

MACRUC

Mid-Atlantic Conference of Regulatory Utilities Commissioners

23rd Annual Education Conference

DRAFT AS OF

Thursday, April 5, 2018

MACRUC 23rd Annual Education Conference

Sunday, June 24, 2018

This agenda is subject to change.

4:00 – 6:00 pm	Registration	Registration Desk
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5:00 – 6:00 pm	Welcome Reception	Fountain Room
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MACRUC 23rd Annual Education Conference

Monday, June 25, 2018

9:00 – 10:30 am	General Session	Garden Terrace Ballroom
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**Welcome Remarks and
Confirmation of Officers**

President, Hon. Judy Jagdmann, VA

**The Big Picture: Thoughts on
the Movement Towards Grid
Transformation**

Many States are actively considering whether or how to significantly upgrade their electric grids in response to

technological changes, changing economics of renewables, security or hardening initiatives, electrification, and customer engagement. The concept of grid transformation comprises challenging aspects of electric services: potential implications for the generation, transmission, and distribution of electricity, as well as, costs paid by customers. This session will address the types and level of grid investments that some States are reviewing to deliver maximum value. Participants will debate whether grid hardening or resilience appropriate components or drivers of such investment. Attendees will learn about approaches or processes conducive to informed decision-making. Attendees will hear about lessons learned from States already pursuing grid modernization or transformation. Attendees will hear how grid transformation, especially if it results in increased electrification, may affect the natural gas industry.

Moderator: Hon Judy Jagdmann, VA

10:30 – 10:45 am

Networking Break

10:45 – 11:45 am

Nuclear Topic

A - 1

ABSTRACT COMING

Moderator: Hon. Anthony O'Donnell, MD

- TBD
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10:45 – 11:45 am

Dynamic Rates: Potential Benefits and Drawbacks

A - 2

Abstract coming

Moderator: TBD

- TBD
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10:45 -11:45 am

Successful Coexistence

A - 3

MACRUC energy players are hotly debating what is needed in the wholesale and retail power markets, as well as, grid transformation and regulatory policies. Attendees will hear what the hotly debated topics are and how it relates to infrastructure. Attendees will learn about regulatory policies that may be necessary to successfully manage the energy infrastructure need of

the MACRUC region. Also to be discussed is how and where the consumer fits in the discussion.

Moderator: Hon. Diane Burman, NY

- TBD

12:00 pm – 1:45 pm

Lunch Break (On Own)

2:00 pm – 3:00 pm

What the Fund? Finding the Money for Rural Broadband

B - 1

What the Fund? Finding the Money for Rural Broadband. The United States managed to accomplish near-universal rural electric and telephone service in the 1930s and 1940s during one of the most financially challenging times in our nation's history. In the 21st Century why are we having such difficulty eliminating the rural divide for Broadband? Participants will discuss if sufficient and accurate data can identify where service is inadequate, what defines adequate service and what this service could eventually cost. The panel will also discuss the growing use of alternative technologies and non-incumbent providers that can play an important roles in bridging the digital divide but may not be part of the existing universal service program. Attendees will hear debate about the concern of "overly taxing the Internet" as a source of funding and where the money will/should come from. Attendees can decide if State and Federal policymakers are coordinating sufficiently to get the job done.

Moderator: Hon. Gregg Sayre, NY

- Hon. Upendra Chivukula, NJ
- Brian O'Hara, NRECA

2:00 pm – 3:00 pm

Offshore Wind: Pull Together or Be Blown Off Course!

B - 2

The lack of completed offshore wind projects maintains the status quo reliance on imported power and/or natural gas and may result in foreign countries monopolizing the global offshore wind market. Each state currently works in isolation, resulting in a lack of idea sharing, technologies, policies and completed offshore wind projects. The panel will discuss methods and policies to advance offshore wind projects through the sharing of new policies and technologies.

Attendees will learn how collaboration will enhance regional economic opportunities; provide multiple regional environmental benefits; grow the offshore wind industry and make it cost competitive in the U.S.

Organizer: Hon. Joseph Fiordaliso, NJ

2:00 pm – 3:00 pm

The Value of Energy Storage in the MACRUC Region

B - 3

Recent developments in the regulatory sphere surrounding energy storage resources have altered the future for compensation of these resources. In Order 841, FERC required that regional transmission organizations (RTOs) establish a participation model consisting of market rules that recognize the physical and operational characteristics of electric storage resources, and facilitate their participation in wholesale markets. While the specifics of these directed changes are uncertain, the requirement that PJM must change its market rules will unlock opportunities for market revenues that will encourage deployment. The panel will discuss key issues and areas of further exploration raised by Order 841 such as: Is the 100KW minimum size requirement an individual unit size requirement, or a minimum size for an aggregation of storage resources? How does lack of clarity on this issue relate to FERC allowing storage resources behind a retail meter? Attendees will confront issues relating to the requirement to charge resources at locational marginal pricing (LMP), including storage of LMP-priced energy for later injection and the relationship of this requirement with joint state/federal jurisdiction.

