

RESOLUTIONS

RECOMMENDED BY THE

BOARD OF DIRECTORS

AND

ADOPTED BY

THE COMMITTEE OF THE WHOLE

AT THE

**2018 ANNUAL MEETING AND EDUCATION
CONFERENCE**

OF THE

**NATIONAL ASSOCIATION OF
REGULATORY UTILITY COMMISSIONERS**

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(Questions? Contact Brad Ramsay at 202.898.2207 or jramsay@naruc.org)

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EL-4/ERE-1 Resolution on Modeling Energy Storage and Other Flexible Resources

Whereas declining costs of new technologies have helped drive market transformation within the electric industry, accelerating development and adoption of new resource options, including variable generation and distributed resources;

Whereas as customer demands and resource options change, electric utilities also need to operate in a manner that is more flexible, granular, and locational, while still safely, reliably and effectively delivering electric service;

Whereas flexible resources, including energy storage, with their ability to enhance a utility's flexibility and improve its ability to respond to changing customer needs, can allow utilities to adapt to the changing industry;

Whereas many types of energy storage, such as pumped hydro and thermal, have been operational in the U.S. for decades;

Whereas while utility resource planning historically has been conducted within the independent silos of generation, transmission, and distribution, energy storage can operate in any of those functions;

Whereas energy storage, as a scalable resource that can act in multiple ways, supporting utilities in generation, transmission, distribution, and end-use operations, is fundamentally a different class of resource;

Whereas many of the benefits of energy storage and other flexible resources are related to providing fast, sub-hourly responses to changing grid conditions;

Whereas modelling is used to determine the most cost-effective options to meet the needs of the energy grid on a technology neutral basis for providing safe, affordable, and reliable service;

Whereas some models used by utilities and other industry participants to determine which resources to deploy do not adequately capture the services that storage and other flexible resources can provide on an intra-hourly basis; *now therefore be it*

Resolved that the National Association of Regulatory Utility Commissioners ("NARUC"), convened at its 130th Annual Meeting and Education Conference in Orlando, Florida, recommends the following principles to guide NARUC member States in modeling energy storage and other flexible resources:

[1] Utilities and Utility Commissions should be well educated about the different types of quantitative models that exist today, their capabilities, intended purposes, strengths, and limitations;

[2] Utilities should develop, if appropriate, new modelling tools and new planning frameworks that allow for a more complete evaluation of flexible resources, such as energy storage;

[3] Planning frameworks and modeling tools that are publicly and commercially available should model the full spectrum of services that energy storage and flexible resources are capable of providing, including sub-hourly services;

[4] Utilities should analyze a range of flexible resource options, such as energy storage, and current cost assumptions in their modelling, due to the diverse characteristics and resource lives of different technologies, with the goal of identifying and pursuing the most cost-effective opportunities that best meet the needs of the utilities' systems; and

[5] Regulatory commissions should consider the same basic prudence principles to energy storage investments as to other utility capital plant.

*Sponsored by the Committees on Electricity and on Energy Resources and the Environment
Recommended by the NARUC Board of Directors on November 13, 2018
Adopted by the NARUC Committee of the Whole on November 14, 2018*

CPI-1/TC-1 Resolution Urging the FCC to Extend and Reform Process for Creating the MF-II Eligibility Map

Whereas the National Association of Regulatory Utility Commissioners (“NARUC”), by and through its members, has an interest in ensuring that the States it represents have access to adequate mobile voice and broadband telecommunications technologies;

Whereas in February 2017, the Federal Communications Commission (“FCC”) adopted rules to provide universal service funding through its Mobility Fund Phase II (“MF-II”) in the amount of \$4.53 billion over a term of ten years to provide ongoing support for the provision of 4G LTE service in areas lacking adequate mobile voice and broadband coverage absent subsidies;

Whereas on February 27, 2018, the FCC published its initial map of areas eligible for MF-II funding based on service provider-supplied propagation models that the FCC admits do not necessarily reflect the actual, on-the-ground consumer experience;

Whereas based on the understanding that actual, on-the-ground consumer experience may not be represented in the initial map, the FCC established a challenge process allowing interested parties to dispute maps with speed test measurements, with an initial challenge window of March 29, 2018, to August 27, 2018;

Whereas the FCC limits challengers to mobile service providers, other parties who obtain a waiver, and State, local and tribal government entities, including NARUC member State utility commissions;

Whereas the FCC does not appear to have anticipated the large number of challenges brought by certain NARUC members and others who rely on the recommended FCC Speed Test Cellular Telephone App and do not have the resources, human or technological, available to service providers, requiring an extension of the challenge period to November 26, 2018;

Whereas certain NARUC members have discovered technological glitches in the FCC Speed Test App, particularly as it relates to phones operating on iOS software; found it difficult to supply the required numbers of tests given the lack of human resources; dealt with overwhelmed FCC employees who are under immense pressure to answer a large volume of questions; and found the entire FCC process to be underdeveloped and inefficient, leading to a lack of trust on the part of these NARUC members that the final eligibility maps will accurately reflect the need for service in the poorest parts of the nation; *now therefore be it*

Resolved that the National Association of Regulatory Utility Commissioners, as convened at its 130th Annual Meeting and Education Conference in Orlando, Florida, urges the FCC to extend the MF-II challenge process until March 15, 2019, and to create an improved process in the interim that is transparent and will ensure that areas of the United States represented by NARUC members receive the universal support required to fulfill the purpose of the fund.

*Sponsored by the Committees on Consumers and the Public Interest and on Telecommunications
Recommended by the NARUC Board of Directors on November 13, 2018
Adopted by the NARUC Committee of the Whole on November 14, 2018*

WC-1 Resolution on Accountability for All Water and Wastewater Systems

Whereas all water and wastewater systems across the country have a responsibility to provide safe, reliable, and affordable water service to their customers both now and in the future;

Whereas the obligation to provide safe, reliable, and affordable water service applies equally to regulated and unregulated water and wastewater utilities;

Whereas water and wastewater systems face a myriad of challenges, including but not limited to aging infrastructure, cyber and physical security threats, environmental compliance, emerging contaminants, and water supply issues;

Whereas maintenance and replacement of aging infrastructure, which will require an investment of nearly one trillion dollars over a 20-year period, requires careful planning by water and wastewater systems to ensure such work is done as prudently and cost effectively as possible;

Whereas water and wastewater systems are increasingly vulnerable to harmful events including cyberattacks, physical attacks, and natural disasters if not properly protected;

Whereas water quality and supply issues affect both the safety and reliability of water, potentially impacting human health and the economic health of a community;

Whereas accountability for all water and wastewater utilities is important to ensure they engage in the appropriate planning to address the challenges outlined above; *now therefore be it*

Resolved that the National Association of Regulatory Utility Commissioners (“NARUC”), as convened at its 130th Annual Meeting and Education Conference in Orlando, Florida, work together with appropriate associations to help develop best practices that would enable water and wastewater systems to engage in careful planning and to address these challenges; and that all water and wastewater systems develop and/or maintain (1) an asset management plan that requires the utility to inspect, maintain, repair, and replace aging infrastructure in a timely, prudent, and cost-effective manner; (2) a security plan to protect against cyber and physical attacks; (3) an emergency response plan for natural disasters and other unplanned events; (4) a mitigation plan for water quality issues, including those that result in a Notice of Violation; (5) an annual certification that the system is in compliance with all federal and state laws and regulations; and (6) a plan to address short- and long-term water supply issues, if any exist.

Sponsored by the Committee on Water

Recommended by the NARUC Board of Directors on November 13, 2018

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