

RATE DESIGN AND THE POTENTIAL IMPACTS OF COVID-19

November 17-18, 2020
Online | Central Time

EUCI ONLINE CONFERENCE

EUCI is pleased to offer this virtual conference on its online interactive platform. Enjoy a valuable learning experience with a smaller impact on your time and budget. You will gain new knowledge, skills, and hands-on experience in from the comfort of your remote location.

“

“It’s critical for utility pricing professionals to be aware of industry rate making trends. The EUCI Rate Design Conference provides an excellent opportunity for peer utilities to discuss these trends.”

Sr. Director Strategic Pricing, CPS Energy

PRE-CONFERENCE WORKSHOP

**Performance Based Regulation/
Ratemaking (PBR)**

TUESDAY, NOVEMBER 17, 2020

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EUCI is authorized by IACET to offer 1.0 CEUs for this conference and 0.3 CEUs for the workshop.

OVERVIEW

The coronavirus pandemic has presented utility regulators with a set of obstacles they have never confronted, challenging them to adapt regulatory tools to balance the interests of customers struggling through unemployment, and electric utilities juggling unanticipated costs and lost revenues. Over the past 10+ years, during other catastrophes like the financial crisis and major hurricanes, state regulators have considered and adopted alternative ratemaking approaches to balance the interests of utilities (the recovery of extraordinary costs) and customers (the ability to pay their bills). Although it is unclear when business will be back to “normal” after COVID-19, rate design reform discussions among all stakeholders must start “today” if utilities hope to meet the needs of their customers next year and beyond.

To manage the near-term implications of increased COVID-19 costs to protect employees and customers, deferred customer payments and disconnects for overdue accounts, and even potential revenue losses due to load losses across many customer classes, there are a variety of actions for utilities to consider including focusing on regulatory relations, customer relations, and the evaluation of potential cost recovery mechanisms. EUCI’s 18th Annual Rate Design conference brings together subject matter experts across the utility industry, including providers, regulators, consumer advocates, and other industry experts. The blend of relevant presentations and panel discussions will provide attendees with state-of-the-art perspectives and well thought out ideas to help utilities weather the pandemic.

LEARNING OUTCOMES

- Identify emerging rate design issues during a time of crisis from the perspective of industry regulators
- Discuss rate design options because of COVID-19 to enable utilities to meet the needs of their customers
- Discuss customer perspectives and their willingness to accept different rate design and pricing options
- Explore lessons learned about cost-recovery during a pandemic
- Identify options for cooperatives seeking financial relief
- Discuss the potential unintended consequences of certain rate designs
- Explore new bundled offerings for the customers of tomorrow

WHO SHOULD ATTEND

This conference was developed for:

- Utility executives
- Corporate communication professionals
- Contact center management professionals
- Commissioners
- Commission staff
- Attorneys
- Regulatory affairs managers
- Pricing and load research managers
- Customer representatives and organizations
- Cost of service analysts
- Financial analysts
- Rate design, product development and customer strategy professionals



“EUCI offers a careful balance of continuing education, thought-provoking discussion, and networking.”

SVP, Regulatory & External Affairs,
Baltimore Gas and Electric



“This conference is learning not only from speakers but from other utility experts/employees.”

Sensor Strategist, DTE Energy

AGENDA

TUESDAY, NOVEMBER 17, 2020 - CENTRAL TIME

12:45 – 1:00 pm

Log In

1:00 – 1:10 pm

Conference Overview and Introduction of Conference Chairs

1:10 – 1:20 pm

Opening Remarks: Setting the Tone for the Conference

Conference Co-chairs:

Rick Starkweather, Partner, ScottMadden, Inc.

Dan Hansen, Vice President, Christensen Associates Energy Consulting, LLC

1:20 pm – 5:00 pm

Session I: Regulatory Issues

(short breaks between speakers)

The COVID-19 pandemic has created an unprecedented level of uncertainty and regulatory action in North America. The cumulative effect of the pandemic is expected to create uncertainty not only for ongoing and near-term initiatives, but also impact longer-term regulatory strategies. Even in a non-pandemic world, the need for more predictable fixed cost recovery can lead utilities to file more frequent rate cases or to seek changes in the regulatory compact in their state. These are historic times and constant communication with regulators has never been more important. This session will include discussions on the following topics:

- Effectively communicating with all stakeholders
- Regulatory views on balancing utility and consumer needs
- Consumer advocate perspectives
- Panel discussion on evolving regulatory concerns

