NARUC

National Association of Regulatory Utility Commissioners

# Public Utility Commission Stakeholder Engagement: A Decision-Making Framework

*Jasmine McAdams*

*January 2021*

## Disclaimers

This material is based upon work supported by the Department of Energy under Award Number DE-OE0000818.



## Acknowledgments

This report was authored by Jasmine McAdams, Program Officer at National Association of Regulatory Utility Commissioners (NARUC) Center for Partnerships & Innovation (CPI). Throughout the preparation process, NARUC staff and members provided the author with editorial comments and suggestions. However, the views and opinions expressed herein are strictly those of the author and may not necessarily agree with positions of NARUC or those of the U.S. Department of Energy.

The author is grateful to the many individuals and organizations that provided their expertise and peer review during the preparation of this report, specifically:

- **Abigail Anthony**, Rhode Island Public Utilities Commission
- **Megan Decker**, Oregon Public Utilities Commission
- **Lilian Mateo-Santos**, Puerto Rico Energy Board
- **Beth Trombold**, Public Utility Commission of Ohio
- **Michael Byrne**, Michigan Public Service Commission
- **Joey Chen**, Maryland Public Service Commission
- **Tricia DeBleeckere**, Minnesota Department of Commerce
- **Jennifer Hoss**, Arkansas Public Service Commission
- **Andrew Melnykovych**, Kentucky Public Service Commission (former staff)
- **Karen Olesky**, Public Utilities Commission of Nevada
- **Naza Shelley**, District of Columbia Public Service Commission (former staff)
- **Jennifer Snyder**, Washington Utilities and Transportation Commission
- **Dan Cross-Call**, Rocky Mountain Institute
- **Jessica Shipley**, Regulatory Assistance Project
- **Charles Harper**, NARUC CPI (former staff)
- **Danielle Sass Byrnett**, NARUC CPI
- **Kiera Zitelman**, NARUC CPI

Please direct questions regarding this report to Jasmine McAdams, NARUC CPI at jmcadams@naruc.org.

# Contents

# I. Executive Summary

Public utility commissions (PUCs) across the country are facing the challenges of an evolving regulatory landscape as consumer needs, new technologies, and policy goals increasingly lead to changes in traditional utility and regulatory practices. Emerging stakeholder engagement processes are a key tool for informed decision-making in this landscape and can help achieve win-win outcomes in the public interest. To ensure that stakeholder engagement processes deliver on these benefits, PUCs will want to evaluate an array of options for how to proceed at key points. This stakeholder engagement framework offers commissions a road map to evaluate these decision points by providing key questions to consider, emerging best practices, and related resources informed by other commissions' experiences. The framework is organized into six decision categories: scope, facilitation approach, engagement approach, meeting format, timeline, and engagement outcomes and follow-up actions. Each category is defined in *Figure 1*. *Table 1* consolidates the emerging best practices and key questions to consider for each decision category as discussed in the framework.

**Figure 1. Decision-making Framework Category Definitions**

**A. Scope:**
Delineates the extent, or the bounds, of the stakeholder engagement approach. In this framework, the scope is discussed as a function of the focus, purpose, internal capacity, and initiating factor for the stakeholder process

**B. Facilitation Approach:**
Refers to who is leading the facilitation and the role of the facilitator throughout the stakeholder process

**C. Engagement Approach:**
Methods used to engage stakeholders. The engagement approach is discussed through outreach and recruitment, communication of scope, stakeholder education and issue framing, and consensus building

**D. Meeting Format:**
Considerations for the structure and accessibility of the stakeholder engagement process

**E. Timeline:**
Schedule and phases of the stakeholder engagement process

**F. Engagement Outcomes and Follow-Up:**
Interim and final outputs of the stakeholder engagement process and relevant activities that continue or commence after the process is formally complete

**Table 1. Emerging Best Practices and Key Questions for Commissions**

## A. Scope

### Emerging Best Practices

- Clearly define the scope of the proceeding early in the process.
- Communicate the purpose and goals to stakeholders early in the process.
- Assess commission capacity and identify where capacity may be limited. Consider the possibility of needing to invest in increased staffing and/or additional resources to accommodate needs.

### Key Questions for Commissions

- What is the purpose of the process?
- Who is determining the focus of the process?
- Has the focus been explicitly defined prior to beginning stakeholder engagement? Or, will the stakeholder engagement process help define the focus?
- How does this process meet the commission's need in a way that could not be met in a litigated proceeding?
- Are there priority issues that must be addressed?
- How and when will the scope of the process be communicated to stakeholders?
- What is the capacity of the commission's staff, and what resources are available? Is there a need for additional resources?

## B. Facilitation Approach

### Emerging Best Practices

- Commissions select a neutral facilitator who is familiar with the regulatory process. Facilitators can be prequalified, and RFPs issued on a case-by-case basis to facilitators with demonstrated requisite expertise.
- Commissions prioritize receiving actionable input from stakeholders to make a decision and clearly communicate this priority to the facilitator.
- Some facilitators may not be aware of the historical relationships between stakeholders; in these instances, commission staff will need to bring the facilitator up to speed to understand how stakeholder relationships may have an impact on the current process.
- The role of the facilitator is clearly defined.
- Frequent communication between the facilitator and the commission can ensure alignment with commission objectives and allow the commission to adjust or incorporate process developments into its plans.
- Facilitators establish clear boundaries, goals, and ground rules with participants.

### Key Questions for Commissions

- How will the facilitator address concerns of bias?
- What is the intended role of the facilitator?
- How much technical knowledge should the facilitator have for their role in this process?
- Does the facilitator need to be aware of any historical relationships between stakeholders?
- Does the facilitator have experience building consensus or productive collaboration among diverse stakeholders?

Table 1 continued

## C. Engagement Approach

### Emerging Best Practices

- Engage stakeholders early and often throughout the process.
- If relevant to the proceeding, recruit stakeholders through a well-publicized process.
- Ensure trust and respect are built through clean communications and development of ground rules to support meaningful engagement.
- To accommodate stakeholders with a wide range of background knowledge, include tools for stakeholder education early in the process to establish general knowledge.
- For consensus-building activities, maintain detailed meeting minutes.
- Reach consensus in small increments throughout the process, rather than on all matters at the end.
- Facilitate informal discussions to negotiate or mediate outside of the larger group.

### Key Questions for Commissions

- Is broad participation important to this proceeding?
- Which mediums are available for reaching potential stakeholders?
- Should stakeholders have a level of background knowledge prior to participating? If so, what is this level, and how will this be evaluated?
- What approach should be used to educate stakeholders?

## D. Meeting Format

### Emerging Best Practices

- Consider a multitier organizational approach for engagement.
- Evaluate barriers to access that potential stakeholders may face and outline steps for eliminating or reducing these barriers to participation.
- Set limits to the number of participants per meeting.
- Offer virtual options to enable increased participation.
- Consider meeting times outside of traditional business hours.
- Distribute meeting materials in advance.
- Take meeting minutes and distribute notes after meeting, with extra attention paid to any matters that reached consensus so that stakeholders can review the outcome.
- Consider the role of commissioners and commission staff in meetings.

### Key Questions for Commissions

- What venues of participation are most appropriate for this type of engagement?
- What steps are being taken to ensure that the process is accessible to all potential participants?
- How many stakeholders is the commission anticipating will be involved in the process?
- What is the maximum number of participants that can participate in any meeting? Does this number change for in-person versus virtual meetings?
- Are there any logistical constraints limiting the size of stakeholder groups/meetings?
- What overall organization structure should be employed? Should the process consist of an advisory board?
- Are stakeholders expected to come to consensus? If so, what steps will be taken if consensus is not able to be reached?
- Is virtual participation an option? What platforms are available?
- What online platforms are available for sharing meeting documents?
- Will commissioners or staff participate in meetings? If so, how?

Table 1 continued

## E. Timeline

### Emerging Best Practices

- When final product due dates have been decided, consider setting the timeline by working backward from these dates.
- Design timelines to accommodate flexibility.
- Clearly communicate the timeline to stakeholders early in the engagement process. Include who will be engaged at each step, relevant outputs, and milestones.

### Key Questions for Commissioners

- Can the process be divided into phases? If so, how?
- What are the interim milestones that indicate the process can move toward the next phase?
- When are the due dates of final products?
- What resources are needed at each step?
- Which stakeholders will be involved at each step?
- Which staff members or facilitators will be involved at each step?
- What are the relevant activities for each step?

## F. Engagement Outcomes and Follow-Up Actions

### Emerging Best Practices

- Set clean intentions for how stakeholder will contribute and give input to the development of interim and final process products.
- During the planning process, consider and set resources aside to continue follow-up discussions and activities.
- Solicit input from stakeholders on the engagement process and use feedback to incorporate and demonstrate process improvements.

### Key Questions for Commissions

- How and to what extent will stakeholder inputs be incorporated into process products?
- What opportunities are there to follow up on proceeding outputs? Does the commission have resources ready to utilize if the opportunity arises?
- What type of feedback from stakeholders could help to improve future processes?
- Given the structure of the process, can feedback be gathered at regular intervals?

# II. Introduction

Public utility commissions (PUCs) across the country are faced with making decisions that are increasingly complex, broad in impact, and intersectional across an array of issues. These factors are driven by evolving consumer needs, emerging technologies, and new policy goals that are redefining utility regulation in the public interest beyond just the objectives of ensuring affordable, safe, and reliable services to consumers. These evolving elements are expanding these objectives to now include additional needs and expectations such as environmental performance, expanded consumer choice, resilience, and equity (Cross-Call et al. 2018; Billimoria, Shipley, and Guccione 2019). These considerations are growing increasingly present in regulatory decision-making with regards to dynamic issues such as:

- **Energy infrastructure modernization**, including the proliferation of distributed energy resources (DERs; NARUC 2016),[1] electric vehicle (EV) infrastructure ownership and siting, and smart grid technologies and connected devices;
- **Electricity system transition**, including distribution system planning, performance-based ratemaking, advanced rate design, and hosting capacity analysis;
- **Energy system resilience**, including critical infrastructure policy, cybersecurity, grid resilience, and development of microgrids;
- **Energy policy goals**, including greenhouse gas emissions reduction targets, renewable portfolio standards, and zero emission vehicle standards; and
- **Intersection of utility regulation with other economic sectors**, including the transportation and manufacturing sectors. This is particularly relevant to the challenges and opportunities of transportation and building electrification.

