

Connect the Dots:  
How will **ET & SMART Grids** Transform the  
Future of Regulation?



Building Cultures of Compliance

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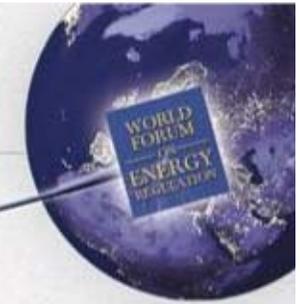
World Forum on Energy Regulation IV  
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# Energy Technology Era



- New politics – uncertainties – ET Era
- Banking, auto, global credit crises
- Calls for more effective rules & regulation
  - Requiring more detailed assessment of
    - Internal programs & Cultures of Compliance & Leadership
- ET revolutionizes the world/work =>SMART Grid
  - central to jobs, environmental focus and economic recovery
- A Capabilities Maturity Model will be needed

- Resource Scarcity
- Energy Poverty
- Global Warming
- Petro Dictatorship
- Loss of Species



# Sentencing courts consider six factors of culpability



## Four may increase punishment of an organization

1. Management involvement or tolerance of criminal activity
2. Prior violation history
3. Disregard of earlier court orders
4. Obstruction of justice

## Two factors may mitigate penalties

5. Existence of an effective compliance and ethics program
6. Combination of the leadership's efforts in
  - self-reporting
  - cooperating with the authorities
  - accepting responsibility



*Sentencing Guidelines Manual, Nov 1, 2008*



# Effective Compliance & Ethics Program

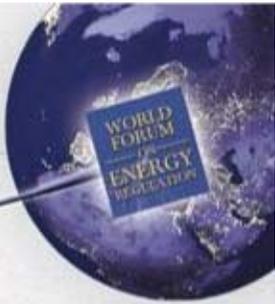


## *Suggested Components for Culture of Compliance*

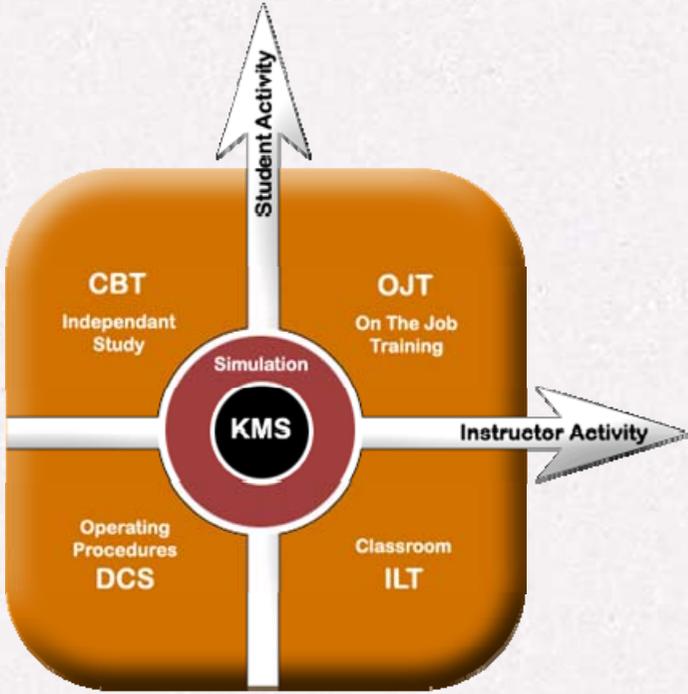
1. Standards and procedures
2. Compliance oversight – High-level responsibility
3. Trustworthy professionals – with authority to act
- 4. Training & Communication (LEARNING)**
5. Monitoring and auditing
6. Enforcement and discipline – consistency
7. Response and prevention



