

## **Reactive or Proactive?**

I have had the opportunity over the years to watch a lot of policy being made as well as the opportunity to jump in myself and help make some of that policy. A lot of policy that gets made in our electricity sector, as in any sector for that matter, is in reaction to something that has happened or that is happening which requires something to be done, whether it be enacting new policy or changing what exists.

That is reactive policymaking and it is an essential part of governing, with one caveat being that it should never be done in a knee-jerk fashion and instead done in a well-thought-out, well-vetted manner. The other caveat is that policymakers should not be reactive in the sense of taking "just-say no" positions and playing defense in the face of any changes that are proposed.

Proactive policymaking is harder.

Proactive policymaking requires leadership.

I would submit that most of us think of our elected and appointed government officials as leaders. We consider these people to have been put in a position of authority and responsibility and be our "leaders". We casually and formally refer to them that way.

Leadership is hard. Leadership can require a certain sense of the ephemeral world of people and politics, but not always. Good leadership also requires knowledge of subject matter or the ability to assemble and rely on key people with that kind of knowledge. Experience helps, but having less experience should not always be a negative, as long as the person puts in the time and effort to learn about the sector they are making policy in. In fact sometimes freshness is a wonderfully positive attribute in that it lacks the embedded

thoughts and assumptions that can come with swimming in the same pond for too long.

Many of our elected and appointed officials at both the federal and state levels are not real leaders, and that is OK. Take State Utility Regulators for example. While people new to the electricity sector may think that all regulators are there to change the system proactively, but that is not the mandate given to them.

Another incorrect assumption is that they are only there to protect the customer and that any changes they make to benefit the customer are changes they should make. But that's not the case. State regulators have to perform a balancing act. They can't only care about the customers and in the process screw a utility. Likewise, they can't be in the tank with utilities and do nothing to improve things for customers and the community.

It is the same on Capitol Hill and elsewhere in Washington.

One misconception I often encounter when I talk to people in our sector, with a special shout-out to the cleantech subsector, is that policy gets made only because a leader or group of leaders in some governing body has had the initiative to think it up, write it up and pass it. That does happen but as often as not that policy idea has been initiated and developed elsewhere by other parties. These "others" are "helping" the policymaker be a leader.

This is a key to our system of policymaking, not a drawback. We help our leaders be leaders.

As 2017 approaches, keep this in mind. At the federal level, the President-elect will not be steamrolling over the Congress - at least it has never happened and there is no sign of it now - and there are leaders in Congress that you

can work with and support (not with your dollars, but your expertise and in-kind support). In terms of state regulators, there are people in those positions that are showing leadership and you should likewise support them. Moreover, there may be people that can be turned into leaders with the right amount of support. Think about that for a minute.

In our rapidly changing electricity sector, being reactive is not enough. Technology is winning. Slow, reactive policy making may not cut it. Some of you out there need to be proactive. Don't assume the person next to you is the one that will do that. With apologies to JFK, ask not what your policymakers will do for you, ask what you can do for your policymakers.

Best,

Dan

PS - As I said in my introductory remarks to this issue of Update, I know you are probably already thinking about what to get me for Christmas. (: Well, no need to dwell on it, because right, while you have this email open, you can forward it to a colleague who you think would appreciate receiving Update. Please take a few seconds. I look forward to the bell on my tree ringing every time a new subscriber comes on board!

*Dan is the President of Wedgemere Group. Follow him on Twitter [@dandelurey](https://twitter.com/dandelurey).*

---