

## What are the pros and cons of electrification in today's market?

## By Bill LeBlanc

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Electrification is a hot topic in the energy industry and many utilities and governments see it as a means to pursue broader energy, climate, and sustainability goals. Decarbonization or greenhouse gas mitigation, electric grid modernization, and social and environmental equity all call for an increase in electrification as an important strategic element of these efforts. But these efforts raise important questions, such as:

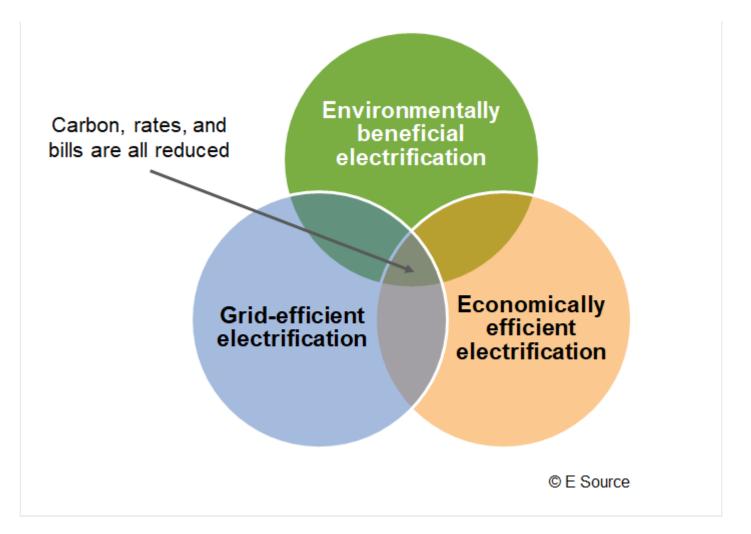
- How do you deal with cost-effectiveness?
- How do you measure environmental benefits?
- Who are the winners and losers?
- Will utilities be financially compensated for their programs?

I recently wrote about E Source's <u>framework for beneficial electrification</u> that shows how utilities, regulators, and other government entities can more systematically make decisions around electrification. The three-part assessment framework tests whether an electrification approach is "beneficial" or not. The three elements are:

- Environmentally beneficial electrification
- Economically efficient electrification
- Grid-efficient electrification

## Three-part assessment framework for beneficial electrification

The beneficial sweet spot for utility approaches to electrification occurs when all three of the assessment frameworks coincide.



E Source members can read our in-depth white paper <u>The electrification framework that benefits customers</u>, <u>the grid, and the planet</u> to learn more. We have an opportunity to facilitate a massive historical shift in the transportation sector away from fossil fuels toward clean electricity, but we need to move quickly to get our decisions framed in a way that enables utilities to remain viable and profitable.

## Join me for a course on beneficial electrification

On February 17, I'm hosting a utility-only preconference training course at the <u>AESP 30th Annual Conference &</u> <u>Expo</u> in Anaheim, California, that addresses critical questions and issues around electrification and lays out the landscape of beneficial electrification. During the course, we'll discuss the pros and cons of electrification in today's market and cover topics such as:

- Defining electrification
- Identifying goals around electrification
- Setting up the economic and environmental equations
- Dealing with regulatory incentives
- Promoting the human side of electrification
- Discovering the technologies for electrification
- Creating a utility action plan

Learn more and register for the <u>Beneficial Electrification-Building a Framework and Roadmap that Helps</u> <u>Customers, the Grid, and the Environment</u> training course by visiting the <u>AESP preconference trainings page</u>. I hope to see you in Anaheim!

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