



Energy Technologies Area

Lawrence Berkeley National Laboratory

# Michigan Public Service Commission Integrated Resource Planning Stakeholder Group Meeting

**Tom Eckman and Natalie Mims**

**August 8, 2017**

This work was supported by the DOE Office of Electricity Delivery and Energy Reliability under Lawrence Berkeley National Laboratory Contract No. DE-AC02-05CH11231.

# Today's Agenda

Time	Content
9:00 – 10:00 am	Review of IRP content and development process <ul style="list-style-type: none"><li>• Focus on treatment of efficiency and demand response</li></ul>
10:00 – 11:00 am	Time-varying value of energy efficiency research
11:00 - Noon	Uncertainty and Risk Analysis
Noon – 1:30 pm	Lunch break
<b>1:30 – 3:30</b>	<b>Stakeholder engagement</b>



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# Stakeholder Engagement in Integrated Resource Planning

**Natalie Mims**

**Presented at the Michigan Public Service Commission**

**August 8, 2017**

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# Overview

- ◆ Stakeholder engagement in IRP
- ◆ Michigan stakeholder engagement requirements
- ◆ Case studies
- ◆ Observations for developing a stakeholder engagement process in Michigan

## Stakeholder engagement in integrated resource plans

- ◆ Many states have a stakeholder engagement component in their integrated resource planning and procurement processes
- ◆ Reasons for stakeholder engagement include:
  - Educate stakeholders on utility plans
  - Improve transparency of utility decision making process for resource planning
  - Create opportunity to provide feedback to the utility on its resource plan
  - Encourage robust and informed dialogue on resource decisions
  - Reduce utility regulatory risk by building understanding and support for utility resource decisions

# IRP Stakeholder engagement in Michigan: Act 341

- ◆ New legislation creates many opportunities for stakeholder engagement in IRP and beyond
- ◆ Integrated Resource Plan (Act 341 section 6(t)7)
  - Contested case proceeding
  - Commission SHALL allow intervention by interested persons “including electric customers of the utility...[and] other parties approved by the commission.”
  - Reasonable discovery SHALL be permitted to interested persons

# Stakeholder engagement case studies

- ◆ Eight states: Arkansas, Colorado, Georgia, Hawaii, Indiana, Minnesota, Nevada, Oregon
- ◆ Review and discuss variety of topics related to stakeholder engagement:
  - Case study context: type of IRP proceeding, timing of stakeholder engagement, overview of stakeholder engagement process, IRP and Commission action on IRP
  - Opportunities, uses and commission support for stakeholder comments
  - Stakeholder group membership and meetings
  - Access to utility data

# Case Study Context

# Stakeholder engagement in IRP is a diverse patchwork of policy



# Types of IRP proceedings

- ◆ Type of proceeding for IRP varies from state to state.
  - ❑ Arkansas: Informational purposes
  - ❑ Colorado: Adjudicatory proceeding (contested case)
  - ❑ Georgia: Contested case
  - ❑ Hawaii: Investigatory proceeding
  - ❑ Indiana: Un-docketed submission
  - ❑ Michigan: Contested case
  - ❑ Minnesota: Not contested case proceeding
  - ❑ Nevada: Contested case
  - ❑ Oregon: Not contested case proceeding

# Timing of IRP Stakeholder Engagement

- ◆ Timing of stakeholder engagement varies widely
- ◆ Allowing or requiring stakeholder engagement prior to the IRP being filed is more likely to promote changes in IRP in the current planning cycle

## Before and after the IRP is filed

- ◆ Arkansas
- ◆ Georgia (before is DSM only)
- ◆ Hawaii
- ◆ Nevada
- ◆ Oregon

## After the IRP is filed

- ◆ Colorado
- ◆ Indiana\*
- ◆ Minnesota

\*Indiana's draft rules require that "the utility shall initiate and convene its own public advisory process. The utility will hold at least one introductory meeting and one meeting regarding its preferred resource portfolios before submittal of its IRP to the commission." The current rules do not have any public stakeholder requirement.

# Overview of case studies

## Arkansas: Stakeholder Engagement Process

- ◆ The IRP guidelines establish a Stakeholder Committee as part of the IRP process.
- ◆ Utility is required to file IRP but Commission did not issue rules on IRP, only guidelines.
- ◆ No presumption of prudence associated with IRP filing.

## Colorado: Intervention in Phase 1 of IRP docket

- ◆ Phase 1 of IRP is focused on planning, Phase 2 is focused on procurement through competitive bidding.
- ◆ Intervention is granted by the Commission, and intervenors have discovery rights.
- ◆ There is no stakeholder engagement process in IRP rules.
- ◆ Xcel Energy has a DSM roundtable that contributes to the DSM component of the IRP (e.g., load forecast impacts of DSM).
- ◆ Tri-State has a voluntary IRP stakeholder engagement process and is not required to file an IRP, but does so.
- ◆ Commission may approve, deny or order modifications to IRP.

