

## Strategic Consensus

- North American electricity executives picture their industry as a more to a more conservative regulated integrated business with less competition compared to what was expected only a few years ago.
- It will also be a business with more intense customer relations as real-time internet technology takes hold. In the near term, at least, executives do not believe that new entrants will compete against them in selling electricity to retail customers.
- Investor-owned companies believe they can forge deals with regulators that provide companies with sufficient organic growth and margin.
- The obligation to serve and provide resource adequacy is resurging.
- Almost all executives believe that there will be increasing pressure to control greenhouse gas emissions and that they will have to increase their capex considerably in the future.

## Strategic Consensus...2

- **Natural gas prices will not favor building more gas-fired generation.**
- **The regulatory environment will also allow them to lock in long-term returns on large new generating plants—renewable, nuclear and coal.**
- **There will be more mergers but small and mid-size companies will continue to dominate.**
- **More transmission will be built but there will still be uncertainties about regulating the grid and about pricing of competitive wholesale power.**