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Sent: 8/5/2013 5:15:01 PM
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Cc: Ralff Douglas, Kristin (kristin.ralffdouglas@cpuc.ca.gov)
Bcc:
Subject: Utility Business Model of the Future

Hi there,

Here are two draft agendas that we're mulling over. Please review and provide your edits by mid-day on Wednesday. Let us know if you have questions.

Once we figure out which agenda will get us the best results then we'll put more language and context around it. For now, there are two distinctive approaches to the agenda for the Oct 8th en banc. Agenda #1 allows each utility to talk about the utility business model from a specific time – past, present, future – while allowing two consultants to discuss the opportunities and challenges of the various models being discussed now and more importantly what customers want and expect. Agenda #2 allows a prominent role for an independent voice to explain and carry the message that change is coming and here's why.

If you have questions, please ask. If you have another agenda in mind, please send. What I don't want is comments about why this is right or wrong.

Please forward this to your strategy groups, and also thank them for all of their hard work.

Thanks,

Marzia Zafar - Director, Policy & Planning Division

Draft Agenda #1

1:00 p.m. **Commissioner Statements**

All five CPUC commissioners may want to address the issue at the start of the meeting.

1:20 p.m. **Introduction**

Policy and Planning staff will outline the agenda and topics for the day

1:30 p.m. **Addressing Disruptive Challenges to the Utility Business Model**

Utility CEO will outline what the current business model is and why it will need to evolve to meet the stated 2050 emission goals and CPUC policy objectives. (Focus will be on the evolution of the business model to where it is today.)

> Toney Earley, President and CEO, PG&E (10 minute presentation followed by a 20 minute Q&A)

2:00 p.m. **Overview of the future potential models**

Leading industry expert will outline overview of the three models generally put forth and the pro's and con's of each, as well as the roles of the customers, regulators, utilities and third parties are in each model.

> Bain or McKinsey Consulting (15 minute presentation followed by a 20 minute Q&A)

2:35 p.m. **Embracing Disruptive Technologies**

The explosion of distributed generation is one example of a disruptive technology that the utility industry is embracing. Storage and EV's and the smart grid are others. The traditional utility business model is not designed to maximize these technologies. Rate reform would help, but rate design must be in line with the future business model. (Focus will be on the Present)

> Ron Litzinger, President and CEO, SCE (10 minute presentation followed by a 20 minute Q&A)

BREAK – 3:05 – 3:15 pm

3:15 p.m. **Designing a Grid and a Business Model for the Customer**

Leading consumer expert will highlight what role the customer is likely to play in the future grid and what issues to consider when choosing a business model that will maximize the customer experience.

> JD Power (15 minute presentation followed by a 20 minute Q&A)

3:50 p.m. **The Utility View of the Future**

Utility CEO will outline the challenges and opportunities that the future will bring the utility industry. What would a utility look like in the future, how would it function? What is the societal perspective and what is in the public interest? (Focus on the future)

> Debra Reed, President and CEO, Sempra Energy. (15 minute presentation followed by a 25 minute Q&A. Debbie will be joined by the other two CEOs for the Q&A portion)

4:30 p.m. **Wrap Up and Next Steps**

PUC staff will wrap up the event and discuss next steps.

4:35 p.m. **Public Comment Period**

Public who have signed up in advance will be allotted 2 minutes each or a total of 30 minutes between all speakers to make statements directly related to this topic only.

Draft Agenda #2

1:00 p.m. **Commissioner Statements, Safety Statements**

All five CPUC commissioners may want to address the issue at the start of the meeting.

1:20 p.m. **Introduction**

PUC rep will outline the agenda and topics for the day

1:30 p.m. **Vision of the Future**

Leading utility expert will outline the major trends that are changing and will change the utility's role in the future and why the current business model will need to evolve to meet the stated 2050 emission goals and CPUC policy objectives.

> Bain, IBM, McKinsey, etc

2:00 p.m. **Overview of the future potential models**

Leading industry expert will outline the three models generally put forth and the pro's and con's of each, as well as the roles of the

customers, regulators, utilities and third parties are in each model.
> McKinsey

2:30 p.m. Maximizing the Strength of the Utility: Lessons Learned from Solar PV Implementation

Independent consultant will highlight three situations in which the utility participated in the solar pv market parallel to each of the three highlighted business models
> TBD

BREAK – 2:50 – 3pm

3:00 p.m. Designing a Grid and a Business Model for the Customer

Leading consumer experts will highlight what role the customer is likely to play in the future grid and what issues to consider when choosing a business model that will maximize the customer experience.

> JD Power

3:30 p.m. The Utility View

A panel of utility CEOs will discuss what they perceive as the challenges and issues facing them in the future, and discuss how they are addressing them.

> PG&E

> SCE

> SDG&E

4:30 p.m. Wrap Up and Next Steps

PUC rep will wrap up the event and discuss next steps.

4:45 p.m. Public Comment Period

Public who have signed up in advance will be allotted 2 minutes each or a total of 30 minutes between all speakers to make statements directly related to this topic only.