## Overview of case studies (2)

### **Georgia: Demand Side Management Working Group and intervention in IRP docket**

- ◆ DSM Working Group uses the “Program Planning Approach” which is required by the Commission.
- ◆ There is no supply side working group, but the utility may meet one-on-one with stakeholders.
- ◆ Intervention in docketed proceeding is granted by the Commission. Intervenors do NOT have formal discovery rights.
- ◆ Commission shall approve and adopt an IRP within 120 of utility filing.
- ◆ Approval does not grant presumption of prudence, but IRP is followed by rate case.

### **Hawaii: IRP Advisory Group(s)**

- ◆ IRP has clearly articulated stakeholder engagement rules that were created in 2011.
- ◆ The first use of the stakeholder engagement rules resulted in an IRP that the Commission rejected in 2014.
- ◆ The Commission required alternative planning known as Power Supply Improvement Plan (PSIP) after rejecting the utilities IRP.
- ◆ Resource planning in a state of fluctuation and transition in Hawaii.

## Overview of case studies (3)

### ◆ **Indiana: Mandatory stakeholder process (rules not finalized)**

- ❑ Prior Governor prohibited promulgation of new rules, but Commission staff anticipate passing proposed IRP rules soon. Currently, utilities are operating by draft rules.
- ❑ The draft IRP rule has public advisory process.
- ❑ The IRP is submitted to the Commission and is NOT a docketed proceeding.
- ❑ The Electricity Director of the Indiana Utility Regulatory Commission submits a report after reviewing the utilities' IRPs and stakeholder comments.

### ◆ **Minnesota: Intervention in the resource plan proceeding**

- ❑ No stakeholder process requirement in IRP rules.
- ❑ Intervention is allowed and parties can submit information requests and comments in the proceeding.
- ❑ The Commission issues a decision of findings of fact and conclusions about the utility's proposed resource plan, and may direct the utility to discuss specific issues in its next resource plan.
- ❑ The IRP is followed by a resource acquisition proceeding. Costs of resource acquisition are used in rate/rider proceedings.

## Overview of case studies (4)

### **Nevada: Utility must meet with interested persons**

- ◆ “Utility must meet with the Commission, Bureau of Consumer Protection, Office of the Attorney General and any other interested person prior to filing (Nevada SB65 2017).”
- ◆ Interested parties may intervene in IRP proceeding. After plan filed, Commission has public hearing on plan adequacy.
- ◆ The Commission must accept, or specify portions of the IRP that are inadequate.
- ◆ When the Commission approves the IRP, it authorizes the utility to construct or acquire necessary resources included in plan.

# Overview of case studies (5)

## **Oregon: Public procedural requirements in resource planning**

- ◆ The public should be allowed significant involvement (e.g., contribution of information and ideas) in preparation of the IRP.
- ◆ The utility must provide a draft IRP for public review and comment.
- ◆ Several stakeholder meetings are held in advance of IRPs being filed.
- ◆ Interested persons may participate in IRP proceeding.
- ◆ Commission may acknowledge IRP but acknowledgement does not have presumption of prudence.

# Commission action on IRP

- ◆ IRP stakeholder engagement is not directly related to Commission action on an IRP.
- ◆ However, the use of the IRP with regard to utility resource acquisition may influence how much stakeholder engagement occurs within the IRP.
- ◆ In interviews, most Commission staff discussed the role of IRP and whether it creates a presumption of prudence for future utility investments.
- ◆ Most Commission staff thought that the IRP was not heavily used in rate cases, *however* most interviewees provided anecdotal evidence that the IRP is used in determining rates and resource acquisition costs, often as the first step (informally or formally) in determining prudence.

# Commission action on IRP (2)

The tension between IRP and rates is apparent:

- ◆ Oregon:
  - “We reaffirm our long-standing view that **decisions made in an IRP proceeding do not constitute ratemaking**. Decisions whether to allow a utility to recover from its customers the costs associated with new resources may only be made in a rate case proceeding. Acknowledgement of an IRP, however, is relevant to subsequent examination of whether a utility’s resource investment is prudent and should be recovered by ratepayers. Just as acknowledgement does not guarantee favorable ratemaking, a decision to not acknowledge does not constitute a preliminary determination of imprudence.” Order 16-071.
  - “As stated above, our decision whether to allow PacifiCorp to **recover the costs associated with new resources may only be made in a rate case** proceeding.” Order 16-071.
- ◆ Arkansas utilities do not submit their IRP to Commission for approval:
  - “Resource planning under these Guidelines does not change the fundamental regulatory relationship between the utilities and the Commission...**Resource Planning Guidelines do not mandate specific investment decisions**.” Resource Planning Guidelines, Section 3.
- ◆ Similarly, Indiana utilities submit their IRP in an un-docketed proceeding

