NARUC National Association of Regulatory Utility Commissioners

NARUC-NASEO TASK FORCE ON COMPREHENSIVE ELECTRICITY PLANNING

NASEO National Association of State Energy Officials

TASK FORCE MEMBER ANNOUNCEMENTS

FEBRUARY 2021

Members of the Task Force on Comprehensive Electricity Planning are taking steps to apply the principles and strategies they developed — informed by utilities, electricity system stakeholders, and technical experts — through concrete actions such as:

- Promoting a more holistic analysis of both distribution and resource system needs and possible solutions (e.g., Arizona, California, Hawaii, North Carolina, Puerto Rico)
- Exploring opportunities to strategically align electricity planning processes to meet state-specific priorities — such as resilience, decarbonization or renewable energy targets —through docketed proceedings or other initiatives (e.g., California, Colorado, Hawaii, Michigan, Minnesota, North Carolina, Rhode Island, Virginia)
- Facilitating the availability of data for improved distribution planning, such as voltage studies, hosting capacity analyses and distributed energy resources siting analyses (e.g., Arkansas, California, Hawaii, Minnesota, Puerto Rico, Rhode Island)
- Holding technical conferences or briefings on Task Force results to support state-specific conversations about opportunities to align planning processes (e.g., Hawaii, Maryland, Minnesota, North Carolina)
- Informing new and existing advisory or working groups to offer dedicated forums for stakeholder input into planning efforts (e.g., Arizona, Hawaii, Maryland)

Task Force Member State Announcement Details.....

ARIZONA CORPORATION COMMISSION
NARUC-NASEO TASK FORCE ON COMPREHENSIVE ELECTRICITY PLANNING
TASK FORCE FEBRUARY 2021 ANNOUNCEMENT

When this Task Force was first being created by NARUC and NASEO, Commissioner Bob Burns (then Chairman of the Arizona Corporation Commission ("ACC")) was very much interested in distribution and transmission planning. He was particularly interested in what was being done in other states. Chairman Burns was concerned that in Arizona the electric utilities may have too much control over the State's Integrated Resource Planning ("IRP") process. His concern arose from his belief that the ACC relied almost solely on input from the utilities, with very little input from stakeholders and the public that would be directly affected by the results of the IRP outcomes.

Based on what the three Arizona members (Bob Burns, Steve Olea, Kristin Mayes) of the Task Force learned from their participation in the Task Force workshops, they were able to develop a draft set of rules for Chairman Burns to present to the ACC Commissioners for their consideration. The primary portions of Chairman Burns' draft rules were accepted by the ACC in its proposed new IRP rules,[1] which may be voted on for formal adoption in March or April 2021. These major portions of Chairman Burns' draft proposal are:

1. Formation of the Resource Planning Advisory Council ("RPAC") for each IRP. The RPAC will consist of members representing the public, utility customers, environmental groups, specific industries, and others as needed.
2. The utility's load forecast, after input from the RPAC, will be formally approved by the ACC. Members of the RPAC can request special review by the Commission if they believe the utility is not acting in good faith.
3. The utility shall issue an All Source Request for Information ("ASRFI") to obtain information regarding how best to serve its needs based on its ACC approved load forecast. The language to be used in the ASRFI will be approved by either ACC Staff or the ACC itself to ensure it is fair, open and unbiased.
4. The utility's proposed IRP shall be based on the responses it received to its ASRFI.
5. Once the utility receives an ACC approved IRP, the utility shall issue an All Source Request for Proposals to satisfy the requirements of the ACC-approved IRP.

Chairman Burns believes that the above details in the ACC's proposed new IRP rules would not have come about if not for Arizona's participation in the Task Force.

[1] During the Arizona Corporation Commission's Special Open Meeting on Friday, November 13, 2020, Commissioners voted 4-1 to move forward with publication of a Notice of Proposed Rulemaking. For more information, visit: https://www.azcc.gov/news/2020/11/13/energy-rules-proposed-rulemaking-update

CALIFORNIA ENERGY COMMISSION
NARUC-NASEO TASK FORCE ON COMPREHENSIVE ELECTRICITY PLANNING
TASK FORCE FEBRUARY 2021 ANNOUNCEMENT

California has long been a leader in combatting climate change. The state's policies, such as the commitment to meet retail sales and all state loads with 100% carbon free electricity by 2045 established in Senate Bill 100 (SB 100), will vastly increase deployment of renewable, efficient, and flexible resources at all scales, while also improving the health of Californians and our economy. Achieving these goals while maintaining electric system reliability and resilience to the impacts of climate change requires ongoing coordination among key agencies and balancing authorities in the state.

