**BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**
**DOCKET NO. E-100, SUB 191**

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| In the Matter of:<br><br>Rulemaking Proceeding Related to Biennial Consolidated Carbon Plan and Integrated Resource Plans of Duke Energy Carolinas, LLC, and Duke Energy Progress, LLC, Pursuant to N.C.G.S. § 62-110.9 and § 62-110.1(c) | ) | **JOINT INITIAL COMMENTS OF THE SOUTHERN ALLIANCE FOR CLEAN ENERGY, THE SIERRA CLUB, AND THE NATURAL RESOURCES DEFENSE COUNCIL, AND THE NORTH CAROLINA SUSTAINABLE ENERGY ASSOCIATION** |

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The Southern Alliance for Clean Energy (SACE), the Sierra Club, and the Natural Resources Defense Council (NRDC), jointly with the North Carolina Sustainable Energy Association (NCSEA), submit these Joint Initial Comments pursuant to the North Carolina Utilities Commission's (Commission) December 30, 2022 *Order Adopting Initial Carbon Plan and Providing Direction for Future Planning* (Initial Carbon Plan Order) in Docket No. E-100, Sub 179, its March 15, 2023 *Order Establishing Proceedings and Opening Dockets* in Docket No. E-100, Sub 190, and its May 3, 2023 *Order Establishing Comment Deadlines* in Docket No. E-100, Sub 191. These Joint Initial Comments respond to the "Joint Initial Comments, Proposed Rules to Consolidate Carbon Plan and Integrated Resource Planning Requirements, and Request to Be Released from Pre-HB 951 Directives of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC" (Duke Initial Comments & Proposed Rules), filed by Duke Energy Carolinas, LLC (DEC) and Duke Energy Progress, LLC (DEP, together with DEC, Duke).

These Joint Initial Comments first address Duke's request for release from pre-H951 requirements, followed by two topics missing from the proposed rules—those being, substantive provisions for stakeholder engagement and a statement concerning the relationship between the Carbon Plan-Integrated Resources Plan (CPIRP) rule and certificates of public convenience and necessity (CPCNs)—and finally detailed feedback on the specific provisions of Duke's proposed R8-60A.

## 1. Duke's Request for Release from Requirements Risks Abandoning Hard-Earned Lessons

The Commission should adopt a final rule that incorporates all of the Commission's past requirements, which were the result of hard work and

experience gained over a decade of integrated resources plan (IRP) proceedings, unless the requirements are clearly superseded by House Bill 951 (H951) or otherwise rendered duplicative or unnecessary.

Duke's request risks throwing the baby out with the bathwater. Duke has requested that the Commission release it from all of the planning requirements that the Commission established prior to the passage of H951, in conjunction with approval of its proposed Rule R8-60A. Duke Initial Comments & Proposed Rules 13-15. Duke did not list the Commission requirements from which it seeks release, but stated in a footnote that "Table N-3 to DEC's 2020 IRP and Table O-3 to DEP's 2020 IRPs filed in Docket No. E-100, Sub 165 included a comprehensive list of resource planning requirements contained in Commission Orders issued prior to September 1, 2020." *Id.* at 14 n.19. Counsel for Duke also previously directed stakeholders to Table N-3 for a list of the specific requirements from which Duke seeks release. SACE, et al. appreciate Duke's willingness to identify the preexisting IRP requirements that it is asking the Commission to release it from when the Commission adopts a final CPIRP rule, and for convenience have attached Table N-3 to these Joint Initial Comments, edited to include row numbers for easy reference, as Attachment 1.

The rationale Duke offers for its request is that the pre-H951 requirements are either superseded by H951 or included in Duke's proposed rule. Duke stated that "[m]any of these pre-HB 951 requirements are superseded by the enactment of Section 62-110.9 such that continued compliance with these prior directives is no longer justified . . . ." Duke Initial Comments & Proposed Rules 13. Duke also stated that it had "considered and incorporated, where appropriate, past resource planning directives into Proposed Rule R8-60A . . . ." *Id.* at 15. In other words, Duke asserted that its proposed Rule R8-60A already incorporates all of the prior Commission guidance that was appropriate to include.

However, that is not necessarily so. Table N-3 lists thirty-four separate requirements derived from Commission orders dating from 2012 through 2020, and it is far from clear that all were superseded by H951, incorporated into Duke's proposed Rule R8-60A, or otherwise made unnecessary. The following subsections discuss the major requirements that Duke's request seeks to jettison. The Commission should retain these requirements in any approved CPIRP rule.

