

# Four Learnings from REV Connect



Nine Voices from NY Utilities,  
Government, Other Thought Leaders

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Reforming the Energy Vision, commonly known as REV, set bold goals for New York’s energy future to build a cleaner, more resilient, and affordable energy system for all state citizens. These goals include reducing greenhouse gas emissions by eighty percent by 2050 and ensuring fifty percent of New York’s electricity will come from renewable sources in 2030.

REV envisions a foundational network platform for the electric grid, the Distributed System Platform, that will enable market-friendly connections among providers of distributed energy resources, large-scale power generators, customers, and other energy system stakeholders.

Bold goals in energy transformation need new approaches to reach them. Across the industry, the needs of the energy transformation – agile, flexible solutions – are often in direct conflict with the years-long regulatory approval processes and the conventional utility-supplier relationship.

“We do not view innovation as a nice to have. We view it as a need to have,” Janet Joseph, senior vice president of strategy and market development at New York State Energy Research and Development Authority, said. “We cannot continue to do business the same way we have been and transform the energy system to the degree it needs to be changed.”

New York identified several barriers to the innovation and collaboration needed to make REV a reality: A mismatch between the large volume of inbound project ideas and limited utility bandwidth to assess technical readiness; A lack of awareness of the points of contact for each utility; Insufficient or untimely feedback to ideas; A lack of easy access to information about the numerous opportunities; and an insufficient process to share learnings.

A key question arose from these issues. How do we transform both the business model and the conventional utility-supplier relationship and address barriers to effectively realize the vision proposed by REV?

### Enter REV Connect

New York State launched REV Connect, a centrally managed online portal combined with a team of experts who oversee its content curation and idea submissions. REV Connect addresses these barriers by bringing companies and electric utilities together to accelerate innovation, develop new business models, and deliver value to New Yorkers.

It helps companies that offer distributed energy and smart-grid solutions to connect with utilities and develop high quality REV demonstrations and other innovative projects.

Utilities engage REV Connect to broadcast their REV

## How do we transform the business model and conventional utility-supplier relationship to effectively realize the vision proposed by REV?

activity in one place, and providers browse the utility marketplace in one place. In contrast to traditional request for proposal efforts, the simple initial submission processes are key elements for REV Connect.

**REV Connect Facilitation:** The REV Connect team assesses submissions to ensure the idea meets the minimum requirements, facilitation criteria, and fitness for utilities. The work is focused upfront to enable utilities to source more

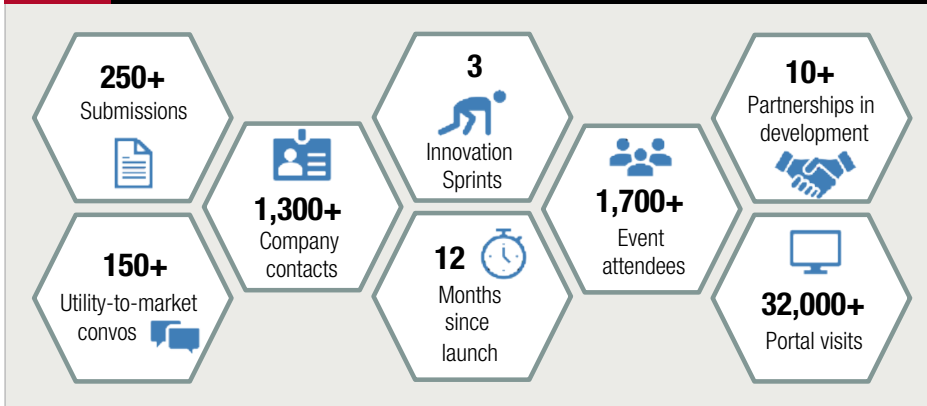
innovation from the market and to coach submitters to put their best business case forward. If a match is made, the utility and the solutions provider work together directly to reach a business deal.

**REV Connect Innovation Sprints:** Innovation Sprints focus attention on timely and specific utility needs for innovative energy partnerships. A three-month time-bound process, Innovation Sprints kick off with a webinar, drive toward a submission deadline, and culminate in a workshop for an area, such as energy efficiency.

REV Connect is organized around a unique governance structure that consists of a Steering Committee. The Steering Committee has representatives from across the industry, including NYSERDA, New York State Department of Public Service, Con Edison, Central Hudson Gas and Electric, National Grid, Avangrid, and Advanced Energy Economy, as well as the New York Power Authority, Long Island Power Authority, PSEG Long Island, and Navigant Consulting, Inc.

Administered by NYSERDA, the REV Connect team includes

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**FIG. 1****REV CONNECT BY THE NUMBERS**

facilitation partners Navigant and the New York Battery and Energy Storage Technology (NY-BEST) Consortium.

### Key Learnings from REV Connect

Since the August 2017 launch of the REV Connect platform, four key learnings from stakeholders provide context on how they are transforming their approaches to innovation.

The following industry experts provide perspectives: Michelle Bebrin, associate director, Navigant; Justin Bell, director, rates and regulation, LIPA; Laura Butler, director, digital customer experience, Central Hudson Gas and Electric; and John Cerveney, director, resource development, NY-BEST.

