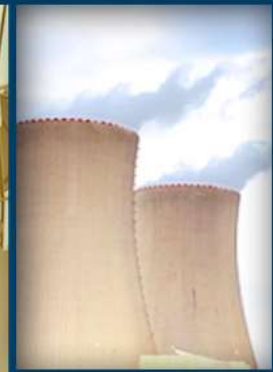


**CHRISTINE TEZAK**  
MANAGING DIRECTOR



# ENERGY SECURITY OUTLOOK: EVOLVING THREATS & SOLUTIONS

*NASEO Energy Policy  
Outlook Conference  
February 8, 2017*

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- ▼ We focus exclusively on U.S. and international energy and environmental policy.
- ▼ Our coverage of fuels, technologies and issues includes:
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  - Energy transportation
  - Fuels, vehicles and refining
  - Geopolitics
  - Oil, gas and coal
  - U.S. energy policy, economics and tax policy.

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## Risks

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I hereby certify that the views expressed in this presentation accurately reflect my personal views as of the date of this presentation.

I further certify that no part of my compensation was, is or will be directly or indirectly related to the specific recommendations or views contained in this presentation.

By: *Christine Tezak*

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# SAFEGUARDING OUR INFRASTRUCTURE



- ▼ Definitions
  - “Infrastructure” or “Grid”
  - Threats – physical, weather, cyber
- ▼ Division of Labor
  - Who sets the rules
  - Who is responsible for what
  - Who pays for improvements
- ▼ Direction
  - Prices/Reliability
  - “All of the above” /Decarbonization
  - Hardening/Resiliency

Source: ClearView Energy Partners, LLC

# POLICYMAKERS' INFLUENCE



- ▼ “Top down” versus “bottom up” discussions
- ▼ Comparing strategies
  - Across government
  - Across industries
  - Across states
  - Across regions
- ▼ Cultivators of stakeholder buy-in
  - Tangible costs versus less-/intangible benefits
  - Stakeholder processes can be cumbersome
- ▼ What will the Trump Administration’s policy(ies) be, and who will lead them?

Source: ClearView Energy Partners, LLC

# DECENTRALIZATION – RISK OR OPPORTUNITY



- ▼ Wholesale power markets
  - Utility-scale renewables/storage
  - Centralized risk management
- ▼ Decentralized retail power markets
  - Microgrids
  - Prosumer power sales
  - Accounting
  - In-home enabled devices

Source: ClearView Energy Partners, LLC

# SMARTER GRID, VULNERABLE GRID?



- ▼ Digitization
  - Social engineering
  - Training/cyber-hygiene
  - Standards
  - Separation
  - Redundancy
  - Centralization
- ▼ Interoperability
  - Enabling standards
  - Common protocols
  - Flexibility
  - Decentralization

Source: ClearView Energy Partners, LLC



# “WHO’S LINE IS IT ANYWAY?”



**Interconnect**

**Region**

**State**

**Local**

**Customer**

# TRUMPITUDE AND "TRADITION"



- ▼ Internal consistency
- ▼ Metrics for success
- ▼ Manufacturers v. Producers
- ▼ The Little Big Guys
- ▼ Tradition is optional
- ▼ Jared/Ivanka
- ▼ Attacking existing policies
- ▼ Executive Orders v. Legislation

Source: ClearView Energy Partners, LLC

# THE GOP - POLICY PRIORITIES IN TENSION?



- ▼ Pro-markets
- ▼ Pro-states' rights
- ▼ Pro-landowner
- ▼ Anti-subsidy
- ▼ Anti-regulation



*Source: ClearView Energy Partners, LLC*

# THE DEMS – PIVOTING TO THE PEOPLE

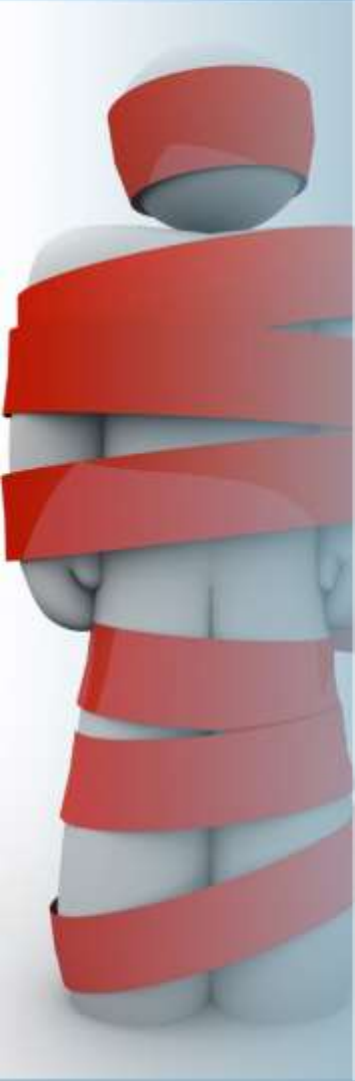


- ▼ Minority in House
- ▼ Minority in Senate
- ▼ Prior Administration's rules in Court
- ▼ The potential value of the court of public opinion



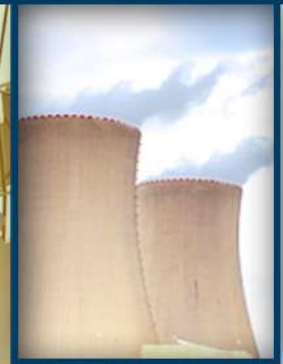
*Source: ClearView Energy Partners, LLC*

# CONCLUSIONS



- ▼ Technology may be the easy part
- ▼ Balancing policy objectives is more difficult
- ▼ While costs come down, nothing is free
- ▼ Perfect insurance is unaffordable
- ▼ Capital can be more risk-sensitive than in short supply

*Source: ClearView Energy Partners, LLC*



QUESTIONS?

FEBRUARY 8, 2017