### *a. Coal Retirements*

The second, third, fourth, and eighteenth items in Table N-3 relate to the Commission's requirements that Duke model at least one alternative portfolio that shows the "earliest practicable date" for retiring each of Duke's coal-burning generating units, including any transmission and distribution infrastructure investments that will be required for the transition, and, independently, to remove any requirement that existing coal-burning units will be operated for the

remainder of their useful lives. Attachment 1, Table N-3, items 2-4, 18; *see* Order Accepting Filing of 2019 Update Reports and Accepting 2019 REPS Compliance Plans, *In the Matter of 2019 Integrated Resource Plan Update Reports and Related 2019 REPS Compliance Plans*, Docket No. E-100, Sub 157 (N.C.U.C. Apr. 6, 2020) [2019 IRP Order]. Duke's proposed Rule R8-60A does not mention coal plants, and instead would give Duke unfettered discretion to decide whether to conduct any updated unit retirement analysis in a proposed CPIRP. Duke Initial Comments & Proposed Rules, Att. 1, Proposed Rule R8-60A(f)(8)(i) ("To the extent that an updated unit retirement analysis is conducted as a part of the CPIRP . . . .").

Removing the requirement to model the "earliest practicable date" for retiring coal units would be unwise. When the Commission established the requirement, it explained that although it values short-term action plans, it also values vetting the longer-term components of the IRP for carbon dioxide reduction goals or requirements. The Commission cited Duke's corporate systemwide goal to reduce carbon dioxide emissions to at least 50% below 2005 levels by 2030, as well as potential future carbon regulation, explaining that even if timing and form were uncertain, it was "prudent to continue to plan for a scenario in which carbon emissions are taxed or otherwise regulated." 2019 IRP Order 7. The Commission was right. On May 8, 2023, the Environmental Protection Agency published a proposed rule that will require major reductions in carbon dioxide emissions from fossil fuel-burning power plants in the coming years. Notice: New Source Performance Standards for Greenhouse Gas Emissions from New, Modified, and Reconstructed Fossil Fuel-Fired Electric Generating Units; Emission Guidelines for Greenhouse Gas Emissions from Existing Fossil Fuel-Fired Electric Generating Units; and Repeal of the Affordable Clean Energy Rule, RIN 2060-AV09 (May 8, 2023) [EPA Proposed GHG Rule].

The proposed federal requirements for existing coal-burning units likely affects Duke's coal fleet. The proposed rule requires escalating levels of emissions reductions between 2030 and 2040 depending on a unit's retirement date, some of which depend on committing to limit the unit's capacity factor. EPA Proposed GHG Rule, Table 5, 452-53. The Commission directed Duke to "take appropriate steps to optimally retire its coal fleet on a schedule commensurate with its Carbon Plan proposal filed on May 16, 2022." Initial Carbon Plan Order 132. Duke proposed retiring all coal-burning units by 2035, with final retirements expected in the 2027-33 range. Duke Proposed 2022 Carbon Plan, Chapter 4: Execution Plan 9-10, Docket No. E-100, Sub 179 (N.C.U.C. May 16, 2022). But Duke's anticipated schedule is contingent on transmission upgrades, reliability, and other factors. As a result, under the retirement schedule Duke proposed, coal plants could remain online longer and likely within the purview of the EPA Proposed GHG Rule. The Commission would be wise not only to retain the requirement to analyze the "earliest practicable date" to retire coal units, but also to require Duke to report specifically

on the effect of the EPA Proposed GHG Rule on its operations and least-cost planning.

When the Commission established the requirement to analyze the "earliest practicable date" to retire Duke's coal plants, it made clear that those proposed portfolios are "not constrained by least cost principles" and it directed Duke to discuss the cost differences, if any, between those proposed portfolios and its base cases. 2019 IRP Order 9. The Commission should require Duke to model the earliest practicable retirement dates for existing coal plants to inform the cost differences between proposed portfolios. Doing so would serve the requirement in H951 to achieve carbon reductions at least cost, just as the Commission's existing requirement to analyze "earliest practicable date" was informed by least-cost planning requirements. Modeling the earliest practicable retirement dates for existing coal plants will continue to be an informative and valuable exercise as federal regulations evolve.

In addition to modeling the earliest practicable retirement date, economic coal unit retirement should continue to be modeled. Removing the requirement to model the economic retirement of coal units would also be unwise. Although the Commission accepted Duke's proposed retirement schedule for planning purposes in the initial Carbon Plan, that schedule should be updated and scrutinized in successive CPIRPs based on economics and other factors. While Duke might intend to update the schedule accordingly, as noted, its proposed rule allows it unfettered discretion whether to update retirement analyses at all.

***b. Resource Adequacy***

Items 5 through 9 in Table N-3 contain Commission directives concerning transparency about Duke's resource adequacy studies. Specifically, the Commission provided directives requiring detail and support for the inputs and outputs, and explanation of the results. Similarly, item 21 requires Duke to explain in detail the basis and justification for its reserve margins. This additional detail would be lost under Duke's proposed Rule R8-60A. Duke's proposed rule merely requires the utility to "describe how" the proposed CPIRP ensures resources adequacy, and more specifically, to "provide a description of, and justification for the methodology" that Duke used. Duke Initial Comments & Proposed Rules, Att. 1, Proposed Rule R8-60A(d)(6), (f)(9). Having previously concluded that Duke provided insufficient information on these counts—resulting in the Commission's order cited in Table N-3—the Commission should not adopt a rule that invites Duke to again provide insufficient information concerning its resource adequacy analyses.