# Training Delivery for Adult Learning Moves from Professionals to Teams

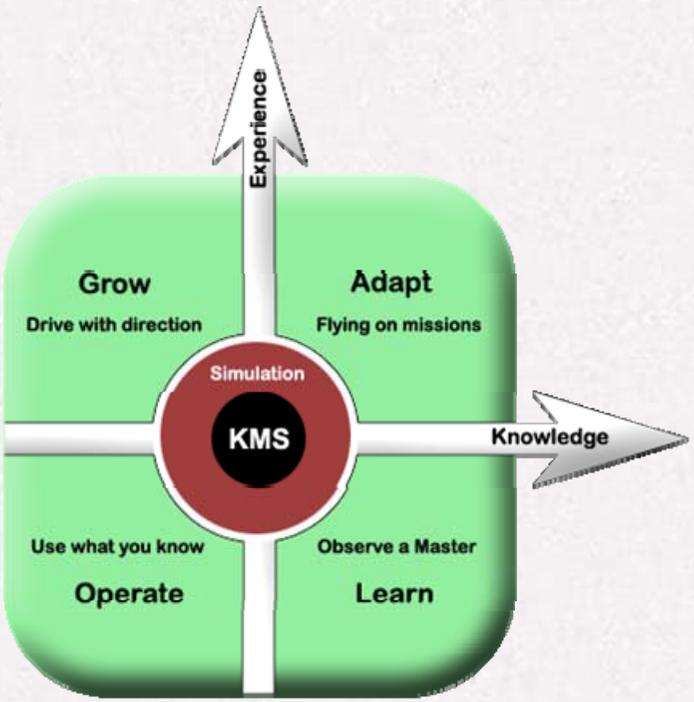


## Multi-Modal Training Delivery



Professionals

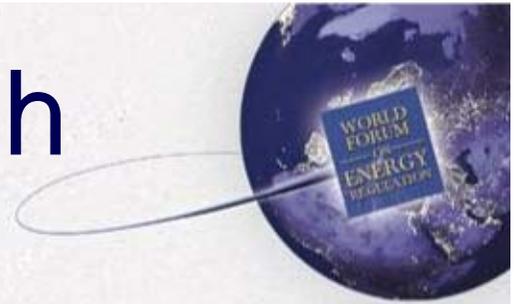
## Team Training with Simulation



Teams



