In this exclusive interview, incoming NARUC President LISA EDGAR offers her blueprint for how regulators and utilities can continue to work together to provide safe, affordable and reliable service.
“OUR FOCUS ON SAFETY AND RELIABILITY WILL CONTINUE, NOT ONLY ON THE GAS SIDE, BUT ON THE ELECTRICITY SIDE AS WELL.”
LISA EDGAR
- Received her bachelor’s and law degrees from Florida State University.
- Has served on the Florida Public Service Commission since 2005. She was appointed by Gov. Jeb Bush.
- Served as the deputy secretary of the Florida Department of Environmental Protection before joining the FPSC.
- Serves on NARUC’s Executive Committee, Board of Directors, the Committees on Electricity and Consumer Affairs and the Task Force on Environmental Regulation and Generation. She recently was appointed to the Electric Power Research Institute Advisory Council, which advises on research in the generation, delivery and use of electricity for the public’s benefit.

At the same time, states have taken great efforts to reduce emissions and develop more efficient utility systems. In a sense, we’ve been implementing our own “clean power plans” across the country for years. Each state and region is different, each utility different, and our job is to tell our story. Energy policy has been happening across the country at the state level.

NARUC will be a venue for demonstrating what states have done, are doing and are considering. For example, NARUC has been coordinating meetings with our sister state associations in anticipation of major rulemakings from the Environmental Protection Agency. These meetings with the National Association of Clean Air Agencies and the National Association of State Energy Officials—referred to as the “3Ns”—have brought familiarity and a broader understanding of these issues. We also continue to seek input from NASUCA, the National Association of State Utility Consumer Advocates. New EPA rules require multiple state agencies to coordinate, and we are building a strong foundation.

Perhaps the biggest hurdle facing all of us is uncertainty. No matter your position on EPA’s Clean Power Plan, we expect it will be litigated in court. How long will that take? How will this impact investment decisions? As regulators, we can’t act based on what we think or want a court to do; we make decisions based on state law and what is in the public record. This kind of uncertainty will be challenging to rise above.

AGA: In your inaugural speech, you stated that perhaps the only certainty in today’s rapidly evolving energy framework is that change is here. You urged regulators to consider and encourage change by adding value without adding undue risk. Could you elaborate on that? What do you envision the energy utility of the future will look like and what role will NARUC and its members play in shaping that future?

Edgar: I did say, and I do believe, that change is here. Our job as utility regulators is to help bring some certainty into this fast-changing and uncertain dynamic. We must ensure safety, reliability, customer affordability, environmental sustainability and financial viability for all customer types as well as traditional utilities and newly emerging technologies and enterprises.

Our unique reality is that we have to regulate in the public interest for consumers, short term and long term, while our systems are in transformation. Therefore we must consider—and even encourage—the changes that are here and that are coming.

The utility business has historically been a fairly low-risk sector. Warren Buffett famously remarked that investing in utilities is a great way to stay rich but not get rich. However, it may be that the risk level in the industry is changing as new technologies and federal mandates come to the forefront. We often hear about the “utility death spiral,” an overused and overly dramatic phrase. Utilities, in one form or another, will continue. While many consumers embrace DG (distributed generation) systems, we need capacity and redundancy for our economy and public welfare to thrive.

The challenge before us, though, is to embrace change in a way that does not disrupt reliability or increase consumer risk. We need to be straightforward and vigilant, encouraging all stakeholders—from the utilities to the well-funded third-party groups—to keep the dialogue open and honest, to be transparent as to the benefits, the costs and the tradeoffs. We also need to find new ways to interact with our ratepayers and speak with them directly about the changes ahead.

I am excited about today and the future. States are tackling different issues at different times, but all of us are attentive to what’s going on. NARUC provides the opportunity for us to learn from each other, to hear from those in the trenches and to consider what might or might not work for our own states.

AGA: You also noted that it is the responsibility of both the regulator and the utility to communicate effectively and explain the need to balance investments with just and reasonable rates for consumers. As you know, in the natural gas distribution sector, local distribution companies across the country have been accelerating the replacement of pipelines no longer fit for service and, where appropriate, expanding service to unserved and underserved areas. NARUC has played a critical role over the course of the last two years in promoting
“WE NEED TO BE STRAIGHTFORWARD AND VIGILANT, ENCOURAGING ALL STAKEHOLDERS—FROM THE UTILITIES TO THE WELL-FUNDED THIRD-PARTY GROUPS—TO KEEP THE DIALOGUE OPEN AND HONEST, TO BE TRANSPARENT AS TO THE BENEFITS, THE COSTS AND THE TRADEOFFS.”

