Training on Integrated Resource Planning for South Carolina Office of Regulatory Staff

Stakeholder Engagement Practices

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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

Stakeholder engagement topics

- Information based on interviews and research on IRPs in nine states in 2018: Arkansas, Colorado, Georgia, Hawaii, Indiana, Michigan, Minnesota, Nevada, Oregon
- Review and discuss variety of topics related to stakeholder engagement:
  - Type and timing of IRP and stakeholder engagement
  - Commission action on IRP
  - Use of stakeholder comments
  - Identifying and defining stakeholder group
  - Content and timing of stakeholder engagement meetings in IRP proceedings
  - Access and diversity in stakeholder groups
  - Third party facilitator
  - IRP sub-groups
  - Ongoing stakeholder engagement
  - Access to utility data
  - Access to confidential data

Types of IRP proceedings and stakeholder engagement timing

State	IRP proceeding type	Comments allowed before and after IRP filed	Comments allowed after filing only
Arkansas	Informational purposes	X	
Colorado	Adjudicatory proceeding (contested case)		X
Georgia	Contested case	X (Before is DSM only)	
Hawaii	Investigatory proceeding	X	
Indiana	Un-docketed submission	X	
Michigan	Contested case	X	
Minnesota	Not contested case proceeding		X
Nevada	Contested case	X	
Oregon	Not contested case proceeding	X	

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 prudency 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 prudency.

Oregon	"We reaffirm our long-standing view that decisions made in an IRP proceeding do not constitute ratemaking."
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

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.

Hawaii	In November 2019, the Hawaii PUC provided additional guidance on the utilities' Integrated Grid Planning (IGP) process. "...it is far more important that the Companies incorporate stakeholder feedback into their decision-making, during every substantive step of the Working Group and IGP process. As the commission stated, the Companies' "planning efforts must continue to actively engage stakeholders, and incorporate their constructive input."
Indiana	"The utility shall solicit, consider and timely respond to all relevant input related to the development of the utility's IRP provided by interested parties, the OUCC [Office of Utility Consumer Counselor]; and commission staff." 170 IAC 4-7-2.6 (c).
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.

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).

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	IGP has public meetings, stakeholder advisory council (with 18 prescriptive stakeholder member types), ad hoc working groups and technical advisory panel

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

Indiana	The utility shall conduct a public advisory process as follows: (1) prior to submitting its IRP to the commission, the utility shall hold at least three (3) meetings." "The utility may hold additional meetings. The schedule for meetings shall…(C) provide an opportunity for public participation in a timely manner so that it may affect the outcome of the IRP." 170 IAC 4-7-2.6 (e)(2) and (3).
Minnesota	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.
Oregon	"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).
- The Oregon PUC is incorporating equity as an objective in IRP and other regulatory processes, pursuant to its report to the Legislature on SB 978 (2017).

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
  - Indiana has a technical conference (contemporary issues technical conference) to facilitate "identifying contemporary issues, identifying best practices to manage contemporary issues and instituting a standardized IRP format."
    - "The director may designate specific contemporary issues for utilities to address in the next IRPs by providing the utilities and interested parties with a list" of issues to be addressed.
  - Hawaii has four IGP technical advisory sub-groups
- 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

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.
- 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 or as otherwise agreed to by the utility and the interested party. 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 4-7-2.6(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 it's 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-disclousre 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. 170 IAC 7-7-2.1 (c)
- 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.

References and Citations

This work was funded by the U.S. Department of Energy's Office of Electricity, Energy Resilience Division, under Contract No. DE-AC02-05CH11231.

Citations (1)

- 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 2018-0165. Decision and Order Number 36725.
- Indiana Utility Regulatory Commission Electricity Director's Final Report on Duke Energy's 2018/2019 IRP
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- Indiana Utility Regulatory Commission Electricity Director's Final Report 2014-2015 IRPs
- Indiana IRP Rules 170 IAC 4-7

Citations (2)

- Minnesota Revised Chapter 7843
- e21 Initiative Phase II Report: On implementing a framework for 21st 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.
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