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ScottMadden Energy Industry Update Reviews New York REV Track 2 Order Issued by the Public Service Commission

ATLANTA, GA – (November 22, 2016) – ScottMadden, Inc., one of North America's leading energy consulting firms, recently released its Fall 2016 Energy Industry Update. For more than a decade and a half, the ScottMadden Energy Industry Update has served as the catalyst for strategic discussion, debate, and decisions. More than 10,000 executive leaders rely on it for thought-provoking insights on the energy utility industry's most important trends. This highly anticipated semi-annual report will give you bottom-line insights, distill recent events, and help you as you prepare to anticipate and respond to emerging trends.

Themed "As Yogi Berra Might Say...," this issue focuses on strategic drivers that are propelling our industry. One such development is the New York Public Service Commission's (NYPSC) recently issued "Reforming the Energy Vision" (REV) Track 2 order. The order aims to modify New York's utility regulatory model, building from its conventional cost-of-service ratemaking approach to add a combination of market-based platform earnings and outcome-based earnings opportunities. The ScottMadden report reviews the Track 2 order, discussing some key issues raised by the order, including:

- How does the order address rate design and utility earnings?
- How will earnings adjustment mechanisms work, and how will they facilitate transition to longer-term market-based revenues, such as platform service revenues?
- What effect does this new order have on traditional ratemaking?

"The Track 2 order, together with the NYPSC's framework order, provide some design principles for REV objectives," said <u>Cristin Lyons</u>, partner and grid transformation practice leader at ScottMadden. "But how, and importantly when, all the pieces fit together remains unclear and requires flexibility, adaptability, and creativity from New York's regulated electric utilities."

Click <u>here</u> to read the latest Energy Industry Update. <u>Contact us</u> to schedule a discussion with our thought leaders.

About ScottMadden's Grid Transformation Practice

For more than 30 years, ScottMadden has helped our clients transform the way they operate, plan, and maintain the grid and interact with their customers. The Grid Transformation practice focuses on helping clients adapt to the myriad changes driven by the increasing penetration of distributed energy resources, such as distributed generation, storage, demand response, and microgrids. We help our clients choose the path that meets their reliability, customer, and regulatory goals, and then we help them implement it.

About ScottMadden's Energy Practice

We know energy from the ground up. Since 1983, we have been energy consultants. We have served more than 300 clients, including 20 of the top 20 energy utilities. We have performed more than 2,400 projects across every energy utility business unit and every function. We have helped our clients develop strategies, improve operations, reorganize companies, and

implement initiatives. Our broad and deep energy utility expertise is not theoretical—it is experience based.

About ScottMadden, Inc.

ScottMadden is the management consulting firm that does what it takes to get it done right. Our practice areas include Energy, Clean Tech & Sustainability, Corporate & Shared Services, and Grid Transformation. We deliver a broad array of consulting services ranging from strategic planning through implementation across many industries, business units, and functions. To learn more, visit www.scottmadden.com | Twitter | Facebook | LinkedIn

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