



Greg R. White

Commissioner at the Michigan Public Service Commission

Title - Transformation of the Electric Power Industry – Value of Regulatory Impact Assessments

Among the most pressing regulatory issues facing energy regulators and the electric utility industry today relates to the forces of rapid technological change impacting regulated energy utilities, and the crisis of climate change. Out of these issues, foundational questions facing regulators include the extent to which regulated energy utilities should be protected from these forces or transformed. In particular, how to take advantage of customer resources derived from a distributed grid while maintaining the financial health of utilities that will be pivotal in managing and operating the grid? Is it possible to accurately assess the regulatory solutions to these issues, or are regulators left to the wind? Recent events, including the severe economic recession of the last decade, the shale gas revolution, and technological innovation in renewable energy and energy efficiency have suggested that impact assessments are useful, but would not have predicted success or failure in resolving challenges facing today's regulators. Experience has shown that both reactive regulatory response and pre-emptive regulatory leadership is required. Regulatory policy must be both dynamic and evolutionary.