***c. Alternative Supply-Side Resources***

Items 13 through 17 in Table N-3 direct Duke to demonstrate that it has assessed the benefits of "purchased power solicitations, alternative supply side resources, potential DSM/EE programs, and a comprehensive set of potential

resource options and combinations of resource options," including multiple specific examples. Attachment 1, item 13. Duke's proposed Rule R8-60A does not explicitly assess all these benefits that the Commission required prior to the enactment of H951.

First, item 15 requires Duke, in order to perform an adequate least-cost analysis, to "consider whether existing resources can be cost effectively replaced with new resources." Similarly, item 19 requires Duke to model continued operation under least-cost principles in competition with alternative new resources, and item 20 requires Duke to model at least one advanced retirement scenario for existing resources if Duke's modeling otherwise anticipates that continued operation until the resources are fully depreciated is the least-cost alternative. By contrast, as noted above, Duke's proposed rule allows Duke unfettered discretion whether to conduct updated unit retirement analyses and, if it does, allows it merely to describe the analysis. Proposed Rule R8-60A(f)(8).

Second, item 16 requires Duke to conduct a "stand-alone analysis of the cost effectiveness of a substantial increase in EE and DSM." Att. 1, item 16. Similarly, item 33 requires Duke to show the peak demand and energy savings impacts of each measure or option in its DSM program and report the results in its IRP and DSM filings. Duke's proposed rule does require the utility to model energy efficiency, including low, base, and high cases. Proposed Rule R8-60A(f)(5); *see also*, Duke Initial Comments & Proposed Rule 14-15, 15 n.22. However, it does not require Duke to model demand-side management in addition to energy efficiency, nor to analyze the cost-effectiveness of substantially increasing EE and DSM. DSM and EE are routinely the most cost-effective source of energy and capacity and the Commission should require Duke to submit sufficient information and analysis in its proposed CPIRPs to take full advantage of the potential savings.

Third, item 17 requires Duke to discuss "the advantages and disadvantages of periodically issuing 'all resources' RFPs in order to evaluate least-cost resources (both existing and new) needed to serve load." Att. 1, item 17. The Commission has previously expressed an interest in the cost-saving virtues of "all-source procurement" and even held a technical conference on the issue during an IRP proceeding. In the 2020 IRP proceeding, SACE, Sierra Club, and NRDC submitted an expert report and expert testimony on the benefits of implementing all-source procurement in the Carolinas. Partial Initial Comments of Southern Alliance for Clean Energy, Sierra Club, and Natural Resources Defense Council, Att. 6, John D. Wilson, Implementing All-Source Procurement in the Carolinas, *In the Matter of 2020 Biennial Integrated Resource Plans and Related 2020 REPS Compliance Plans*, Docket No. E-100, Sub 165 (N.C.U.C. Mar. 1, 2021); *In The Matter of Technical Conference: 2020 Biennial Integrated Resource Plan Reports and Related 2020 REPS Compliance Plans by Duke Energy Carolinas and Duke Energy Progress*, Docket No. E-100, Sub 165,

Tr. Vol. 3 at 8:20-59:5 (N.C.U.C. Oct. 1, 2021); Article Requested By Commissioner Duffley During IRP Technical Conference, *In the Matter of: 2020 Biennial Integrated Resource Plans and Related 2020 REPS Compliance Plans*, Docket No. E-100, Sub 165 (N.C.U.C. Oct. 11, 2021). The proposed rule includes nothing about all-source procurement.

***d. Transmission Planning***

Item 22 requires Duke to submit a copy of its most recent FERC Form 715, which requires utilities that operate transmission system facilities that are rated above 100kV annually to submit information about its transmission system and planning.[1] This is important to keep as is. Duke's proposed Rule R8-60A would require the utility to include information in its proposed CPIRPs about "transmission and distribution," Proposed Rule R8-60A(d)(5), and near-term "upgrades to the transmission system necessary to interconnect new supply-side resources," Proposed Rule R8-60A(d)(8). It also would require Duke to "discuss the adequacy of its transmission system and identified future transmission needs (100 kV and above)" and for future needs, give an "overview" of its transmission planning processes and "discuss identified needs" and transmission infrastructure that could reasonably be placed into service during the base planning period. Proposed Rule R8-60A(f)(6)(i). It also requires the utility to include a list of planned improvements, "describe" how the improvements might enable new resources, and provide an "overall assessment" of non-wires alternatives. Proposed Rule R8-60A(f)(6)(ii)-(iii).

