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in America.*

# **Encouraging Flexibility – A Regulators’ Perspective**

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Public Service Commission of Wisconsin**

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Madrid, Spain**



National  
Association of  
Regulatory  
Utility  
Commissioners

## Overview

- ⌘ Methods
- ⌘ MISO-region issues
- ⌘ Retail rate restructuring
- ⌘ Wisconsin and flexibility
- ⌘ What flexibility is not



## ⌘ Administrative tools

- ☑ Contracts, requests for proposals, acquisitions
- ☑ Demand response

## ⌘ Market-based mechanisms

- ☑ Intra-day markets
- ☑ Ancillary service markets
- ☑ Price-responsive demand
- ☑ Capacity markets



- ⌘ Dispatchable Intermittent Resources (DIR)
- ⌘ Centralized wind forecasting
  - ☑ 7-day ahead hourly forecast
  - ☑ 5-minute forecast for next 6 hours
- ⌘ 2.5% improved wind forecast accuracy
  - ☑ Manual curtailments fallen dramatically



⌘ State regulatory options in response to the need for flexibility

☑ Increased fixed charges

☑ 3 part rate/demand charges



## ⌘ Wisconsin's regulatory response

- ☑ Interruptible tariffs
- ☑ "Real time" pricing tariffs
- ☑ Customer choice in a regulated state
  - ☒ Time of Use Rates
  - ☒ Community Solar
  - ☒ Green pricing programs



### ⌘ How to inhibit flexibility

- ☑ Incentives that exist in perpetuity
  - ☒ Sending false price signals
- ☑ Regulations that favor one resource over another
- ☑ Overlook importance of baseload power
- ☑ Making consumers pay for bad bets



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Questions?