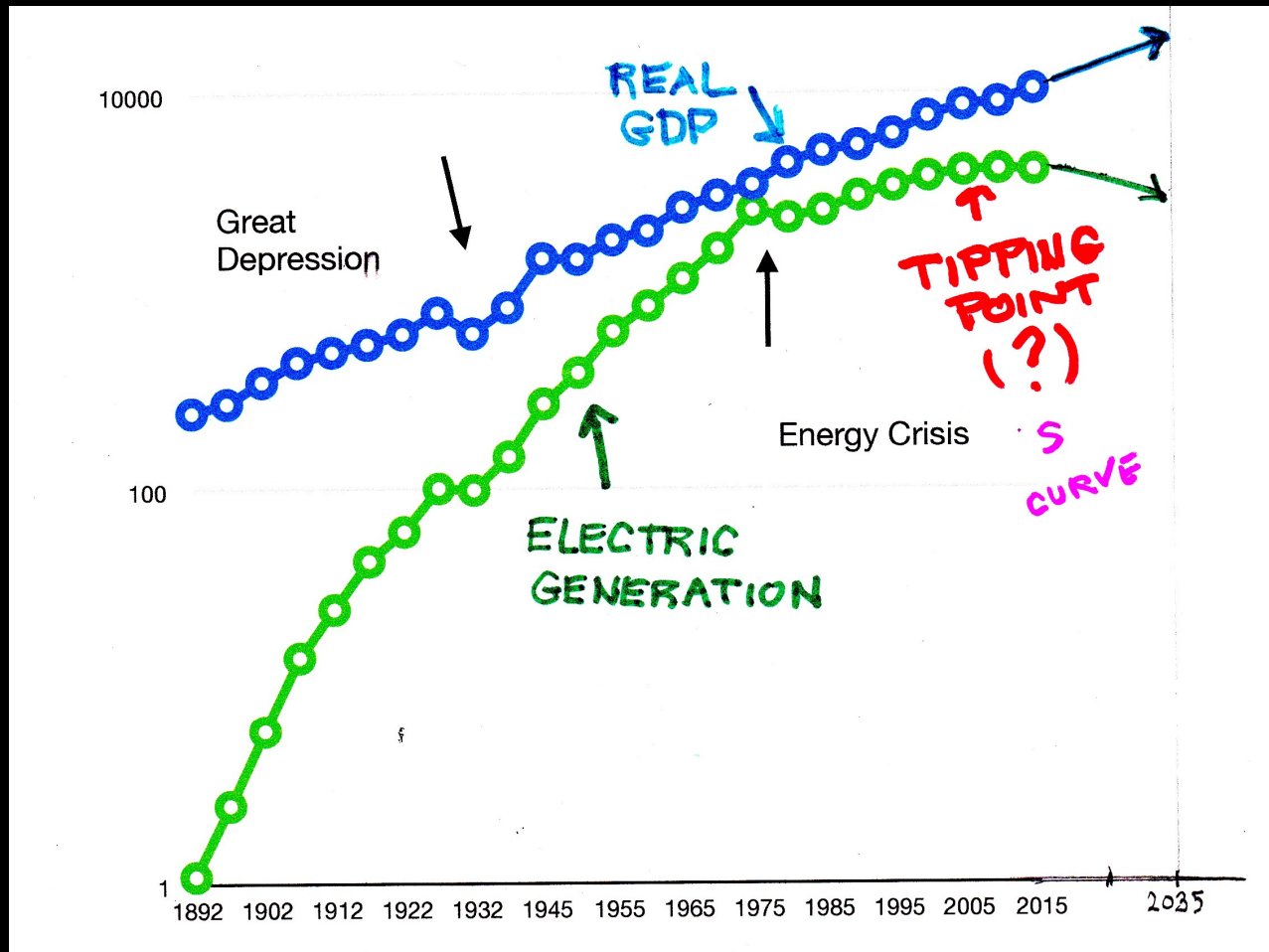


Where are we going? Why does it matter? What will you do about it?