# Build Expertise through Metacognition

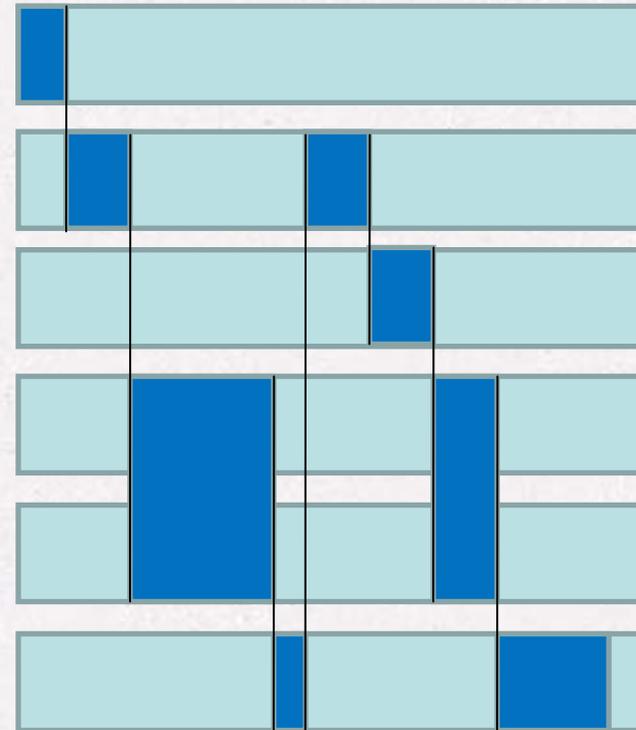


Novice Pattern



- Read
- Analyze
- Explore
- Plan
- Implement
- Verify

Expert Pattern

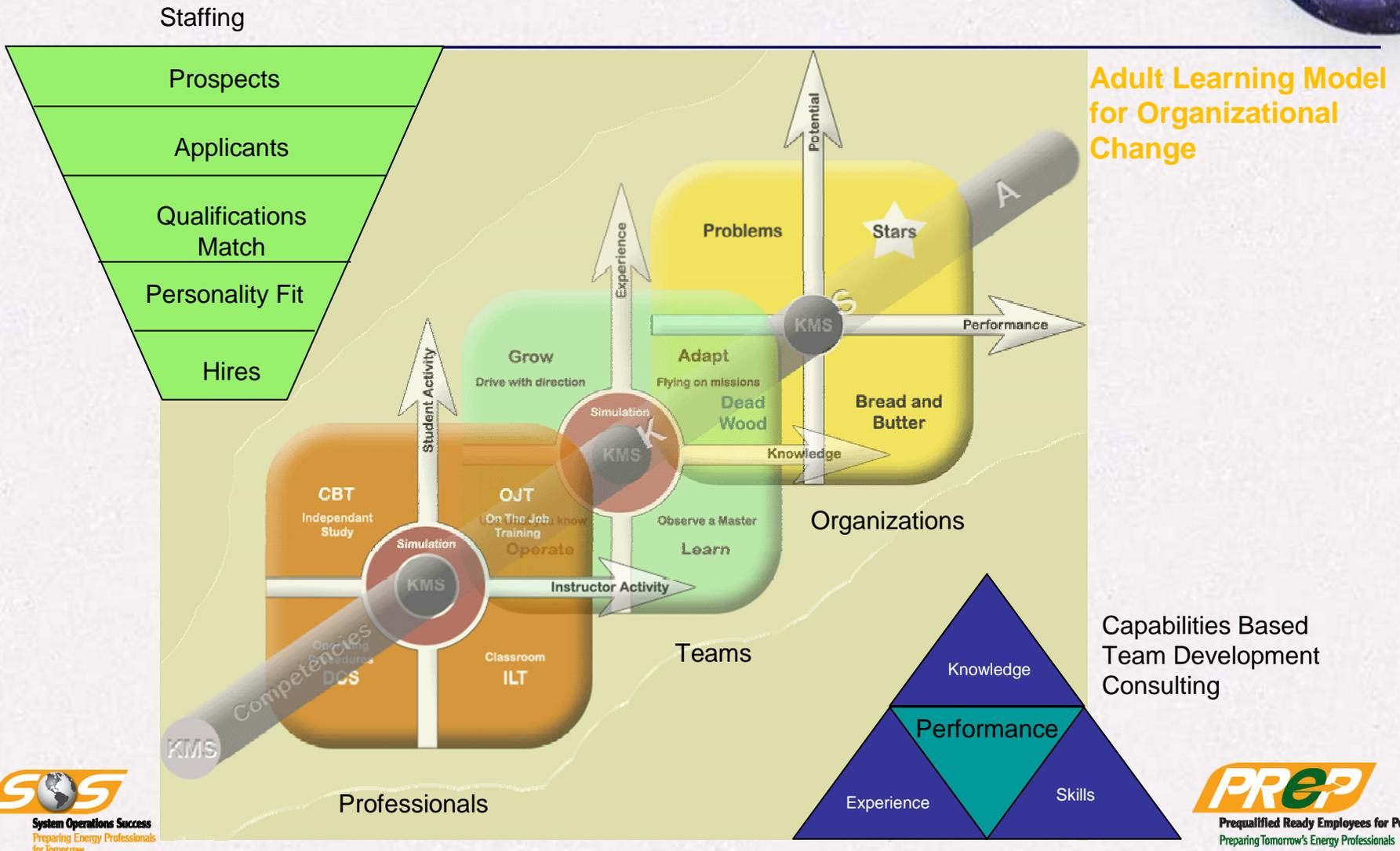
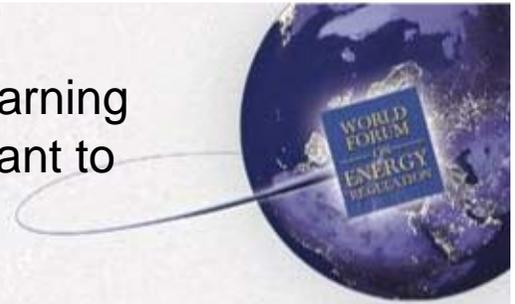