Decisions relevant to these topic areas, which are often interrelated, have highlighted the benefits of transitioning from traditional to emerging regulatory processes that enable increased and improved stakeholder engagement (Cross-Call, Goldenberg, and Wang 2019). In this context, a stakeholder is defined as an individual, group, or organization that can affect or be affected by PUC decision-making. Examples of stakeholders can include, but are not limited to: utilities, consumer advocates, large customers, small businesses, municipalities, environmental organizations, DER solution providers, project developers, environmental justice advocates, and others.

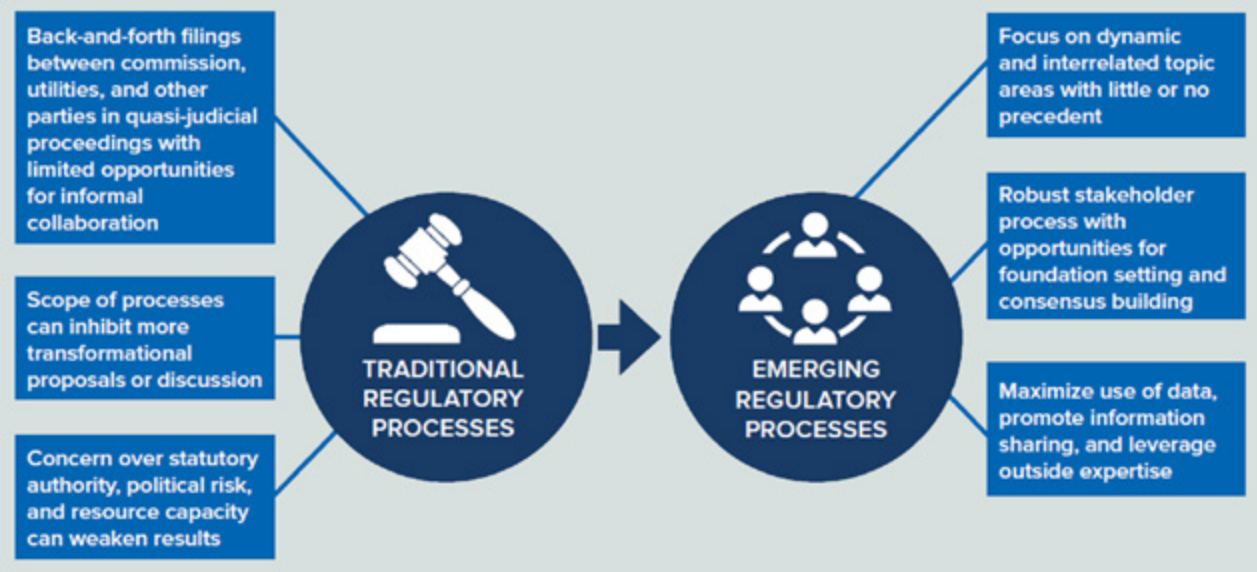
*Figure 2*, replicating key portions of Cross-Call, Goldenberg, and Wang's (2019) Process for Purpose diagram, illustrates some of the key differences in scope and stakeholder involvement between traditional and emerging regulatory processes.

These emerging stakeholder engagement processes are instrumental in helping meet the needs of this changing regulatory landscape, and have been undertaken in more than a dozen states. When the stakeholder engagement process is well-designed, the benefits are actualized as "better information, decreased risk, and smarter solutions" (De Martini et al. 2016, 2) for all parties. In addition, robust stakeholder engagement processes inform regulatory rulemakings with more complete and up-to-date considerations of stakeholder concerns and challenges. De Martini et al. (2016, 2–3) further elaborate on the advantages of this approach as it:

1 A DER is an energy resource sited close to customers that can provide all or some of their immediate electric and power needs and can also be used by the system to either reduce demand (such as energy efficiency) or provide supply to satisfy the energy, capacity, or ancillary service needs of the distribution grid. The resources, if providing electricity or thermal energy, are small in scale, connected to the distribution system, and close to load. Examples of different types of DER include solar photovoltaic (PV), wind, combined heat and power (CHP), energy storage, demand response (DR), EVs, microgrids, and energy efficiency (EE).

- Provides inclusive and accessible environments for discussion,
- Builds stakeholder support throughout the regulatory process,
- Improves the quality and efficiency of regulatory proceedings,
- Encourages constructive working groups,
- Identifies common ground and areas of disagreement proactively, and
- Increases support for prudent capital investments through mutual education.

**Figure 2. Characteristics of Traditional And Emerging Regulatory Processes**
(Cross-Call, Goldenberg, and Wang 2019)




Commissions partaking in these nontraditional approaches, however, often face challenges that can influence the extent and impact of the engagement. These challenges include:

- **Legal barriers:** formal processes may have legal requirements for intervention that can be used by regulators or other parties to include or exclude participants.
- **Capacity limitations:** time and resources of commissioners, commission staff, and stakeholders can limit the participation and engagement capacity for each party.
- **Fair and objective decision-making:** commissions are tasked with maintaining fair and effective processes that allow them to appropriately integrate stakeholder input into decision-making.
- **Timely proceedings:** proceedings must be conducted in a way that aligns with statutory deadlines and concurrent activities.
- **Stakeholder knowledge:** limited background knowledge can potentially limit the ability for stakeholders to participate in a meaningful way (Bishop and Bird 2019, 21).

This stakeholder engagement decision-making framework was developed to respond to the growing need for more expansive stakeholder engagement processes among state utility commissions. The framework draws from various commission experiences in stakeholder processes and serves as a resource to support commissions as they plan and design these processes.

# III. Methodology

National Association of Regulatory Utility Commissioners (NARUC) gathered experiences and lessons learned from members to inform the development of this decision-making framework. NARUC staff hosted three peer sharing calls (NARUC 2019a, 2019b, 2019c) with PUC staff from across the country and conducted five one-on-one interviews with commissioners/PUC staff, in addition to completing a literature review. Ultimately, NARUC gathered feedback from PUCs regarding 11 recent utility commission processes (see *Table 2*) to identify key questions and emerging best practices. (See also *Table 3* for details about each initiative.)

**Table 2. Examined Proceedings**

| State Commission | Initiative Title | Initiative Type/ Relevant Issue | Related Dockets |
|---|---|---|---|
| Arkansas Public Service Commission | Three dockets related to DERs | DERs | 16-028-U |
| District of Columbia Public Service Commission | Modernizing the Energy Delivery System for Increased Sustainability (MEDSIS) | Grid modernization | Formal Case No. 1130 |
| Maryland Public Service Commission | Transforming Maryland's Electric Grid (PC44) | Distribution system planning | PC44 |
| Michigan Public Service Commission | MI Power Grid | Grid modernization | U-20645<br>U-20757 |
| Minnesota Public Utilities Commission | Grid Modernization Distribution System Planning Investigation | Distribution system planning | 15-556 |
| Public Utilities Commission of Nevada | Investigation and Rulemaking to implement Senate Bill 146 | Utility distributed resources planning | 17-08022 |
| Public Utility Commission of Ohio | PowerForward Initiative | Grid modernization | 18-1595-EL-GRD<br>18-1596-EL-GRD<br>18-1597-EL-GRD |
| Oregon Public Utility Commission | Senate Bill 978 Stakeholder Process | Grid modernization | — |
| Puerto Rico Energy Bureau | Distribution Resource Planning | Distribution system planning | — |
| Rhode Island Public Utilities Commission | Investigation into the Changing Electric Distribution System and the Modernization of Rates in Light of the Changing Distribution System | Benefit-cost framework | 4600 |
| Washington Utilities and Transportation Commission | Statewide Advisory Group | EE | UE-171087 |

# IV. Summary of Commission Experiences

*Table 3* shows a high-level summary of 11 commission experiences with focused stakeholder engagement processes, collected from peer sharing calls, and one-on-one interviews. Commissioners and staff provided both factual feedback and lessons learned. Lessons learned are indicated with an "LL" in the table. These experiences informed NARUC's development of the decision-making framework.

