

Becoming a Sandbox Champion

Regulatory Sandbox Design and Implementation for Advanced Grid Technologies



Research indicates that many sandboxes in the U.S. have come to fruition due to strong leadership by an influential utility commissioner, regulatory staff member, or other champion. Consider these ideas to become a champion for regulatory sandboxes at your organization. For more information, see: [*Regulatory Sandboxes and Other Processes to Expedite Utility Adoption of Advanced Grid Technologies.*](#)



Become an Expert

Goals	<ul style="list-style-type: none">• Understand what regulatory sandboxes are, why they are important, and how they are generally structured and operate.• Identify how innovation currently fits into your jurisdiction's utility regulatory framework and whether it is producing desired effects.• Be the go-to person for questions on the subject and feel confident in leading an initiative to develop a regulatory sandbox.
Activities	<ul style="list-style-type: none">• Review materials in this Toolkit, associated research, additional literature, and relevant regulatory filings for existing sandboxes.• Conduct research on existing innovation programs at utilities in your jurisdiction (e.g. research and development [R&D] budgets and efforts and pilot programs) and their results.
Questions to Ask	<ul style="list-style-type: none">• Which utility staff members are responsible for innovation?• What is the utility's current budget for R&D and pilots and how is it allocated?• How does the utility identify when to run pilots or demonstrations?• What results have R&D and pilot efforts produced? Have any efforts scaled?
Example	The Hawaii PUC identified that a new performance-based regulation framework could hinder innovation by strongly incentivizing cost control.



Identify the Value Proposition

Goals	<ul style="list-style-type: none">• Gain understanding on how regulatory sandboxes can help to meet the most pressing challenges in your jurisdiction in order to communicate the potential of these mechanisms to colleagues and decisionmakers.• Collect success stories to demonstrate the tangible value of sandboxes.
Activities	<ul style="list-style-type: none">• Articulate the challenges that utilities face in your area and how regulatory and technological innovation could support transformational outcomes.• Explore the Toolkit's project library and other sandbox databases to identify completed projects aligned with the challenges in your jurisdiction and their results.
Questions to Ask	<ul style="list-style-type: none">• What are the most pressing challenges facing utilities?• What trials or pilots have other utilities run on these topics and what are the results?• How is the current regulatory framework limiting innovation? What specific rules, guidelines, or processes create hurdles and hinder desire to innovate?
Example	The North Carolina Public Utilities Commission identified a need to rapidly test new technologies and expand innovation in order to meet state policy mandates, including a need to depart from the business-as-usual approach to facilitate expedited regulatory approval of pilots.



Generate Enthusiasm

Goals	<ul style="list-style-type: none">• Garner support for regulatory sandboxes as a tool for meeting state, regulatory, and utility goals.• Generate stakeholder buy-in and reduce future friction in a formal proceeding.
Activities	<ul style="list-style-type: none">• Host an internal educational session or a public workshop on the topic of regulatory sandboxes.• Communicate findings on the current innovation landscape in your jurisdiction, sandbox mechanisms, and how sandboxes have been deployed to address similar challenges to those in your jurisdiction.• Articulate the benefits of sandboxes for utilities (expedited review, more certain cost recovery, etc.), consumers (improved reliability, access to innovative services, etc.), and regulators (faster achievement of goals, administrative efficiency, improved resilience, etc.).
Questions to Ask	<ul style="list-style-type: none">• What specific outcomes would be most exciting to see from a regulatory sandbox?• What challenges do stakeholders foresee with regulatory sandboxes in this jurisdiction and what mitigations could we consider to improve comfort with the mechanism?
Example	The Maine Public Utilities Commission hosted a workshop on how a sandbox mechanism could be deployed to meet resilience and storm recovery efforts, including looking at examples of resilience projects in other jurisdictions.



Capitalize on Momentum

Goals	<ul style="list-style-type: none">• Initiate a formal proceeding to develop a regulatory sandbox.• Reduce administrative burden and streamline work required in order to smooth the path to developing a sandbox mechanism.
Activities	<ul style="list-style-type: none">• Develop an internal, cross-functional team to work on regulatory sandboxes and identify roles and responsibilities.• Examine opportunities to engage external technical support, including a third-party program administrator, as resources permit.• Identify a possible venue for exploring sandbox development (e.g. an existing proceeding, a new proceeding, informal working groups).• Develop a straw proposal using and adapting the Toolkit’s model straw proposal.• Initiate a proceeding by filing the straw proposal, including a thoughtful timeline and schedule of events for the proceeding.
Questions to Ask	<ul style="list-style-type: none">• Which staff can fill cross-functional roles on an internal team to develop a regulatory sandbox?• What concerns have stakeholders articulated that we can consider and mitigate in the straw proposal?• What modifications to the model straw proposal could best support jurisdiction-specific goals?
Example	Stakeholders in North Carolina worked together through a series of workshops to develop joint proposed guidelines for a rapid innovation prototyping sandbox mechanism.



Communicate Progress

Goals	<ul style="list-style-type: none">• Maintain focus on implementing a successful sandbox mechanism.• Expand the reach of the sandbox mechanism to garner the best ideas and broader participation from new innovators and stakeholders.• Build an evidence bank for projects to reduce the need for other entities to pilot the same types of initiatives in the future.
Activities	<ul style="list-style-type: none">• Establish an ongoing forum for regular, candid stakeholder discussion on sandbox progress, challenges, and problem-solving.• Use a variety of tools to publicly disseminate sandbox information.• Provide internal briefings for staff and Commissioners.
Questions to Ask	<ul style="list-style-type: none">• What is going well with regards to the sandbox mechanism and what challenges are we facing?• What audiences are we reaching and who might we newly bring into the process?
Example	The American Public Power Association’s DEED program uses a newsletter, webinars, and project library to broadly communicate successes and learnings from the program.