



Power and Elegance: The Consumer-Centric Utility Model

In 2015, the Solar Electric Power Association (SEPA) invited NRECA and other electric industry leaders to offer their views of what our industry's future will look like and help chart a path to get there together. This document summarizes NRECA's vision.

As the electric utility industry confronts rapid changes in technology, economics, policy and consumer expectations, America's electric cooperatives offer up the consumer-centric utility (CCU) as a model that will foster innovation for the benefit all energy consumers.

Cooperatives believe the consumer-centric utility model, a model that aligns the goals of the utility with the interests of consumers, both promotes innovation and mitigates the risks that come with rapid change. As stewards of the cooperative business model that improved the quality of life and brought prosperity to rural communities through rural electrification, co-ops are well positioned to become CCUs.

When co-ops and other utilities adhere to a consumer-centric utility model, they thrive by meeting and exceeding their consumers' expectations, leveraging new technologies, offering new services and ensuring affordable, reliable power.

In NRECA's view, a CCU is a utility that:

- plans, integrates and optimizes a portfolio of resources and technologies on behalf of consumers;
- takes an open-minded approach to resource development, looking at all assets to best meet the needs of consumers;
- offers a broad range of energy services to meet diverse consumer desires and expectations;
- innovates for the benefit of all its consumers;
- uses its scale, scope, and ability to integrate and optimize a portfolio of resources to bring innovation to consumers at lower cost and with fewer risks.

When a CCU considers the array of new distributed energy resources – solar, aggregated efficiency, energy storage – the utility will first weigh the impact on consumers. The consumer is the CCU's touchstone and guide.

Co-ops believe CCUs can contribute to the future of the electric grid by

- encouraging innovation at the pace of value;
- balancing the sometimes-competing goals of reliability, affordability, efficiency, convenience and sustainability;
- engaging consumers and communities;
- promoting education and partnerships that will be vital to a successful transformation.

Changing technologies, evolving public expectations and the immense diversity within the nation’s electric system require local decision-making, innovation and flexibility from our industry. The CCU model offers these benefits, promoting an organic evolution that allows time to test, evaluate and adjust.

In the debates now happening inside Washington and in state capitals across the country, NRECA will promote these views and the CCU model. Co-ops believe the CCU model opens multiple paths to an energy future that will be transformational, and America’s electric cooperatives are well positioned to meet this future.

In NRECA’s submission to the SEPA 51st State Initiative, we outlined the roles CCUs can and should play in the new energy landscape (see summary below). NRECA’s [full submission](#) to SEPA is available on www.NRECA.coop/future and www.SEPA51.org.

