

Challenges from an Economic Regulator's Perspective

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The Incentive Disconnect Challenge

Utilities should promote electrification because it is in their interest to sell more electricity.

***Also, The Superbowl Challenge

The Not My Problem Challenge

Since the electric utility is not directly causing CO₂ from transportation and heating, the solutions it can offer won't directly solve it.

The Messy Roommate Challenge

Electric ratepayers have paid to clean up the grid. Now they're being asked to pay to clean up the transportation and heating sectors too.

The Nice Guys Finish Last Challenge

New generation will be more expensive, increasing electricity rates and lengthening payback periods for heat pumps and electric vehicles.

Possible Solutions

- Incentive Disconnect Challenge
 - Separate gas & electric companies
 - Look at decoupling
- Not My Problem Challenge
 - Directly solve the problems of the electric company
 - Make the system as renewable as possible for as big as the electric sector is going to be.
 - Prepare the system to take on a lot more load in smart ways
- The Messy Roommate & Nice Guys Finish Last Challenges
 - Economy wide carbon price
 - Apply all the policies that are common to the electric sector to the natural gas and fuel sectors.