

Utility performance standards – regulatory landscape and key issues to consider

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Extended Abstract

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Abstract Summary

Utility performance standards are regulatory frameworks that establish measurable benchmarks for energy service providers across operational efficiency, service reliability, customer satisfaction, and environmental compliance. These standards emerge from legislative mandates, regulatory commission initiatives, or stakeholder-driven processes that seek to maximize utility transparency while incentivizing efficient performance.

While the established frameworks are worth reviewing, it is also important for regulators to consider matters including but not limited to balancing affordability and willingness to pay with reliability expectations. When setting performance standards, a few issues that need to be considered by regulators include:

1. How much are consumers willing to pay for performance?
2. What should a reasonable standard setting process be?
3. How do you know performance has occurred?
4. What kind of extraordinary circumstances justify non-performance under normal conditions?
5. What mechanisms are necessary to assure that performance standards are met?
6. How do you balance utility financial viability with customer expectations and willingness to pay?

This paper/presentation will examine the regulatory landscape for utility performance standards in select jurisdictions, as well as provide a deep-dive analysis of key issues that regulators grapple with and need to address, when setting utility performance standards.

Presenting Author Biography

Amit is a seasoned professional with ~20 years of North American and international experience in the energy sector, and in-depth expertise in regulatory policy and strategy (including advising on reasonable return/cost of capital, revenue requirement, cost allocation, performance standards and incentive based regulation, among other regulatory matters). Amit has overseen and co-authored expert written testimony on multiple projects, and has testified in front of the Ontario Energy Board, in addition to other provincial regulators in Canada. Amit has previously presented at conferences including at IAEE (in Istanbul and Riyadh) on topics including energy finance, regulation, and renewable integration.