

Congress of the United States
Washington, DC 20515

January 17, 2014

Ms. Colette D. Honorable
Chairman of the Board and President
National Association of Regulatory Utility Commissioners
1101 Vermont Avenue, NW
Suite 200
Washington, DC 20005

Dear Ms. Honorable:

Recently we had the opportunity to hear from one of the nation's largest electric utilities about the profound changes occurring in the industry, including opportunities for improved reliability, increased affordability, and environmental benefits. We see the potential for technology-based solutions that will significantly benefit the economy and improve the delivery of energy for customers across the country. Success, however, depends on forward-thinking policies that ensure utilities are incented to make the right choices today, so that our nation is positioned competitively in the future. We believe it is imperative that this conversation be moved forward at both the federal and state levels, and are prepared to actively engage.

The electric industry is poised to invest two trillion dollars over the next decade to move our economy and energy infrastructure forward. Due to the capital-intensive nature of these investments, it is incumbent upon legislators, like us, and regulators, like those the National Association of Regulatory Utility Commissioners represents, to review the policies we have in place and make sure they are consistent with our long term goals.

We recognized this need several years ago when we supported many provisions in the American Reinvestment and Recovery Act (ARRA) that focused on supporting the advancement of next generation technologies and helping states and utilities to fund this transition. From supporting the deployment of smart meters, to training home weatherization professionals, to funding research in energy storage, energy management, and battery technologies, ARRA provided opportunities for utilities and state regulators to capitalize on new technologies and facilitate the transformation of our nation's energy infrastructure. While we have taken a number of steps over the past four years through ARRA and other important efforts, we recognize there is more we can do at the federal level to capitalize on these exciting opportunities.

At the same time, some of the very complex and more immediate policies impacting utility investment decisions must be addressed at the state level. In many states, barriers exist to fully realizing the potential of energy efficiency due to the current regulatory model in place. Additionally, distributed generation is an exciting technology that provides many benefits, ranging from helping to combat climate change to providing customers with more autonomy over their energy choices. However, this technology requires that important investments be made

to optimize distributed resources, while also ensuring the reliability and resiliency of the grid for everyone.

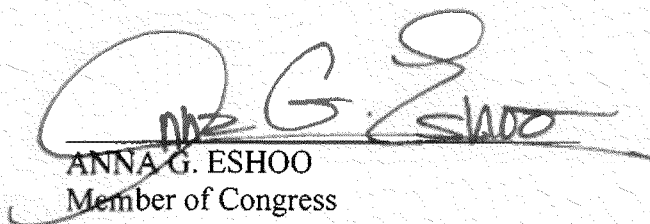
Finally, we also recognize that we must begin to consider new uses for electricity and the implications of such uses. The opportunities for electrification are significant – and will provide real environmental, fiscal, and national security benefits. At the same time, we recognize that the more demand that is put on the electric grid, the greater the need to ensure that our infrastructure is robust enough to handle the increased and sometimes unpredictable energy use.

These are truly exciting times for the electric industry and our nation. We look forward to hearing how NARUC and its membership are viewing these issues, and the policies being considered to ensure that we are positioned to capitalize and facilitate these opportunities in a way that also ensures the safety, reliability and affordability of the system for everyone. To that end, we would appreciate receiving from you a list of policies that state regulators are pursuing along with recommendations as to what Congress and the federal government can do to compliment these state efforts and update our energy policies for the 21st century.

Sincerely,



DORIS O. MATSUI
Member of Congress



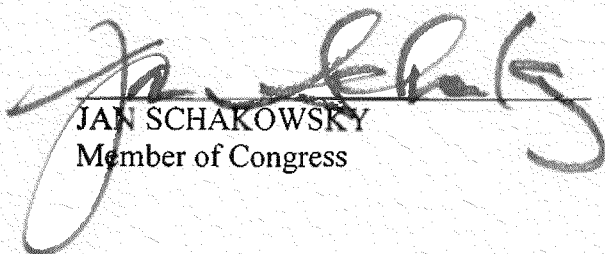
ANNA G. ESHOO
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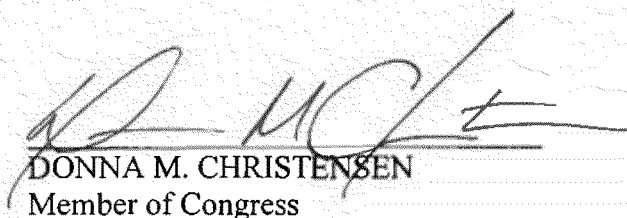
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