While this information surely will be useful to the Commission, it does not contain the detail that FERC Form 715 requires, such as power flow data, transmission system maps and diagrams, and anticipated system performance. The final CPIRP rule could simply require Duke to continue submitting its FERC Form 715 as part of its future proposed CPIRPs, as the Commission has required. Notably, this should require no additional effort, since Duke must submit the form to FERC annually regardless. This change serves the Commission's increasing focus on necessary transmission planning to comply with H951 and maintain reliability. *See* Initial Carbon Plan Order 134. Indeed, Duke's proposed rule risks losing the detail that the Commission required in the Initial Carbon Plan Order, such as "an assessment of the timing, costs, and benefits of the Network Upgrades on its system as well as the systems of other LSEs" and documentation of efforts to coordinate with other LSEs. *Id.* at 134-35.

***e. Reporting***

Item 23 requires Duke to report changes of more than 10% in energy and capacity savings from DSM and EE between successive IRPs, and to evaluate

[1] *Form No. 715 - Annual Transmission Planning and Evaluation Report*, Fed. Energy Reg. Comm'n, https://cms.ferc.gov/industries-data/electric/electric-industry-forms/form-no-715-annual-transmission-planning-and-evaluation-report (last visited May 24, 2023).

and discuss any changes on a program-specific basis. While Duke's proposed rule would require reporting valuable information concerning demand-side management in its biennial reports, Proposed Rule R8-60A(i)(6), it would not require reporting and discussing changes in energy and capacity savings. That information is important to assessing the efficacy of Duke's programs and improving the programs by identifying the causes of success or hindrances. Similarly, item 24 requires Duke to report on the status of its EE market potential studies, but this reporting is absent from Duke's proposed rule.

***f. High-Renewables Portfolio***

Item 31 requires Duke to consider additional resource scenarios that include larger amounts of renewable energy resources similar to Dominion North Carolina Power's Renewable Plan, "and to the extent those scenarios are not selected, discuss why the scenario was not selected." Att. 1, item 31. Duke's proposed rule does not explicitly include this requirement to analyze at least one high-renewables portfolio. *See* Proposed Rule R8-60A(d)(4)-(5), (f). The order underlying this requirement dates to 2013, and the Commission's reasoning seems to have been driven by REPS compliance and the "considerable changes" in the "landscape of alternative and distributed resource options" in then-recent years. Order Approving Integrated Resource Plans and REPS Compliance Plans 34-35, 46, *In the Matter of 2012 Biennial Integrated Resource Plans and Related 2012 REPS Compliance Plans*, Docket No. E-100, Sub 137 (N.C.U.C. Oct. 14, 2013).

Since that 2013 Order, the landscape has significantly changed further, making a high-renewables portfolio more valuable than ever. The zero-emission resources necessary to comply with the carbon-reduction requirements of H951 generally continue their exponential cost declines consistent with their various maturities, deployment levels, and corresponding learning curves, albeit with some interruptions relating to the pandemic, supply chain constraints, and tariff policy. At the same time, the Inflation Reduction Act has dramatically reduced the cost of many zero-emission technologies, with its full effects to be seen in the coming years. While many forecasts of the cost of renewable energy technologies have historically underestimated cost declines, the potential for inaccurate estimates is perhaps magnified in this new landscape. As a result, a high-renewables portfolio will be particularly valuable to the Commission. Requiring this scenario would not conflict with the requirement in H951 to chart the least-cost path to the required carbon reductions because it helps to identify opportunities to save customers money through additional renewable deployment.

***g. Conclusion***

Duke's request to be released from all preexisting requirements for resource planning that the Commission has established over the years (whether

listed in Table N-3 or not) risks unintended consequences, forfeiting hard-earned lessons in resource planning. There could be value in streamlining or consolidating the requirements for resource planning, if done carefully and in a way that preserves the Commission's precedent, both pre-H951 and future precedent. The Commission will continue to establish additional requirements, both term-limited and lasting, in future CPIRP orders as circumstances change and the Commission identifies new needs. It may not be practical to update the CPIRP rule on an ongoing basis to incorporate new requirements. As a result, the benefits of Duke's proposed release in terms of streamlining would be short-lived. Indeed, it could be advisable for the final CPIRP rule to require Duke to continue to include a list of the requirements from prior Commission orders, as it did with Table N-3.

The Commission should deny Duke's request for release in its present form. The resource planning requirements discussed above provide the Commission, intervenors, stakeholders, and the public with valuable information that will not otherwise be required by H951 or Duke's proposed Rule R8-60A. At a minimum, the Commission should require Duke to explain how each of the requirements from which it seeks release are superseded by H951, adequately incorporated into Duke's proposed rule, or otherwise rendered unnecessary.