Leonard S. Hyman
SURFA
New Orleans, LA
April 2018

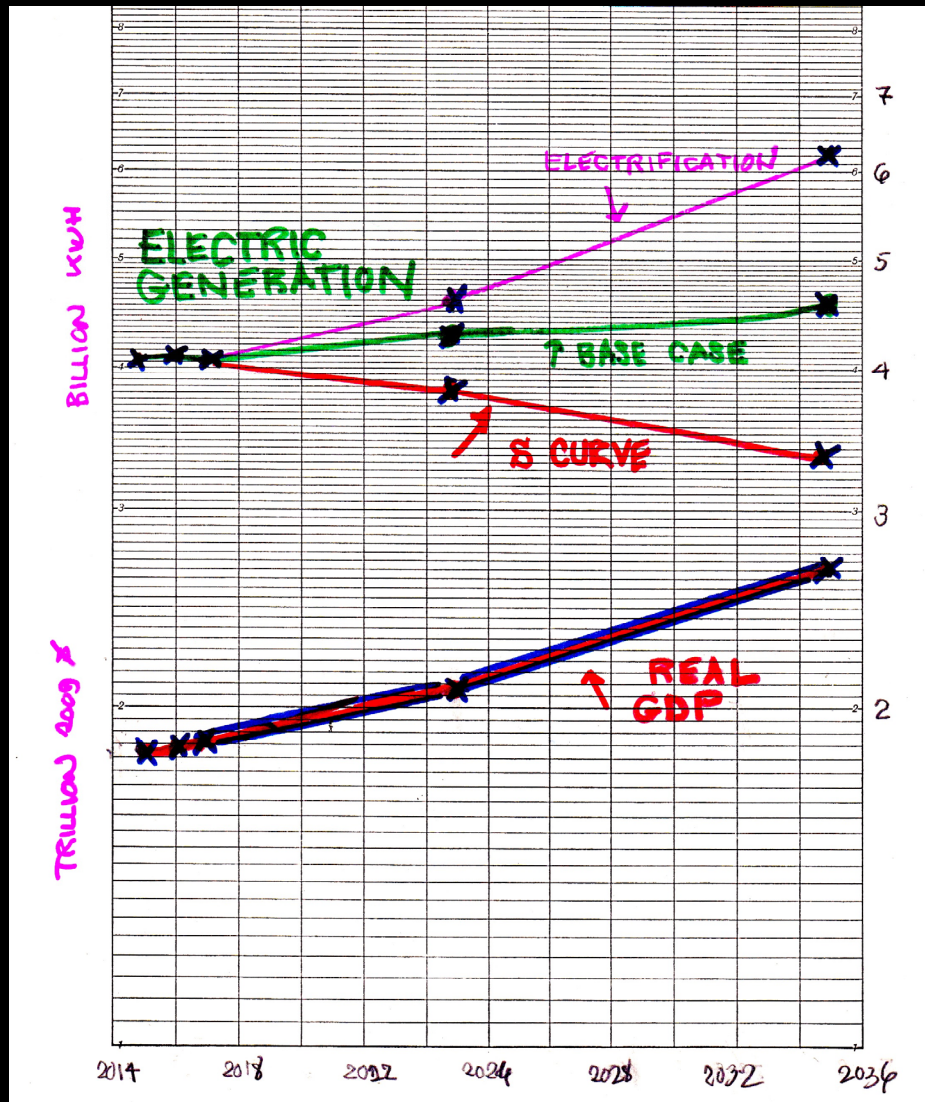


Problem #1: uncertain demand which makes for uncertain supply



Projection by ruler no longer works. Demand for electricity uncouples from economy

Problem #1 (continued): Plausible range of outcomes too wide for prudent long term investors

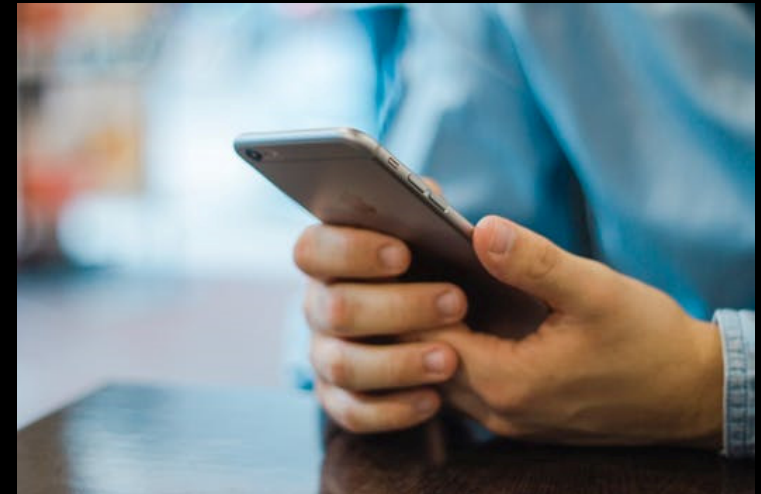


Electrification and decarbonization will change the picture but when?

Problem #2: Unknown technology for both consumer and utility



Timing key
Who pays
Who benefits
Government
role



Problem # 2 (cont.):
Let me count the ways...



Central station or decentralized
Microgrid or network
Command and control or customer control
Renewable, fossil or nuclear
Storage or generation
Decarbonization at source, consuming less or
environmental engineering
New uses
False starts

Problem #3 : Overriding importance of partially unrecognized (by politicians) environmental issues

Utility operations

Recurring violent storms and recovery

Service territory viability

Electricity demand

“Economics” vs environment

Who pays

Moral hazard or buyout



Problem #4: regulatory hazard is a two way street



Depending on
regulator for bail
out
Regulatory
decisions that
inhibit ability to
adjust

The future of the electric utility, then, is...



...somewhere between



and



Thank you