**Table 3. Summary of Commission Experiences**

| State and Related Process | Scope | Facilitation Approach | Engagement Approach | Meeting Format | Timeline | Engagement Outcomes and Follow-Up Actions |
|---|---|---|---|---|---|---|
| **Arkansas Public Service Commission**<br>Dockets related to DERs | • Dockets related to DERs | • Third-party facilitation<br>• LL: Staff recommend clearly defining the role of facilitator vs. staff | • The facilitator reached out to new stakeholders<br>• Facilitator attempted to build shared knowledge<br>• LL: As the facilitator may not be aware of historical relationships between stakeholders, staff may need to brief facilitators | • Monthly meetings via webinar and quarterly meetings in-person | | |
| **District of Columbia Public Service Commission (DCPSC)**<br>MEDSIS | • Addressed grid modernization, gaps in regulation, how to spend $25 million in funding on pilot programs from Exelon-Pepco merger<br>• The output of Phase I was a staff report<br>• Part of Phase II of the MEDSIS initiative aimed to address questions raised in the Phase I staff report | • Third-party facilitation<br>• Prioritized facilitator experience, independence, regulatory knowledge, staff capacity, transparency, and ability to host in-person meetings | • Shared meetings via social media and professional networks<br>• Spent the first month on stakeholder education; brought in experts and commission staff to address knowledge gaps<br>• LL: Useful feedback gathered from stakeholders by using strawman proposal to solicit input<br>• LL: Was sometimes difficult for facilitator to go in direction of achieving consensus<br>• Recommend prioritizing receiving actionable advice and communicating this priority to the facilitator | • Topical working groups were formed and met monthly<br>• Provided several venues for participation (town halls and technical conferences)<br>• Communication through an online portal | • 2015–2019 from the start of MEDSIS to final report<br>• Open stakeholder meetings held August 2018–May 2019 | • Facilitation consultant wrote a report summarizing stakeholder opinions; did not include recommendations<br>• Stakeholder surveys conducted at end of process<br>• Produced a staff report with recommendation for the DCPSC<br>• The staff report identified several ongoing DCPSC processes where MEDSIS recommendations could be incorporated |

Table 3 continued

| State and Related Process | Scope | Facilitation Approach | Engagement Approach | Meeting Format | Timeline | Engagement Outcomes and Follow-Up Actions |
|---|---|---|---|---|---|---|
| **Maryland Public Service Commission**<br>PC44 | • Targeted review of electric distribution systems in Maryland with specific focus on topics of rate design, EVs, competitive markets and customer choice, interconnection process, energy storage, and distribution system planning | • Commission staff-led facilitation<br>• Consultants hired to work as advisors and used sparingly (generally when staff capacity was limited)<br>• Facilitators assigned homework to stakeholders to avoid tangents<br>• Facilitators required clear direction and guidance from the commission<br>• Facilitators aimed to be accommodating, respectful, and neutral | • Consultant wrote a study on a topic to educate stakeholders<br>• Facilitators had discussions with stakeholders outside the larger group to educate, negotiate, mediate, and inform subsequent conversations | • Six topical working groups created that were led by commission staff | • 2016–present | • Staff provided summaries and options to the commission (but did not make recommendations or find consensus) |
| **Michigan Public Service Commission (MPSC)**<br>MI Power Grid | • A customer-focused, multi-year stakeholder initiative was established by the governor in cooperation with the MPSC to maximize benefits of transition to clean energy resources<br>• LL: Bandwidth issues arose if staff weren't focusing on facilitation full-time | • Commission staff-led facilitation<br>• Conversations were focused on evolving utility business model, which could lead to bias concerns with a utility- or advocate-led approach | • Reached out directly to stakeholders who expressed interest in the topics in the past and solicited assistance from national experts<br>• Focus on diversity and equity to make process as accessible as possible<br>• Initial session used to provide background and educate stakeholders | • Working groups (14–15 total) met monthly on independent timelines<br>• Phase 2 initiated new working groups<br>• Each working group had its own website and listserv for information sharing<br>• Remote options available (before COVID-19 restrictions) | • 2019–present<br>• First categorized relevant issues, talked to commissioners and determined staff availability, then identified stakeholders and the timeline<br>• The timeline was optimized relative to due date for deliverable<br>• LL: Important to be flexible and adaptable with planning | • Staff report due one year and final report due two years from start<br>• Staff reports to summarize issues raised, provide status updates on work being done, and offer recommendations to the commission<br>• Stakeholders able to comment on staff reports before sending to commissioners |

Table 3 continued

| State and Related Process | Scope | Facilitation Approach | Engagement Approach | Meeting Format | Timeline | Engagement Outcomes and Follow-Up Actions |
|---|---|---|---|---|---|---|
| **Minnesota Public Utilities Commission**<br><br>Grid Modernization and Distribution System Planning | • Minnesota PUC initiated an inquiry into electric utility grid modernization with a focus on distribution system planning | • Commission-led facilitation with external support<br>• Commissioners led public workshops, and staff led public comment periods for transparent input limited by ex parte rules<br>• Facilitation type varies depending on the stage in the process. Work began more informally, but became increasingly formal to ensure the record enabled decisions to be made | • At onset, new (nontraditional) stakeholders were sought out to share perspectives<br>• Used an open, inclusive approach to workshops and participants<br>• Verbal, written, and in-person outreach were used to gather stakeholder input during the early stages; toward more formal portion of the process (record-based decisions), formal methods were used.<br>• LL: It was important to define scope and hold early workshops—utilities and other stakeholders had time to understand what was coming and make preparations<br>• LL: It was critical for the commission to prioritize flexibility and a collaborative approach, and communicate that to stakeholders to keep engagement | • Workshops held every 6–8 weeks at the onset<br>• Planning meeting format for staff-led updates to PUC (and public)<br>• Commission meeting (decisional meetings) to articulate formal decisions | • Stakeholder workshops in 2015–2016, staff report in 2016<br>• 2017 stakeholder written solicitation of comments<br>• 2018 straw proposals and transition to formal proceeding using vetted straw proposals<br>• LL: It was important to set a clear timeline so commission staff could anticipate areas of disagreement and prepare for difficult discussions | • Report on options the PUC could use to advance grid modernization<br>• After receiving comments on the report, the PUC drafted a scope for distributed system planning requirements and solicited stakeholder feedback<br>• Using feedback, staff created straw proposals to be used as the basis for the standard commission proceeding |

Table 3 continued

| State and Related Process | Scope | Facilitation Approach | Engagement Approach | Meeting Format | Timeline | Engagement Outcomes and Follow-Up Actions |
|---|---|---|---|---|---|---|
| **Public Utilities Commission of Nevada (PUCN)**<br>Investigation and Rulemaking to Implement Senate Bill 146 | • Legislation required utilities to submit distribution resource plans to the commission; a utility asked the PUCN if it could accept stakeholder input | • Utility-led<br>• Some meetings were led by expert stakeholders<br>• LL: PUCN staff somewhat concerned with perceptions of utility bias but ultimately pleased with utility leadership | • The utility was open to input from a wide range of stakeholders<br>• Consensus draft formed and parties filed their own comments regarding areas where consensus was not reached<br>• Bias avoided by having all voices added to record | • Meetings via conference calls and webinars because of broad geographic spread of participants<br>• Meetings twice per month<br>• Information circulated at least a week in advance of meetings<br>• Periodic updates provided to PUCN | • 2017–2018<br>• PUCN considered the draft regulation immediately following the process | • Final document was a draft regulation submitted to the PUCN |
| **Public Utilities Commission of Ohio (PUCO)**<br>PowerForward Initiative | • PowerForward viewed as an educational process for commission and staff | • Mostly commission-led<br>• Commission sought a facilitator with deep technical knowledge<br>• A consultant was hired to facilitate two follow-up work groups, but initial panels were facilitated by PUCO chairman | • Utilities, the governor's office, and the legislature all provided suggestions for which stakeholders to include<br>• Reached out to new stakeholders directly, sent general solicitation for participants (listserv and webpage), asked experts if there were any voices missing, published meeting notices in local newspapers and social media<br>• PUCO traveled around the state to visit utilities and organizations to facilitate panels<br>• Used funnel approach to educate: breadth to depth approach | • All presentations were webcast and held in-person<br>• Meeting materials posted on the PUCO website<br>• Work groups worked with consultants for one year to propose specific suggestions for how the PUCO should move forward | • 2017–2019<br>• Occurred in three phases<br>• LL: Each phase improved on the previous; it was useful to have gaps between phases | • Commissioners wrote a final road map document that was a culmination of all the discussion and called for the formation of work groups<br>• The road map was successful at educating staff and the commission. It was a useful baseline for stakeholders, and the stakeholders continue to reference the road map |

Table 3 continued

| State and Related Process | Scope | Facilitation Approach | Engagement Approach | Meeting Format | Timeline | Engagement Outcomes and Follow-Up Actions |
|---|---|---|---|---|---|---|
| **Oregon Public Utility Commission**<br>Senate Bill 978 Stakeholder Process | • Commission wanted a process that was broad and inclusive because questions posed by Senate Bill 978 were broad<br>• Engaged stakeholders to identify priority items<br>• Bandwidth was available at the leadership level but not always at the staff level<br>• Time and resource commitment from the PUC was essential to understand how the PUC should act | • Third-party facilitation<br>• Two consultants were hired for the process: one served as a facilitator and the other as a technical advisor<br>• Third-party facilitation allowed PUC staff to participate and weigh-in | • PUC staff conducted one-on-one interviews with stakeholders to understand what they wanted to get out of the process and how they wanted to engage<br>• Meetings were open to the public and took place in two cities<br>• White papers were developed by the technical consultant and provided to stakeholders to fill knowledge gaps | • Stakeholders selected subgroups of their interest and each subgroup created a 2-page consensus document | • 2018<br>• The timeline was set by legislation<br>• Each month/meeting had its own interim milestone | • Final output was a legislative report with recommendations for legislative action. It was not a consensus document, but offered a chance for formal stakeholder comments<br>• Identified an unofficial strategic plan for PUC focus<br>• Momentum from the process can be used to start making changes |
| **Puerto Rico Energy Bureau (PREB)**<br>Distribution Resource Planning | • Public feedback needed before initiating multiyear distribution planning process<br>• Ground rules of respect were reiterated at the beginning of every meeting | • Third-party facilitation<br>• Each work group had a facilitator that communicated scope of the work group | • Invited organizations that had previously appeared in PREB proceedings<br>• Published notices in newspapers about workshop<br>• Compared with past PREB processes, workshops were well attended<br>• The first workshop established general knowledge<br>• Work groups put out a report by consensus<br>• PREB was present during workshops as observers | • Participants were divided into 3 work groups—each aimed to provide PREB with recommendations on data and hosting capacity, resiliency, and planning<br>• Microsoft Teams app used during workshops<br>• Short and virtual meetings to get wider participation | • Monthly topical work groups held from 2019 to 2020<br>• Work groups met monthly | • Worked with U.S. Department of Energy to issue a white paper with recommendations that PREB will consider when developing regulation on distribution system planning |

