

From: Ralff Douglas, Kristin
Sent: 6/10/2013 5:38:39 PM
To: Allen, Meredith (/O=PG&E/OU=Corporate/cn=Recipients/cn=MEAe); 'bprusnek@semprautilities.com' (bprusnek@semprautilities.com); Eekhout, Juancho (JEekhout@semprautilities.com) (JEekhout@semprautilities.com)
Cc: Zafar, Marzia (marzia.zafar@cpuc.ca.gov); 'michael.hoover@sce.com' (michael.hoover@sce.com); mark.nelson@sce.com (mark.nelson@sce.com)
Bcc:
Subject: Utility Model of the Future

Hello all,

Marzia and I have now had conference calls with all three IOUs and, based on those conversations, thought that a clarification of our project and goals and process might be helpful.

Based on President Peevey's instructions as well as interest from Commissioner Florio and Commissioner Peterman, we are surveying the utilities and other stakeholders to find out what they think about the utility business model of the future. For now the two questions we have are as follows:

1. Do you think that the utility business model of the future is different than the current model? How? Why?
2. What is your reaction to papers such as EEI's "Disruptive Challenges" and presentations such as LBNL's "Utility Business Models in Low Load Growth/High DG Future." (We would also add the recent interview with former Secretary Chu in the SF Chronicle today and would also open the question up to ask if there are others you would like to provide reaction to.)

Our initial outreach to each of you was to survey your thinking and strategies and let your answers steer our process. I apologize for the vagueness of our questions and process, but we were trying not to steer you, but rather have you steer us. Each of your organizations has provided a much richer view of the broader issues which is what we were hoping for and why we are relying on your depth of knowledge on this topic to help guide us.

Going forward, we'd appreciate the opportunity to brainstorm on how we can better orchestrate the process, perhaps through a more specific set of questions based on the conversations we've had with each of you and on the initial research we've done or through an in-person meeting.

Our current vision is a two or three step process. First and foremost we'd like to organize a conference where the Commissioners hear the various perspectives of from the stakeholders directly on whether there needs to be a new model and if yes, why and what is that model. After the conference we'd like to possibly form a roundtable that would eventually create a collaborative report of the utility future (whatever the model for 2030 or 2050 is, possibly exactly what currently exists) and a roadmap to get there (or stay there with improvements to rates, etc). Either way, we could address what it would mean for potential reforms from both a regulatory perspective as well as from an industry perspective.

Regards,

Kristin Ralff Douglas

Senior Policy Analyst, Sustainability and Customer Engagement

California Public Utilities Commission

505 Van Ness Ave, San Francisco, CA 94102

415-703-2826

krd@cpuc.ca.gov