

**Rep. Sloan Participates in GridWise Architecture Council Meeting**

Rep. Tom Sloan (R, Lawrence) participated in the GridWise Architecture Council (GWAC) meeting and workshop on evolving electric customer and utility capabilities and policy preferences and the implications for the reliability and resiliency of the electric system over the next five years. Rep. Sloan is the only state legislator member of GWAC and focuses on the public policy implications of technological innovations within the electric industry and customer base.

GWAC members heard presentations on how technological capabilities that make it possible for large and small customers to generate some or all of their electricity require new regulatory and business models with implications for electric system reliability and affordability. For example, transactive energy is the term assigned to the process by which customers interactively buy and sell electricity with their traditional utility and with their fellow customers. This type of transaction is feasible because of advances in self-generation (e.g., small wind turbines, rooftop solar), metering of electricity flowing between customers and local utilities, and metering of customer electricity demand increases and reductions in response to price or other signals from the utility. The regulatory model of one direction transactions between a utility and customers is challenged by the opportunities today for customers to interact and transact business between each other, with or without the knowledge of the local electric utility.

“My work in Kansas on behalf of electric customers focuses on identifying and monetizing the value of customer self-generation to the customer and the utility,” Sloan said. “Changing the way that the electric utility is regulated is crucial to permitting the utility and customers to provide ancillary services to each other. For example, a customer may provide renewable solar energy to the utility during peak demand times of the day and the utility may provide energy storage capabilities to the homeowner. Both have value to the customer, utility, and other customers.”

Utilities need to have both regulatory certainty and opportunities to monetize services desired by customers. Utilities, with their electric generation, transmission, and distribution operations will always be necessary because most customers will not self-generate to “get off the electric grid.” However, demand-side management programs that help customers reduce their electric use, customer preferences for specific types of generated electricity, and utility efforts to reduce inefficiencies within their system (e.g., line losses) all impact costs to consumers and income to utilities. State regulators must recognize that the traditional utility-customer relationship is changing because of cost-effective technological advances available to both parties. State Legislators need to pass

the necessary laws to permit the regulators to take the evolving customer-utility capabilities into account to protect the customers from unreasonably high electric costs, while allowing both customers and utilities to monetize the value of their contributions.

Rep. Sloan is Chairman of the Vision 2020 Committee and serves on the Transportation and Agriculture and Natural Resources Committees. He is a member of the National Conference of State Legislatures' Energy Supply Task Force.

###