Five Good Reasons to Lose Sleep over Microgrids

How policymakers can make or break the microgrid industry

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North America is positioning for a new and significant round of microgrid development. Microgrids offer tremendous reliability, economic and environmental benefit.

But will we frame the rules of the game correctly to capture the full benefit of microgrids? Discussion is beginning now in key states that could make or break this industry.

Why I'm Here

Energy Efficiency MARKETS.com

MICROGRID KNOWLEDGE

Author, "Think Microgrid: A Discussion Guide for Policymakers, Regulators and End Users."

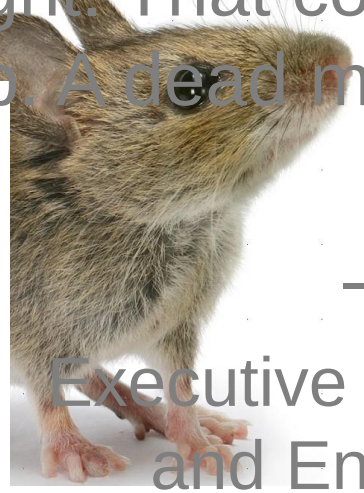
My microgrid light bulb moment: A dead mouse

"If a professor loses a transgenic mouse with 20 years of research built into it, that's a nightmare.

That's what keeps me up at night. That could cost me my job. A dead mouse."

– Juan Ontiveros,
Executive Director of Utilities and Energy Management





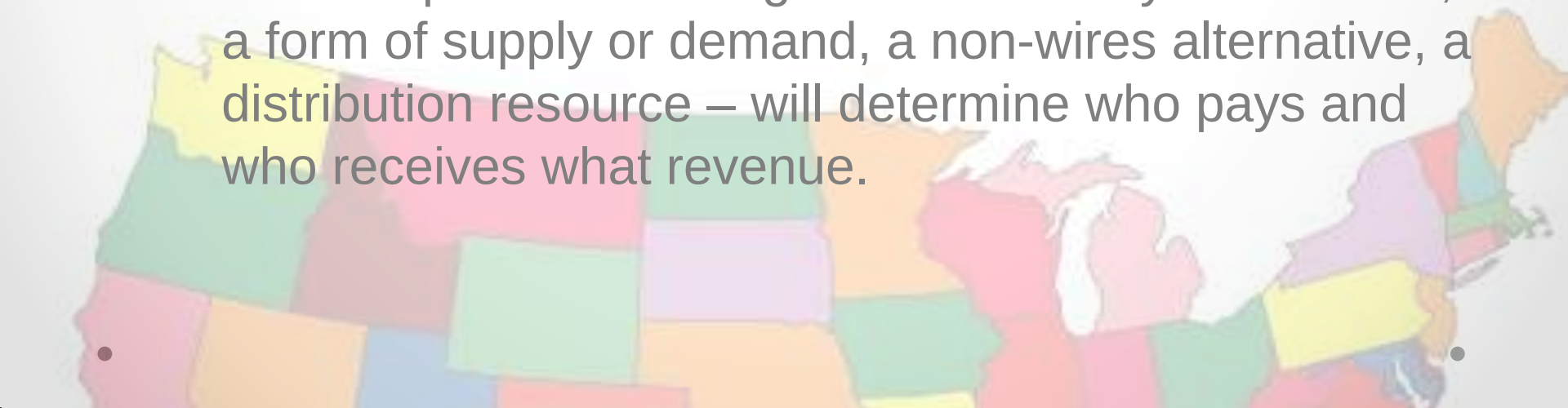
5 Good Reasons to Lose Sleep...

1. Definition
2. Speed
3. Crossing roads
4. Ownership
5. Death spiral

1 2 3 4 5

No one can define a microgrid; or rather everyone can

- 50 states, 50 different definitions?
- Why is this a problem?
  - Market confusion
  - How we perceive microgrids – as a utility asset class, a form of supply or demand, a non-wires alternative, a distribution resource – will determine who pays and who receives what revenue.



The industry is moving faster than government leaders

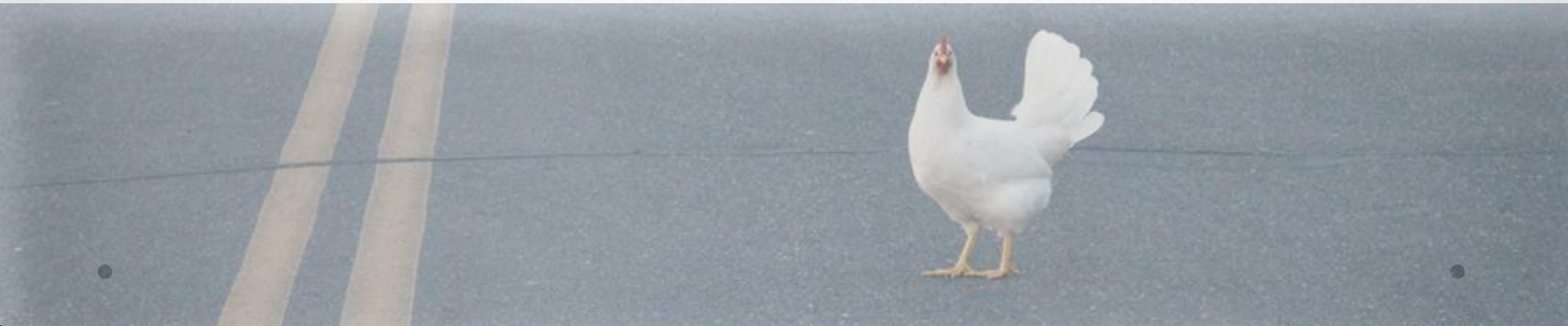
- The industry wants to travel there by jet; the states by train (and only a few are on board so far)
- Policy activity in California, Connecticut, Maryland, Massachusetts, New Jersey, New York…
- No open dockets at FERC at this time.



Why did the microgrid cross the road?

It didn't because of utility franchise rules.

- Problem of serving multiple buildings across public ways
- Let utilities own distribution assets?
- Abolish franchise rules in certain circumstances?



Who should develop, own and operate microgrids in restructured states?

- Treated as IPPs?
- As utility-rate based investment?
- As renewable energy or energy efficiency?



Utility death spiral or revival?

- Who pays for what? (ratepayers vs. market, standby charges, etc.)
- Who receives revenue?
- Should grid-connected microgrids participate in wholesale markets? (capacity, ancillary services, etc.)



What's next?

"Follow the carnage."

– Alex Kragie, Connecticut DEEP

"Going backwards is not an option."

– Ann Berwick, Chair of Massachusetts DPU

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"Think Microgrid" guides planned:

- Microgrids: Solar & Storage
- Commercial / Community Microgrids
- Military and Remote Microgrids
- Microgrids & Combined Heat and Power
- Microgrids: Information Technology and Controls
- Other ideas?

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Download the Report

"Think Microgrid: A Discussion Guide for Policymakers, Regulators and End Users." www.ThinkMicrogrid.com

Special thanks to the Think Microgrid underwriters:

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