

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17105-3265

**Fixed Utility Distribution Rates Proposed
Policy Statement**

**Public Meeting held May 3, 2018
2518883-LAW
Docket No. M-2015-2518883**

STATEMENT OF CHAIRMAN GLADYS M. BROWN

Before the Commission are the comments regarding alternative rate-making policies for fixed utilities. I thank each entity which has informed the record with proposals and considerations. Today the Commission takes its next step in deliberating the future of utility rates.

The utility landscape is evolving rapidly, none more rapidly than the electricity industry. Increased penetration of distributed energy resources and electric vehicles present both a challenge and an opportunity for regulators and utilities. From a challenge perspective, the increased adoption of these technologies will likely work to decrease utilities' capacity utilization – or the ratio of peak demand to average demand. This places significant headwinds on distribution rates. However, the electricity industry has an opportunity to utilize the portfolio of new technologies such as advanced metering, advanced grid monitoring, energy efficiency, demand response, and smart thermostats to better accommodate the evolving demand profiles created by this new energy landscape.

Accordingly, I wish to highlight that this proposed policy statement includes a general provision related to the impact of capacity utilization. As a measure, capacity utilization can be used to judge the efficiency of an electric distribution system. I am interested in consideration of rates by our electric utilities which can work to increase distribution system capacity utilization in effort to foster system efficiency, and, insulate customers from rate increases. I encourage parties to comment on rate designs that can foster distributed energy adoption while also working to increase capacity utilization in effort to potentially guide the Commission to more specific policy statement annex provisions.

May 3, 2018
Date



Gladys M. Brown, Chairman