Table 3 continued

| State and Related Process | Scope | Facilitation Approach | Engagement Approach | Meeting Format | Timeline | Engagement Outcomes and Follow-Up Actions |
|---|---|---|---|---|---|---|
| **Rhode Island Public Utilities Commission**<br>Investigation into Changing Electric Distribution System and the Modernization of Rates | • Goal of the process was to populate a cost-benefit framework<br>• Ground rules were set<br>• Staff capacity was limited | • Third party–led facilitation<br>• Consultants led the process, and staff participated at the stakeholder level<br>• Facilitators provided some education throughout meetings | • Stakeholders petitioned to be a part of the process, which provided an overview of the subject matter<br>• Informal conversations/ breakout groups when issues arose | • In-person meetings in the PUC hearing room | • Nine working group meetings between May 2016 and March 2017<br>• Stakeholder report accepted by PUC in May 2017 | • Final output was a stakeholder report (non- consensus), which influenced a staff recommendation document that was adopted, in part, by the PUC<br>• The process led to a consumer advocate-led initiative<br>• LL: No Phase 2 on how to use the guidance document yet; would be helpful if stakeholders and utilities referenced; adding that Phase 2 for the new performance-based regulation process |
| **Washington Utilities and Transportation Commission (UTC)**<br>Statewide Advisory Group | • UTC ordered commission staff and regulated utilities to form a joint advisory group to resolve issues with EE in the state's biennial conservation process | • Utility-led facilitation<br>• Utility bias was a concern, leading to less consensus on questions of utility incentives | The joint advisory group was composed of members of each utility's existing advisory groups | • Met in-person and via webinar<br>• One utility volunteered to host | • Seven meetings from 2018 to 2019 | • Recommendations/ agreement coming out of the advisory group were proposed to the UTC on the topic at hand (but lack of consensus hurt process) |

# V. Stakeholder Engagement Decision-Making Framework

There is no single approach that PUCs should follow for undertaking a stakeholder engagement process. Rather, the success of the process is reliant on a design that is tailored to the unique ambitions and considerations of each state (Billimoria, Shipley, and Guccione 2019). More than a dozen states have used some type of robust stakeholder engagement process in recent years to inform their decision-making. With these experiences as reference, this paper presents a decision-making framework to guide PUCs in developing a process that accommodates their needs. It:

- Identifies factors that influence the selection of a stakeholder engagement approach,
- Provides emerging best practices for PUCs to consider,
- Offers key questions that influence the stakeholder engagement design process, and
- Points PUCs to additional relevant resources.

The stakeholder engagement decision-making framework offers commissions a road map of key questions they will answer in determining whether, and how, to implement dedicated stakeholder engagement processes as a way to inform their decision-making. The framework synthesizes the experiences of 11 commissions as they have undertaken stakeholder engagement efforts and provides a synopsis of emerging best practices and questions to consider at each of the key decision points.

This framework is not intended to serve as a step-by-step planning document or a prescriptive set of recommendations, but is designed to offer options for composing an effective stakeholder engagement planning process by presenting insights for each decision category. Categories discussed include the scope, facilitation approach, engagement approach, meeting format, timeline, and engagement outcomes and follow-up actions (see *Figure 3*). The categories are defined as follows:

- **Scope:** delineating the extent, or the bounds, of the stakeholder engagement approach. In this framework, the scope is discussed as a function of the focus, purpose, internal capacity, and initiating factor for the stakeholder process.
- **Facilitation Approach:** refers to who is leading the facilitation and the role of the facilitator throughout the stakeholder process.
- **Engagement Approach:** the methods used to engage stakeholders. The engagement approach is discussed through outreach and recruitment, communication of scope, stakeholder education and issue framing, and consensus building.
- **Meeting Format:** considerations for the structure and accessibility of the stakeholder engagement process.
- **Timeline:** the schedule of the stakeholder engagement process.
- **Engagement Outcomes and Follow-up:** the interim and final outputs of the stakeholder engagement process and relevant activities that continue or commence after the process is formally complete.

**Figure 3. Stakeholder Engagement Decision-Making Framework Categories**


## A. Scope

Scoping allows commissions to clearly identify the focus, purpose, and initiator of a stakeholder engagement process, as well as assess the internal capacity to execute the approach. Scoping provides context for setting clear objectives and process parameters, which De Martini et al. (2016) identifies as one of the "must-do" factors that determines the effectiveness of stakeholder processes. This step includes establishing clear policy and business objectives, and defining the purpose and desired outcomes. Furthermore, the process of establishing the scope should result in a common understanding of what the process is and is not intended to achieve (De Martini et al. 2016).

### Focus

Defining the focus sets the tone and structure for the entire stakeholder engagement process. It can lead to important subsequent decisions, such as helping to determine appropriate work groups, identifying when expert staff/consultants might need to be engaged, or establishing the timeline. In general, the focus can be broad or narrow to address specific topic areas for further investigation.

Oregon's Senate Bill 978 stakeholder engagement process is an example of a process with a broader scope, as the law directed the Oregon PUC to "establish a public process for the purpose of investigating how developing industry trends, technologies, and policy drivers in the electricity

### Related Resource

**Renovate Solution Set**

This solution set offers ready-to-implement approaches for regulators to consider when addressing challenges related to people and knowledge, managing risk and uncertainty, managing increased rate of chance, and complexity of objectives.

Smart Electric Power Alliance. 2020.
Renovate Solution Set
https://sepapower.org/resource/renovate-solution-set/

sector might impact the existing regulatory system and incentives currently employed by the commission" (Senate Bill 978). Within this broad scope, four major themes emerged from stakeholder discussions (Oregon Public Utility Commission 2018):

- Societal interests in climate change, social equity, and participation,
- Rapid change in capabilities and costs of new technology,
- Balancing individual choices and collective system goals, and
- Competition and market development.

Alternatively, in a process with a limited focus, the topic(s) of investigation may be predetermined by the legislature, commission, or stakeholders. The Washington Utilities and Transportation Commission (UTC) established the focus for its Statewide Advisory Group proceeding in a January 2018 order (Docket No. UE-171087, Order 01 2018). The UTC required that three electric utilities form a joint advisory group with all stakeholders to engage in discussion about whether Northwest Energy Efficiency Alliance (NEEA) savings should be included in conservation target calculations. The order specified that the discussions address:

- Whether to include the various subsets of NEEA savings,
- Whether the Energy Independence Act requires that NEEA savings be included in target calculations,
- Consistency with target setting requirements for consumer-owned utilities, and
- The degree of control the utilities have over NEEA's execution of its programs.

**Purpose**

In addition to focus, the purpose of the engagement process can take different forms. Generally, the purpose of a proceeding is investigatory or decisional in intent, or may evolve from an investigatory to a decisional process:

- An investigatory process is one that explores system needs or reform options, and can lead to outputs such as summaries of stakeholder concerns or recommendations for legislation or rulemaking. Ohio's PowerForward Initiative was an example of this type of approach.
- Decisional processes use outputs from the investigation phase to design rules or programs (Cross-Call et al. 2019). Nevada's investigation and rulemaking to implement Senate Bill 146 process offers an example of this type of approach.

Whether a process is investigatory or decisional will have a significant influence on how a commission will proceed with designing the timeline, facilitation approach, engagement approach, meeting format, engagement outcomes, and follow-up actions.

**Internal Capacity**

Evaluating the appropriate approach for stakeholder engagement also requires considerations of internal capacity. Commission feedback indicated that availability of staff, hosting options, data, and funding were all factors that influenced the stakeholder engagement approach. During the process design phase, commissions should take inventory of available resources and needs.

One area where capacity issues come to the forefront most obviously is around facilitation (see next section). Whether a commission chooses to have commission staff lead stakeholder facilitation, partner with an external third party, or encourage a utility to conduct an engagement process is driven by a combination of factors, most fundamentally around capacity.

**Initiator of the Stakeholder Engagement Process**

Additional characteristics that define the scope depend on the initiating actor behind the process. Processes can be initiated by the commission, through legislative or executive action, by stakeholders, or by utilities

(Cross-Call et al. 2019, 15–19). *Table 4* summarizes considerations relevant to the initiating approach that Cross-Call et al. (2019) discuss in Process for Purpose.

**Table 4. Considerations for Approach Based on the Initiator of the Engagement Process**

| Initiator of the Process | Considerations for Approach |
|---|---|
| Commission-initiated process | • Regulators' decision to initiate process depends on the commission's interest in reform, statutory authority, and perceived political feasibility<br>• Other influencing factors include:<br>  ◦ Grid needs and market forces<br>  ◦ Utility motivation<br>  ◦ Stakeholder support<br>  ◦ Commission resources and capacity<br>  ◦ Commission staff engagement |
| Legislative- or governor-initiated process | • Can provide legal justification or momentum for stakeholder engagement proceedings<br>• The level of direction provided by policy makers varies |
| Stakeholder-initiated process | • Can help conduct initial analysis of system and regulatory needs and educate stakeholders, improve collaboration, and demonstrate support for reform<br>• Can build an informal record of evidence to demonstrate need for reform<br>• Useful when resources are limited<br>• Discussions may eventually reside with a regulatory or other authorized agency to make actual policy changes<br>• Risk of being viewed as skewed toward specific interest groups<br>• May lead to utility resistance |
| Utility-initiated process | • May seed suspicion among participants of utility bias<br>• May need to be housed in PUC dockets, where clear and comprehensive records can be developed |

**Emerging Best Practices**

- Clearly define the scope of the proceeding early in the process.
- Communicate the purpose and goals to stakeholders early in the process.
- Assess commission capacity and identify where capacity may be limited.
  - Consider the possibility of needing to invest in increased staffing and/or additional resources to accommodate needs.