**2. Duke's Proposed Rule Also Would Abandon Requirements in Rule R8-60**

In addition to the resource planning requirements that the Commission established in prior orders, Duke's proposed Rule R8-60A would also replace the requirements in Rule R8-60. SACE, et al. appreciate Duke's willingness to provide a redlined version of Rule R8-60 showing the changes made to create proposed Rule R8-60A. However, as with the planning requirements in prior Commission orders, Duke's proposed rule would override important requirements. Many of the requirements are similar to those discussed above.

For example, Rule R8-60(e) requires utilities to "assess on an on-going basis the potential benefits of reasonably available alternative supply side energy resource options," including "hydro, wind, geothermal, solar thermal, solar photovoltaic, municipal solid waste, fuel cells, and biomass." Duke's proposed rule would require only "several resource portfolios "developed with the purpose of fairly evaluating the range of demand-side, supply-side, energy storage, and other technologies available" during the planning periods. Proposed Rule R8-60A(d)(4). For reasons discussed above concerning the Commission's prior requirements to evaluate alternative resources and a high-renewables portfolio, failure to explicitly evaluate renewable zero-emission technologies on an ongoing basis would risk missing important opportunities to save customers money.

Rule R8-60(f) requires utilities to "assess on an on-going basis programs to promote demand-side management, including costs, benefits, risks,

uncertainties, reliability and customer acceptance, where appropriate." N.C.U.C. Rule R8-60(f). Duke's proposed rule would require the utility to "include an assessment of the portfolio of existing and future grid edge resources including demand-side management and energy efficiency programs consistent with the most recently filed DSM/EE cost recovery rider." Proposed Rule R8-60A(f)(5); *see id*. at (d)(5) (consider and compare potential resource options, including both demand-side and supply-side). But that is different. The proposed rule would convert the requirement to assess the costs and benefits of DSM and EE into a requirement merely to describe existing programs.

Rule R8-60(i)(6) requires utilities to report extensively on their demand-side management programs, including an overall assessment of existing and potential demand-side management programs, as well as assessments of existing, proposed, and rejected DSM programs. As discussed, Duke's proposed Rule R8-60A(f)(5) would require Duke to include an assessment of DSM and EE in its proposed CPIRP. But the proposed assessment is dramatically curtailed compared to the existing requirement. Again, DSM and EE routinely are found to be the most cost-effective sources of energy and capacity, and therefore maximizing their use is likely to lead to customer savings.

Rule R8-60(j) requires utilities to file update reports, and Rule R8-60(*l*) governs review of those reports, including the opportunity to comment. Duke's proposed rule does not appear to provide for update reports. Because new CPIRP proceedings will begin shortly after the Commission issues each final CPIRP order, update reports might not be necessary. However, IRPs were due on a two-year schedule as well and the Commission determined that updates were necessary. Furthermore, updates could be even more valuable for CPIRP proceedings than they were for IRPs, since CPIRPs must steer the least-cost path to the carbon-reduction requirements in H951, including a fast-approaching interim deadline of 2030, whereas IRPs were developed without any deadlines or constraints on carbon dioxide emissions.

The Commission should ensure that the final CPIRP rule does not abandon important resource planning guardrails established in Rule R8-60. It appears that Duke's proposed rule would do so. The Commission should at a minimum direct Duke to enumerate the requirements in Rule R8-60 that would be abandoned under Duke's proposed rule, perhaps in a table for ease of reference, and to explain why each R8-60 requirement was no longer necessary.

### 3. Duke's Proposed Rule Lacks Substantive Provisions for Stakeholder Engagement.

Duke's proposed rule fails to include any substantive provisions governing stakeholder participation in the CPIRP proceedings. The proposed rule includes two relevant provisions. They are short enough to quote in full. First, it states that Duke will file a "Stakeholder Engagement Report – The electric public

utilities shall provide a summary of its stakeholder engagement conducted pursuant to the plan described in section (h).” Proposed Rule R8-60A(f)(12). Second, it states that “Each electric public utility individually or jointly shall provide notice to the Commission of its plans for engaging with interested parties at least 200 days in advance of its planned biennial CPIRP.” Proposed Rule R8-60A(h). In other words, Duke would decide whether and how to engage with stakeholders, and then it would briefly report to the Commission on what it did.

That is inadequate. The proposed rule includes no substantive requirements for Duke’s stakeholder engagement. It contains no minimum requirements or guidelines for stakeholder engagement. It does not clarify whether the term “interested parties” refers to all interested stakeholders or only intervenors—in other words, it allows Duke to select the stakeholders with whom it engages. As stakeholders, SACE, et al. appreciate Duke’s willingness to add the reporting requirement, which was not included in the proposed rule initially shared with stakeholders. However, without substantive requirements in the rule, post hoc reporting merely provides the Commission and stakeholders with information on how Duke’s stakeholder engagement happened; it does not, as a reporting requirement should, enable the Commission to hold Duke to a standard of adequate stakeholder engagement—because there is no standard in the rule.

