

ATELIER

RÉGLEMENTATION DE L'ÉNERGIE AU QUÉBEC

QUELLES OPTIONS POUR ACCÉLÉRER
LA TRANSITION ÉNERGÉTIQUE
ET LA DÉCARBONISATION ?

Chaire de gestion
du secteur de l'énergie
HEC MONTRÉAL

Québec 

Market Regulation: Options & Opportunities for Québec*

** Présentation en anglais à la demande des organisateurs*

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Expertise



Bâtiments



Énergies



Mobilité



QUANTIFIER
le potentiel



CONCEVOIR
les stratégies



ÉVALUER
la performance

17 ans

40
professionnel.le.s
dévoué.e.s

500+
projets dans
30 provinces et états

Expertise



Bâtiments



Énergies



Mobilité



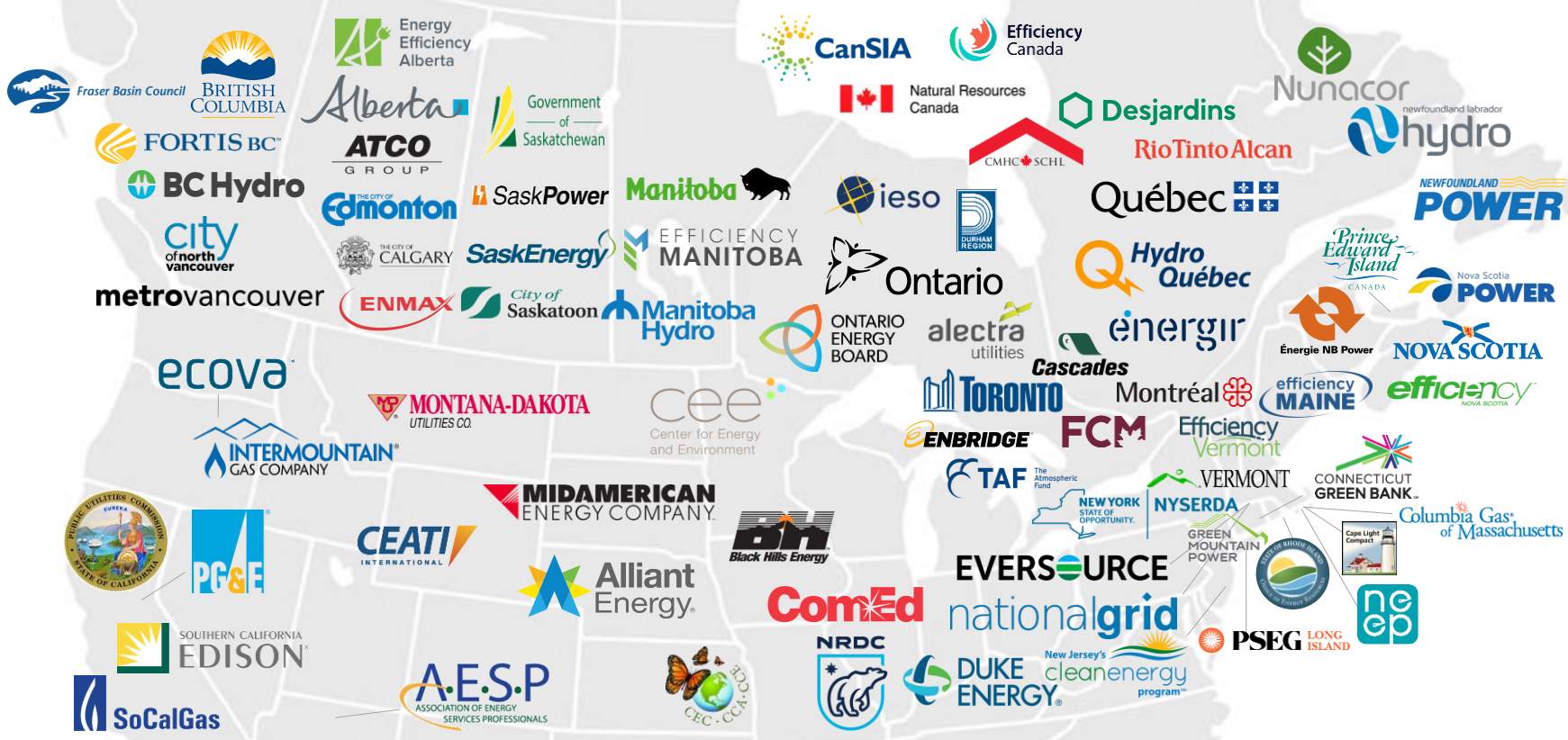
QUANTIFIER
le potentiel



CONCEVOIR
les stratégies



ÉVALUER
la performance



Clients

Big Picture

- **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

Things we can do (pistes à explorer)

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.

Things we can do (pistes à explorer)

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)

Things we can do (pistes à explorer)

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?

Things we can do (pistes à explorer)

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

Things we can do (pistes à explorer)

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 !



Montréal
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Ottawa
Calgary
St-John
Vancouver



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