© Lab Summit meeting recap



thank you!

Thank you for being a part of e-Lab Summit 2017! Without your participation and perspectives, the collective work advanced at Summit would not have been possible. As you return to your work, we hope that the insights and connections that you made in New Mexico support you in meaningful and actionable ways. We wish you luck in all of your endeavors, and hope to see you at a future e-Lab event!

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The e⁻Lab team



you can say who was there and what was said but not who said what*

Please remember these rules as you share the outputs of your work at Summit, including the contents of this document.

*without their permission



follow-up

Offers of support from the e-Lab team

Don't hesitate to contact us with follow-up questions, comments, or requests related to e⁻Lab. For instance, we're happy to:

- make introductions to other Summit participants, e-Lab network members, or RMI staff
- share information on the collaboration frameworks we use (e.g., types of complexity, 4 ways of talking and listening)
- work with you to refine the Summit for 2018
- send copies of RMI reports or other analyses, briefs, etc.
- explore ways for you or your organization to get more involved with e⁻ Lab, including as a full member

Please contact Mark Silberg (msilberg@rmi.org) with any follow-ups.



e⁻Lab Accelerator

What is e-Lab Accelerator?

e-Lab Accelerator is an invitation-only, four-day working meeting to accelerate high-impact and innovative projects at the electricity system's distribution edge.

Why attend e-Lab Accelerator?

We'll help you unlock opportunities to drive projects forward more effectively, and collaboratively. Specifically, Accelerator will give teams:

- A structured working session to make progress on their project or initiative
- A rich learning experience featuring experts on the latest thinking on new utility business models and distributed resources in the U.S. electricity sector
- Tools and training to conceptualize problems in collaborative and innovative ways
- New alliances to form a broader support network with other teams working on similar projects
- A unique environment conducive to creativity and breakthrough ideas

Is e-Lab Accelerator for you?

Accelerator teams comprise 5–8 people representing multiple project stakeholders. Successful teams bring together the right combination of vision, experience, knowledge, and commitment to a project that can accelerate change in the electricity system. Projects must be actively under development at varying levels of maturity.

May 1-4, 2018

Sundance Mountain Resort, Utah



pod topics

Smart Heating Electrification

Infrastructure Planning and New Mobility

Blockchain and Transactive Energy

Rate Design Pathways

Value Stacking for DERs

Distributed Grid Infrastructure

Utility Business Model Pathways

LMI-Focused Utility Business Models

your pod's recap is in the next section

thank you!

Thank you for your attention, passion, and willingness to engage (even when uncomfortable) with our pod last week. I appreciated your energy and commitment, and I look forward to continuing to collaborate on this crucial topic.

Below, you'll find a brief summary of the conversations we had at Summit, flipcharts and all.



Please be in touch! Sherri

iceberg: what's happening beneath the surface?



iceberg: what's happening beneath the surface?



stretch collaboration





• WRITE ABOUT THE CURRENT PROBLEMATIC SITUATION

1) AS THE DIRECTOR : YOU KNOW THE ANSWER 2) AS AN ACTOR IN THE SYSTEM WHAT IS YOUR CONTRIBUTION TO THE CURRENT (STUCK) PROBLEMATIC) SYSEM?

learning **Conversation takeaways**



- Avoid the picket line (...unless it's need for parity of power to collaborate)
- Is it divisive?
- Live your truth
- Breathe
- Getting groups to open and collaborate is *deliberate*
- Engage early
- Know thyself and thy ego
- Be strategic with your ego

