

At EEI's Annual Convention, Why They Were There

Conversation with Guidehouse's
Dan Hahn and Michelle Fay



EI's members, America's investor-owned electric companies, gathered the top leaders from industry and government, as well as innovative thought leaders from business and academia, at EEI 2022, held June 20-22 in Orlando to highlight their clean-energy visions and commitments in action.

EEI's Annual Meeting always draws the top thinkers to discuss the latest happenings in the energy and utilities industry. The PUF team was there, catching up with all the innovation and with those who will change the future.

Among them were Guidehouse's Dan Hahn and Michelle Fay, who had a lot to say about the conference and the industry too. Listen in on this talk as to why they were there and more.

PUF's Steve Mitnick: Why did Guidehouse decide to come here and participate in a major way?

Dan Hahn: We're here because the industry is here. When we look at EEI and the leaders here, this is their annual conference.

We're in person, which is fantastic. We've had plenty of conversations through the rectangular box of a video screen. Getting a chance to not only see our clients, but also folks like you has been great.

PUF: Michelle, what made you come to this?

Michelle Fay: It's been a great opportunity to see people in person for the first time in a couple of years. Also, hearing what our clients are talking about, what's keeping them up at night, and what topics they're interested in learning about, is informative for us as we think about how we build out our solutions and how we work with our clients to make sure we're helping them to address those needs.

PUF: Dan, at EEI you just had one day – there's another day to go – but did you hear anything that made you think?

Dan Hahn: Having Ukrenerg CEO Volodymyr Kudrytskyi participate, who's leading the Ukrainian electric grid, was incredible. He shared that Ukraine had plans to interconnect with the rest of the European grid – a two-year plan – and did it in maybe three weeks or so, because of the sense of urgency. We live in a world with all kinds of geopolitical issues.

We live in the U.S. where we are focused on reliability, resiliency, and climate, but we're also talking about an entire country going through war right now and forced into a position to do something about it. That was the biggest takeaway for me today. Just having that person be part of the meeting.

PUF: Michelle, did you hear people discussing issues in the hallways that made you think?

Michelle Fay: One of the big topics that has been part of the hallway conversations has been around decarbonization. How are we going to get to net zero, and faster?

Not just what it takes at a high level, but how are we going to change the way we do our transmission and distribution planning? How are we going to work this into our business? Those dates are coming a lot closer, and it's starting to get real for a lot of our clients.

PUF: Dan, your teams are all over the country, talking to

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people, and maybe they're off the record and they say, We have this goal in 2040 with half of it figured out. Dan, how should we do the other half?

Dan Hahn: To start with, we have teams all over the world. We have a team in Europe, in the UK, France, Germany, the Netherlands, and a team in the UAE.

We have a Canadian team and a team in the U.S. The reason why I bring that up is much of what we're seeing are issues that have already been solved or are in the process of being solved in Europe.

Specifically, if you think about what's happened because of the war in Ukraine, because of trying to get off Russian natural gas, because of the fuel supply being in a tenuous situation, the European countries are getting together to accelerate the energy transition.

We all heard the news that because Russia has turned off the spigot on natural gas, Germany is going to fire up coal, and they're doing it because it's a transition and a state of emergency.

But the initiative and the push to continue to drive toward those goals are important for that part of the world, and it should be applied here as well. We're starting to see a lot more work around hydrogen.

What can we do around the hydrogen economy? I was on a panel with Rebecca Kujawa, who's the CEO of NextEra Energy Resources, and they just announced a huge plan to get to real zero, and hydrogen has a lot to do with that.

Those investments and those pushes need to continue while we look at how we drive more renewable energy sources, more wind and solar, and offshores becoming a bigger play.

Then how do we look at the demand side in regard to what customers are doing to continue to drive energy efficiency? I heard a stat this morning, the IEA says overall demand for electricity,



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that electrons will need to be two to four times more in thirty years than what it is today.

Demand is increasing, and we still have to have energy efficiency programs and managed customer demand. But that's in light of electrification that's key in solving the decarbonization riddle.

