

You Are a Customer, Not Just a Ratepayer

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Since the dawn of the electric industry, individuals and businesses have been regarded as “ratepayers”—consumers whose sole purpose is to pay the rate imposed upon them by the powers that be, with limited input into the process. But you are not simply paying a rate, you are purchasing a service. And not just any service—a service that is vital to keeping your lights on and machines running.



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The electric service that each of us receives today is undergoing an immense and unprecedented transformation. It started well before New York State’s recently enacted 2019 Climate Leadership and Community Protection Act (CLCPA), and it will continue for the next several decades as the electric system is modernized into a distributed, decarbonized and digitized web of small- and large-scale resources sharing bi-directional power on advanced infrastructure and communications systems.



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With that evolution comes opportunity. Businesses have the opportunity to make strategic decisions, not merely as “ratepayers” paying for all this, but as *customers* who have preferences, objectives and valuable insight that can optimize the development of these new and emerging electric service markets and related technologies. The electric system that was designed over a century ago leaves value on the table and is now being radically reshaped and modernized to fit the 21st century.

By the end of this year, New York State’s 22-member Climate Action Council will have developed an initial draft Scoping Plan to achieve the State’s nation-leading clean energy and climate obligations set forth in the CLCPA. That Scoping Plan will set forth the roadmap to achieving 100% carbon-free electricity in New York by 2040 and 100% economy-wide net-zero carbon emissions by 2050.

Achieving those objectives will require a multitude of solutions: some old, some new, some big, some small. But solutions must not just “cost more,” they should be designed to enhance the customer experience and not simply achieve an abstract “goal” that is entirely detached from the customer’s experience. Goals provide focus, but we need to better define for the customer what we are solving and what the value proposition is.

Transforming the energy sector will require enhancements to all

three components of the system: supply, delivery and demand. One critical area that has not received the attention it deserves is the demand side, which is where you—the paying customer—directly interfaces with the grid. New York’s effort to achieve CLCPA’s requirements will dramatically increase electric demand across the entire economy which, if left unchecked, will require significant distribution system upgrades—the enormous costs of which will ultimately be passed to the customer.

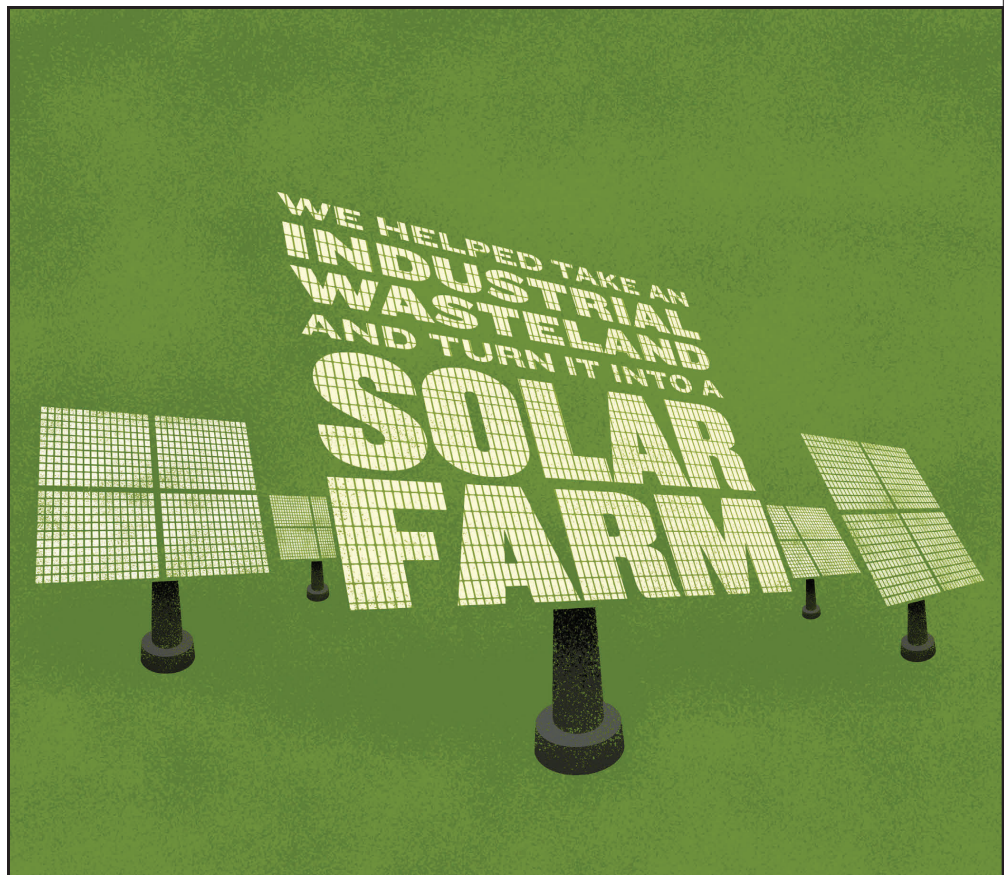
Traditional supply-side solutions are necessary but not sufficient to achieve

the goals of the CLCPA in a manner that takes into account the preferences and objectives of the customer. Now, more than ever, customers must have their voices heard to shape the roadmap of this energy transition in such a way that empowers individuals and businesses to play an active demand-side role. By doing so, customers can influence the policies and regulations that will govern the vital services that they purchase each and every day. As the energy sector transitions into the modern era, so too must the mindset of business leaders in seeing themselves not as ratepayers but as active and engaged customers.

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