Edgar: U.S. dependence on natural gas as a generating fuel continues to grow. Pipeline capacity, however, in certain regions has not expanded to keep up with demand. This will become an even bigger issue as natural gas continues to grow in use as states address new federal environmental rules. We will explore these issues and opportunities during my tenure.

Traditionally, Florida utilities have tried to balance their power plant fleet with a mix of nuclear energy, coal, gas, renewables and purchased power to be better positioned to respond to the ever-changing fuel markets. Yet, in recent years, Florida and other states have been increasing reliance on natural gas in anticipation of tougher federal pollution standards and other factors. Nationwide, we’ve seen coal’s share of energy production fall to about 50 percent from more than 60 percent in 2003. Although we continue efforts to pursue and maintain a diverse fuel portfolio, natural gas remains the dominant fuel over Florida’s 10-year planning horizon, with 2013 usage at approximately 60 percent of the state’s net energy load.

The Florida Public Service Commission in 2013 approved a petition by Florida Power & Light Company—the state’s largest investor-owned utility—to enter into long-term contracts for natural gas to be transported through a 591-mile pipeline. The pipeline’s northern 465 miles is a joint venture of Houston-based Spectra Energy, a subsidiary of Sabal Trail Transmission, and a newly formed subsidiary of FPL’s parent company, NextEra Energy Inc., called U.S. Southeastern Gas Infrastructure LLC. The southern 126 miles, known as Florida Southeast Connection, is a subsidiary of NextEra.

Originating in Alabama, the pipeline will provide access to onshore gas supplies extracted from shale. Florida’s two other pipelines—the Florida Gas Transmission pipeline and Gulfstream pipeline—deliver gas primarily from offshore areas. The pipeline and gas transportation contract should benefit customers by mitigating supply interruptions and price fluctuations.

Edgar: Yes, absolutely. The safe and reliable operation of our utility infrastructure is a primary focus for every regulator and our professional staff. Even with all the good work that’s been done, this job is never finished. For example, we are learning more about the tragic explosion last March in New York, and too often we read of other incidents around the country. Our focus on safety and reliability will continue, not only on the gas side, but on the electricity side as well.

NARUC’s Committee on Gas and Subcommittee on Pipeline Safety will continue their leadership roles on safety issues. We have been blessed by outstanding leadership from our commissioners and staff, particularly our past president, Colette Honorable, now a member of the Federal Energy Regulatory Commission. We will continue to strengthen coordination with our colleagues at the National Association of Pipeline Safety Representatives and the U.S. Pipeline and Hazardous Materials Safety Administration.

Commissions are addressing the challenge of aging infrastructure each and every day. In Florida, we recently approved a cost-recovery mechanism for several gas utilities aimed at replacing cast iron and bare steel pipelines. Likewise, the overwhelming majority of NARUC members have implemented modernization plans. NARUC will also continue our discussions on methane emissions with the federal government. Again, our focus remains on safety, but a safe system is a clean and efficient system.

AGA: Another issue that you noted in your speech is the convergence and growing interdependence of natural gas and electricity. How have you as a regulator in Florida managed to create a robust natural gas infrastructure to support power generation needs in your state? Do you believe your experience in Florida can be instructive to other regions of the country?

As to whether Florida’s experience can be instructive to other states, NARUC members are continually learning best practices from our colleagues. Florida is a peninsular state, so we’re somewhat unique in how we must plan our fuel supply management and transportation. This can provide different perspectives for other states to explore, just as my Florida colleagues and I learn from other regions. As commissioners, our first priority in sharing and trading ideas is to ensure that customers are protected.

AGA: You have been a respected regulator for 10 years and have now achieved the great honor of being elected NARUC president by your peers. However, having had the opportunity to meet your wonderful family, I am struck by your ability to balance what I am certain is an incredibly busy schedule with your role as wife and mother. How have you been able to maintain such a healthy work-life balance?

Edgar: Thank you for the chance to mention my family. Clearly, I could not do this work and keep this schedule without their love and support.

My husband and I are the proud parents of two smart, kind and active teenagers. Our children have grown up watching FPSC hearings and coming to NARUC meetings. We believe it is important that they know something about the work we do and meet some of the people we work with. As to balancing work and family, my parents are my example. I’ve also been fortunate to have true friends and encouraging mentors over the years, giving sound advice and support through the highs and lows in life.

When the pressure intensifies, I think of a quote by Billie Jean King—“Pressure is a Privilege. It’s What You Do With It That Matters.” It is a privilege to do this work, it is a privilege to work for the public interest, and it is a privilege to work with my fellow Florida commissioners. It is also a privilege to raise our children, spend time with my family and grow old with my husband.

I am excited about the challenges ahead. ♦