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Illinois Commerce Commission to host Policy Session on Business and IT Investments in Cloud Computing Arrangements

Chicago, IL – On September 24, 2015, Illinois Commerce Commission Chairman Brien J. Sheahan will host a Policy Session on Business and IT Investments in Cloud Computing Arrangements.

During the daylong session, representatives from business, government and advocacy organizations, including utilities, consumers, consumer advocate groups, and regulators, will discuss advances in cloud based arrangements and how they can be utilized by the energy industry.

The rapid growth of hardware investments in smart grid presents an opportunity for utilities to take advantage of cloud computing arrangements, one form of next-generation information technology, to fully realize the value that the modern grid has to offer. However, state regulations and accounting rules impede the ability of utilities to benefit from new IT models by classifying investment in legacy hardware and supporting on-premise software as a capital expense, while classifying investment in cloud-based technologies as an operating expense for which it does not receive a rate of return.

“New IT models have the potential to significantly improve system performance, reduce capital and operating costs, and produce economic value to customers and utilities alike,” says Chairman Sheahan. “The time is ripe for regulators to remove barriers to investment in cloud computing models and provide the same incentives to use cost-saving, high-performing software systems that a utility already receives for investing in smarter equipment.”

Chairman Sheahan further noted that the discussion between regulatory agencies on how to evaluate new technologies needs to be forward thinking. “In the practice of utility regulation, new public policy and technology issues continually present themselves. The ICC hopes to take advantage of forums such as this for keeping up to date as these subjects evolve,” he added.

Among other topics, panelists at the session will discuss:

- Technology advances in energy analytics and Cloud Computing Arrangements including the regulatory treatment of such arrangements as capital expense vs. operating expense under current guidelines.
- Cloud Computing Software technologies and how they benefit customers. (Software as a Service, Platform as a Service, Infrastructure as a Service).

- How state policy, market design, and rate regulations have not kept pace with, and may impede, the ability of utilities and customers to benefit from the new IT models.
- How states and industry can work collaboratively to develop guidance and leverage best practices in a way that offers stronger tools to accelerate the transition to the modern grid.

Joining the Commission will be Dennis Garcia, Assistant General Counsel, Microsoft Corporation; Tom Siebel, Chief Executive Officer, C3 Energy; Todd Krause, Vice President of Global Utilities Sales, EnerNOC; Mariko Meier, Director of Regulatory Strategy, EnerNOC; Matt O’Keefe, Market Development & Regulatory Affairs, OPower; Brian Bowen, Regulatory Affairs Manager, FirstFuel; Jake Oster, Senior Director of Regulatory Affairs, EnergySavvy; Byron Koskela, Senior Director, IT Support Services, PJM Interconnection; JR Tolbert, Senior Director of State Policy, Advanced Energy Economy; Joe Surber, Senior Vice President & Chief Information Officer, AGL Resources/Nicor; Lewis Binswanger, Vice President of Regulatory Affairs, AGL Resources/Nicor; Mark Browning, Vice President, IT, Exelon Utilities; Carol Bartucci, Vice President, IT, ComEd; Craig Nelson, Senior Vice President of Regulatory Affairs & Financial Services, Ameren; Jim Jenkins, Vice President of Regulatory & Public Policy, American Water; David Kolata, Executive Director, Citizen Utility Board; and Janice Dale & Susan Satter, Public Utilities Counsel, Attorney General’s Office.

The meeting will be held from 8:30 a.m. to 4:45 p.m. at the ICC’s offices on the 8th floor of the Michael A. Bilandic Building, 160 North LaSalle, Chicago. In addition, there will be an audio stream of the meeting on the Commission’s website (www.icc.illinois.gov).

The meeting agenda is attached to this news release. To attend, please RSVP to emcerlean@icc.illinois.gov.

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About the Illinois Commerce Commission

The Illinois Commerce Commission’s mission is to pursue an appropriate balance between the interests of consumers and existing and emerging service providers to ensure the provision of adequate, efficient, reliable, safe and least-cost public utility services. The Commission pursues this mission through three bureaus: the Consumer Services Bureau provides educational information on utility issues, resolves customer/utility disputes and develops rules on utility service and consumer protection; the Public Utility Bureau focuses on financial and operational analysis, policy development, public safety and enforcement activities related to electric, natural gas, water, sewer and telecommunications companies; the Transportation Bureau includes trucking insurance and registration, railroad safety, relocation towing, safety towing and household goods moving company enforcement activities. The ICC’s five commissioners are appointed by the Governor and approved by the Illinois State Senate for five-year terms.