Moderator: Hon. Dallas Winslow, DE

- TBD
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2:00 – 5:00 pm

*****NEW*****

INNOVATION EXPERIENCE LABs

This new facet of the MACRUC Annual Education Conference gives attendees the opportunity to see, hear and experience innovative technologies in the utility space.

Stay tuned – more info to come!

MACRUC 23rd Annual Education Conference

Tuesday, June 26, 2018

8:30 – 10:00 am

What Does the Future Hold? Understanding Synergies

Garden Terrace
Ballroom

The U.S. Energy Information Administration (EIA) forecasts natural gas will remain the primary energy source for electricity generation. EIA also reported that most natural gas fired power plants in United States use firm contracts that require the producer and pipeline operator to send the natural gas to the plant when requested. Generally, firm contracts are more expensive than interruptible agreements/non-firm contracts but provide more reliability. Interruptible contracts/non-firm contracts can be set up for short periods, used for next-day delivery, and are more common in the Northeastern United States. More natural gas was purchased in the northeast using interruptible contracts than with firm contracts in 2016. As natural gas use for power generation has increased so has the interdependencies between natural gas supply and infrastructure and electric power generator operations. Attendees will examine the challenges and inherent risks in managing these contractual relationships and interdependencies. This panel will provide attendees with the information necessary to have informed discussions about natural gas infrastructure needs and related natural gas system issues – especially on the need to ensure access to natural gas. Audience participation will be rewarded!

Moderator: Hon. Lawrence Friedeman, OH

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10:00 – 10:15 am

Networking Break

Foyer

10:15 – 11:15 am

C - 1

Futureproofing the Distribution System: Planning for a New Tomorrow

Futureproofing the Distribution System Planning for a New Tomorrow: Competitive markets and regional planning reshaped electric system planning for generation and transmission. If the distribution system and resources interconnected to it are the focus of future investment, what does the future hold for distribution system planning and how does this affect generation and transmission planning? To what extent will planning to harden or make more resilient the electric system need to be incorporated in distribution system planning? How have regulatory frameworks for planning addressed the emergence of distribution-level resources and is further evolution needed?

Moderator: The Hon. Beth Trombold, OH

10:15 – 11:15 am

C - 2

Stormy Weather

The MACRUC states have experienced severe weather events with dramatic impacts: Irene, Sandy, the Derecho, Irma, Katrina, Harvey, the Bomb Cyclone and winter storms Riley and Quinn. These significant storms brought dramatic winds, snow and flooding that interrupted electric, gas, water and wastewater, as well as, telecommunications services. Utilities and regulators prepare and anticipate these storms but as recent events have shown the extent of the damage or length of disruption is difficult to anticipate. This session will analyze measures that were employed to restore services and explain the protocols that worked and those that didn't. Speakers will debate what reasonable costs are for ratepayers and what regulators should expect in terms of performance by utilities. Attendees will learn: how industry and regulators can improve storm threat preparation and response for the future and the role of mutual assistance. Attendees should be able to assess the expectations of preparedness for future natural events.

Moderator: Hon. Dianne Solomon, NJ

- Hon. John Clendenin, VI
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10:15 – 11:15 am

C - 3

Is the Glass Half Full or Half Empty? Valuing municipal water acquisitions

When municipally-owned water utilities face increasingly stringent water standards, depreciated systems requiring significant capital investment, and financial distress, they have the choice of raising rates or selling. Original cost is often insufficient to fairly compensate the municipality for the value of its system. Fully depreciated assets and contributions may be far less than the fair market value which makes the sale by the municipality unattractive to an investor owned utility; a higher price is needed to close the deal. Attendees will learn how the value of water systems is calculated, and what this means for consumers

Moderator: Hon. Norm Kennard, PA

- The Hon. Kevin Hughes, MD
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11:15 – 11:30 am

Networking Break

Foyer

11:30 am – 12:30 pm

D - 1

Are State policies detrimental to competitive electricity capacity markets in theory, in fact, or in your dreams?

The question of compatibility between state public policies relating to electricity generation and competitive regional capacity markets has come to the forefront as a major point of discussion and contention in the MACRUC area, as well as in neighboring parts of the country, where policies regarding nuclear generation in New York and renewable resources in ISO-New England are similarly under review.

PJM has recently concluded a stakeholder process in the Capacity Construct Public Policy Senior Task Force (CCPPSTF) to find a way to harmonize its competitive markets with state policies. After, considering the work of the CCPPSTF two separate and distinct approaches to the future of the PJM Capacity Market have been developed. The first, PJM's Capacity Repricing approach, proposes a two-step process wherein all

capacity bidders will be cleared based on their bids, but the final clearing price will be based on PJM repricing of units considered by PJM to be receiving an “actionable subsidy.” The second, the Extended Minimum Offer Price Rule (MOPR-Ex) proposal, modifies the Minimum Offer Price Rule to apply to existing resources and a wider range of new resources considered to be receiving an “actionable subsidy.”

