

KPMG Executive Insights: The Coordination Gap

Why Utilities Must Lead the AI-Energy Convergence



Brad Stansberry

*Energy & Natural Resources
Consulting Leader
KPMG US*

Brad has more than 25 years of experience delivering results on complex projects for finance function leaders in the energy and utility industry. He also has the privilege of leading the KPMG Energy and Chemicals Advisory business. Brad's focus is on helping CFOs and finance executives in the energy and chemical industries to run the "business of finance" better. This includes a focus on defining finance organization strategy and objectives, improving finance processes, deploying enabling technologies, enhancing finance talent and skills, and being a more valued service provider to business constituents.



Adrian Leaf

*SAP Platform Leader
KPMG US*

Adrian serves as the SAP Platform Leader for KPMG US and brings nearly 25 years of experience helping organizations execute large-scale business transformations enabled by SAP. His focus is on helping executives modernize their operating models, align technology strategy with business objectives, and realize value from enterprise platform investments. This includes a focus on business transformation, enterprise architecture, SAP-led modernization, data and technology strategy, and helping organizations build the digital core needed to support AI-enabled processes, intelligent operations, and broader ecosystem collaboration.

Energy and compute are converging faster than the market structures needed to coordinate them. That gap is no longer theoretical: over the past year, the U.S. Department of Energy has invoked emergency authority three separate times just to keep large regions of the grid online—and each event has been closer to the edge than the last. The question for this panel is not whether utilities should own the coordination layer between AI infrastructure and the power system—it's whether they will choose to, before someone else does.

"Three emergency orders in six months isn't a coordination strategy. It's the consequence of not having one."

– Brad Stansberry

The utility industry is approaching an inflection point as AI-driven demand growth collides with mounting grid reliability pressures. While utilities possess unique advantages, including control of the grid, trusted customer relationships, and critical infrastructure, most are using those assets defensively rather than as a foundation for new value creation. At the same time, hyperscalers, telecom providers, and other ecosystem players are moving quickly to build the coordination capabilities needed to manage a more dynamic energy landscape. The question is no longer whether a coordination layer will emerge, but who will own it, leading utilities to choose among three distinct strategic paths: Host, Market-Maker, or Platform.

In conversation with ASUG, KPMG leaders Brad Stansberry and Adrian Leaf discuss how AI, data center growth, and electrification are reshaping the utility industry. Building on the KPMG Energy Orchestrator thought leadership series, they explore the strategic choices and enterprise capabilities utilities will need to lead in an increasingly connected energy and compute ecosystem.

Q: For decades, utilities have powered economic growth, but the nature of that growth is changing. AI, data centers, industrial reshoring, electrification, and energy transition are creating new demand, new investment, and new expectations for reliability and resilience. At the same time, these forces are making the grid more complex to plan, operate, and coordinate. How should utility executives think about this moment, and what strategic role should they be preparing to play?

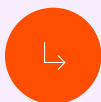
BS: I see this as a tremendous opportunity for utilities. AI, data centers, electrification, and energy transition are all driving new demand and investment, but they're also making the grid more complex to coordinate.

In KPMG's [Energy Orchestrator](#) thought leadership series, we've been exploring a simple question: as energy and AI-driven compute become increasingly interconnected, who will coordinate that ecosystem? Utilities are uniquely positioned to play that role because they already have the infrastructure, operating expertise, and trusted customer relationships.

The real strategic choice is whether they participate as a Host, create value as a Market-Maker, or lead as a Platform that helps orchestrate the broader ecosystem.

Recent grid events underscore the urgency, but the bigger question is how utilities build the capabilities to coordinate energy, capacity, and demand before those pressures become constraints on growth.

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Q: And that's exactly where I'd like to take the conversation, into the operating model, technology foundation, AI capabilities, and governance needed to make that vision a reality. If utilities are becoming increasingly central to economic growth, technology infrastructure, and energy resilience, what strategic role should they play going forward? Are they simply providers of energy, or do they have an opportunity to create new value by helping coordinate a more complex energy ecosystem?

BS: The mission hasn't changed. Utilities are still focused on providing safe, reliable, and affordable power.

What has changed is the environment around them. AI, data centers, electrification, and distributed energy resources are creating a far more interconnected ecosystem.

In our Energy Orchestrator series, we suggest that utilities have an opportunity to do more than supply energy. They can help coordinate the interactions between resources, customers, and large loads in ways that create new value.

Whether they choose to participate as a Host, a Market-Maker, or a Platform will depend on their strategy and ambition. The real question is not whether this change is coming, but what role utilities want to play in shaping it.



Q: As utilities support growing demand from AI, data centers, electrification, and new energy resources, many leaders recognize they need new operating models. What role does a modern enterprise platform play in making that transformation possible, and how does it prepare utilities to take advantage of AI?

AL: I think the key point is that AI isn't the starting point. The starting point is having an integrated foundation that connects your assets, operations, workforce, customers, and financial processes.

As utilities become more complex, leaders need a common source of truth and connected processes that allow them to make faster, more informed decisions. That's where a modern platform like SAP S/4HANA comes in.

Whether a utility chooses to be a Host, Market-Maker, or Platform, success depends on trusted data and an integrated enterprise foundation.

Once that foundation is in place, AI becomes much more powerful because it can work across end-to-end business processes rather than isolated systems. That's what ultimately enables utilities to operate smarter and respond more effectively to a rapidly changing energy landscape.

Q: We've talked about the enterprise foundation. Where can AI and intelligent agents create practical value for utilities as they manage growth, complexity, and new forms of coordination?

AL: I think it's important to start with the business challenge. Utilities aren't adopting AI because it's new. They're adopting it because the industry is becoming more complex.

As demand grows and the ecosystem expands, AI can help improve forecasting, planning, operational efficiency, and decision-making across the enterprise.

But the real value isn't automation. It's helping utilities respond faster, make better decisions, and operate at a scale and speed that simply isn't possible through manual processes alone.

Ultimately, the same AI technologies driving new energy demand can also help utilities coordinate the increasingly complex energy ecosystem being created around them.

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Q: Let's wrap this up with each of your perspectives on the future. In one sentence, what will separate the utilities that lead from the utilities that follow over the next decade?

BS: The utilities that lead will intentionally choose the role they want to play, whether Host, Market-Maker, or Platform, rather than letting someone else build the coordination layer around them.

AL: The utilities that lead will build the enterprise foundation that connects data, processes, assets, and partners so AI can scale across the business and create measurable value.



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