shifting electricity system

	Traditional system	New system
Energy generation	Centralized, utility-owned	 Mix of centralized and distributed Distributed ownership & control
Demand patterns	Consistent demand growth	Demand is flat or declining and becoming peakier
Design criteria	Least-cost and reliable	Least-cost, reliable, resilient, flexible, low carbon
Utility business model	Traditional cost of service regulation, utility guaranteed returns on infrastructure investment	 Performance-based regulation, utility returns based on infrastructure investment, performance against targets, market earnings
Rate design	Flat, volumetric rates for energy consumption	Time-varying rates; fixed or demand charges
Customer role	Disengaged energy consumer	 Engaged consumer and provider of energy and services
How the customer can control bills and be compensated	 Efficiency Net metering Limited curtailment 	 Efficiency Generation Curtailment, shifted energy Grid support services, e.g., regulation, contingency reserve
Approach to serving LMI customers	 Burden to serve Bill assistance and reduced rates Some targeted efficiency incentives 	 Opportunity to partner DER savings/revenues Bill assistance and reduced rates Potential targeted compensation tools

shifting electricity system

	Traditional system	New system
Energy generation	Centralized, utility-owned	 Mix of centralized and distributed Distributed ownership & control
Demand patterns	Consistent demand growth	 Demand for the destinition and becoming peakier Moving from extractive and polluting to regenerative and sustainable
Design criteria ——	• Operation	Least cost → low cost Maximizing equity and community benefits Community-based design_planning
Utility business model	Traditional cost of service regulation, utility guaranteed returns on infrastructure investment	 Perform governance & market participants returns t No carbon investment, performance against targets,
Rate design	Flat, volumetric rates for energy consumption	 Time-varying rates; fixed or demand
Customer role	Disengaged energy consumer	 Need to challenge the inevitability of energy bills and LMI distinction Workforce development Combining programs and effering multiple
How the customer can control bills and be compensated	 Efficiency Net metering Limited curtailment 	 Efficienc Generat Curtailm Grid sup Rates based budiling/packaging to gain efficiency and increase adoption of services
Approach to serving LMI customers	Burden to serve Some targeted efficiency incentives	 Snared economy approach to LMI Targeted efficiency & DR is not markets Utility as a platform for LMI (beyond energy) Bill assis Potentia

community control & ownership



community for a control & ownership



Talk to rural coops and get their response as well

aes

tem

utility business **w** models

Coaching questions from conversation: •

- How can utilities and communities have more ongoing conversations?
- How have we have open, 2-way and mutually responsible communications? Need for both utility 101 and communities 101
- How do we recognize different pathways
 to becoming more community centric?
- Might we start with muni and coop model and think of applying to IOU model?
- How can community visioning drive utility work?

Comments:

- Munis and coops already in a different paradigm with other shareholders
- Technology providers could be compensated for value they provide (when, where, #)

- Today, cost reduction strategy translatesinto "priority". Integrate these strategiesat less than 2% rate increase
- Commodity transactions \rightarrow services
- The calculate becomes different; it's return to customers not just utilities
- The return may not all be \$
 - What utility will shift without price signal?
- Kit Carson: moving to grid service & others
- provide energy
- Selling just kWh is outdated
- Performance-based compensation need to be set with communities.
- Utilities are risk adverse in general. We are careful to avoid negative reaction.
- Utility as "air traffic controller"

shift & share: comments & feedback

- Underlying inequity vs. specific tactics
- There's a particular value of ownership, given history and policy
- Connections with EV/mobility solutions
- Design principles for community based groups & ComEd
- Hierarchy of needs: How do people care about energy? Is there further segmentation?
- Is concern how to get participation in a new news, or is it about aiding customers currently in dire straits (and not making problems worse)?
- Maybe participation comes first and is required
- Think about types of heating: LI and electric baseboard heat
- Time-varying rates: LI is being left out in CA
- How do you get the right people to define the problem?
- "Community ownership" \rightarrow munis/coops may/may not reflect the values in the tool.
- Is there anywhere that's doing this well?
- Improving LIHEAP vs. market solutions/inclusive financing
- How does the utility business model of the future reveal itself at the community level?
- Fears about "left behind": what about gas heating, death spiral, increasing rates. Incentives vs. affordability.
- Processes (and alternatives) to include LMI in conversations and decision making. Public participation.

thank you!