**Key Questions for Commissions on Establishing the Scope**

- What is the purpose of the process?
- Who is determining the focus of the process?
- Has the focus been explicitly defined prior to beginning stakeholder engagement? Or, will the stakeholder engagement process help define the focus?
- How does this process meet the commission's need in a way that could not be met in a litigated proceeding?

- Are there priority issues that must be addressed?
- How and when will the scope of the process be communicated to stakeholders?
- What is the capacity of the commission's staff, and what resources are available? Is there a need for additional resources?

## B. Facilitation Approach

The facilitator plays a key role in the stakeholder engagement process by guiding and encouraging discussion, educating stakeholders or commission staff, and/or helping bring a group to consensus. A successful stakeholder engagement process thus relies on a skillful facilitator, but is also contingent on the facilitation approach.

This section of the framework explores three common facilitation approaches that have been employed by commissions: commission-led, utility-led, and third party–led. In a commission-led approach, commission staff often serve as facilitators. A utility-led approach relies on staff from the utility to convene and lead the facilitation. Last, in a third party–led approach, the commission will select a neutral organization to facilitate engagement. Feedback from commission experiences are summarized in *Table 5* with advantages and challenges associated with each approach.

**Table 5. Commissioner Views on Advantages and Challenges Associated with Three Facilitation Approaches**

| Facilitation Approach | Advantages | Challenges | Examples |
|---|---|---|---|
| Commission-Led | • Ability to utilize staff with relevant expertise<br>• Well-suited when utility or third-party facilitator may engender perceptions of bias | • Potential perceptions of staff bias<br>• Limits staff capacity | • Ohio PowerForward<br>• Michigan MI Power Grid<br>• Maryland PC44<br>• Minnesota distribution system planning |
| Utility-Led | • Relieves staff when capacity is limited<br>• Well-suited to handle complex topics | • Potential perceptions of utility bias, which may impede the ability to reach consensus | • Nevada Senate Bill 146 Investigation<br>• Washington Statewide Advisory Group |
| Third Party–Led | • Relieves staff when capacity is limited<br>• Allows for more meaningful participation from the commission<br>• Contributes to transparency of the process<br>• Limits perceptions of bias and increases transparency | • Facilitator may not have technical or historical background<br>• Additional costs associated with hiring a third-party facilitator | • Arkansas DER dockets<br>• District of Columbia MEDSIS<br>• Puerto Rico Distribution Resource Plans<br>• Oregon Senate Bill 978<br>• Rhode Island distribution system planning |

Regardless of the facilitation approach, commissions should prioritize selecting a facilitator who is neutral and familiar with regulatory processes. In addition, the role of the facilitator should be well defined to build trust among participants (Cross-Call et al. 2019) and lead to a more transparent process.

Commissioners and staff interviewed for this publication shared that facilitator responsibilities often include the following:

- Outlining the scope of the proceeding,
- Establishing and enforcing ground rules,
- Deciding and communicating objectives for each meeting,
- Designing meeting agendas,
- Educating stakeholders on relevant issues,
- Communicating updates to commission staff,
- Leading, mediating, and negotiating group discussions,
- Providing direction and guidance on deliverables,
- Assigning homework to participants,
- Distributing meeting minutes and summaries,
- Providing draft summaries of opinions to stakeholders, and
- Inviting input and summarizing responses.

**Emerging Best Practices**

- Commissions select a neutral facilitator who is familiar with the regulatory process. Facilitators can be prequalified, and RFPs issued on a case-by-case basis to facilitators with demonstrated requisite expertise.
- Commissions prioritize receiving actionable input from stakeholders to make a decision and clearly communicate this priority to the facilitator.
- Some facilitators may not be aware of the historical relationships between stakeholders; in these instances, commission staff will need to bring the facilitator up to speed to understand how stakeholder relationships may have an impact on the current process.
- The role of the facilitator is clearly defined.
- Frequent communication between the facilitator and the commission can ensure alignment with commission objectives and allow the commission to adjust or incorporate process developments into its plans.
- Facilitators establish clear boundaries, goals, and ground rules with participants.

**Key Questions for Commissions on Selecting a Facilitator**

- How will the facilitator address concerns of bias?
- What is the intended role of the facilitator?
- How much technical knowledge should the facilitator have for their role in this process?
- Does the facilitator need to be aware of any historical relationships between stakeholders?
- Does the facilitator have experience building consensus or productive collaboration among diverse stakeholders?

## C. Engagement Approach

Key aspects of the engagement approach include: outreach and recruitment, communicating scope, stakeholder education and issue framing, and consensus building.

**Stakeholder Identification and Outreach**

An inclusive approach assembles diverse stakeholders who are representative of the constituencies affected by commission decision-making, and is fundamental to a robust stakeholder engagement process (De Martini et al. 2016). This method has been underscored through innovative planning efforts such as the Task Force on Comprehensive Electricity Planning, led by NARUC and the National Association of State Energy Officials (NASEO; NARUC and NASEO 2020).[2] As task force members developed a vision for better aligned planning processes, they invited stakeholders and experts from across the electricity system to offer input about gaps and opportunities for improvement to electricity system planning. Invited stakeholders included those typically engaged in integrated resource planning or distribution planning processes and also those with a stake in the outcome who are not traditional participants. A sampling of the represented stakeholder categories included:

- Demand-side management or demand response providers and aggregators,
- DER developers, technology providers, and advocates,
- Electric utilities,
- Energy efficiency program administrators, providers, and implementers,
- Environmental groups,
- Large energy consumers,
- Low income and consumer advocates,
- Renewable energy developers,
- Regional transmission organizations and independent system operators,
- State environmental and state air regulators,
- State legislators, and
- Transportation electrification organizations and advocates (NARUC and NASEO 2020).

A relevant and diverse constituency of stakeholders can be identified by developing a stakeholder map. This method, described by the Energy Transitions Initiative: Islands Playbook (2015), helps to visualize stakeholders based on their impact on and interest in the outcome under consideration. The stakeholder map can also organize stakeholders based on the type of engagement required, such as to:

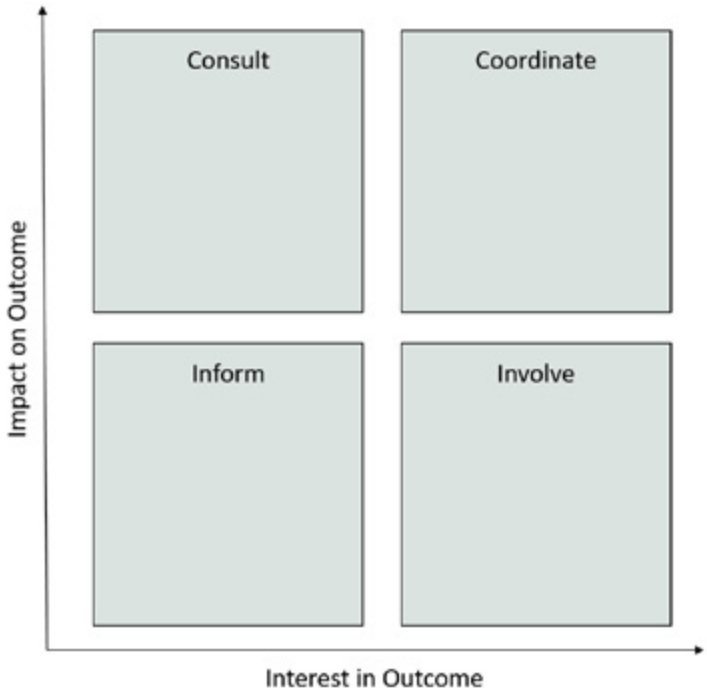
- Consult: regularly and actively seek support for and feedback on how best to achieve upcoming goals.
- Coordinate: establish an ongoing relationship regarding all aspects of the transition, ranging from day-to-day operations to timing significant milestones.
- Inform: keep the stakeholder apprised of developments and progress.
- Involve: invite the stakeholder to participate in certain activities, such as meetings or outreach that touch on the stakeholder's interest in the outcome.

*Figure 4* provides an example stakeholder mapping matrix, which can be adapted by commissions seeking to use this approach.

2 NARUC and NASEO, in partnership with the U.S. Department of Energy, launched the Task Force on Comprehensive Electricity Planning in 2018. This two-year initiative provided a forum for the development of state-led pathways toward planning for a more resilient, efficient, and affordable grid.

**Figure 4. Example Stakeholder Mapping Matrix**

adapted from Energy Transitions Initiative (2015)




Stakeholder outreach is another key component to organizing and inclusive approach. This view is shared among many of the commissions interviewed, who employed different methods to recruit and engage a wide range of stakeholders. Commissions utilized social media, newspapers, listservs, webpages, and professional networks for outreach.

- During Ohio's PowerForward initiative, the Public Utility Commission of Ohio (PUCO) worked with outside experts and states to determine if any stakeholders were missing. PUCO also discussed early stakeholder engagement efforts prior to the start of the PowerForward initiative. PUCO reached out directly to key stakeholders; staff visited their offices or held meetings to build relationships.
- Other stakeholder proceedings, such as the Washington Statewide Advisory Group, did not necessitate extensive public outreach, but utilized existing stakeholder structures.

Early and consistent engagement is also helpful for engaging stakeholders. This is particularly advantageous when the topic is highly technical, such as with Hosting Capacity Analysis (HCA; Stanfield and Safdi 2017).[3] Regarding HCA development and implementation processes in California, Minnesota, and New York, Stanfield and Safdi (2017, 25) note:

## Related Resource

### SB512 Research Project Report

California Senate Bill 512 directed the California PUC to study outreach efforts undertaken by other state and federal utility regulatory bodies and make recommendations to the commission to promote effective outreach.