Speakers

Regulatory Views on Balancing Utility and Consumer Needs

Tricia Pridemore, Commissioner, Georgia Public Service Commission

Formula Rates in Alabama

Jeremy Oden, Commissioner, Alabama Public Service Commission

How Ontario is Managing the Impacts of COVID-19

Indy Butany-DeSouza, Vice President Regulatory Affairs, Alectra Utilities

Lessons Learned About Cost Recovery and Rate Design During the Covid Crisis

Jim Lazar, Senior Advisor, Regulatory Assistance Project (retired)

Effects of Covid-Induced Usage Changes on Rate Recovery and Tools to Address them

Todd Kimbrough, Partner, Holland & Knight

How Utilities & Regulators can Work Together on Economic Recovery: A Utility Perspective

Jennifer Peterson, Manager of Regulatory Strategy & Policy, Minnesota Power

4:15 – 5:00 pm

Regulatory Issues Panel Discussion

5:00 pm

Concludes for the day

AGENDA

WEDNESDAY, NOVEMBER 18, 2020 - CENTRAL TIME

8:45 – 9:00 am

Log In

9:00 am – 12:15 pm

Session II: Utility Coping Mechanisms

(short break between speakers)

Even in the middle of a pandemic, the electricity market continues to evolve at the same time because of DERs and smart-grid development. Thus, utilities need to continually be innovative by coming up with a variety of coping mechanisms that allow them to respond to the changing nature of the grid. It is paramount that utilities remain steadfast in their approach to create smart rate design mechanisms ensuring system cost recovery, serve customer interests, and harness new technologies to decrease costs. This session will include discussions on the following topics:

- How existing mechanisms (e.g., decoupling, formula rates, PBR) have performed in the pandemic – pros and cons.
- How industrial customers view these opportunities
- New roles for innovative rates and bundled offers
- A possible new role for economic development rates

Speakers

Regulatory and Policy Challenges and Considerations in the Wake of COVID-19
Lillian Federico, Research Director, Energy, S&P Global Market Intelligence

El Paso Electric During the Pandemic
James Schichtl, Vice President, Regulatory Affairs, El Paso Electric Company

The Impact of COVID-19 on Cooperatives and Their Options for Seeking Financial Relief
Allison Hamilton, Senior Principal, Markets and Rates, NRECA

Regulatory Issues/Strategies in the COVID Environment
Erin Whitehead, Vice President, Regulatory and Major Accounts, NIPSCO

Maintaining Strong Relationships with Customers
Dave Kus, Assistant General Manager of Customer Service, Lakeland Electric
Rob Piatkowski, Key Account Manager, Apogee Interactive, Inc

12:15 – 1:00 pm

Lunch Break

AGENDA

WEDNESDAY, NOVEMBER 18, 2020 - CENTRAL TIME (CONTINUED)

1:00 – 5:00 pm

Session III: Pandemic-induced Usage Changes

(short breaks between speakers)

A pandemic-driven collapsing C&I electricity load is only partially offset by sheltering-at-home customers' increased residential usage. Wall Street wants the companies to make good on their profit forecasts, but now is not the time to raise rates for customers. Utilities have implemented measures to help residential customers cope with rising power bills, but they need to think beyond today's uncertainties and look toward tomorrow's needs considering these shifting load dynamics. This session will include discussions on the following topics:

- Residential customer usage changes
- C&I usage changes
- Persistence/ permanence of rate changes
- Customer communications to help them through the pandemic

Speakers

Case Study: COVID-19 Customer Class Sales Analysis

Chris Haworth, Associate Vice President, Revenue Requirements, Xcel Energy

Load Forecasting and the Impacts of Covid 19

Cameron Saben, Forecast Engineer, MISO

A Case Study on the Effect of Shelter-in-Place Orders on Residential Customer Electricity Use

Dan Hansen, Vice President, Christensen Associates Energy Consulting

Andrew Au, Senior Business Architect, Pacific Gas & Electric (PG&E)

How Minnesota Power is Navigating the Impact of COVID on C&I Load

Leah Peterson, Supervisor, Key Account Analysis, Minnesota Power

The Impact of the Coronavirus on Electricity Demand

Ed Baker, Partner, ScottMadden, Inc.

4:50 – 5:00 pm

Conference Recap

The conference chairs will provide a recap of the key points that were covered during the conference. This closing session will also allow conference attendees to ask questions about any rate design presentation, issue, or problem.

Rick Starkweather, Partner, ScottMadden, Inc.

