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Stakeholder Process Experience from Iowa

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Overview

- Stakeholder process overview in Iowa
- Three examples of stakeholder involvement
- Benefits and challenges of the stakeholder process



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What is the Stakeholder Process?

- Involves all parties who have an interest in the outcome
- Allows open dialog among the parties
- Requires the decision makers to consider all points of view when deciding the outcome



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Who are the Stakeholders?

- Stakeholders include
 - Utilities
 - Ratepayers/Customers
 - Environmental Groups
 - Consumer Advocates
 - Employee Unions
 - Other groups with an interest in the outcome of a case



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Consumer Advocate

- Division within the Office of the Attorney General
- Mission:
“To represent Iowa consumers and the public interest in all forums with the goal of maintaining safe, reliable, reasonably-priced, and nondiscriminatory utility services for all consumers in all market settings while informing and educating the public on utility related issues”



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Communication among Stakeholders in Iowa Cases

- Public Comment Sessions
- Multiple Rounds of Written Testimony
- Data requests between parties (not shared)
- Order from the Board Seeking Further Information
- Public Hearing
 - Parties directly cross-examine each other
 - Board gathers information from parties
- Post Hearing Briefs and Reply Briefs



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Organization of the Process

- Procedural schedule to provide clarity on when/how parties contribute to the discussion
- Accept written communication from all parties at multiple times to give all parties the ability to respond to each other



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Stakeholder Process Examples

Stakeholders are part of many processes, some examples include

- Rate Cases
- Notice of Inquiry
- Energy Efficiency Plans



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Rate Cases

- When necessary, utilities request new rates for customers
- Stakeholders submit evidence and analysis supporting positions on issues such as
 - Allowed rate increase
 - Cost of service method
 - Rate design
 - Allowed return on equity
 - Calculation of riders
- Decision-makers must weigh the evidence presented by parties and rule accordingly



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Notice of Inquiry Example – Distributed Generation

- Iowa is currently gathering information about distributed generation from stakeholders.
- All members of the public are welcome to submit comments, IOUs are required to submit
- Comments cover the economics and reliability issues associated with distributed generation
- Goal is to determine whether new rules are necessary pertaining to distributed generation



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Energy Efficiency Example

- Iowa utilities must file an energy efficiency plan every five years
- Utilities propose cost-effective energy efficiency measures that can be recovered in rates
- Stakeholders debate the plan proposed by the utility
 - Cost/benefit analysis of energy efficiency
 - Incentives for consumers
 - Recovery of energy efficiency expenses
 - Energy savings targets
- After all written testimony and a hearing, the decision makers accept the final plan



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Benefits of Stakeholder Involvement

- Multiple perspectives are included in the discussion
- Parties are able to influence the process before a final rule is made
- Parties feel they are part of the rulemaking process
- Compromises (settlements) are possible
- Decision makers gain a good understanding of the contentious issues



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Challenges with the Stakeholder Process

- Time consuming
- Not all parties are properly aware of the issues
- Can lead to information overload
- Information and analysis is often biased to support one parties view
- Difficult to ensure equal representation among stakeholders



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Summary

- Stakeholders play a major role in the decision making process
- Goal is to have an equitable and transparent process
- Allows the decision makers to fully consider all aspects of their decisions



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Questions?