The Commission has made clear that Duke’s engagement with stakeholders—especially with frontline communities on issues related to environmental justice—is essential to successfully executing the CPIRP. Initial Carbon Plan Order 42. The Commission required Duke to “develop targeted engagement plans for impacted communities, . . . enact these plans in the near term, and . . . report to the Commission on these plans and the ensuing engagement with stakeholders in its initial CPIRP filing.” *Id.* at 135. But without substantive provisions in the proposed rule, there is no assurance that the CPIRP process will include meaningful stakeholder engagement.

Duke’s stakeholder engagement for the initial Carbon Plan was indeed lacking, and the Commission’s concern expressed in its order was well-founded. Duke conducted two justice-focused stakeholder meetings shortly before filing its initial Proposed Carbon Plan and shortly before the start of the Carbon Plan’s evidentiary hearing. However, neither of these meetings were specific to the development of the Carbon Plan. Further, the stakeholder meetings Duke did conduct while developing its Carbon Plan were done in a manner inaccessible for many—including scheduling meetings for extended periods, often over the entire workday, during weekdays, and only offering online participation options. Partial Proposed Order of Redtailed Hawk Collective, Robeson County Cooperative for Sustainable Development, Environmental Justice Community Action Network, and Down East Coal Ash Environmental and Social Justice Coalition 6, *In the Matter of Duke Energy Progress, LLC, and Duke Energy Carolinas, LLC, 2022 Biennial Integrated Resource Plans and Carbon Plan*, Docket No. E-100, Sub

179 (N.C.U.C. Oct. 24, 2022). Many of North Carolina's citizens cannot take such extended time away from work and too many continue to lack reliable access to the Internet. These lessons learned should be codified so that they may be built upon and not unnecessarily repeated, as has historically been the case.

Duke has struggled with stakeholder engagement for this CPIRP proceeding as well. SACE, et al. outlined concerns with the ongoing stakeholder process in a March 2 letter to Duke, and to head off those problems in future proceedings, SACE, et al. also brought these concerns into the stakeholder process for the proposed CPIRP rule. SACE, et al. requested revisions to the rule aimed at ensuring that future stakeholder processes address our concerns, including the following, drawn from the March 2 letter:

> **1. Longer collaboration process, including sharing of all data during plan development.** Model review, sharing, and validation is an effort- and time-intensive undertaking, and the results of [last year's Carbon Plan] proceeding show how just a few validation issues can seriously impact stakeholders' ability to provide additional insight to the Commission. EnCompass collaboration should include the sharing of contemporary model data at the outset of the process and occur over a longer timescale. This would allow parties to have substantive conversations about model inputs and methodology and avoid validation issues.
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> **2. Higher transparency for model inputs.** For model inputs that are not transparently derived from public sources, the utility should provide the derivation of these inputs proactively, rather than through the discovery process.
>
> **3. Transparency for out-of-model resource planning steps.** To the extent that the Commission finds the use of out-of-model planning steps appropriate, the utility should take all necessary steps to render the inputs, methodology, and outputs of those steps transparent for collaborators.
>
> In addition, the cost of doing this modeling is a steep barrier to entry. It will be important to find a way to either provide Company funds for independent modeling that is informed by priorities identified by stakeholder participants or to engage with the Commission on modeling runs informed by public stakeholder feedback. The Companies not only have significantly more resources at their disposal for this CP/IRP work, but can also expect to recoup their expenses for resource planning and modeling from ratepayers as part of their business operations. In order to sustain a high level of public engagement, some kind of public or ratepayer resources should be made available to help level the playing field.

With those aims in mind, SACE, et al. made the following more specific requests for revisions to include substantive stakeholder engagement provisions. These recommendations are in line with the emerging best practices identified in

the recent report by the National Association of Regulatory Utility Commissioners (NARUC), Public Utility Commission Stakeholder Engagement: A Decision-Making Framework, attached as Attachment 2. Best practices would include opportunities for the public to review and comment on assumptions, modeling approaches, constraints and goals prior to the utility beginning development of the plan, and after an initial plan has been crafted. The rule should provide a role for the Commission to provide guidance on whether the minimum criteria for stakeholder engagement have been met. Specific provisions should require Duke to:

(1) engage with frontline communities on CPIRP issues related to environmental justice,
(2) provide meaningful opportunities for public participation for all stakeholders,
(3) improve transparency and collaboration with all stakeholders, and
(4) submit a report on the stakeholder process as part of its proposed CPIRP, including changes made to the CPIRP as a result of stakeholder engagement.

