

Electricity Market and Regulatory Review

September 2018

Summary

- **New Beginning for Estimated Billing:** Good news for Discos is that NERC has no plans to put an end to estimate billing, they are currently working on revising the Methodology of Estimated Billing Order. The revision of the MEB Order anticipates the consideration of two options for capping estimated bills for customers to balance customer and Disco interests. Although the Consultation paper was retrieved by NERC few days after publication, our understanding is that the actual paper will be published before the end of October 2018. Therefore, Discos need to be prepared to assess the effect and respond to NERC.
- **Clarifying end date for the Performance Agreements:** The end date of the performance agreement between the Discos and BPE has been clarified to be 31st December 2019. Now is the time for the Discos to make necessary improvements to help them meet their performance targets. Discos also need to meet with BPE to address the current sector issues and discuss strategies that could be adopted to mitigate the issues affecting their performance. Discos who have declared Force Majeure (FM) at some point should also ask for a suitable extension that covers the period of the FM as this should adjust the target date in the performance agreement.
- **Discos Network Investment planning:** the need for Discos to invest in their networks is at an all-time high, with NERC's request for an expansion plan and BPE clarifying the performance agreement target date as 31st December 2019. The expansion plan would help Discos answer important questions like where to invest? What type of investment would yield the fastest payback? etc.