California Public Utilities Commission News and Outreach Office. 2018. SB512 Research Project Report
https://www.cpuc.ca.gov/uploadedFiles/CPUC_Website/Content/About_Us/Organization/Divisions/News_and_Outreach_Office/SB%20512%20Research%20Project%20Report.pdf

3 "Hosting capacity" refers to the amount of DERs that can be accommodated on the distribution system under existing grid conditions and operations without adversely impacting safety, power quality, reliability or other operational criteria, and without requiring significant infrastructure upgrades. HCA evaluates a variety of circuit operational criteria—typically thermal, power quality/voltage, protection, and safety/reliability—under the presence of a given level of DER penetration and identifies the limiting factor or factors for DER interconnections.

*If regulators permit utilities to commit to a specific HCA method in advance, stakeholders engaged later may raise issues and insights, which show that method not best suited to the state's needs, leading to wasted time and expense. To avoid this pitfall, stakeholders should be engaged in the process of setting and refining the uses cases and goals for HCA and involved in every step of the HCA development and implementation process thereafter, including in selecting and refining the HCA method used, in evaluating results and in updating it as lessons are learned and methodologies improved.*

**Communicating Scope**

Multiple commissions discussed the importance of clearly defining the scope of their proceedings, and several highlighted the importance of plainly communicating this scope to stakeholders to set expectations early and maintain focus throughout the process. After determining the focus and purpose of a stakeholder engagement process, commissions will utilize different strategies for communicating the scope of the proceedings to stakeholders.

- The Rhode Island Docket 4600 proceeding required interested stakeholders to complete a petition for participation. The petition included an overview of the subject matter, ground rules, and required potential participants to explain their stake in the process.
- For the MEDSIS proceeding, the District of Columbia Public Service Commission (DCPSC) developed charters for each work group, outlining the purpose and scope, as well as composition, term and schedule, responsibilities and duties, key questions to address, desired outcomes, and deliverables (DCPSC n.d.).
- During the Oregon Senate Bill 978 process, PUC staff developed a work calendar, which mapped how each workshop fit into the larger process. The work calendar also indicated when stakeholders might expect subgroup work and would be asked to provide written comments (Billimoria et al. 2019, 18).

When communicating scope to participants, the commission also has an opportunity to communicate ground rules, which can establish a foundation of trust and respect among participants. Ground rules and expectations for participation allow the stakeholder engagement process to level the playing field and foster open dialogue (De Martini et al. 2016). Ground rules are helpful, and may be considered necessary, even in smaller group settings (SEPA 2017).

## Related Resource

**Just Energy Policies and Practices Action Toolkit—Module 3: Engaging Your Utility Companies and Regulators**

A guidance document for stakeholders to learn about how public utilities and PUCs operate and how they can engage.

Franklin, M., K. Taylor, L. Steichen, S. Saseedhar, and E. Kennedy. 2017. Module 3: Engaging Your Utility Companies and Regulators. Just Energy Policies and Practices Action Toolkit. NAACP Environmental and Climate Justice Program. https://naacp.org/wp-content/uploads/2014/03/Just-Energy-Policies-and-Practices-ACTION-Toolkit_NAACP.pdf

**Basics of Traditional Utility Regulation and Oregon Context**

A stakeholder briefing paper developed for the OR Senate Bill 978 process

Shipley, J. 2018. Basics of Traditional Utility Regulation and Oregon Context. The Regulatory Assistance Project http://esf-oregon.org/lib/exe/fetch.php?media=pdf:puc:oregon_978_framingpaper_rap_feb_16.pdf

**A Citizen's Guide to the Public Utility Commission**

A brief guide for stakeholders outlining basics of the Vermont PUC and how stakeholders can participate in proceedings

Vermont Public Utility Commission. 2019. A Citizen's Guide to the Public Utility Commission: Public Participation in PUC Proceedings https://puc.vermont.gov/sites/psbnew/files/doc_library/Citizens-Guide-2019.pdf

### Stakeholder Education and Issue Framing

One of the challenges with assembling diverse stakeholders is addressing knowledge gaps with regards to both technical expertise and the situational context for decision-making. Establishing a baseline level of expertise before diving into the issues of the proceeding is particularly important for more technical proceedings, and establishing this baseline can help bolster collaboration and cultivate useful ideas (Billimoria et al. 2019). Stakeholder education can also encourage participation by representatives of residential consumers or help solicit comments from the general public.

Issue framing educates stakeholders on the larger decision-making context by providing a broader regulatory and/or policy background. Issue framing is also useful to help clarify the relevant jurisdictional issues for consideration. Often, the facilitator is responsible for leveling the playing field by providing background information to address technical gaps and frame issues, and can employ a range of different tools to do so. See *Table 6* for examples of tools used in proceedings to educate stakeholders:

**Table 6. Tools for Stakeholder Education and Issue Framing**

| Tools for Stakeholder Education | Examples |
|---|---|
| Briefings and white papers | The Oregon Senate Bill 978 stakeholder process offered discussion and briefing papers developed by staff or outside experts to build a common understanding and frame issues (e.g., Basics of Traditional Utility Regulation and Oregon Context, and Trends in Technology and Policy with Implications for Utility Regulation; Billimoria et al. 2019, 22–23). |
| Petition for participation | The Rhode Island Docket 4600 proceeding required all interested stakeholders to complete a petition to participate. The petition provided an overview of the subject matter. |
| Presentations | During processes such as PowerForward, MEDSIS, and MI Power Grid, presentations in early meetings or work groups were used to establish general knowledge. During the PowerForward process, a funnel approach was used—providing a breadth of information at the beginning, then moving to specifics in subsequent meetings. |
| Engaging experts | During processes such as MEDSIS and MI Power Grid, outside and staff experts were engaged to address knowledge gaps. |

### Consensus Building

Commissions should ensure that stakeholders have full opportunity to actively voice their perspectives and concerns, particularly where it may be necessary to build consensus during the engagement process.

Facilitators often distributed minutes following meetings. In some instances, any matters that reached consensus were recorded in detail within the meeting minutes so stakeholders could review and understand what they agreed to. Facilitators may have more success reaching consensus with their group in small increments throughout the process, rather than on all matters at the end. This approach helps maintain consensus and avoid misunderstanding.

- One commission reported that such a misunderstanding occurred when a verbal agreement was made earlier in the process, but later fell apart when stakeholders recalled the earlier discussion in contradictory ways.

Even where consensus may not be reached, stakeholders should have a platform to communicate divergent views (Stanfield and Safdi 2017).

## Related Resources

### Collaborative Approaches to Environmental Decision-Making

A case studies–based guide for state agencies employing collaborative approaches to environmental decision-making.

Cohen, S. 2013. Collaborative Approaches to Environmental Decision-Making. MIT-Harvard Public Disputes Program. https://www.cbi.org/assets/files/NE%20Agency%20Guide%20to%20SE_FINAL.pdf

### Alternative Dispute Resolutions at PUCs

A paper illustrating examples of alternative dispute resolution practices used at PUCs across the country.

Peskoe, A. 2017. Alternative Dispute Resolution at Public Utility Commissions. Harvard Environmental Policy Initiative. http://eelp.law.harvard.edu/wp-content/uploads/Alternative-Dispute-Resolution-at-PUCs-Harvard-Environmental-Policy-Initiative.pdf

### Stakeholder Engagement through EE Collaboratives

Many PUCs across the country have used EE collaboratives as a way to solicit stakeholder input on EE programs. These collaboratives provide a flexible forum for stakeholder input outside of litigated proceedings, and are a valuable method for assembling diverse voices, particularly the voices of nontraditional utility stakeholders. State and Local Energy Efficiency Action Network. 2015. Energy Efficiency Collaboratives. Michael Li and Joe Bryson.

https://www7.eere.energy.gov/seeaction/system/files/documents/EECollaboratives-0925final.pdf

- Working group facilitators during the Maryland PC44 proceeding, for example, met with stakeholders outside of the larger group to negotiate or mediate subsequent conversations.

**Emerging Best Practices**

- Engage stakeholders early and often throughout the process.
- If relevant to the proceeding, recruit stakeholders through a well-publicized process.
- Ensure trust and respect are built through clear communications and development of ground rules to support meaningful engagement.
- To accommodate stakeholders with a wide range of background knowledge, establish general knowledge using tools for stakeholder education early in the process.
- For consensus-building activities, maintain detailed meeting minutes.
- Reach consensus in small increments throughout the process, rather than on all matters at the end.
- Facilitate informal discussions to negotiate or mediate outside of the larger group.

**Key Questions for Commissions on Identifying and Educating Stakeholders**

- Is broad participation important to this proceeding?
- Which mediums are available for reaching potential stakeholders?
- Should stakeholders have a level of background knowledge prior to participating? If so, what is this level, and how will this be evaluated?
- What approach should be used to educate stakeholders?

## D. Meeting Format

Stakeholder engagement will ultimately occur at various times and places. The venue(s) and level of inclusivity and accessibility are important decisions to consider.

### Venues for Participation

Commissions can consider various venues for engagement and participation. Among the proceedings examined for this publication, commissions engaged stakeholders through town hall meetings, technical conferences, advisory groups, working groups, workshops, conference calls, and webinars. The Spectrum of Processes for Collaboration and Consensus-Building in Public Decisions (Orenstein, Moore, and Sherry 2008; *Figure 5*) presents a useful guide for commissions to consider when deciding which venues may be most appropriate given the scope of the process.

