ÉLÈRER LA TRANSITION ÉNERGÉTIQUE
QUELLES OPTIONS POUR ACCÉLÉRER LA TRANSITION ÉNERGÉTIQUE ET LA DÉCARBONISATION ?

Market Regulation: Options & Opportunities for Québec*

* Présentation en anglais à la demande des organisateurs

Philippe Dunsky
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Expertise
- Bâtiments
- Énergies
- Mobilité

Services
- QUANTIFIER le potentiel
- CONCEVOIR les stratégies
- ÉVALUER la performance

Survol

17 ans

40 professionnel.le.s dévoué.e.s

500+ projets dans 30 provinces et états
Clients

Expertise
- Bâtiments
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Services
- Quantifier le potentiel
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Survol

Services Publics
Gouvernements
Privé + Obnls
• **Recognize the problem:**
  Traditional utility regulation = defense (control costs) when increasingly we also need offense (incentivize low-carbon innovation)

• **Recognize that Québec is different!**
  Hydro-Québec’s unique size and Crown corp status mean that competitive markets are impossible (for now) and regulatory options are (more) limited
1. Location, Location, Location!

- **Assess the Locational Value of DERs**
  Averages are blunt and innovation-killers; value spreads across time and location are growing.

- **Assess the Locational Opportunity for DERs**
  Dunsky’s most recent assessments (e.g. Massachusetts, others) of energy savings, peak savings, EV adoption and heating electrification potential are location-specific.

- **Require long-term T&D Planning**
  T&D capital cannot be efficiently avoided if we can’t see it coming (e.g. California requirement)

* Demand-side Energy Resources (DERs) can include energy efficiency, demand response / peak reduction options, distributed solar PV, distributed storage, electric vehicles (incl. V2G) and others.
Assess the **FULL Value Stack**

- **Our decisions are wrong** if they are based on economic analysis that ignores significant costs and benefits
  (e.g. new Dunsky study for U.S. regulator assesses to assess full value stack of DERs: energy, capacity, reserves, ancillary services, DRIPE, environmental, reliability, risk reduction, market transformation...)

- **Condition: Accept uncertainty**
  (avoid the temptation of Ostrich Math)
Focus Regulatory Incentives on the End-Game

• Consider performance-based frameworks that incentivize the results that matters most to us: utilities’ ability to… Minimize cost? Maximize societal benefits? Achieve climate goals?

• Allow significant flexibility for utilities to innovate, adjust, adapt dynamically (incl. through multi-year frameworks). Accept that straightjackets are in no one’s best interests.

• What is success in Québec in next 10 years? Controlling costs and what?
Break the Electric-Gas Silos

- Decarbonization in silos means needlessly high costs
- Adjust regulatory frameworks and tests to account for direct and indirect “other-fuel” savings, and encourage optimization
Carefully consider utility investments in new opportunities

- Vehicle charging infrastructure offers a unique value proposition for utility investment

- Other opportunities may lend themselves more to third-party investment (be careful to not enable market dominance where it is not valuable)
Merci !

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