



## **State Commission Staff Surge Call: Stakeholder Engagement Using Third-Party Facilitators**

**June 24, 2019**

State public utility commissions use a variety of approaches to solicit input from stakeholders on complex issues like grid modernization or resource planning. In general, these strategies fall into three buckets: third-party facilitation, commission staff facilitation, or utility facilitation. On this call, commission staff from the District of Columbia and Arkansas shared their experiences using a third-party facilitator to engage stakeholders on grid modernization issues.

### **District of Columbia**

DC's Modernizing the Energy Delivery System for Increased Sustainability (MEDSIS) initiative has been a time- and resource-intensive process for the Public Service Commission (PSC) and its stakeholders. The PSC is currently in phase II of the proceeding after releasing a [staff report](#) in January 2017 on barriers to grid modernization, gaps in regulation, and guidance on how to spend \$25 million in funding on pilot programs from the Exelon-Pepco merger. For phase II, which aimed to address the questions raised in the phase I staff report, the PSC issued a competitive solicitation for a facilitator. A panel of PSC staff reviewed 14 proposals and ultimately selected the Smart Electric Power Alliance (SEPA), a DC-based non-profit. In selecting among the proposals, staff prioritized facilitation experience, independence, regulatory knowledge, staff capacity, transparency, and the ability to host in-person meetings.

MEDSIS had topical working groups that held monthly meetings and communicated through an online portal. At least one PSC staff member sat on each working group. The week before the monthly meeting, each working group would have a call with the facilitator to coordinate. SEPA would present to PSC commissioners occasionally to update them on progress. PSC staff emphasized the importance of having wide stakeholder participation through a well-publicized process. The PSC and SEPA shared meetings via social media and professional networks and offered different forums for participation, such as town hall meetings and technical conferences.

PSC staff praised SEPA's facilitators for gathering stakeholder opinions, but recognized that progress required not just gathering opinions, but also synthesizing stakeholder input and recommending a path forward. SEPA was viewed as a transparent, unbiased facilitator, according to stakeholder surveys at the end of the process. The PSC assisted in this perception by making sure utility data were accessible to all stakeholders and facilitators.

In offering recommendations to colleagues across the country, PSC staff recommended asking stakeholders, commission staff, and the facilitator to create strawman proposals to generate feedback. Through MEDSIS, stakeholders were generally able to provide more useful feedback on a proposal created by someone else rather than creating their own proposal. Overall, PSC staff also recommend that a commission prioritize receiving actionable advice and opinions that it needs from stakeholders in order to make a decision, and clearly communicate those priorities to the facilitator.

### **Arkansas**

The Arkansas Public Service Commission (PSC) has been proceeding through three dockets related to distributed energy resources (DERs) with an independent facilitator. The facilitator had supported the PSC on previous energy efficiency and DER work since 2011. The PSC used a competitive request for



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proposals process to find a facilitator. The PSC has also had the experience of commission staff facilitation for a net metering docket. However, the docket was contentious and perceptions of staff bias hindered progress. Therefore, the PSC worked to secure funding from the Regulatory Assistance Project, a Vermont-based non-profit, to support hiring external facilitators.

The PSC held monthly meetings via webinar and quarterly in-person meetings. While the facilitator led meetings, commission staff were able to offer input on the agenda to ensure it was relevant to the PSC's objectives. Following meetings, the facilitator provided a draft summary of opinions to stakeholders and allowed them to correct any errors or misrepresentations of their views before finalization. This approach helped stakeholders feel heard and limited perceptions of facilitator bias.

PSC staff felt stakeholders grew tired of the number of meetings and length of the process. To introduce fresh ideas and keep parties interested, the facilitator reached out to new stakeholders, such as the Southwest Power Pool, the regional transmission organization that covers part of Arkansas.

In offering recommendations to other states considering this approach, PSC staff noted that the facilitator may not be aware of historical relationships between stakeholders, and staff may need to help the facilitator understand important past events that could have an impact on the current process. PSC staff also recommended clearly defining roles for the facilitator and commission staff throughout the process, as well as frequent communication between the facilitator and staff along with putting things in writing so that all stakeholders were able to look at the same record.

## **Discussion**

Other staff on the call asked for advice on how to create a shared baseline of information for stakeholders. Stakeholders will enter the process with different levels and areas of expertise. Arkansas PSC staff noted that it is the facilitator's role to meet stakeholders where they are and try to build shared knowledge. DC PSC staff recommended that materials be distributed in advance, such as the DC PSC staff report that provided a list of questions the PSC wanted to be answered throughout the facilitation process. SEPA spent the first month on stakeholder education, accepting questions from stakeholders and bringing in experts and PSC staff to address knowledge gaps.

Overall, third party facilitators worked well for the DC and Arkansas commissions. However, utilizing an external facilitator still requires significant work from commission staff and stakeholders. Creating a transparent process in which all stakeholders are able to offer their opinions is challenging but critical to ensuring that, at the end of the process, the commission has what it needs to make decisions.

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