



State Commission Staff Surge Call: Stakeholder Engagement Led By Commission Staff

July 15, 2019

Grid modernization proceedings at state public utility commissions can be demanding processes, requiring input from a broad array of stakeholders, substantial time and resources from commission staff, and ultimately, leadership from the commission. Commissions have employed a number of strategies to manage the stakeholder input process. Generally, these strategies fall into three buckets: third-party facilitation, commission staff facilitation, or utility facilitation. In this second call in a three-part series exploring these strategies, staff from the Maryland and Minnesota commissions shared their experiences as staff facilitators and offered lessons for other commissions considering similar paths.

Maryland

The Maryland Public Service Commission (PSC) initiated a grid modernization effort, known as public conference 44 (“PC44”), in 2016. Six PC44 working groups were created to address specific topics and gather input from stakeholders. Each working group is led by a commission staffer. The PSC allocated funds to engage consultants in the PC44 effort, but as advisors rather than working group leaders. Consultants were used sparingly, generally where staff resources and/or capacity was limited. For example, the rate design working group engaged a consultant to conduct a value of solar study.

One of the working group staff leads joined the surge call to share reflections from their experience in the role. In one of the working groups – dealing with data access by non-supply providers, and reducing barriers to electric supplier entry into the market – stakeholder interests were often in conflict. Once the working group leader understood stakeholders’ opinions, s/he presented options to the entire group and mediated a discussion where parties had the opportunity to reach consensus, which would then be presented to the PSC for approval. Group leaders could also have discussions with individual stakeholders outside of the larger group setting to educate, negotiate, mediate, and inform subsequent conversations. Group leaders sought to provide the PSC with the necessary information to select from a number of options, or pursue an entirely different option with the opportunity for stakeholders to advocate their positions.

Working group leaders often had to rein in the stakeholder process and keep the discussion moving forward, recognizing when parties were completely opposed. Stakeholders often brought up points that took the discussion off on a tangent. Group leaders navigated this problem by assigning homework to stakeholders: asking for specific information or action items from participants. Stakeholders could contact their working group leader to suggest new discussion topics, with the leader ultimately deciding what was in and out of scope. Leaders required clear direction and guidance from the PSC as to the directive for each working group.

In offering recommendations to other states considering this approach, Maryland staff recommended that group leaders be accommodating, respectful, and neutral. Leaders should be accessible and communicative to stakeholders; however, leaders also need to set clear expectations, boundaries, goals, and ground rules to run the working group. Some parties tried to use the working group process as an unofficial “discovery process,” which ran counter to the PSC’s objectives. Leaders should also recognize that the PSC was the ultimate decision-maker. If consensus could not be reached, the PSC relied on leaders to make that determination, rather than continuing to try to push stakeholders to a conclusion, and



present options to the PSC. Assigning homework was a helpful tool to both provide more information to the working group and help stakeholders feel heard.

Minnesota

Minnesota's grid modernization and distribution system planning (DSP) process started in 2015. Concurrently, the Public Utilities Commission (PUC) was also dealing with interconnection technical standards and distributed generation. Staff involved with the dockets handling all of these issues spoke on the call about some of the non-traditional ways in which the PUC has tackled the stakeholder process, with some support from the consulting firm ICF and Lawrence Berkeley National Laboratory (LBNL).

In Minnesota, the commissioners facilitated workshops, which attracted stakeholder participation. When a commissioner seemed to be leaning towards one side of an issue, the PUC could hold a planning meeting – which precluded making any decisions – to get public input in a transparent manner. Staff could issue a notice of comment period to get stakeholder comments in writing. This option helped stakeholders who may not have felt comfortable speaking in public on behalf of their entire organization, but still had valuable input to share with the commission.

Following a series of informal open-ended workshops, PUC staff prepared a report on how the commission could advance grid modernization, focusing on DSP. After receiving a first round of comments, PUC staff drafted a scope for DSP requirements and released it to the public, asking for stakeholder feedback. Stakeholders responded positively to this approach, stating it was transparent and supported by a record. In a public meeting, the PUC announced it was looking at a straw proposal and asked staff to meet with utilities to make sure all parties had an understanding of each requirement in the straw proposal and had opportunities to fill in gaps and address weaknesses. Commissioners had to disclose any meetings due to ex parte rules, but found that PUC staff and utilities had productive, collaborative discussions. As an output of these meetings, PUC staff would list a menu of options for the commission, with outstanding questions and commentary on what would or would not be a good course.

Reflecting on this experience, PUC staff noted that defining a scope and holding early workshops was important. Utilities and other stakeholders had time to understand what was coming and make preparations, including gathering data and hiring additional staff with expertise relevant to the scope of the proceeding. PUC staff found that some large utilities had departments that were not necessarily coordinating prior to the proceeding, and were able to communicate and work more closely together and with the PUC as a result of the stakeholder engagement effort. Staff acknowledged that the industry is transforming quickly, and it is critical for the commission to prioritize flexibility and communicate that to stakeholders.

Discussion

In both Maryland and Minnesota, offline conversations outside of a formal working group or PUC meeting were helpful. Stakeholders could communicate suggestions to commission staff, who could then assess how to bring up these points to other stakeholders in a constructive manner. Timing is important: Minnesota held meeting every six to eight weeks, but set long lead times for products due to the PUC. Staff and stakeholders should both contribute to work products, so setting a clear timeline is important. Further, setting a timeline enabled commission staff to anticipate areas of disagreement and prepare for



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these difficult discussions. Staff also recommended showing gratitude and appreciation to stakeholders for participating in these time- and resource-intensive processes.

This call was made possible by the U.S. Department of Energy under cooperative agreement DE-OE0000818. Please address questions to Kiera Zitelman, NARUC Senior Manager, at kzitelman@naruc.org.