Empowering a Distributed Energy Resource Future through Regulatory and Market Reforms

Co-sponsoring Economies: Taiwan, Japan, USA
Context

• **Technological innovation is disrupting many industries, including the production and delivery of electricity**

• Notably, sharply declining technology costs and increasing consumer interest in **distributed energy resources (DER)** is prompting concerns about the revenue sufficiency of electric utilities

• **This is especially true for distributed solar PV (DPV);** if consumers are producing their own electricity, electric utilities may suffer financially (absent any business model changes or regulatory reforms)

• **Changes are happening** which support continuous growth of DPV while ensuring that electric utilities remain in good financial health, particularly within many U.S. states,
Project Objectives

#1 – Perform comprehensive gap analysis on the current utility business model and regulatory framework in selected APEC countries.

- This undertaking will create a relative “starting point” and standard set of operating assumptions for subsequent dialogues covered in #2.

#2 – Initiate platform for engaging stakeholders, including women, to explore options and build consensus.

- Public dialogue and stakeholder buy-in is necessary to enable reforms
- Collaboration with international experts will bring relevant global experiences to APEC countries to inspire ideas and foment change
- Building local knowledge base and capacity on this complex set of issues and opportunities will create local champions for reform efforts

#3 – Create regulatory and market reform roadmap.

- Document codifying concrete next steps and pathways to foment utility regulatory and business model reforms in select APEC countries.
Alignment with APEC priorities

• **Encourage structural reforms:**
  - Reducing “behind-the-border barriers” through catalysis of novel changes in the regulatory paradigm of electric utilities

• **Promote quality growth:**
  - Reduce energy prices
  - Create jobs
  - Promote security and resiliency
  - Promote low-carbon economic development
  - Unlock new sources of investment for electricity infrastructure
Outputs

1) Training Workshop:
   ‘Regulatory Design in the Age of Distributed Energy Resources’

2) Report:
   Needs Assessment for Regulatory Reform in Selected APEC Economies

3) Regulatory and Market Reform Roadmap:
   Next Steps and a Pathway Forward in APEC Economies