th centuries. Are these models able to adapt to the challenges of operating in a carbon constrained environment? If not, what new business models (regulated or otherwise) should be considered? Which models are best suited to meet both environmental and economic goals? Will utilities take on new roles, e.g., functioning as lending agents for energy improvements, performing inspections, and regulating and limiting energy use? Will utilities become primarily system integrators responsible for coordinating the operation of central station generation, distributed generation and storage, demand response, and third party micro-grids? Who are the non-utility players that will seek to offer energy services to consumers and what may be the changing role of regulators or what issues they will

be addressing as the role of utilities change and a host of non-utility companies become important in the world of electricity/natural gas services, under carbon regulation? What is the best way to handle any assets stranded by operating in a carbon constrained environment?

- Regulatory Models: Many of today's regulatory practices, rate structures, and other assumptions, were developed in the 19th and early 20th centuries. Will they continue to be useful? For example, are there desirable alternatives to the continued use of rate base regulation, such as value-of-service? Are there useful regulatory models from regulation of non-energy sectors of the economy? Should utility revenues and profits be decoupled from unit sales (kW, KWhs, therms, etc.)?
- Pricing: Should utility prices reflect the cost of carbon? To what extent will consumers reduce energy use in response to price signals? How should policy makers address the windfalls that may accrue to low carbon legacy generators? How should price impacts on US manufacturers and consumers be mitigated?
- Information and access to information: Traditionally the utility company has been the keeper of information. Should this change in the future for the utilities, the competitors, and consumers? If so, why and how?
- Customers: How will customers participate in the future? Will there need to be differences in the future from the way they buy power today?
- International Relations: What lessons can we learn from the rest of the world as the US power sector transforms? What relationships will US companies have with companies in other parts of North America?

Submissions

Papers and proposals for papers will be accepted through August 31, 2009. Papers are strongly encouraged and should be no longer than 12 pages in length. Proposals will also be considered and submissions should include an abstract and an outline.

Notification of acceptance or rejection will be sent out via email by September 15, 2009.* Those whose submission has been selected will be asked to submit presentation materials, including PowerPoint presentations and handouts, by October 15, 2009. Speakers will be invited to include their papers and/or presentations in a compendium of materials that will be made available at the conference and online.

All submissions must be sent electronically to:

Bevan Flansburg
Program Officer, Grants and Research
National Association of Regulatory Utility Commissioners (NARUC)
bflansburg@naruc.org

Confirmations of receipt will be sent via email for all submissions. If you do not receive a confirmation within 3 days of submission, please contact Bevan by telephone at 202-898-

2440. For additional information, go to <http://www.naruc.org/climateconference> or contact Bevan Flansburg at NARUC.

**Those who submitted papers by the July 1st deadline will be notified if their paper was NOT selected by the review committee by July 31, 2009. For all others, formal notification of selection or rejections will be provided by the above September 15th deadline.*