

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