Environmental justice must be central to stakeholder engagement. During the Carbon Plan proceedings, intervenors "express[ed] significant concern regarding the sufficiency of Duke's outreach towards—or accessibility to—low-income, minority, and rural communities, both in terms of quality of the outreach as well as timing of the outreach." Initial Carbon Plan Order 130. As noted in the Commission's Initial Carbon Plan Order, "only those living in impacted communities can capture the full range of the lived experience." *Id.* The rule must require meaningful engagement with frontline communities during the development of the CPIRP plan.

The rule should require Duke to make publicly available its targeted engagement plans for impacted communities, required under the Commission's Initial Carbon Plan Order. It should require that the proposed CPIRP explain how Duke:

(1) determined the time, frequency, and location of stakeholder meetings, as well as whether to hold meetings virtually;
(2) selected facilitators for the meetings;
(3) notified impacted communities about the meetings;
(4) planned the structure and content of the meetings; and
(5) solicited and incorporated feedback, both on how to improve stakeholder engagement moving forward and as to the subject matter at hand.

*See* Att. 2. The rule should ensure that all stakeholders have meaningful opportunities to review and comment on Duke's goals, plans, modeling approaches, and assumptions both before and after it develops the CPIRP plan.

To ensure sufficient time for meaningful public participation, Duke should provide the Commission notice of its proposed stakeholder process at least 230 days before it files its proposed CPIRP; the stakeholder process should begin at least 200 days before filing; and the process should end at least 30 days prior to the filing to ensure sufficient time to incorporate feedback.

Throughout this process, there must be enhanced transparency and collaboration between Duke and stakeholders—particularly between the utility's technical resource planning team and parties that have engaged technical experts. The rule should require Duke to:

(1) develop its modeling inputs with stakeholders,
(2) make its final modeling inputs publicly available as soon as possible, and
(3) ensure that stakeholders can replicate any final outputs.

As recommended during last year's Carbon Plan proceeding, Duke should facilitate a longer collaboration process between its technical resource planning team and stakeholders' technical experts. During this process, the utility should share all data with stakeholders. To avoid validation issues, the sharing of contemporary model data should occur not only at the outset of the process but throughout the CPIRP plan development. Additionally, Duke should proactively provide stakeholders with the derivation of model inputs that are not transparently derived from public sources, rather than requiring them to request such information through the discovery process. Duke also should take all necessary steps to make transparent for stakeholders the inputs, methodology, and outputs of any out-of-model planning steps.

Finally, to better ensure accountability, the rule should require Duke to file a report describing the stakeholder engagement process during the development of the CPIRP plan. The report should:

(1) explain in detail Duke's efforts to engage with stakeholders, and specifically with frontline communities;
(2) list and describe all opportunities for public participation before and after the development of the plan; and
(3) summarize and explain how Duke incorporated input from stakeholders.

SACE, et al. recommended adding this requirement as a subpart (f)(12) to the proposed R8-60A, and appreciate that Duke added a subpart (f)(12) that requires a report to the Commission. However, Duke's proposed subpart (f)(12) omits most of the requested detail and would result in a report that is less informative to the Commission and stakeholders.

Duke's justification for its proposed attenuated approach to stakeholder engagement is that it will allow the Commission to "direct topics for stakeholder

engagement based upon evolving circumstances and planning considerations over time." Duke Initial Comments & Proposed Rule 12. But nothing in the processes described above would prevent the Commission from directing topics for engagement. To the contrary, the recommendations described above focus on establishing guardrails for stakeholder engagement that ensure a robust participatory process, open to all relevant content (topics). Furthermore, ensuring a sound stakeholder process is one of the best ways that the Commission could ensure that all appropriate topics are addressed.

**4. The Final CPIRP Rule Should Clarify the Relationship Between CPIRPs and Certificates of Public Convenience and Necessity**

The final CPIRP rule should include a stand-alone provision making clear that the carbon plan does not supplant or predetermine the CPCN process or otherwise constitute Commission approval for construction of a generating facility. This is consistent with the Commission's final order in the initial Carbon Plan proceeding, which stated:

> For clarification, Commission approval of, selection of, or support for a certain resource as part of the near-term plan does not constitute Commission approval for construction of a generating facility. The Commission agrees with Public Staff witness Thomas who notes that approval of a near-term action item should not be taken as approval of construction of generating plants or otherwise be controlling in a Commission certificate of public convenience and necessity (CPCN) proceeding. Tr. vol. 21, 98. More particularly, witness Thomas suggests that approval of a near-term action item provides clarification on what steps Duke is likely to need or should take in the planning horizon — here, the Commission's immediate planning horizon is 2023-2024, which is the interim period between the issuance of this Order and the Commission's next Carbon Plan which it is to issue on or before December 31, 2024. Parties should construe nothing in this Order as supplanting the Commission's existing CPCN approval process. The Commission will consider and give appropriate weight to approval of a generation resource for planning purposes in a Carbon Plan proceeding in a future CPCN proceeding but will consider that factor in addition to all other evidence the law requires.