# Commission action on IRP (3)

- ◆ Indiana limits what the Director can comment on in the draft and final report:
  - “Informational, procedural, and methodological requirements of the rule.” Draft rule 170 IAC 4-7-2(k)
  - “shall not comment on the utility’s preferred resource plan; or any resource action chosen by the utility.” Draft rule 170 IAC 4-7-2(l)
- ◆ Colorado, Georgia, Minnesota and Nevada have very strong links between their IRP and approval of expenditures on resource acquisition.
  - Colorado: Phase 1 of the Electric Resource Plan (ERP) focuses on planning and Phase 2 is focused on procurement through competitive bidding. The Commission’s decision on the ERP “shall establish the final cost-effective resource plan.” 4 CCR 723-3613 (h)
  - Georgia: immediately after the Commission rules on the IRP, a new docket is opened to approve the costs associated with the resource selection in IRP.
  - Minnesota: approval of resource plan includes approval of 5 year action plan. “The commission's resource plan decision constitutes prima facie evidence of the facts stated in the decision.” MAR 7843.0600 (2)
  - Nevada: “Any order issued by the Commission accepting or modifying an element of an emissions reduction and capacity replacement plan must include provisions authorizing the electric utility to construct or acquire and own electric generating plants necessary to meet the capacity amounts approved in and carry out the provisions of the plan.” NRS 704.751.



# **Opportunities, Uses and Commission Support for Stakeholder Engagement**

# Opportunity for stakeholder comments

- ◆ All case study states provide opportunity for stakeholder comment, but articulation of it in rules and regulations varies widely.
  - Stakeholder comments may be aggregated into a report as part of IRP stakeholder engagement (Arkansas and Hawaii).
  - Comments may be testimony (Colorado, Minnesota, Nevada) or through informal filing (Indiana), formally filing comments (Oregon) or a combination of testimony and informal comments (Georgia).
- ◆ Arkansas: “A report of the Stakeholder Committee should be included with the Resource Plan submittal. Stakeholders and General Staff may also submit comments to the Commission on each Resource Plan after it has been submitted by the utilities.” Resource Plan Guidelines, Section 4.8.
- ◆ Colorado: No IRP stakeholder engagement process required in the rules, but intervention is allowed.
- ◆ Georgia: Demand side management working group process required, and intervention is allowed in the IRP docket.

## Opportunity for stakeholder comments (2)

- ◆ Hawaii:
  - “Integrated resource planning shall be an open and transparent public process that provides opportunities for public participation and feedback and creates broad-based awareness of the complex and sometimes conflicting objectives and issues the utility and Commission must resolve.” A Framework for IRP, Part II.B.7.
  - “The Independent Entity shall ensure that the utility provides consideration to input, guidance, and recommendations from Advisory Group members and the public that, in the Independent Entity’s discretion, merit consideration.” A Framework for IRP, Part III.C.
- ◆ Indiana: “A customer or interested party may comment on an IRP submitted to the commission. A comment must be in writing; be received by the commission within ninety (90) days from the date a utility submits its IRP to the commission; be electronically submitted to the director unless otherwise agreed by the director; clearly identify the utility upon which written comments are submitted; and be provided to the utility using the utility contact information provided in the IRP.” Draft rule 170 IAC 4-7-2 (g).

## Opportunity for stakeholder comments (3)

- ◆ Minnesota: Parties and other interested persons have until November 1 to review and comment on the resource plan filings. The comments may include proposed alternative resource plans.
- ◆ Nevada: In 2016 a new law was passed that requires stakeholders to have access to the IRP prior to it being filed. It is unclear if there will be an opportunity for stakeholder comment prior to the plan being filed. Parties are allowed to intervene in the IRP docket and submit testimony.
- ◆ Oregon
  - “The public, which includes other utilities, should be allowed significant involvement in the preparation of the IRP. Involvement includes opportunities to contribute information and ideas, as well as to receive information.” Order 07-002.
  - “The utility must present the findings of its filed plan to the Commission at a public meeting prior to the deadline for written public comment.” Stakeholders also have the opportunity to present at the public meetings. Order 07-002.

## Use of stakeholder comments

- ◆ Stakeholder comments are strongly valued by many Commission staff interviewed. In interviews, many Commission staff provided anecdotal examples of when stakeholder comments influenced the outcome of the IRP proceeding.
- ◆ Arkansas regulatory language supports use of stakeholder comments:
  - “Such comments [report of the Stakeholder Committee] should be taken into consideration by the utility in its preparation efforts and decisions concerning subsequent approval applications, as well as in its next planning cycle.” Resource Planning Guidelines, Section 4.8.
- ◆ Georgia Commission Staff and Commissioners adopted DSM program recommendations from IRP stakeholders:
  - In 2016 IRP, DSM Working Group stakeholders advocated for a Commercial and Residential Building Usage Data program, and it was adopted by Commission Staff in their recommendations, and ultimately approved by the Commission.

