



State Commission Staff Surge Call: Stakeholder Engagement Led by Utilities

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State public utility commissions utilize a variety of strategies to gather input from stakeholders in complex proceedings like grid modernization or resource planning. This discussion, the third in a three-part series, explored how utilities lead the stakeholder engagement process in some states. The first call in this series focused on third-party facilitators; the second discussed commission staff leadership. In this discussion, commission staff from Washington and Nevada shared their experiences with regulated utilities leading stakeholder input processes.

Nevada

State legislation required regulated utilities in Nevada to create a process for submitting distributed resource plans (DRPs) to the Public Utilities Commission (PUC). Nevada's sole regulated electric utility asked the PUC if it could accept input from stakeholders as the company put together a draft regulation and ultimately a plan to submit to the PUC. The PUC agreed, and the utility began a still-ongoing stakeholder engagement process. Today, the DRP regulation has been submitted and a DRP filing has been made, but the process remains open as the PUC continues to fine-tune. The PUC wanted to draft a broad regulation to guide the utility in filing its first DRP, then refine as needed.

Nevada has an existing integrated resource planning process, but distribution system planning was a new area. The utility wanted stakeholder input on what defined a good DRP and what types of modeling should be included. The utility was open to input from a wide range of stakeholders, including typical interveners at the PUC as well as out-of-state experts, national labs, think tanks, researchers, and others. Because of the broad geographic spread of stakeholders, the utility set up conference calls and webinars to enable remote participation. Meetings happened twice per month and were not always led by the utility, which shared leadership with expert stakeholders. Information had to be circulated at least a week in advance of meetings. The utility was responsible for setting the agenda, distributing resources to stakeholders and meeting attendees, asking for discussion leaders, and keeping the process on track: within the scope of the legislation and relevant to the PUC's goals. The utility provided periodic updates to the PUC throughout the process.

While there were differences of opinion between stakeholders, the utility generally allowed everyone to be heard and was open to discussion with stakeholders who disagreed. Eventually, a consensus draft formed; parties filed their own comments regarding the limited areas in which consensus did not form. In the end, the utility owned the results of the process and had to take responsibility for what it submitted to the PUC, but understood the benefits of getting input and support from stakeholders. PUC staff were somewhat concerned about the perception of utility bias, but were ultimately pleased with the utility's leadership and honesty, and felt that the inclusive process contributed to a quick resolution once the draft regulation was submitted to the PUC.

Washington

In Washington, the Utilities and Transportation Commission (UTC) ordered commission staff and regulated utilities to form a joint advisory group to resolve issues with energy efficiency in the state's biennial conservation process. Among other issues, the treatment of savings in energy efficiency was



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particularly divisive, and rather than the UTC taking a stance, the commission chose to initiate a stakeholder engagement process.

The joint advisory group was comprised of members of each utility's existing advisory groups. These advisory groups made the idea of a utility-led process more attractive, as existing expertise could be applied to the complex issues under discussion. One utility volunteered to host meetings and became the de facto leader, although two other electric utilities and two gas utilities also participated in the process. The joint group met in person and via webinar over a nine-month period. Initially, the joint advisory group participated in a straw poll to provide the utilities with a general sense of opinion, without expecting group members to hold the same opinions throughout the process. Additionally, the group revisited a 2011 matrix that enabled a common understanding of similarities and differences in how utilities were valuing energy efficiency.

UTC staff were concerned about perceived utility bias in the process, particularly when discussing incentive mechanisms. Ultimately, the joint advisory group did not make as much progress on incentives as other issues, due to difficulty reaching consensus. A verbal agreement came together directly following a meeting, but when the lead utility presented a proposal later, that initial consensus fell apart as group members recalled the earlier discussion in different and sometimes conflicting ways. UTC staff encouraged the lead utility to have one-on-one conversations with certain members, but too much time had passed from the initial agreement, and both consensus on incentives and general trust in the process suffered as a result.

Discussion

Nevada and Washington staff on the call shared recommendations for other commissions considering utility-led stakeholder engagement processes. First, offer virtual options to enable increased participation. Not everyone can travel to meetings, and more input can only improve the end result. Second, distribute materials in advance. Stakeholders need time to familiarize themselves with new resources before they are discussed among the group. Third, take minutes and distribute notes after the meeting. Record in detail any matters that reach consensus so all stakeholders can understand what they agreed to. Members are likely to forget the substance of a conversation that happened several weeks ago, making it critical to send out notes shortly after a meeting concludes. In addition, getting agreement in small increments throughout the process is easier than getting agreement on all matters at the end.

In general, utility-led processes work when the utility has clear ownership of and responsibility for the end result. Utility facilitation takes pressure off of commission staff. While staff are still involved in the process, having the utility do the legwork of hosting, facilitating, and recording meetings frees commission staff to focus on issues of substance. Utility bias is a persistent issue, but commission staff recommended making sure all stakeholders feel heard and can see that the information and opinions they share are added to the record. Staff emphasized the importance of thinking through when utility leadership makes sense over third-party or commission staff facilitation.

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