# Sustainable utility matters: E Source Digital Grid Solutions

An interview with Ted Schultz, CEO of E Source
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## Sustainable utility matters: E Source Digital Grid Solutions

We recently developed and launched E Source Digital Grid Solutions to accelerate our clients' journey to becoming a Sustainable Utility—one that's environmentally responsible, equitably delivers safe and reliable energy, and is financially stable.

I sat down with E Source CEO Ted Schultz for an insightful discussion about how our suite of Digital Grid Solutions expertly blends industry-leading research, predictive data science, and solution services to help utilities make better decisions to support their customers, their bottom line, and our planet.

### Predictive decision support for the Sustainable Utility

Fill out this short form to start a conversation about your needs and how we can help.

**Sannie Sieper.** Congratulations on launching the E Source Digital Grid Solutions suite. Why is this important news for utilities?

**Ted Schultz.** As I've described before, utilities are under enormous pressure to transform—they need to decarbonize; they need to invest in their grids to make them more reliable, resilient, and safe; and they need to accomplish all this in a way that's equitable and affordable. It's an extremely tall order and one E Source is 100% dedicated to helping accomplish. We frame this challenge through the lens of what we call the Sustainable Utility—the transformational end point (greener, more reliable, more equitable, etc.) toward which all utilities are driving.

Our Digital Grid Solutions help utilities on a few of these key fronts, particularly reliability and affordability. Through years of hard work marrying hands-on data science and AI breakthroughs with a singular focus on the challenges utilities face, we've developed very effective solutions for Vegetation Management, Storm Insight, and Capital Optimization. And while we've done successful work across

dozens of different use cases, we've intentionally productized our efforts in these particular areas because that's where our clients are seeing the biggest opportunities for reliability improvements and cost optimization, which are key in keeping rates affordable. These are big-ticket items common across utilities and we have an opportunity to add millions of dollars in value by focusing our grid-related solutions there.

We're very good at using data to identify risk across the grid with astounding granularity, and we can now bring the cost side of the equation into play not only to answer, *Where is my risk?* but also, *Given the risk across my system, what should I do about it?*

So, what's so different about what we're doing? It's all rooted in risk-spend efficiency. We're very good at using data to identify risk across the grid with astounding granularity, and we can now bring the cost side of the equation into play not only to answer, *Where is my risk?* but also, *Given the risk across my system, what should I do about it?* Put another way, we're now able to help utilities predict the reliability and return on actions they take to reduce risk on their grids.

This has huge implications for how utilities organize their capital planning and present their capital cases to their boards and regulators as well as for how they carry out vegetation and storm-response programs. With regard to vegetation management specifically, our risk-spend-efficiency approach is a powerful complement to the cadence-based tree-trimming approach most utilities use. When you put the two together, our utility client partners are seeing a 20% improvement. Given the size of annual vegetation management budgets—some in excess of $100 million—a lot of money can be reallocated to boost reliability or resiliency measures, further accelerating a utility on its Sustainable Utility path.

**SS.** Besides the risk-spend-efficiency approach, are there any other key differentiators that make E Source Digital Grid Solutions noteworthy?

**TS.** There are many, but I'll focus on two. The first is configurability. As someone in his 40th year in the utility space (both as a solutions buyer and now a provider) I can't overemphasize how important it is for utilities to embrace *configurable* solutions. In the old days, everything had to be customized, which typically translated into "long, arduous, and expensive legacy systems" that often didn't deliver results as billed. Unfortunately, a lot of utilities are still falling into that trap.

## Learn more about E Source Digital Grid Solutions

Visit our Digital Grid Solutions web page for more information on how we help utilities identify risk across the grid and then prioritize what they do about that risk to improve safety and reliability most efficiently and affordably.

It doesn't have to be that way. Our Digital Grid Solutions are the product of years of experience partnering with utilities to solve specific grid problems. This means neither you, nor we, have to reinvent the wheel. With AI, our solutions configure to a utility's data from day one, giving our client partners a huge speed-to-value advantage over custom builds.

The second big differentiator is simply that we've put in our time—our version of Malcolm Gladwell's 10,000 hours. E Source focuses solely on utilities. We've learned so much at the forefront of data science for utilities over the last 10 years, and it shows. One client recently summarized this for me, and

it was music to my ears, praising the E Source Data Science team not only for its data and statistical capabilities but also for how they were able to apply it because they really understand utilities—a unique combination and worth its weight in gold.

**SS.** E Source has historically been known for its customer-side research. Does today's news about Digital Grid Solutions represent a departure?

**TS.** No. It's really a case of *and*, not *or*. E Source has actively acquired companies over the last two years to round out its capabilities in research and advisory, predictive data science, and solution services. In fact, we just announced our acquisition of Distributed Energy Financial Group (DEFG), a leader in providing customer equity research and advisory services for utilities, boosting our capabilities for utilities' low- and moderate-income segments.

We're amassing and combining in exciting new ways the research, data science and AI applications, and solution services our client partners need to improve the grid, make it greener, and make it more equitable—all while keeping rates affordable.

The important thing to understand about E Source is our dedication to helping utilities become a Sustainable Utility. We're amassing and combining in exciting new ways the research, data science and AI applications, and solution services our client partners need to improve the grid, make it greener, and make it more equitable—all while keeping rates affordable. So, to that end, we need solutions for the grid side *and* the customer side of a utility's business, and we're providing just that.

Look for more from us soon regarding our customer-facing solutions. As cries for customer equity grow louder and as utilities seek to expand distributed energy resources they can absolutely count on, solutions that can bring the kind of granular depth and breadth to the customer side that we're demonstrating on the grid are going to be in demand. E Source is going to be there to meet that demand.

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