NARUC-NASEO Task Force activities consistently highlighted the value of and critical need for robust, systematic communication and collaboration across state energy agencies at multiple levels – from Commissioners to senior and professional staff – to work through increasingly complex issues and challenging timelines within the comprehensive approach required for planning and operation of a modern, reliable, carbon-free electric system.

The California Energy Commission (CEC), California Public Utilities Commission (CPUC), and California Independent System Operator (California ISO) – together the Joint Agencies – each lead critical, interdependent forecasting, planning, and procurement processes that ensure future electric system reliability at lowest cost while supporting environmental goals. These processes include the CEC Integrated Energy Policy Report (IEPR); the CPUC Integrated Resource Plan Proceeding (IRP) and Distribution Resource Planning (DRP) process; and the California ISO Transmission Planning Process (TPP). Together with the California Air Resources Board, the agencies are in the final process of assessing various pathways to achieve the SB 100 decarbonization target and an initial assessment of costs and benefits.

In 2021, the Joint Agencies are actively engaged in continual improvements to the state's single demand forecast, which informs resource adequacy requirements, procurement targets, and other energy planning activities. Collaborative discussions seek alignment around how to account rigorously for reduced energy demand from energy efficiency, growth of other distributed energy resources, impacts of climate change, and increasing electrification of transportation and heating end-uses within planning and procurement processes. Directed analytical work supports continuity between the forecast, infrastructure planning, and CA's transition to carbon-free electricity. The Joint Agencies are also exploring opportunities to share data and conduct analysis on the performance of distributed energy resources under various operating and climatic conditions, in order to better understand and leverage this important and rapidly growing sector.

COLORADO PUBLIC UTILTIES COMMISSION
NARUC-NASEO TASK FORCE ON COMPREHENSIVE ELECTRICITY PLANNING
TASK FORCE FEBRUARY 2021 ANNOUNCEMENT

Over the past five years, the Colorado Public Utilities Commission has opened numerous non-adjudicatory investigatory dockets focused on the rapid changes in the energy industry. These proceedings include thousands of public comments, stakeholder and utility input, Commissioner Information Meetings, and research from state, regional, national and international sources. Many of these investigations laid the foundation for the PUC to undertake a number of rulemakings in order to better align Commission rules and practices with the resulting gain in forward-thinking knowledge and further updates to respond to evolving market conditions, legislative changes, and Colorado State policy.

In addition to these investigations and rulemakings, the Colorado PUC and the Colorado Energy Office participated in the nationwide Task Force on Comprehensive Electricity Planning, a joint effort by the National Association of Regulatory Utility Commissioners (NARUC) and the National Association of State Energy Officials (NASEO).

As a result of these efforts, the Colorado PUC is in a strong position to align its electric resource planning with transmission planning, distribution system planning, and a number of customer-focused programs including Demand Side Management, Transportation Electrification Plans, Community Solar Gardens and Distributed Energy Resources.

The Colorado PUC is launching a new investigatory docket to support the Commission's strategic planning, known as the PUC Modernization Plan. The proceeding will solicit input from stakeholders and legal counsel on how the Commission can take a broader look at the topics and issues that relate to multiple future proceedings and to determine the merits of potentially altering the agency's traditional approach of deciding cases individually "in silos," identifying the necessary changes to statutes and rules.

As part of this effort, the Commission will explore the electric and natural gas utility systems required by Colorado in the future, examining electricity storage, beneficial electrification, and GHG emissions reductions for the purpose of proactively applying consistent policy directives across various dockets in accordance with the Commission's strategic plan.

HAWAII PUBLIC UTILITIES COMMISSION
NARUC-NASEO TASK FORCE ON COMPREHENSIVE ELECTRICITY PLANNING
TASK FORCE FEBRUARY 2021 ANNOUNCEMENT

Through our joint participation in the NARUC-NASEO Comprehensive Electricity Planning Task Force, the Hawaii Public Utilities Commission and Hawaii State Energy Office have gained valuable insights about current planning practices in other states and industry-leading analytical practices from the subject matter experts supporting the Task Force. We have used these insights to inform the Integrated Grid Planning ("IGP") process currently underway in Hawaii and related energy activities outside of the regulatory realm.