**Figure 5. Spectrum of Processes for Collaboration and Consensus-Building in Public Decisions**[4]

(Orenstein et al. 2008)

| | Explore/Inform | Consult | Advise | Decide | Implement |
|---|---|---|---|---|---|
| **Outcomes**[5] | • Improved understanding of issues, process, etc.<br>• Lists of concerns<br>• Information needs identified<br>• Explore differing perspectives<br>• Build relationships | • Comments on draft policies<br>• Suggestions for approaches<br>• Priority concerns/issues<br>• Discussion of options<br>• Call for action | • Consensus or majority recommendations, on options, proposals or actions, often directed to public entities | • Consensus-based agreements among agencies and constituent groups on policies, lawsuits or rules | • Multi-party agreements to implement collaborative action and strategic plans |
| **Sample Processes** | • Focus Groups<br>• Conferences<br>• Open houses<br>• Dialogues<br>• Roundtable Discussions<br>• Forums<br>• Summits | • Public meetings<br>• Workshops<br>• Charettes<br>• Town Hall Meetings (w & w/o deliberative polls)<br>• Community Visioning<br>• Scoping meetings<br>• Public Hearings<br>• Dialogues | • Advisory Committees<br>• Task Forces<br>• Citizen Advisory Boards<br>• Work Groups<br>• Policy Dialogues<br>• Visioning Processes | • Regulatory Negotiation<br>• Negotiated settlement of lawsuits, permits, cleanup plans, etc.<br>• Consensus meetings<br>• Mediated negotiations | • Collaborative Planning processes<br>• Partnerships for Action<br>• Strategic Planning Committees<br>• Implementation Committees |
| **Use When** | • Early in projects when issues are under development<br>• When broad public education and support are needed<br>• When stakeholders see need to connect, but are wary | • Want to test proposals and solicit public and stakeholder ideas<br>• Want to explore possibility of joint action before committing to it | • Want to develop agreement among various constituencies on recommendations, e.g. to public officials | • Want certainty of implementation for a specific public decision<br>• Conditions are there for successful negotiation | • Want to develop meaningful on-going partnership to solve a problem of mutual concern<br>• To implement joint strategic action |
| **Conditions for Success** | • Participants will attend | • There are questions or proposals for comment<br>• Affected groups and/or the public are willing to participate | • Can represent broad spectrum of affected groups<br>• Players agree to devote time | • Can represent all affected interests and potential "blockers"<br>• All agree upfront to implement results, incl. "sponsor"<br>• Time, information, incentives and resources are available for negotiation | • Participants agree to support the goal for the effort<br>• Participants agree to invest time and resources<br>• Conditions exist for successful negotiations |

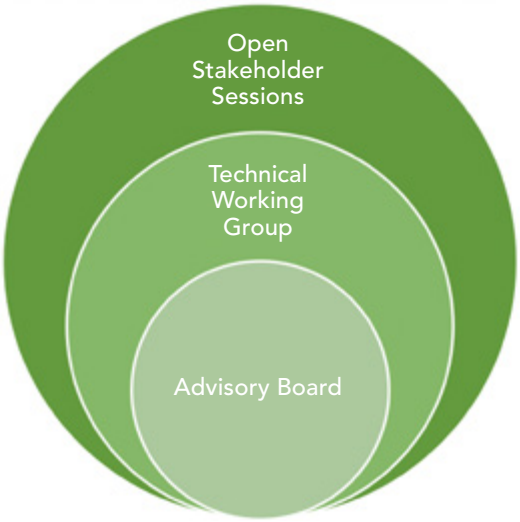
Part of achieving an effective organizational structure is maintaining a manageable group size while simultaneously including a wide range of stakeholders. De Martini et al. (2016) recommends keeping group size to 20 or fewer, as effective decision-making has been shown to diminish with groups sized up to this critical threshold. To accommodate a wider range of people while maintaining a small group size, they suggest commissions use a multitier approach (*Figure 6*), as was used in the New York Reforming the Energy Vision (REV) and California More than Smart proceedings.

---

4 Developed by Suzanne Orenstein, Lucy Moore, and Susan Sherry, members of the Ad Hoc Working Group on the Future of Collaboration and Consensus on Public Issues, in consideration of and inspiration from the spectra developed by International Association for Public Involvement. http://www.iap2.org/associations/4748/files/IAP2%20Spectrum_vertical.pdf) and the National Coalition for Dialogue and Deliberation. http://www.thataway.org/exchange/files/docs/ddStreams1-08.pdf

5 While all types of processes have intrinsic value on their own, those on the right side of the spectrum tend to include early phases akin to those on the left side and those on the left side often support participants in moving to next steps akin to those on the right side.

**Figure 6. Example Structure of a Multitier Organization Approach to Engagement**
adapted from De Martini et al. (2016)




## Related Resources

**Best Practices for Virtual Engagement**
A guidance document offering considerations and techniques for effective virtual public engagement.

Local Government Commission. 2020. Best Practices for Virtual Engagement.
https://www.lgc.org/wordpress/wp-content/uploads/2020/05/LGC_Virtual-Engagement-Guide_5-2020.pdf

**Increasing Access to Public Meetings and Events**
A tip sheet with guidelines for increasing access to public meetings and events.

Institute for Local Government. Increasing Access to Public Meetings and Events for People with Disabilities.
https://www.ca-ilg.org/sites/main/files/file-attachments/inreasing_access_to_public_meetings_and_events.pdf

**Virtual Meeting Experiences—An Exchange**
Insights from a peer exchange facilitated by NARUC's Center for Partnerships and Innovation on commission virtual meeting experiences.

NARUC. 2020. Virtual Meeting Experiences—An Exchange.
https://pubs.naruc.org/pub/72D219DD-155D-0A36-317C-03B95EF37742

Within the multitier approach, an advisory board can provide guidance on the objectives, scope, schedule, and deliverables. The advisory board should also be representative of the participants. Working groups can serve as the forum for addressing more technical issues and consist of subject matter experts. De Martini et al. suggests working groups be compromised of no more than approximately 20 people. However, working group participation can be expanded by including more stakeholders virtually. Outside of working groups and advisory boards, a larger group of stakeholders can get involved through open stakeholder sessions. (De Martini et al. 2016).

### Accessibility

An open and inclusive stakeholder process ensures that participation is accessible. Measures for accessibility include announcing meetings well in advance, holding meetings in a neutral location, hosting in-person and virtual meetings, utilizing technology to maximize meaningful participation, and maintaining meeting minutes (Stanfield and Safdi 2017). Additional considerations for accessibility include providing language services, hosting meetings outside the hours of 9 a.m. to 5 p.m., and making accommodations to people with disabilities. Ways that commissions can increase accessibility for people with disabilities include (Institute for Local Government n.d.):

- Making accommodation/accessibility statements on meeting announcements,
- Ensuring meeting space is fully accessible,
- Being aware of food sensitivities, if food is served,
- Offering meeting material in alternative formats, such as raised print, large print, Braille, or audio file,
- Ensuring sound equipment is clear,
- Designating and enforcing regularly scheduled break times, and
- Providing virtual options for participation.

Of the 11 stakeholder engagement proceedings reviewed for this publication, meetings were generally held in-person, but some proceedings also provided virtual options for participation to engage a broader audience. Websites and listservs were used for distributing meeting materials such as ground rules, agendas, meeting minutes, and other background documents. Furthermore, because of the COVID-19 pandemic, most commissions have had experience facilitating virtual convenings, including stakeholder processes. Insights and best practices from a few states were gathered during a peer exchange hosted by NARUC in May 2020. A summary of these experiences, additional questions, and relevant resources can be found in the Virtual Meeting Experiences—An Exchange document. These experiences can provide further guidance for commissions seeking to utilize virtual methods of stakeholder engagement even after the pandemic.

**Emerging Best Practices**

- Consider a multitier organizational approach for engagement.
- Evaluate barriers to access that potential stakeholders may face and outline steps for eliminating or reducing these barriers to participation.
- Set limits to the number of participants per meeting.
- Offer virtual options to enable increased participation.
- Consider meeting times outside of traditional business hours.
- Distribute meeting materials in advance.
- Take meeting minutes and distribute notes after meetings, with extra attention paid to any matters that reached consensus so that stakeholders can review the outcome(s).
- Consider the role of commissioners and commission staff in meetings.

**Key Questions for Commissions on Meeting Venues, Platforms, and Accessibility**

- What venues of participation are most appropriate for this type of engagement?
- What steps are being taken to ensure that the process is accessible to all potential participants?
- How many stakeholders is the commission anticipating will be involved in the process?
- What is the maximum number of participants that can participate in any meeting? Does this number change for in-person versus virtual meetings?
- Are there any logistical constraints limiting the size of stakeholder groups/meetings?
- What overall organizational structure should be employed? Should the process consist of an advisory board?
- Are stakeholders expected to come to consensus? If so, what steps will be taken if consensus is not able to be reached?
- Is virtual participation an option? What platforms are available?
- What online platforms are available for sharing meeting documents?
- Will commissioners or staff participate in meetings? If so, how?

## E. Timeline

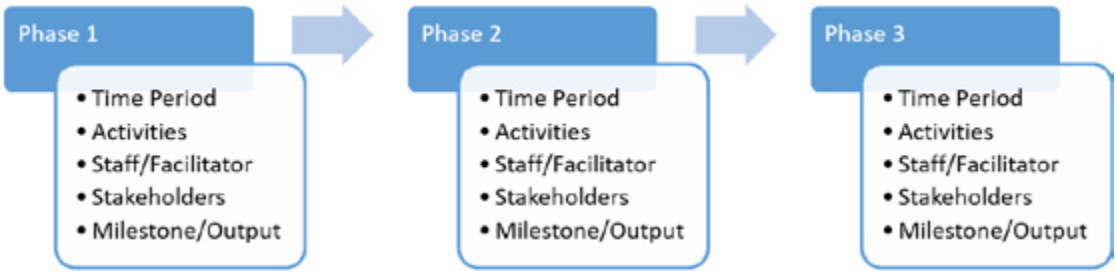
Feedback from commissions revealed the importance of setting timelines to anticipate times when disagreements might arise and prepare for difficult discussions during the stakeholder engagement process.

