

Executive Summary

There is still great debate about the degree of deregulation of the energy market. While there seems to be general consensus regarding which portions of the energy market are considered "natural monopolies" (transmission and distribution) there are degrees of how open to competition the wholesale generation and retail sale of electricity should be.

The group dialogues and survey results point toward finding middle ground rather than accepting the black or white prescriptions of 'free markets' versus 'regulated monopolies'. A large portion of the discussions revolved around defining the two ends of the spectrum and deciding upon which pieces should be incorporated into a new 'restructured' market place.

Old Regime	New Regime
Public Service	Commodity
Government	Free Market
Monopolies	Competition
Regulation	No Rules No Intervention

Three main themes arose from the questionnaire results and subsequent dialogues:

1. **Competition:** The sway is toward a new regime of competition and free markets versus the old regime of regulated monopolies. This general agreement is clear from the theoretical perspective and much more split when it comes to issues of reliability and social programs.
2. **Regulation:** The role of regulation is changing. The highly interconnected physical nature of the grid is creating too much overlap of regulatory bodies. Jurisdictional issues must be cleared up in order to encourage investment and competitive frameworks within the industry. In addition, there needs to be structures stronger leadership and enforceable decision making within the regulatory organizations. A consistent theme was the need for regulatory clarity in order to facilitate investment in the sector, particularly in large transmission and generation projects. Open areas remain in regards to government mandates regarding renewable, social good programs and customer pricing protection programs.
3. **Implementation:** The actual transition from the old regime to the new will be fraught with confusion and many trial and error methodologies. How to spur competition with government interventions is still a highly contended issue. Problems such as stranded costs, market power have meet with mixed reviews. While other implementation issues such as open access to the transmission grid and a phased in gradual approach to retail competition have been more successful.