Pam Ey, PhD and Jeffrey Sill

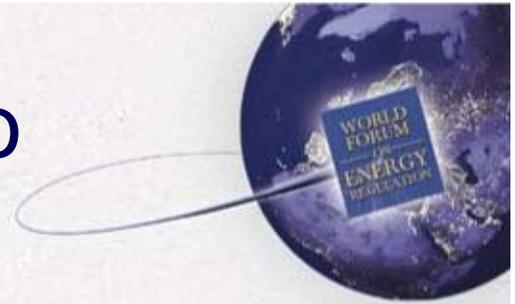


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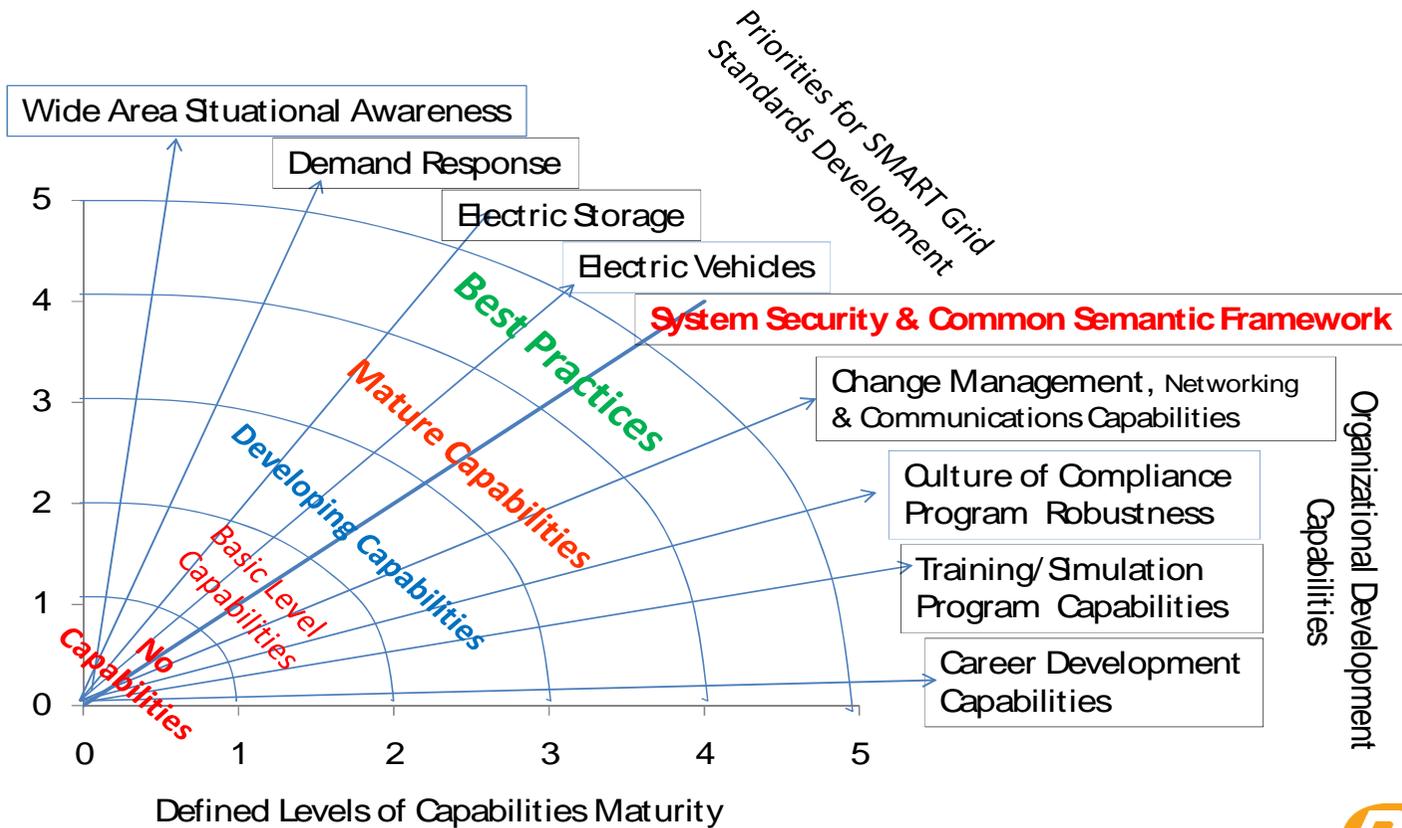
# Integrating effective Professional and Team Based Adult Learning with Staffing and Team Development is increasingly important to effective regulation and compliance.



# SMART Grid brings pressure to Evolve Capabilities



Using a Capabilities Maturity Model (CMM) defines where energy organizations are on several critical dimensions of maturity and SMART Grid Implementation



Regulators must develop tech savvy to keep pace.