The Hawaii Public Utilities Commission (HPUC) opened its investigation into IGP on July 12, 2018 and our largest utility, Hawaiian Electric's current workplan anticipates finalizing an Integrated System Plan in late 2022. IGP's purpose is to integrate three historically separate planning processes – generation, transmission, and distribution while simultaneously integrating pricing data from solution procurements. Hawaiian Electric formed substantive working groups in the following areas: forecasting and assumptions, resilience, distribution planning, solution evaluation and optimization, and competitive procurement. HPUC staff participate in an advisory role in each substantive working group and the HPUC has provided subject and process guidance in written orders. The Hawaii State Energy Office (HSEO) continues to contribute to the IGP process through the stakeholder council and working groups. HSEO's participation ensures that the State of Hawaii's energy and decarbonization policies are considered.

The HPUC has incorporated insight from the Task Force into guidance orders on proactively incorporating stakeholder input into the planning process. In these orders, the HPUC focused on improving coordination between the IGP working groups and with stakeholders in related dockets, such as performance-based regulation. HSEO participation in the IGP working groups provides insight into resilience and carbon consideration for various generation resources. HSEO's focus on resilience initiatives can help to mitigate specific impacts of an all-hazards event such as a hurricane.

The IGP process is now moving into an analytical phase to assess Integrated Grid Needs. The HPUC and HSEO will continue to incorporate the learnings from the Task Force into conduct and review of the utility's analytical processes and subsequent phases of the planning process.

MARYLAND PUBLIC SERVICE COMMISSION
NARUC-NASEO TASK FORCE ON COMPREHENSIVE ELECTRICITY PLANNING
TASK FORCE FEBRUARY 2021 ANNOUNCEMENT

January 12, 2021

In the Matter of Transforming Maryland's Electric Distribution Systems to Ensure that Electric Service is Customer-Centered, Affordable, Reliable and Environmentally Sustainable in Maryland: Administrative Docket PC44

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NOTICE OF TECHNICAL CONFERENCE

On January 11, 2021, Amanda Best, Senior Advisor to the Commission, and Ryan Opsal, Director of Policy for the Maryland Energy Administration, requested the opportunity to present the findings of the Task Force on Comprehensive Electricity Planning ("Task Force") to the Commission at a technical conference.[1] The goal of the Task Force is to bring together state regulatory and energy policy agencies to develop ways for states to both increase involvement in distribution system planning, and to further align planning processes with state goals and the proliferation of distributed energy resources. The final report of the Task Force is expected to be released on February 11, 2021. The Maryland representatives on the Task Force also recommend that the Commission consider the findings of the Task Force report in relation to the objectives of PC44 and convene the Distribution System Planning Work Group after the conclusion of the requested technical conference.

Accordingly, the Commission hereby gives notice that it will hold a virtual technical conference on Thursday, March 25, 2021, beginning at 10:00 a.m., to consider the final report and the recommendations of the Maryland representatives.[2] Upon its filing on February 11, 2021, the Commission anticipates requesting comments from interested parties regarding the Task Force's final report by March 11, 2021. Further details concerning the Technical Conference will also be issued prior to the hearing date.

[1] See: RequestforTechConferenceandConveningofPC44DSPWG.pdf
[2] See: NoticeofPC44DistributionPlanningTechnicalConference.pdf

MICHIGAN PUBLIC SERVICE COMMISSION
NARUC-NASEO TASK FORCE ON COMPREHENSIVE ELECTRICITY PLANNING
TASK FORCE FEBRUARY 2021 ANNOUNCEMENT

Michigan's energy future will require a more resilient, efficient electric grid that adapts to distributed sources of power generation. To that end, Michigan joined 15 states across the country in exploring the comprehensive electricity planning that will be required for states to create a more optimized grid that is also more affordable for customers.

The Michigan Public Service Commission and the Michigan Department of Environment, Great Lakes and Energy participated in the nationwide Task Force on Comprehensive Electricity Planning, a joint effort by the National Association of Regulatory Utility Commissioners (NARUC) and the National Association of State Energy Officials (NASEO). State energy officials from Ohio, Indiana, Minnesota and 12 other states participated in the task force.

Growth in distributed energy resources (DERs) such as solar, wind, battery storage and energy efficiency require regulatory and policy innovation and a greater emphasis on planning to overcome system complexities and avoid unnecessary costs associated with operating the grid.

"Michigan's transition from large, centralized power plants to smaller, distributed sources of electricity is already well under way," said MPSC Chair Dan Scripps. "Electric utilities in the state have made significant pledges to move toward clean energy in the coming years, but this shift will require a regulatory framework based on innovation, adaptability, affordability and fairness, all goals we've begun addressing as part of the MPSC's MI Power Grid Initiative."