## Use of stakeholder comments (2)

- ◆ Hawaii regulatory language and Commission orders support the use of stakeholder comments:
  - “The utility shall consider the input of each Advisory group, but is not bound to follow the recommendations of any such Advisory Group.” A Framework for IRP, Part III. F. 3.
  - PUC rejected IRP before shifting to Power Supply Improvement Plan. In the Order rejecting the IRP, the Commission found, “...the IE [Independent Evaluator] and all parties stating positions, with the exception of the HECO Companies and REACH, take the position that the IRP Report is not compliant with the Framework.” Order No 32052.
  - In July 2017, the Hawaii PUC approved the utilities’ PSIPs and found, “The Companies have made their filings more transparent, incorporated additional stakeholder input, and addressed many of the commission’s previously stated concerns.” Order No 34696.

## Use of stakeholder comments (3)

- ◆ Indiana rules and the Director's report support the use of stakeholder comments:
  - “The utility shall consider and respond to all relevant input provided by interested parties, including comments and concerns from the commission or its staff.” Draft rules 170 IAC 4-7-2.1 (c).
  - In Indiana, the Director's report often discusses components of stakeholder comments that staff agree and disagree with.
- ◆ Minnesota orders support the involvement of stakeholders and use of their comments:
  - “The facts on which resource decisions depend – how quickly an area and its need for electricity will grow, how much electricity will cost over the lifetime of a generating facility or purchased-power contract...all require the kind of careful judgement that sharpens with exposure to the views of engaged and knowledgeable stakeholders.” Docket No E-002/RP-15-21, January 11, 2017 Order.

## Use of stakeholder comments (4)

- ◆ Oregon has the most extensive use of stakeholder comments in Commission orders, and may require the most action from the utility based on stakeholder comments:
  - “The Commission will consider comments and recommendations on a utility’s plan at a public meeting before issuing an order on acknowledgement.” Order 07-002.
  - “At the December 17, 2015 Public Meeting, we adopted additional recommendations shown in the Staff Report. Many of these recommendations originated from the parties’ opening and reply comments.” Order 16-071.
  - Examples of these recommendations include (all from Order 16-071):
    - “Provide alternate 111(d) rule compliance paths, including mass-based solutions with stochastic analysis for each;”
    - “Include sensitivity studies around solar costs;”
    - “In the next the next IRP, evaluate the benefits of freed-up transmission due to plant closures”

# Commission support for stakeholder engagement in IRP

Many Commissions have issued orders that support IRP stakeholder engagement, but not all:

- ◆ Arkansas: “The reason for stakeholder involvement is to open up the [integrated resource] planning process and provide an opportunity for others with an interest in the planning process to provide input as a check on the reasoning of a utility during the development of the resource plan.” Docket No 06-028-R, Order No 6.
- ◆ Colorado: In April 2017 Xcel IRP order, the Commission ordered a Notice of Proposed Rulemaking to examine potential changes to the Electric Resource Planning rules and Renewable Energy Standard rules that will be useful to all stakeholders. Decision No. C17-0316.
- ◆ Georgia: “The DSM Program Planning Approach...will otherwise remain unchanged other than “Technology Catalog” will be replaced with “Technical Reference Manual and the dates will be updated to reflect 2017-2019.” Docket No. 40161 and 40262 Order.
- ◆ Hawaii: “The mission of the Advisory Group is to provide the utility with the benefit of community perspectives by participating in the utility’s integrated resource planning process and representing diverse community, environmental, social, political, or cultural interests consistent with this framework’s goal.” A Framework for IRP, Part III. F. 1.

# Commission support for stakeholder engagement in IRP (2)

- ◆ Indiana:
  - “...the Director makes a distinction between the utilities’ Plan and the overall IRP process. The IRP requires meaningful stakeholder input.” Directors Final Report 2014-2015 IRPs, page 5.
  - “The Director is appreciative to the utilities and stakeholders that participated in the process, particularly those that offered comments...Based on the helpful clarifications and constructive criticisms, the Director intends to have more dialogue with utilities and stakeholders throughout the process.” Director’s Final Report 2015-2016, page 2-3.
- ◆ Minnesota: “Resource planning is a collaborative and iterative process...full understanding of relevant facts requires exposure to the views of engaged and knowledgeable stakeholders.” Docket No. E-002/RP-15-21, January 6, 2016 Order.
- ◆ Oregon:
  - “The purpose of the IRP process is to provide the utility with the information and opinion of stakeholders and the Commission based on information presented by the utility.” Order 16-071.
  - “Significant public and other utility involvement in plan preparation” is one of the three procedural elements for IRP in Oregon. Order No 07-002.



