



FOSTERING GROWTH IN ENERGY EFFICIENCY
AND RENEWABLE ENERGY



USAID
FROM THE AMERICAN PEOPLE

Caribbean Clean Energy Program



**CDB/OUR/USAID-CARCEP
EMERGING REGULATORY ISSUES
WORKSHOP**

**Regulatory Management In the Face of Technological and
Economic Disruptions In Electricity Sector**

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2018 February 7**



The Regulatory Role

- Not to manage
 - But: ensure prudent management
- Not to set policy
 - But: provide information and guidance, including on scope of authority
- Not to choose winning technology
 - But: be part of discussion of what technologies will help achieve basic objectives



Process and Transparency

- Reactive v. proactive
- The value of regular communication between and among regulator, ministry, utility, market participants, technology developers, customers (e.g. IRP process)
 - Allows anticipation and preparation
 - Allows for understanding of political dynamic
 - Benchmarking development
 - Learning from experience



“Internal” v. “External” Technologies

- Relevance of the difference
 - Degree of utility/regulator/government “control”
 - Predictability of pace of deployment
- Internal
 - storage, smart meters, advances in grid scale generation, SCADA
- External
 - EVs, distributed solar, conservation, customer behavior



Scale and Cost Matter

- Example: net metering limits
- Example: intermittent resource integration



Smart Meters

- Value of ubiquity
- Deployment issues
- Cost recovery issues
- Unintended consequences (good and bad)



Storage

- Implications for generator investment/retirement
- Ownership (DG) issues
- System operation issues
- Implications for renewable (intermittent) development
- Cost recovery issues
- Tariff design issues (e.g. monetization of time of use/time of operation value)



Solar

- Solar
 - Will new tariff result in lower price outside US?
 - Mobile solar?



Sharing Information and Experience

- Inter-Island information exchange
 - What is showing up?
 - What is working (and not working)?



Planning for the Unknown

- Implications for pricing
 - Importance of economically “correct” tariffs (discourage “uneconomic” system bypass)
- Flexibility within structures
 - Revenue Cap “off ramps”
 - Special contract authority
- Process
 - Incremental v. quantum
- Likely issues
 - Cost recovery
 - New and stranded



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Thank You!