"Comprehensive grid planning will increase reliability for customers and also allow for a continued seamless integration of renewable energy resources such as wind, solar and storage," said EGLE Director Liesl Clark. "The accelerating pace of change in the energy industry is having broad impacts on all Michiganders. We need to make sure the transition is equitable for all communities and at the same time is protective of our state's environmental resources."

States are exploring their own approaches. In Michigan, the areas being explored include:

- MI Power Grid, the multiyear effort led by the MPSC to maximize the benefits of the transition to clean, distributed energy resources for Michigan residents and businesses. MI Power Grid's efforts to align planning processes were initiated in 2020, and further work is expected to incorporate learnings from stakeholder forums and the NARUC-NASEO roadmaps into utility planning processes.
- Focusing on equity through ensuring that all communities and residents benefit from the transition to alternative energy through engagement in the development and planning, as well as access to clean energy. The Office of the Environmental Justice Public Advocate will work collaboratively to ensure environmental justice is prioritized and that there is equitable application of regulations, laws and policies. The Office is developing an EJ Screening Tool for Michigan that will play a role in targeting opportunities.
- Incorporating goals laid out in September by Gov. Gretchen Whitmer in her MI Healthy Climate Initiative to put Michigan on a path toward being carbon-neutral by 2050 into the utility integrated resource planning process.

In addition to improving grid reliability and resilience, the task force's goals included focusing on avoiding unnecessary costs for ratepayers, supporting states' policy priorities and increasing the transparency of grid-related investments.

MINNESOTA PUBLIC UTILITIES COMMISSION
NARUC-NASEO TASK FORCE ON COMPREHENSIVE ELECTRICITY PLANNING
TASK FORCE FEBRUARY 2021 ANNOUNCEMENT

In Minnesota, our state and utilities are focused on maintaining and enhancing the safety, security, reliability, and resilience of the electricity grid, at fair and reasonable costs, consistent with the state's energy policies. We utilize various existing planning processes at the resource (generation), transmission, and distribution system level. As these systems become more interdependent, we are developing best practices for integrated planning to evaluate all resources types and solutions on a level playing field, where and when possible.

As part of this process, to foster the evolution to integrated planning, Minnesota is holding a Planning Meeting on February 16 to present the results of the NARUC-NASEO Comprehensive Electricity Planning Task Force to the full Minnesota Public Utilities Commission, utilities, and other interested stakeholders. Minnesota is known for its collaborative and cooperative utility and stakeholder processes. These materials may help inform existing initiatives that are pursuing increased integrated planning - such as the existing Integrated Distribution Planning dockets - or hosting capacity analyses, biennial transmission planning, among other related Minnesota statutes, rules, and requirements.

NORTH CAROLINA UTILITIES COMMISSION
NARUC-NASEO TASK FORCE ON COMPREHENSIVE ELECTRICITY PLANNING
TASK FORCE FEBRUARY 2021 ANNOUNCEMENT

There is significant work underway in North Carolina consistent with State Statutes, NC Utilities Commission Rules, and Executive Orders focused on establishing comprehensive utility system planning processes that connect generation, transmission, and distribution planning in a holistic, iterative and transparent way.

The Duke Utilities in North Carolina are currently engaged in a multi-year initiative to develop and implement an Integrated System & Operations Planning (ISOP) project. As stated in the Companies' 2020 Integrated Resource Plans, the advancements in planning tools through the ISOP initiative open new possibilities for analysis to help identify transmission and distribution infrastructure opportunities from a more holistic perspective. The Utilities Commission fully endorses Duke's efforts to date. It is also consistent with the State Energy Office's efforts to foster stakeholder participation into integrated distribution planning and resilience planning. Based on the anticipated value of this initiative, the Commission will endeavor to promote the learning and tools across all North Carolina distribution planning. The work of the NARUC-NASEO Task Force will inform this effort.

The North Carolina Utilities Commission issued an Order dated January 12, 2021 in the current IRP Docket (E-100 Sub 165) that establishes a Technical Conference to 1) provide information and briefs from the NARUC-NASEO task force, and 2) start laying the groundwork for expanding the engagement of the NC Electric Cooperatives and Municipalities in the ISOP and other integrated distribution planning efforts.[1] This will include developing approaches to encourage coordinated planning and the effective sharing of tools and outputs between the Utilities, Cooperatives, and Municipalities.