# **Stakeholder Group Membership and Meetings**

## Identifying and defining stakeholder group membership

- ◆ There are limited examples of rules or regulations articulating the roles of participants in IRP stakeholder engagement.
- ◆ Some entities are automatic participants in the IRP such as utilities, consumer advocate, attorney general, and other state officials.
- ◆ Common IRP stakeholder participants include large commercial and industrial power users, environmental advocates, consumer interest groups (e.g. AARP) and technology specific advocates (e.g. solar or wind technology vendors).

## Identifying and defining stakeholder group membership (2)

Arkansas:

- ◆ “The Stakeholder Committee should be broadly representative of retail and wholesale customers, independent power suppliers, marketers and other interested entities in the service area.” Resource Planning Guidelines Section 4.8.

Hawaii:

- ◆ “The Advisory Group shall represent interests that are affected by the utility’s Resource Plans and that possess the ability to provide significant perspective or useful expertise in the development of the Resource Plans. These entities may include state and county agencies, and environmental, cultural, business, and community interest groups. An Advisory Group should be representative of as broad a spectrum of affected interests as practicable, subject to the limitation that the interests represented should not be so numerous or duplicative to make deliberations as a group unwieldy.” A Framework for IRP, Part III.F.2.

# Content and timing of stakeholder engagement meetings in IRP proceedings

- ◆ There are limited examples of requirements in rules or regulations for certain material to be covered in stakeholder meetings.
- ◆ Most states interviewed leave the timing and number of IRP stakeholder group meetings to the utility's discretion (other than requirements for meetings before the utility files the IRP (AR, GA, HI, NV, OR)).
- ◆ Georgia DSM Program Planning Approach has prescribed schedule
  - Efficiency potential study due one year before IRP filed
  - Technical reference manual due one year before IRP filed
  - Utility must share efficiency IRP modeling data by the third quarter of the year prior to filing its IRP
  - Attempts to reach consensus and finalize all programs must be completed by the third quarter of the year prior to filing IRP.
- ◆ Hawaii IRP cycle has prescribed Advisory Group timing:
  - “Within 120 days after the opening of the [IRP] docket, the Advisory Group(s) shall be established by the Commission.” A Framework for IRP. Part IV. C. 5.

# Content and timing of stakeholder engagement meetings in IRP proceedings (2)

- ◆ Indiana has rules on both the content and timing of stakeholder engagement:
  - Content – “Topics discussed in the public advisory process shall include, but are not limited to, the following: utility’s load forecast, evaluation of existing resources, evaluation of supply and demand side resource alternatives, including associated costs and performance attributes; modeling methods, modeling inputs, treatment of risk and uncertainty, and rationale for determining the preferred resource portfolio.” Draft rules 170 IAC 4-7-2.1 (e)(6).
  - Timing – “The timing of the [public advisory group] meetings shall be determined by the utility: (A) to be consistent with its internal IRP development schedule; and (B) to provide an opportunity for public participation in a timely manner that may affect the outcome of the utility resource planning efforts.” Draft rules 170 IAC 4-7-2.1 (e)(4).
  - Timing- “the director shall issue a draft report on the IRP no later than 120 days from the date a utility submits an IRP to the Commission.” Draft rules 170 IAC 4-7-2 (h).

# Content and timing of stakeholder engagement meetings in IRP proceedings (3)

- ◆ Minnesota has rules on intervention timing:
  - Parties and other interested persons have until Nov 1 to review and comment upon the resource plan filings. The comments may include proposed alternative resource plans. MAR 7843.0300 subpart 7 and 10.
- ◆ Nevada's new legislation requires the utility to meet with stakeholders:
  - “Not less than four months before filing an [IRP] plan the utility will meet with Commission, consumer advocate, attorney general, and interested persons.” SB 65.
- ◆ Oregon has a two timing requirements for IRP engagement:
  - “The utility must provide a draft IRP for public review and comment prior to filing a final plan with the Commission.” Order 07-002.
  - “Commission staff and parties should complete their comments and recommendations within six months of IRP filing.” Order 07-002.

## Access and diversity in stakeholder groups

- ◆ Most utilities provide telephone and/or video conferencing access for off-site participants for stakeholder meetings.
- ◆ Minnesota is only state (of case studies reviewed) that has proactive recruitment and/or outreach to invite participation by stakeholders that represent underserved populations (e.g., low-income, communities of color).