In many instances, the stakeholder engagement process timeline was divided into phases with interim milestones throughout the process. Several interviewees also noted the benefit of intentionally designing timelines to allow for flexibility and adaptability. The Rocky Mountain Institute also recommends using a multistage process, which allows for valuable discussion and iteration (Cross-Call et al. 2019).

- The phases in Ohio's PowerForward initiative, for example, were separated by a few months to accommodate any changes or allow for more information gathering.
- One commission noted that their approach involved defining the scope and participation prior to defining the timeline, and that the timeline was set by working backward from final product due dates.
- Stakeholders who participated in the Oregon Senate Bill 978 process discussed the need to ensure the timeline was clear to participants, including the number of meetings and length of time to completion (S.B. 978, Appendix A).

The timeline is important both for commissions and stakeholders. *Figure 7* provides a sample time-base outline of key types of information to determine and communicate, which can be adapted to commission needs and help describe the process to the public.

**Figure 7. Sample Timeline with Key Details**




### Emerging Best Practices

- When final product due dates have been decided, consider setting the timeline by working backward from these dates.
- Design timelines to accommodate the need for flexibility.
- Clearly communicate the timeline to stakeholders early in the engagement process. Include who will be engaged at each step, relevant outputs, and milestones.

### Key Questions for Commissions on Determining a Process Timeline

- Can the process be divided into phases? If so, how?
- What are the interim milestones that indicate the process can move toward the next phase?
- When are the due dates of final products?
- What resources are needed at each step?
- Which stakeholders will be involved at each step?
- Which staff members or facilitators will be involved at each step?
- What are the relevant activities for each step?

## F. Engagement Outcomes and Follow-Up

Commissions have leveraged stakeholder engagement processes to develop a range of interim and final outputs that could feed into broader regulatory processes. Among interviewees, there was a mix of both consensus and nonconsensus documents; in some circumstances, stakeholders were provided with the opportunity to comment on documents before the final product was sent to the commission. These products have included:

- Reports with recommendations for the commission or legislature,
- Draft regulations,
- Road maps,
- Summaries of issues and opinions, and
- Stakeholder submitted proposals.

The period immediately following a stakeholder engagement process offers a unique opportunity for commissions to follow up on the outputs from the engagement process. The decision-making momentum and newly opened channels of communication can allow for the collaborative efforts to continue (Cohen 2013).

- For the PowerForward Initiative, PUCO conducted follow-up work groups facilitated by a third party, which was intended for stakeholders to propose how the commission could move forward.
- Consideration of next steps arose as a challenge for proceedings associated with the Oregon Senate Bill 978 stakeholder process. Challenges included figuring out how to evolve recommendations into specific and clear steps while considering resource constraints, and how to translate priorities into concrete action. The process also led to recommendations to the legislature that were not ultimately incorporated by the legislature.

In addition to engaging in continued collaboration, follow-up activities can also involve seeking feedback from participants after the engagement process. At the conclusion of MEDSIS, the DCPSC released a stakeholder survey, which provided the commission insight into how well the process worked for stakeholders. Alternatively, commissions can gather feedback from participants at regular intervals during the process to make necessary corrections mid-stream (Cohen 2013).

**Emerging Best Practices**

- Set clear intentions for how stakeholders will contribute and give input to the development of interim and final process products.
- During the planning process, consider and set resources aside to continue follow-up discussions and activities.
- Solicit input from stakeholders on the engagement process and use feedback to incorporate and demonstrate process improvements.

**Key Questions for Commissions on Outputs and Next Steps**

- How and to what extent will stakeholder inputs be incorporated into process products?
- What opportunities are there to follow up on proceeding outputs? Does the commission have resources ready to utilize if the opportunity arises?
- What type of feedback from stakeholders could help to improve future processes?
- Given the structure of the process, can feedback be gathered at regular intervals?

## VI. Sources Cited


Billimoria, S., J. Shipley, and L. Guccione. 2019, March. *Leading Utility Regulatory Reform: Process Options and Lessons from Oregon*. Montpelier, VT, and Basalt, CO: Regulatory Assistance Project and Rocky Mountain Institute. https://www.raponline.org/knowledge-center/leading-utility-regulatory-reform-process-options-and-lessons-from-oregon/

Bishop, H., and L. Bird. 2019. *Pathways to Integrating Customer Clean Energy Demand in Utility Planning*. World Resources Institute. https://wriorg.s3.amazonaws.com/s3fs-public/uploads/pathways-integrating-customer-clean-energy-demand-utility-planning_0.pdf

California Public Utilities Commission News and Outreach Office. 2018. *SB512 Research Project Report*. https://www.cpuc.ca.gov/uploadedFiles/CPUC_Website/Content/About_Us/Organization/Divisions/News_and_Outreach_Office/SB%20512%20Research%20Project%20Report.pdf

Cohen, S. 2013. *Collaborative Approaches to Environmental Decision-Making. MIT-Harvard Public Disputes Program*. https://www.cbi.org/assets/files/NE%20Agency%20Guide%20to%20SE_FINAL.pdf

Cross-Call, D., R. Gold, C. Goldenberg, L. Guccione, and M. O'Boyle. 2018. *Navigating the Utility Business Model*. Rocky Mountain Institute. https://www.rmi.org/insight/navigating-utility-business-model-reform/.

Cross-Call, D., C. Goldenberg, and C. Wang. 2019. *Process for Purpose: Reimagining Regulatory Approaches for Power Sector Transformation*. Rocky Mountain Institute. https://rmi.org/insight/process-for-purpose/

De Martini, P., C. Brouillard, M. Robinson, and A. Howley. 2016. *The Rising Value of Stakeholder Engagement in Today's High-Stakes Power Landscape*. ICF. https://www.icf.com/insights/energy/the-rising-value-of-stakeholder-engagement

District of Columbia Public Service Commission. Working Groups. DC PSC Modernizing the Energy Delivery System for Increased Sustainability (MEDSIS) Working Group Portal. https://dcgridmod.com/?page_id=140

Docket No. UE-171087, Order 01. 2018, January 12. Accepting Puget Sound Energy's Calculation of Its 2018–2019 Biennial Conservation Target; Imposing Conditions. Washington Utilities and Transportation Commission. https://www.utc.wa.gov/docs/Pages/DocketLookup.aspx?FilingID=UE%E2%80%90171087

Energy Transitions Initiative. 2015. *Energy Transitions Initiative: Islands Playbook*. https://www.eere.energy.gov/islandsplaybook/pdfs/islands-playbook.pdf

Institute for Local Government. Increasing Access to Public Meetings and Events for People with Disabilities. https://www.ca-ilg.org/sites/main/files/file-attachments/inreasing_access_to_public_meetings_and_events.pdf

National Association of Regulatory Utility Commissioners. 2016. *NARUC Manual on Distributed Energy Resources Rate Design and Compensation*. https://pubs.naruc.org/pub/19FDF48B-AA57-5160-DBA1-BE2E9C2F7EA0

———. 2019a, June 24. State Commission Staff Surge Call: Stakeholder Engagement Using Third-Party Facilitators. https://pubs.naruc.org/pub/F9637C45-155D-0A36-31C5-854939DEF430

———. 2019b, July 15. State Commission Staff Surge Call: Stakeholder Engagement Led by Commission Staff. https://pubs.naruc.org/pub/F9424B24-155D-0A36-3124-0B5F4991B0D3

———. 2019c, November 4. State Commission Staff Surge Call: Stakeholder Engagement led by Utilities. https://pubs.naruc.org/pub/F931B59E-155D-0A36-314B-2F6014E37F54

National Association of Regulatory Utility Commissioners and National Association of State Energy Officials. 2020, December. *NARUC-NASEO Task Force on Comprehensive Electricity Planning Blueprint for State Action*. Review Draft.

Oregon Public Utility Commission. 2018. SB 978 Actively Adapting to the Changing Electricity Sector. Legislative Report. https://www.puc.state.or.us/Renewable%20Energy/SB978LegislativeReport-2018.pdf

Orenstein, S., L. Moore, and S. Sherry. 2008. Spectrum of Processes for Collaboration and Consensus-Building in Public Decisions. Ad Hoc Working Group on the Future of Collaboration and Consensus on Public Issues. https://ncdd.org/rc/wp-content/uploads/2010/09/spectrum2008-CollabConsensusInPubDecisions.pdf

Senate Bill 978, 79th Oregon Legislative Assembly. (Or. 2017) (enacted). https://olis.leg.state.or.us/liz/2017R1/Measures/Overview/SB978

Smart Electric Power Alliance. 2017. 51st State Perspectives Voices from Colorado's Global Energy Settlement. https://sepapower.org/resource/colorado-energy-settlement/.

———. 2020. Renovate Solution Set. https://sepapower.org/resource/renovate-solution-set/

Stanfield, S., and S. Safdi. 2017. *Optimizing the Grid—A Regulator's Guide to Hosting Capacity Analysis for Distributed Energy Resources*. Interstate Renewable Energy Council. https://irecusa.org/publications/optimizing-the-grid-regulators-guide-to-hosting-capacity-analyses-for-distributed-energy-resource

State and Local Energy Efficiency Action Network. 2015. *Energy Efficiency Collaboratives*. Michael Li and Joe Bryson. https://www7.eere.energy.gov/seeaction/system/files/documents/EECollaboratives-0925final.pdf


NARUC
National Association of Regulatory Utility Commissioners

1101 Vermont Ave, NW • Suite 200 • Washington, DC 20005
www.naruc.org • (202) 898-2200