PUF: I heard in the transition period, one of the lessons from Europe is we have to worry about affordability and resilience, and we can't compromise that, especially with the strains in the commodity markets. We have to know what to do in the short and medium term.

Michelle Fay: I think that's true, and there are a lot of other factors external to what's within the utilities' control. For example, think about the convergence of extreme weather events, climate

issues, cybersecurity issues, and you're trying to decarbonize your business, and all of those happening at the same time.

It's trying to balance that with the investments in the existing infrastructure. As you integrate all of these new DERs, you can't suddenly flip a switch and be completely dependent on them. The investment question is a big one, trying to balance what you can do to future-proof and still maintain the existing grid.

The other big question, and we've heard a lot of talk about it this week, is what impact the bipartisan infrastructure law will have on that? How much of the investment will the utility have to put in now?

How much will they be able to get subsidized via grants through the infrastructure bill, whether it's through the federal grants or state and local grants? That's a big question that remains to be seen.

It's working through those priorities and adapting as situations change, because they are going to continue to change. What a utility may come up with for a plan now that's for 2030, two years from now may look very different.

PUF: Dan, when you were on stage on that ESG panel, I was hearing, we have to do X, it's good for business. That's what the financial markets and big customers want. But you added a wrinkle, which is, this is a big opportunity.

Dan Hahn: Absolutely. We call it opportunity and upside. That opportunity and upside for the members here in EEI is specific around being able to provide decarbonization services for the customers they serve.

Because if you think about it from a service perspective, look at Scope 3 metrics. Purchases, services and goods, leased assets, things that are not necessarily directly GHG-related emissions for them.

Imagine what they could do if a C&I customer says, I need to improve my ESG SEC disclosures year over year. Help me figure out how to do that, because that's going to be important for my reporting.

We don't know how the SEC actually will rule on the Scope 3 proposal, but that's an opportunity for energy providers. It gives them a business opportunity to provide new products and services to help primarily commercial and industrial customers to improve their position on Scope 2 and 3 reporting.

PUF: How do you follow up something like this?

Michelle Fay: What we do after any one of these events is get

together and do a debrief session to share what we learned. Because we're all out having conversations with different people, attending the sessions, and bringing that knowledge back into the team.

What are the hot topics? What are the issues people are most concerned about that are keeping them up at night? Where do we want to focus our energy on researching and building out solutions that can help address some of these problems.

That's what we'll be spending our time doing after this conference. Then of course continuing the conversations we've had here with our clients, to work with them and help them solve some of these issues.

PUF: How do you cross-germinate and take advantage of the fact that you're so broad?

Dan Hahn: To provide some perspective for the readers, Guidehouse is a fairly new company. We're a little over four years old, and we work in six specific industry segments: energy, healthcare, financial services, defense, national security, and state and local.

Across those industry segments, we created a horizontal called our sustainability team, and they're focused on providing sustainability services. We took our energy team and said, we're going to create sustainability services across all the different industries. Imagine health, financial services, and even the federal government in regard to their defense group, and state and local.

They all require some sort of sustainability services, especially since decarbonization is not just in our sector, it's in all sectors. That's where Guidehouse brings that value proposition. Even in this EEI conference, one of the members of the defense team is here who is part of the Department of Defense, and our team works with that person.

At the Department of Defense, we help them figure out, what are their decarbonization paths? What pathways should they look at? What are some options for them to think about? They're a huge consumer of electrons, and what can they do to help decarbonize the U.S. military? That's just one example of the ways we work together.

Another way we work together is state and local governments.



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We hear about the IIJA, the funding the federal government is issuing as part of the bipartisan infrastructure law. States are receiving that as well.

As we work with state governments – Arizona, Illinois, Michigan, South Carolina – the agencies within those organizations also work with Guidehouse. We have a team that understands energy, a team that understands state and local business, government business. Working with that client is a powerful combination of sustainability and energy expertise, and local government expertise. **PUF**