# Defining roles in IRP stakeholder engagement

- ◆ Two examples of regulatory guidance on the makeup, roles and responsibilities of IRP stakeholder engagement: Hawaii and Indiana.
- ◆ Hawaii's guidance discusses each party, and Indiana's guidance focuses heavily on the role of the utility.
- ◆ Hawaii – from A Framework for IRP, Part III, A-G.
  - Implementation of Hawaii's guidance was limited, but Commission staff identified that the Independent Entity's authority may need to be strengthened in a future use of the guidance.
  - “The **Commission's** responsibility is to determine whether the utility's Action Plan is in the public interest and represents a reasonable course for meeting the goal and objectives of integrated resource planning as set forth in this framework.”
  - “The **utility** is responsible for developing Scenarios and Resource Plans to provide a long-term perspective which will be utilized to guide and develop the Action Plan for near term initiatives, consistent with the goal and objectives set forth in this framework.”
  - “The **Independent Entity's** responsibility shall be to provide unbiased oversight of the integrated resource planning process (including the utility's development of Scenarios, Resource Plans, and the Action Plan) in a cost-effective and timely manner.”

# Defining roles in IRP stakeholder engagement (2)

## ◆ Hawaii (cont'd)

- “The **Consumer Advocate** has the statutory responsibility to represent, protect, and advance the interests of the utility’s customers. The Consumer Advocate, therefore, has the duty to ensure that the utility’s integrated resource planning process and Action Plan promote the interest of the utility’s customers and are reasonable and in the public interest.”
- “The **Public Benefits Fee Administrator** shall participate in Advisory Group meetings, public hearings, and other sessions to support the forecasts of energy efficiency demand side management programs developed in furtherance of the utility’s efforts in integrated resource planning.”
- “**Advisory Group** - The mission of the Advisory Group is to provide the utility with the benefit of community perspectives by participating in the utility’s integrated resource planning process and representing diverse community, environmental, social, political, or cultural interests consistent with this framework’s goal.”
- “**Public** – To encourage and maximize public participation in each utility’s integrated resource planning process, opportunities for such participation shall be provided. Participation may be provided through public hearings, meetings or forums, public outreach programs, an opportunity to submit comments, and by way of intervention in Commission proceedings or participation in Advisory groups as set forward in this framework.”

# Defining roles in IRP stakeholder engagement (3)

- ◆ Indiana- from Draft rules 170 IAC 4-7-2.1.
  - “The utility shall: provide information to; and solicit and consider relevant input from any interested party in regard to the development of the utility’s IRP and related potential resource acquisition issues.”
  - “The utility shall consider and respond to all relevant input provided by interested parties, including comments and concerns from the commission or its staff.”
  - “The utility retains full responsibility for the content of its IRP.”
  - “The utility shall initiate and convene its own public advisory process. The utility will hold at least one introductory meeting and one meeting regarding its preferred resource portfolios before submittal of its IRP to the commission. Depending on level of interest by commission staff, public and interested parties, the utility may hold additional meetings.”
  - “The utility shall take reasonable steps: to notify its customers and the commission of its public advisory process; and provide notification to known interested parties.”
  - “The timing of the meetings shall be determined by the utility to be consistent with its internal IRP development schedule; and to provide an opportunity for public participation in a timely manner that may affect the outcome of the utility resource planning efforts.”
  - “The utility or its designee shall: chair the participation process; schedule meetings; and develop agendas for those meetings.”
  - “Participants are allowed to request that relevant items be placed on the agenda of the meetings if they provide adequate notice to the utility.”

# Third-party facilitator

- ◆ Not widely used among states interviewed:
  - Hawaii and Minnesota IRPs have used an independent third party facilitator.
  - Georgia PSC Staff serves as an neutral facilitator in DSM Working Group.
  - An independent Evaluator is used in Colorado for Phase 2 of ERP (resource procurement).\*
- ◆ Interviews revealed cost as primary reason for why utility is facilitator in IRP stakeholder meetings. Other reasons included:
  - Utility developing and maintaining relationship with stakeholders
  - Institutional inertia and utility is responsible for resource planning

\*Many other states, including Oregon, also require an independent evaluator for resource procurement.

# IRP sub-groups

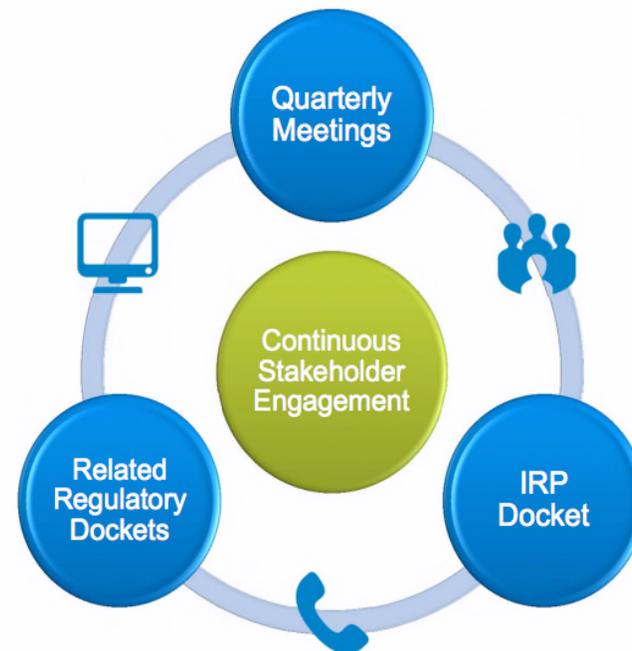
- ◆ Some states convene IRP sub-groups to solve specific problems (e.g., modeling assumptions, resource specific questions).
- ◆ Not used often by the commission staff interviewed
  - Minnesota has used IRP sub-groups
  - Hawaii and Indiana have technical conferences to discuss focused issues (not necessarily part of IRP process)
- ◆ Reasons for not using a sub-group are:
  - Lack of utility, commission and stakeholder staff to participate in multiple stakeholder groups
  - Additional cost