Dan Hansen, Vice President, Christensen Associates Energy Consulting, LLC

5:00 pm

Conference Concludes

PRE-CONFERENCE WORKSHOP

Performance Based Regulation/Ratemaking (PBR)

TUESDAY, NOVEMBER 17, 2020 - CENTRAL TIME

8:45 – 9:00 am **Workshop Log In****9:00 am – 12:00 pm** **Workshop Timing****OVERVIEW**

The way we generate, distribute, consume, and pay for power today has been slowly evolving over the past decades. Customers are generating some of their own power, advanced metering structures allow for more sophisticated rate design, and large industrials—and even some residential customers—can actively adjust their demand in reaction to price signals and peak events. Utilities, for their part, continue to look for ways to recover enough revenue to provide a reasonable return for shareholders. As a result, some states are looking at alternative ratemaking approaches, including performance-based regulation (PBR), to incentivize utilities to respond to changing customer needs, encourage consideration of third-party options, reduce the frequency of rate cases, and decouple cost considerations from load changes.

This workshop on PBR will examine the principles of sound ratemaking, how regulatory objectives can impact the various alternatives, and elements of successful PBR mechanisms. The implications of PBR in the current pandemic environment will also be explored.

LEARNING OUTCOMES

- Explore the history of PBR and how it is different than traditional ratemaking
- Discuss the current environment of accommodating distributed energy, which is prompting the need for change
- Discuss why some regulators are looking at new PBR-like mechanisms because of these changing needs
- List the steps and options for implementing PBR
- Review several case studies
- Discuss how the pandemic affected utilities and how PBR can help address these issues

WORKSHOP AGENDA

TUESDAY, NOVEMBER 17, 2020 - CENTRAL TIME

- What is PBR and in What Ways is it Different from Traditional Ratemaking?
 - o History of PBR
 - First implemented in 1990s, but was replaced with the advent of multiyear plans/decoupling
 - Lessons Learned: what worked and what did not
 - o Types
 - Performance incentives
 - Indexed cap – e.g., price cap, revenue cap, revenue per customer cap
 - Benchmarking
 - “Menu of options”
 - o Pros and cons of each
- Current Environment – What is Prompting the Need for Change?
 - o Consumer preferences are changing
 - o Regulators are implementing new incentive metrics that encourage sustainability and promote interconnection
 - o Increasingly, utilities will need to further demonstrate that capital investments have had a positive impact on customers, beyond traditional reliability measures

WORKSHOP AGENDA

TUESDAY, NOVEMBER 17, 2020 - CENTRAL TIME (CONTINUED)

- Steps and Options for Implementing PBR
 - o Design considerations
 - Goals & objectives
 - Outputs and outcomes
 - Quantifiable and measurable metrics
- Case Studies
- PBR and the Pandemic
 - o How has the pandemic affected utilities and how can PBR address those effects?
- Conclusions and Takeaways

WORKSHOP INSTRUCTORS

Rick Starkweather

Partner, ScottMadden, Inc.

Rick Starkweather has been a management consultant for almost 30 years and is a leader in ScottMadden's regulatory practice. His areas of expertise include strategic and business planning, budgeting and forecasting, regulatory compliance and rate case support, and organizational and operations improvement. Prior to joining ScottMadden, he was a consultant with Deloitte Consulting. He also has experience in the healthcare and chemical industries and helped lead the start-up of two companies. Mr. Starkweather received a B.S. in mechanical engineering from Northwestern University and an M.B.A. from the University of Chicago Graduate School of Business. He is also a Certified Measurement and Verification Professional (CMVP) and Certified Energy Auditor (CEA) through the Association of Energy Engineers.

Mark Meitzen, PhD

Senior Consultant, Christensen Associates

Mark Meitzen is a Senior Consultant at Christensen Associates, where he has been employed since 1990. Dr. Meitzen is currently serving as principal investigator on NCFRP24, Preserving and Protecting Freight Infrastructure and Routes. He was a principal author of the November 2008 Christensen Associates' study of the U.S. freight railroad industry commissioned by the Surface Transportation Board. He was also the project manager and one of the principal authors of Christensen Associates' supplemental report to the STB on railroad capacity and investment issues. Dr. Meitzen has expertise in the economic analysis of network industries including telecommunications, railroad, electricity and postal. In addition to the recent STB study, his work in the railroad industry includes analysis of railroad mergers and application of the STB's Constrained Market Pricing standards, including its Stand-Alone Cost methodology.

Dr. Meitzen also serves as an economic expert in regulatory proceedings on incentive regulation, pricing and economic costing matters. He also has experience in civil litigation matters as an expert witness on antitrust, intellectual property and employment issues. Prior to joining Christensen Associates, Dr. Meitzen was a corporate economist at Southwestern Bell Telephone Company and was an assistant professor of economics at Eastern Michigan University and the University of Wisconsin-Milwaukee.