[1] See: North Carolina Utilities Commission Order

PUERTO RICO ENERGY BUREAU
NARUC-NASEO TASK FORCE ON COMPREHENSIVE ELECTRICITY PLANNING
TASK FORCE FEBRUARY 2021 ANNOUNCEMENT

On August 24, 2020, the Puerto Rico Energy Bureau approved an Integrated Resource Plan (IRP) that is aligned with very ambitious public policy components, including but not limited to mandates to achieve supplying 100% of the energy served in Puerto Rico from renewable sources by 2050 and 30% by energy efficiency by 2040.[1] The IRP approved by the Energy Bureau contemplates an increased penetration of distributed energy resources (DERs) and the inclusion of battery energy storage systems (BESS) and virtual power plants (VPPs) as generation resources. Finally, in order to increase overall system reliability and resiliency, the IRP includes a series of transmission and distribution system upgrades, including undergrounding and hardening of portions of the system that feed critical facilities.

In light of the emerging need to modernize the system at the distribution level, the Energy Bureau commenced a Distribution System Planning (DSP) Initiative with the intent of addressing an area that is only indirectly discussed in the IRP process.[2] As part of that effort, the Energy Bureau held a series of stakeholder meetings that provided significantly valuable information. As an initial step, on December 31, 2020, the Energy Bureau issued a Resolution and Order establishing a series of principles that should guide any future capital investments in the distribution system.[3] In said Resolution, the Energy Bureau ordered the utility to start working on the preparation of voltage and hosting capacity maps to facilitate the DER interconnection process. The Energy Bureau will continue working on its DSP Initiative with the objective of modernizing the distribution system and integrating its planning with the IRP to the highest extent possible.

[1] See: Integrated Resource Plan (IRP) Overview and Final Resolution and Order on the Puerto Rico Electric Power Authority's Integrated Resource Plan
[2] See: Distribution Resource Planning (DSP) Initiative
[3] See: December 31, 2020 Resolution and Order

RHODE ISLAND OFFICE OF ENERGY RESOURCES
NARUC-NASEO TASK FORCE ON COMPREHENSIVE ELECTRICITY PLANNING
TASK FORCE FEBRUARY 2021 ANNOUNCEMENT

Reducing economy-wide greenhouse gas emissions across the state's electric, heating, and transportation sectors is integral to climate change mitigation and achieving long-term greenhouse gas reduction targets consistent with the Resilient Rhode Island Act. By accelerating our adoption of renewable electricity, Rhode Island can advance this goal, while generating new investment and job growth opportunities across the green economy.

In January 2020, Executive Order 20-01 set a first-in-the-nation goal to meet 100% of Rhode Island's electricity demand with renewable energy by 2030.

In 2020, the Rhode Island Office of Energy Resources (OER) conducted an economic and energy market analysis, and developed policy and programmatic pathways, to meet this goal. Our report - The Road to 100% Renewable Electricity by 2030 in Rhode Island (released January 13, 2021) - provides economic analysis of the key factors that will guide Rhode Island in the coming years as the state accelerates its adoption of carbon-free renewable resources.

The study considers available renewable energy technologies, including their feasibility, scalability, costs, generation patterns, market value, and local economic and employment impacts, as well as barriers that may hamper or slow their implementation. It identifies ways to leverage competition and market information to ensure reasonable ratepayer costs and manage energy price volatility, while taking advantage of economic development opportunities within the state. Utilizing this information, OER developed specific policy, programmatic, planning and equity-based actions that will support achieving the 100% renewable electricity goal.

Specifically relevant to the NARUC-NASEO Task Force on Comprehensive Electricity Planning, we propose a collaborative effort with National Grid, state agencies, municipalities, and other key stakeholders to explore the potential for a more integrated approach to grid planning beginning in 2021. The objectives of this collaboration are to foster improved understanding of how short- and mid-term planning can and should account for longer-term dynamics, estimate long-term impacts to the grid from both distributed energy resources and load growth, and compare grid investments under reactive and proactive approaches. We seek to identify locations for distributed energy resources that could streamline development timelines, protect the state's most sensitive environments, and offer the potential to reduce long-term, system wide costs. Critical to this effort will be the identification of underlying data sets necessary for more dynamic forecasting and planning. We recognize the complexity of this task and parties will need to remain realistic about the time and resources needed to gather information not currently in-hand while determining the full value of such an exercise.

Press Release: Rhode Island details pathways to become first state with 100% renewable electricity: https://www.ri.gov/press/view/40198