Additional industry experts providing perspectives include: Margaret Jolly, director, REV demonstration projects, Con Edison; Janet Joseph, senior vice president, strategy and market development, NYSERDA; Ryan Katofsky, vice president, industry analysis, Advanced Energy Economy; Marco Padula, acting director, markets and innovation, NYSDPS; and Guy Sliker, director, integrated grid, NYPA.

### Ensure the Process of Innovation Is Innovative

**Marco Padula of NYSDPS:** Our first approach [to REV Connect] was: ‘Bring us your ideas and we’ll work it through this process and we’ll connect you with a utility and if things happen, things happen.’

There wasn’t a time horizon associated with it. Then we moved to a [REV Connect Innovation Sprints] approach, and it made a significant difference. We put a timeframe and said, ‘Let’s do a sprint for energy efficiency innovation.’ We gave deadlines to submit proposals, get feedback, meet with utilities, and develop a business plan.

It put a sense of urgency into the process and made utilities and solutions providers come to the table and think about these ideas

in and address those specific needs. While REV Connect focuses on enabling innovation, it is also innovative itself.

From the beginning, we’ve taken the stance of “let’s just stop talking about innovation and do it.” It’s going to be messy. It’s going to be hard.

We’ll have to try new things, do some differently, pivot where needed, but if we keep the core focus on our fundamentals – supporting innovative business models in partnership between utilities and the market – we’ll be heading in the right direction.



**Justin Bell of LIPA:** If you can interact face-to-face with the solutions providers, rather than having them come through a long, formal RFP process, there are hundreds of decision points and tweaks and variations you can make to any of these business models to make them more responsive to the utility’s needs.

Having real-time feedback and dialogue between the utility and the solutions provider enables you to hone-in more quickly on the best ideas you want to scale.

### Demonstrate Business Models, Not Just Technologies

**John Cerveney of NY-BEST:** When most market participants take on a demonstration project, they think technology demonstration and “I got this new thing; let’s go try it out.” What’s different

in a much more constructive way.

### Michelle Bebrin of Navigant:

There’s a balance to be struck so that innovation isn’t so structured that it stifles innovation. At REV Connect, we structured a process that utilities and the market could orient their resources around, while staying focused on identified utility business needs.

At the same time, we realized our process needed to be open to allow for innovative ideas to come

with REV Connect is the focus on the business model, not the technology. It's been a learning process that has caused us to zero in on innovation in the ways we do business.

**Margarett Jolly of Con Edison:** We've had areas where we were able to identify that someone had the right technology but wasn't necessarily thinking longer term about the right financing model that could be scalable.



In these instances, they were able to think about that and tee up industry players with expertise in different areas that together can make something work.

**Guy Sliker of NYPA:** When a new solutions provider has proven its technology in a pilot or other demonstration, it faces the next major hurdle of being able to meet the commercial needs of customers.

This hurdle can be very difficult for new solutions providers, so we help them by providing transparency on customer commercial terms and how the products can provide value in the marketplace.

### Redefine Old Relationship Patterns

**Janet Joseph of NYSERDA:** The long-standing relationship between utilities and other companies was really a vendor-purchaser relationship. “I’m a utility, I issue an RFP, I review the proposals, I make a purchase.”

That’s not the innovation model. We had to work with our utility colleagues and our solutions providers to pivot it to more of a partnership model that can identify and scope out business opportunities.

**Laura Butler of Central Hudson:** Now, we have a much larger pool of solutions providers to work with. They’re realizing that it’s not a “it’s either you or them” kind of situation anymore.

Solutions providers must be able to work together and collaborate. Solutions provider relationships were never like that.

Now, they’re recognizing they must team together.

**Ryan Katofsky of AEE:** We’ll often hear people talking about the vendor-to-utility relationship. REV Connect has started to change that framing a bit. Don’t think of these companies as vendors or suppliers, but as partners.

### Create a Safe Space to Innovate

**Laura Butler of Central Hudson:** The partners we’ve been working with have been very receptive to our ideas for innovation. They come back with a different spin on that idea, and we may debate that because we don’t always agree.

But we have healthy dialogue and create new things. We have successfully rolled out something new every single quarter, which is a pace that, historically, we’ve never been able to execute. That’s something we’re proud of.

**John Cerveny of NY-BEST:** There’s a set of individuals at each utility now who, as part of their job, think about new business models, new ways to deploy technology, and partnering with industry participants in new ways.

That is a significant accomplishment. When people start to get recognized for doing this kind of work, it produces positive results and puts us mutually onto the path toward realizing REV.



### Looking Ahead

Stakeholders involved with REV Connect have learned a great deal, but the challenges and opportunities of creating new approaches to energy innovation are not exclusive to New York.

The concepts of innovating on long-held processes, rethinking traditional relationships, and creating spaces to innovate can readily apply to utilities and other key stakeholders delivering on what’s next for energy. We plan to explore how to do this in future articles. **PUF**