Nick Crowley

Economist, Christensen Associates

Nicholas Crowley, MS (University of Wisconsin-Madison) is an Economist. Mr. Crowley's professional work is primarily with natural gas pipeline and electricity regulation, including wholesale and retail markets. For electricity, he has participated in numerous costing and pricing projects, which involve computational analytics and econometrics, performance-based ratemaking, marginal cost estimation, total factor productivity estimates, and load response with respect to efficient time-of-use tariff options within retail markets. Mr. Crowley's analyses and study results have been summarized in major reports and formal studies filed with regulatory authorities in Canada and the U.S. Prior to joining CA Energy Consulting, Mr. Crowley was an economist with the Federal Energy Regulatory Commission, where his work experience was concentrated in natural gas pipeline regulation and assessment of electricity markets. Mr. Crowley was also involved in FERC's performance-based regulation of oil pipeline rates.

INSTRUCTIONAL METHODS

The conference will include Case Studies, Panel Discussions and PowerPoint presentations.

REQUIREMENTS FOR SUCCESSFUL COMPLETION

Participants must login for the entirety of the course to be eligible for continuing education credit.

IACET CREDITS



EUCI has been accredited as an Authorized Provider by the International Association for Continuing Education and Training (IACET). In obtaining this accreditation, EUCI has demonstrated that it complies with the ANSI/IACET Standard which is recognized internationally as a standard of good practice. As a result of their Authorized Provider status, EUCI is authorized to offer IACET CEUs for its programs that qualify under the ANSI/IACET Standard.

EUCI is authorized by IACET to offer 1.0 CEUs for this conference and 0.3 CEUs for the workshop.

ONLINE COURSE DELIVERY & PARTICIPATION DETAILS

We will be using Microsoft Teams to facilitate your participation in the upcoming event. You do not need to have an existing Teams account in order to participate in the broadcast – the course will play in your browser and you will have the option of using a microphone to speak with the room and ask questions, or type any questions in via the chat window and our on-site representative will relay your question to the instructor.

- You will receive a meeting invitation which will include a link to join the meeting.
- Separate meeting invitations will be sent for the morning and afternoon sessions of the course.
 - o You will need to join the appropriate meeting at the appropriate time.
- If you are using a microphone, please ensure that it is muted until such time as you need to ask a question.
- The remote meeting connection will be open approximately 30 minutes before the start of the course. We encourage you to connect as early as possible in case you experience any unforeseen problems.

PLEASE SELECT

To Register Click Here, or

BUNDLE PRICE: RATE DESIGN AND THE POTENTIAL IMPACTS OF COVID-19 ONLINE CONFERENCE AND PRE-CONFERENCE WORKSHOP: NOVEMBER 17-18, 2020: US \$1,595 (Single Connection)

- PACK OF 5 CONNECTIONS:** US \$6,380 (20% Discount)
- PACK OF 10 CONNECTIONS:** US \$11,165 (30% Discount)
- PACK OF 20 CONNECTIONS:** US \$19,140 (40% Discount)

RATE DESIGN AND THE POTENTIAL IMPACTS OF COVID-19 ONLINE CONFERENCE ONLY:
NOVEMBER 17-18, 2020: US \$1,195 (Single Connection)

- PACK OF 5 CONNECTIONS:** US \$4,780 (20% Discount)
- PACK OF 10 CONNECTIONS:** US \$8,365 (30% Discount)
- PACK OF 20 CONNECTIONS:** US \$14,340 (40% Discount)

Mail Directly To:
PMA Conference Management
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Englewood NJ 07631
201 871 0474
Fax 253 663 7224
register@pmaconference.com

Online Course Delivery & Participation Details

See page 8 for information

Recording: Each event is recorded, and will be available for three business days. For registrants only.

How did you hear about this event? (direct e-mail, colleague, speaker(s), etc.)

Print Name

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CREDIT CARD INFORMATION

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Exp. Date

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OR Enclosed is a check for \$ _____ to cover _____ registrations.

Substitutions & Cancellations

Your registration may be transferred to a member of your organization up to 24 hours in advance of the event. Cancellations must be received on or before September 16, 2020 in order to be refunded and will be subject to a US \$195.00 processing fee per registrant. No refunds will be made after this date. Cancellations received after this date will create a credit of the tuition (less processing fee) good toward any other EUCI event. This credit will be good for six months from the cancellation date. In the event of non-attendance, all registration fees will be forfeited. In case of course cancellation, EUCI's liability is limited to refund of the event registration fee only. For more information regarding administrative policies, such as complaints and refunds, please contact our offices. EUCI reserves the right to alter this program without prior notice.