# Ongoing stakeholder engagement

- Limited examples of ongoing stakeholder engagement
- Georgia Power's Demand Side Management working group takes the year that the IRP is filed off.
- Portland General Electric has voluntary ongoing quarterly meetings with stakeholders as an outgrowth of the IRP process

**Communicating early, often, and clearly with stakeholders enhances collaboration, increases accessibility, and builds trust.**

## IRP Stakeholder Engagement



Portland General Electric

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# **Access to Utility Data**

# Access to utility data

- ◆ Access to utility data is critical to meaningful stakeholder engagement.
- ◆ Most states interviewed have a requirement that utilities provide data to stakeholders in the IRP process. The strength of the requirement varies widely.
- ◆ Arkansas: “The utility shall make a good faith effort to properly inform and respond to the Stakeholder Committee.” Resource Planning Guidelines Section 4.8.
- ◆ Hawaii: “All data reasonably necessary for an Advisory Group to participate in the utility’s integrated resource planning process shall be provided by the utility as requested by the Independent Entity, subject to protecting the confidentiality of customer specific and other confidential or proprietary information.” A Framework for IRP, Part III.F.8.

# Access to utility data (2)

- ◆ Indiana: “The utility shall provide information requested by an interested party relating to the development of the utility’s IRP within 15 calendar days of a written request. If a utility is unable to provide the requested information within 15 days of a written request, it shall provide a statement to the director and the requestor as to the reason it is unable to provide the requested information.” 170 IAC 4-7-3(b).
- ◆ Minnesota: “The parties shall comply with reasonable requests for information by the commission, other parties, and other interested persons.” MAR 7843.0300 Subpart 8.
- ◆ Oregon: “Involvement includes opportunities to...receive information. Parties must have an opportunity to make relevant inquiries of the utility formulating the plan. Disputes about whether information requests are relevant or unreasonably burdensome, or whether a utility is being properly responsive, may be submitted to the Commission for resolution.” Order 07-002.

# Access to confidential data

- ◆ Access to confidential utility data is referenced in some states rules or regulations, but not all. Colorado recrafted its confidentiality requirements in 2011 to ensure intervenor access to confidential data.
- ◆ Colorado: “Such information [confidential] may be disclosed to parties who intervene in accordance with the terms of non-disclosure agreements approved by the Commission...” 4 CCR 723-3606 (c)(II).
- ◆ Georgia: The DSM working group has members sign a NDA for access to confidential information before the IRP is filed. After the IRP is filed, intervenors may sign NDAs to access confidential information.
- ◆ Indiana: Confidential data that is redacted from the public version of the IRP that is filed may be shared with other parties subject to a mutual agreement concerning confidentiality.
- ◆ Oregon: “While confidential information must be protected, the utility should make public, in its plan, any non-confidential information that is relevant to its resource evaluation and action plan.” Order 07-002.



# **Observations for Developing an IRP Stakeholder Engagement Process in Michigan**

## Observations and considerations for developing stakeholder engagement process

- ◆ Stakeholder education may be necessary to create baseline knowledge on IRP. Ongoing education may be necessary as new stakeholders enter the process.
- ◆ Clear Commission guidance on roles and responsibilities helps ensures meaningful opportunities for stakeholder engagement.
- ◆ Focused technical working group meetings hosted by the Commission may be a useful way to gather stakeholder input on specific topics.

## Observations and considerations for developing stakeholder engagement process

- ◆ Engage stakeholders early and often to expedite the IRP process:
  - If a goal of stakeholder engagement is open dialogue, the Commission staff may consider moving stakeholder engagement process to prior to when IRP is filed.
  - A concise IRP process and robust stakeholder engagement are often perceived to be at odds with one another. Clear timelines may help ameliorate this problem.
  - Engaging stakeholders regularly as IRP is being modeled can help improve stakeholder understanding and avoid confusion.

