

WEY & LEBOEUF

EIPF

Emerging Issues Policy Forum  
Powering the Future 2011  
October 9-11, 2011

OPENING REMARKS

# Five Major Trends to Affect Utilities and Their Regulators in 2011 and Beyond

James F. Bowe, Jr.  
Dewey & LeBoeuf LLP

## Five Major Trends to Affect Utilities and Their Regulators in 2011 and Beyond

---

### **Shale gas is changing everything, and its availability could fundamentally reshape North America's energy landscape**

- Gas is suddenly abundant, reliable and reasonably priced, and it is poised to become dominant as a fuel for power generation and expanded industrial activity
- Shale plays can be engines of economic growth
- With shale gas the balance of power in international energy markets could shift dramatically in our favor

But realizing the potential shale gas offers will not be easy, and we could screw it up

## Five Major Trends to Affect Utilities and Their Regulators in 2011 and Beyond

---

### **Infrastructure investment must be stepped up, now, to address –**

- Gas and hazardous liquid pipeline safety issues
- Electric transmission capacity deficiencies
- Water/wastewater system aging and capacity limits
- Adjustments required to address environmental disruptions induced by climate change

## Five Major Trends to Affect Utilities and Their Regulators in 2011 and Beyond

---

### **Water (both too much and too little) will be an increasingly important constraint in energy facility siting, construction and operation**

- Droughts and floods and their immediate and long-term impacts on energy infrastructure
- Intensifying competition for scarce water supplies
- Threats to water supplies as a powerful rallying cry for energy project opponents

## Five Major Trends to Affect Utilities and Their Regulators in 2011 and Beyond

---

### **The expanding reach and aggressiveness of federal regulators is injecting new uncertainty into the energy business**

- Dodd-Frank implementation and the uncertainties it is creating
- The CFTC's ascendancy as an energy regulator
- FERC's continuing focus on enforcement
- The creeping criminalization of regulatory violations

## Five Major Trends to Affect Utilities and Their Regulators in 2011 and Beyond

---

### **Our civil discourse has become decidedly less civil**

- Achieving political consensus is becoming mission (almost) impossible
- Demagoguery is the new normal
- Opposition to energy projects, in particular, is becoming more and more vitriolic
- The popular press has largely abandoned the role of honest broker of information

## Five Major Trends to Affect Utilities and Their Regulators in 2011 and Beyond

---

**Energy companies, and even their regulators, are being viewed with increasing skepticism** by a public that is woefully under-informed about the workings of the energy industry

**So energy companies and their regulators need to become educators**, and must strive to be accepted by the public as trustworthy sources of reliable information

## Contact Information

---

James F. Bowe, Jr.

Partner

Dewey & LeBoeuf LLP

[jbowe@dl.com](mailto:jbowe@dl.com)

101 New York Avenue, NW  
Washington, DC 20005-4213  
(202-346-7999)

GenOn Energy Plaza  
1000 Main Street, Suite 2550  
Houston, TX 77002  
(713-287-2000)