MACRUC will present a panel representing diverse viewpoints and positions to focus attention and develop a better understanding of this topical and critical issue.

This panel will discuss:

- Are state public policies detrimental to competition in a free and open electricity capacity market?
- Are state policies creating subsidies in the traditional sense, and if so, are these subsidies disrupting regional capacity markets?
- Do out-of-market payments to an electricity supplier by state taxpayers, or retail rate payers, raise any concerns of cost shifting from one state to another?
- Differences between PJM’s Capacity Repricing and MOPR-ex proposals.

Moderator: Hon. Brooks McCabe, WV

- The Hon. Michael Ricard, MD

11:30 am – 12:30 pm

D - 2

Demystifying Natural Gas Marketing and Trading

Natural gas markets have many moving parts and price formation is not always obvious to someone who does not live in the market every day. This session will try to dispel some preconceptions about trading in the US natural gas market. Attendees will hear what is needed for a well-functioning market to operate, how various market participants complete their gas transactions, and the differing needs of various customer groups. The discussion will touch upon the day to day operations of a marketing and trading organization and highlight the key price formation factors, including how global prices can impact US prices. Finally, the panel will answer questions in a Q&A session from a real life trader’s perspective

Moderator: Hon. TBD

- TBD
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11:30 am – 12:30 pm

D - 3

Driving Force: Are Electric Vehicles the Future?

As States work to modernize the energy grid, auto manufacturers like Tesla, Ford, Volvo, and General Motors are making bold commitments to increase their electric vehicle (EV) fleets. Plus, Volkswagen is required to invest \$2 billion in EVs over the next decade. The push for autonomous vehicles will bring even more electric cars and trucks onto the road. EVs are currently a marginal percentage of passenger cars in the U.S. so uncertainties remain about consumer interest in the absence of subsidies. This panel will tackle the latest in EV policy and technology, along with implications for a clean energy future. Attendees will learn whether EVs can be leveraged to provide a more resilient and reliable grid and how states and utilities are planning for EV integration. Additionally, they will be able to cite how consumers can be engaged in EV deployment.

Moderator: Hon. Willie Phillips, DC

- The Hon. Harold Gray, DE
- TBD

12:30 – 1:45 pm

Lunch Break (On Own)

2:00 – 4:00 pm

General Session #3 ABSTRACT COMING

Garden Terrace
Ballroom

7:00 – 9:00 pm

Installation Cookout/Dinner

Formal Garden East

*Join us for our Annual Installation Dinner as we welcome our 2018-2019 Officers. The event is casual. Flat shoes are suggested as this event is scheduled to be outside and on the lawn (weather permitting).
Tickets available for purchase for those not staying at The Hotel Hershey and for guests.*

MACRUC 23rd Annual Education Conference

Wednesday, June 27, 2018

9:00 - 10:00 am

E-1

Ethics: Ex Parte – Ethical Considerations

(one (1) hour of Ethics CLE)

- What does ex parte mean in your state?
- What Commissioners and Commission staff must consider
- Communications: Parties of Record, Legislators, Press, and Public
- When ex parte is permissible
- How to cure ex parte

Speaker

- TBD
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9:00 - 10:00 am

E- 2

RTOs – 20 Years Later

RTOs and ISOs around the country have been in existence for 20-plus years. Over this time the energy landscape has evolved significantly; centralized energy market development has moved to natural gas and renewables, consumer trends now seek more empowerment via distributed energy and smart-grid, and state policies comprise a gamut of interest from economic development to de-carbonization to resiliency. Under these circumstances it is only logical to ask, are RTOs/ISOs providing the results envisioned when these marketplaces officially formed in the 90s? This session will discuss the success, or lack thereof, of RTOs/ISOs over the course of the last 20-plus years to foster an effective, reliable, competitive, and economic energy marketplace. We further will critique RTOs/ISOs ability to adapt and accommodate their design and operations to reflect the changing desires of utilities, generators, and consumers. Attendees will learn about market designs that have succeeded, those that have failed, and those on the horizon that will need to be formulated properly to accommodate this fluid market.

Moderator: Hon. TBD

- TBD
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9:00 - 10:00 am
E- 3

System Sprawl: Reliably Operating the Grid with a Less Centralized and Broader Set of Resources

The proliferation of energy resources dispersed across the distribution system has made electric system operations more complex. Attendees will learn how this complexity creates opportunities and challenges for electric utilities, customers, and other stakeholders. They will hear about operational benefits that have been or will likely be realized as well as be able to describe challenges have already been met and key challenges that remain?

Moderator: Hon. John Rhodes, NY

10:00 – 10:15 am

Networking Break

10:15 – 11:30 am

Commissioner Roundtable

Garden Terrace
Ballroom

DON'T MISS THE GRAND FINALE!

You DON'T want to miss the final word from MACRUC regulators!