## Observations and considerations for developing stakeholder engagement process (2)

- ◆ Stakeholder engagement may reduce the regulatory transaction cost and risk to the utility.
- ◆ An open line of communication between Commission Staff and stakeholders is valuable.
  - Procedural rules may dictate if staff may interact one-on-one with stakeholders.
  - Several Commission staff mentioned that they did not reach out to stakeholders, but stakeholders reached out to them.
  - In states where this is permissible, Staff commented on the usefulness of having informal dialogue with stakeholders to discuss a variety of topics (e.g., modeling assumptions, areas of major concern with IRP analysis, policy implications).



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# **Additional Slides**

# Citations

- ◆ Arkansas Public Service Commission, [Resource Planning Guidelines for Electric Utilities](#)
- ◆ Arkansas Public Service Commission Docket No 06-028-R; [Order Number 6](#).
- ◆ [4 Code of Colorado Regulations 723-3](#), Rules Regulating Electric Utilities. Electric Resource Planning: 3600-3619
- ◆ Public Utility Commission of the State of Colorado, Proceeding No 16A-0396E, [Decision No. C17-0316](#)
- ◆ Georgia Public Service Commission Docket No 40161 and 40162. [Stipulation](#) and [Final Order](#). DSM Program Planning Approach can be found [here](#) (“40161.Panel of Barber Spellman Peaco Kaduk Exhibits.pdf,” Exhibit BSK-8)
- ◆ Hawaii Public Utility Commission Docket Number 2012-0036. Decision and [Order Number 32052](#).
- ◆ Hawaii Public Utility Commission Docket Number 2009-0108. [Decision and Order filed March 14, 2011](#).
- ◆ Hawaii Public Utility Commission Docket Number 2014-0183. [Decision and Order 34696](#).
- ◆ [Indiana Utility Regulatory Commission Electricity Director’s Final Report 2015-2016 IRPs](#)
- ◆ [Indiana Utility Regulatory Commission Electricity Director’s Final Report 2014-2015 IRPs](#)
- ◆ [Indiana Draft Proposed IRP Rules 170 IAC 4-7](#)

# Citations (2)

- ◆ [Minnesota Revised Chapter 7843](#)
- ◆ [e21 Initiative Phase II Report: On implementing a framework for 21<sup>st</sup> century electric system in Minnesota.](#)
- ◆ Minnesota Public Utility Commission Docket Number E-002/RP-15-21. [January 11, 2017, Order Approving Plan With Modifications and Establishing Requirements for Future Resource Plan Filings.](#)
- ◆ Minnesota Public Utility Commission, Docket No E002/RP-15-21 January 6, 2016, [Order Requiring Supplemental Filing](#)
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- ◆ [Nevada Senate Bill 65, section 1.](#)
- ◆ [Nevada Administrative Code 704.9005 – 704.9525](#)
- ◆ Public Utility Commission of Oregon, Docket Number LC 62, [Order No 16-071.](#)
- ◆ Public Utility Commission of Oregon. Docket Number UM 1056, [Order Number 07-002.](#)
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(Errata order to Order Number 07-002)

# IRP Resources

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- ◆ Fredrich Kahrl (E3), Andrew Mills (LBNL), Luke Lavin, Nancy Ryan, and Arne Olsen (E3), *The Future of Electricity Resource Planning* (2016). <https://emp.lbl.gov/publications/future-electricity-resource-planning>
- ◆ Juan Pablo Carvallo; Peter H. Larsen, Alan H. Stanstad; Charles A. Goldman. *Load Forecasting in Electric Utility Integrated Resource Planning* (2016). <https://emp.lbl.gov/publications/load-forecasting-electric-utility>
- ◆ LBNL's Resource Planning Portal - Planned EE is among the data for Western U.S. IRPs posted: <http://resourceplanning.lbl.gov/login.php>
- ◆ Nicole Hopper, Charles A. Goldman, Jeff Schlegel. *Energy Efficiency in Western Utility Resource Plans: Impacts on Regional Resource Assessment and Support for WGA Policies* (2006). <https://emp.lbl.gov/publications/energy-efficiency-western-utility>
- ◆ Nicole C. Hopper, Galen L. Barbose, Charles A. Goldman, Jeff Schlegel. *Energy Efficiency as a Preferred Resource: Evidence from Utility Resource Plans in the Western United States and Canada*. (2008). <https://emp.lbl.gov/publications/energy-efficiency-preferred-resource>
- ◆ Dave Lamont and John Gerhard. *The Treatment of Energy Efficiency in Integrated Resource Plans: A Review of Six State Practices* (2013). <https://www.raonline.org/document/download/id/6368>

# IRP Resources (2)

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<https://www4.eere.energy.gov/seeaction/publication/using-integrated-resource-planning-encourage-investment-cost-effective-energy-efficiency>
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- ◆ Galen L. Barbose, Alan H. Sanstad, Charles A. Goldman, Stuar McMenemy, Andy Sukenik. *Incorporating Energy Efficiency into Western Interconnection Transmission Planning*. (2014). <https://emp.lbl.gov/publications/incorporating-energy-efficiency>
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