

St. Louis Post-Dispatch Highlights ScottMadden in Featured Article on Environmental Regulations

Utilities Unsure of Future as Environmental Regulations Loom

ATLANTA, GA – (June 26, 2014) – Jacob Barker, energy and environment business reporter at the St. Louis Post-Dispatch, recently highlighted [Brad Kitchens](#), president and CEO of ScottMadden, in his report, “[Utilities Unsure of Future as Environmental Regulations Loom](#).” This report is based on a panel discussion conducted at the annual meeting of the Midcontinent Independent System Operator (MISO) held Wednesday, June 18, 2014 at the Ritz-Carlton.

Provided below is a brief excerpt from the article. To access the full editorial, please click [here](#).

“Coal is under fire, gas and wind are blowing up, and consumers may yet wrestle control of power generation from their utilities,” said Mr. Barker. “There’s a lot on the mind of your average electric company executive these days, so there was plenty for power sector leaders and their regulators to talk about when they gathered last week in St. Louis.”

“Every element of the business model is being challenged and needs to be re-examined,” said Mr. Kitchens. “When implementation does come, the path of least resistance is natural gas, while the party’s over for coal.”

Mr. Barker continues, “But gas generation faces its own unknowns. The fuel’s price-risk was driven home during the polar vortex this winter, when prices spiked amidst regional shortages. As producers look to renewable energy generation, they have to contend with new competition from their own customers.”

“Distributed generation, exemplified by residential solar arrays, is being reclassified as a ‘near-term threat’ by some in the industry after its continued growth over the last 12 to 18 months,” Mr. Kitchens said. “However, utilities are interested in actively participating in the distributive generating marketplace through, for instance, financing or leasing rooftop solar arrays in partnership with customers.”

“They’re looking for earnings growth opportunities; there’s not a lot of load (power demand) growth,” Mr. Kitchens said in the report. “But this is all coming at them so quickly it’s difficult to envision exactly how this is going to work.”

Mr. Barker added, “Meanwhile, electricity demand in the MISO region is growing, albeit slowly. But what that looks like years in the future, with big energy efficiency pushes expected, is yet another unknown the industry isn’t used to contending with.”

“Load growth uncertainties are front page with utility executives right now,” Mr. Kitchens noted.

About the Author

Jacob Barker is an energy and environment business reporter at the St. Louis Post-Dispatch.

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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.

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