ALIGN
ENERGY ADVISORS

Utilization in the Regulatory Space

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Key Questions for Implementation

- What is utilization and how do we measure it?
- What does better utilization look like and what is achievable?
- How does utilization interact with existing regulatory structures?
- What does a utilization improvement program or offering look like?

What is utilization and how do we measure it?

System Load Factor (%)

Peak Served v. Potential Peak (kW)

Electricity Delivered v. Potential Deliverable Energy (kWh)

System, feeder, substation, transmission line level

Annual, seasonal, hourly timeframe

Delivered value from the system

Impact on rates

Power quality improvements

DER deployment

Third Party capital deployment

What does better utilization look like and what is achievable?

Utilization is not intended to avoid all new infrastructure needs; it can prioritize the most essential infrastructure investments

100% utilization is not the goal

Utilization must align with reliability, affordability and other energy policies – it is a tool to deliver better outcomes

How does utilization interact with existing regulatory structures?

Rate of return ratemaking does not inherently incentivize improved utilization

Ratemaking structures like surcharges, reconciliations and decoupling mechanisms can distort affordability impacts of improved utilization

Utilization must be carefully calibrated and integrated into existing programs like energy efficiency, demand response, VPP and electrification efforts

What does a utilization improvement program or offering look like?

In the current environment improved utilization is about the effective integration of new load into the existing system

Utilization improvements will be driven by system needs - energy efficiency, beneficial electrification and demand response can all improve utilization in different ways

Standalone programs or better integration and deployment of existing offerings?