Initial Carbon Plan Order 25.

This CPCN provision would provide important clarification concerning the relationship between the CPIRP and CPCNs. While the Commission's clarification quoted above should ensure that future Carbon Plans are not taken to predetermine CPCNs, parties will undoubtedly rely on approval of a generation resource for planning purposes in a Carbon Plan as evidence in future CPCN

proceedings. And while the CPCN rules provide their own self-contained requirements, those requirements will be read in conjunction with other Rules to resolve any ambiguities. There is no downside to clarifying in the CPIRP rules that a CPIRP does not supplant the CPCN process or otherwise predetermine the outcome of CPCN proceedings.

**5. Detailed Feedback**

SACE, et al. appreciate Duke's responses to a number of recommended edits to Duke's proposed rule, such as clarifying in subsection (c) that the "Carbon Neutrality Planning Horizon" is designed to "ensure" rather than "confirm" that Duke is on the least-cost path to carbon neutrality, and clarifying in subsection (d) that the document in question is Duke's "proposed CPIRP." However, SACE, et al. continue to have significant concerns about the language of Duke's proposed rule, as discussed below.

*a. Consolidated Carbon Plan and Integrated Resource Plan (R8-60A(d))*

In the first, un-numbered paragraph of subsection (d), the word "determine" should be replaced with "plan," "guide" or similar. "Determine" suggests that the approved CPIRP will "determine" the Commission's decisions on subsequent applications for CPCNs pursuant to the approved CPIRP. As discussed above, this is contrary to the Commission's decisions.

Subsection (1), Base Planning for Native Load Requirements and Firm Planning Obligations. These terms, "native load requirements" and "firm planning obligations" should be defined. The base planning period (not just the long-term planning forecast, discussed below) should also show how the plan sets Duke up to meet carbon neutrality goals and the mass cap constraint applied in any capacity expansion modeling. Resources selected in the base planning period should reflect the long-term plan to become carbon neutral.

Subsection (2), Long-Term Planning for Carbon Neutrality. The rule should not include the final sentence on "simplifying assumptions" and we request deleting it entirely. While the path to the 2050 requirement will be less precisely known than near-term actions, decisions about future resource paths remain very important and can affect near-term procurement. For example, overly optimistic assumptions about the availability and price of advanced nuclear reactors including small modular reactors, or a green hydrogen market, could lead Duke to under-invest in zero-carbon technologies that are commercially available today, putting least-cost compliance with the carbon-reduction requirements at risk.

Subsection (3), Modeling Resource Needs Over Base Planning Period and Carbon Neutrality Planning Horizon. The phrase "considered by" should be replaced with "reasonably available to" or "reasonably commercially available to."

The CPIRP rules must provide guidance to Duke and up-front clarity to the Commission and stakeholders regarding what Duke will consider, and Duke should consider all commercially available resource options to ensure that it proposes a least-cost path to compliance with the carbon-reduction requirements. During the stakeholder process, Duke rejected this request as overly burdensome because of the potential breadth of commercially available technologies. In response, SACE, et al. have added the qualifier "reasonably" to the recommendation. However, the problem still stands: the proposed rule gives Duke unfettered discretion as to which resources to consider, which could result in inadvertently failing to model commercially available technology that could save customers money.

In the second sentence, the rule should include the particular risks associated with climate change along with extreme weather and the others listed, and should include wholesale markets and transmission and distribution cost risks. The rule should clarify that improvements to historic system operation practices may be necessary to ensure least-cost compliance and that analysis based on historic system operations is not a limiting factor in portfolio development. The rule should require using publicly available resources for price assumptions.

Subsection (4), Resource Portfolios. The rule should require Duke to choose a preferred portfolio for the Commission's consideration. Failing to choose a preferred portfolio for full compliance with the H951 carbon-reduction requirements and proposing only preferred near-term actions risks converting the CPIRP into only a near-term action plan rather than a comprehensive plan "to achieve the authorized reduction goals." G.S. § 62-110.9.

Subsection (5), Evaluation of Resource Options. Both the first and second sentence should reference commercial availability as the touchstone, for the same reason set forth above. The first could read, "a comprehensive set of *presently reasonably commercially available* potential resource options," and the second could read, "the latest *reasonably commercially available* technological breakthroughs," adding the italicized words. The rule should reference the use of at least a 15-year optimization period used as part of capacity expansion planning for ensuring least-cost decision-making. The rule should require the proposed CPIRP to include an assessment of risks for each proposed portfolio, including assessing which pathways are least-cost after considering risk, and addressing how each portfolio performs under a range of major forecast assumptions.

Subsection (6), Ensuring Resource Adequacy and Reliability. This subsection should make clear that Duke will make the tools used for its resource adequacy and reliability analysis, including SERVM, available for use by the Commission and intervenors. In the alternative, it could allow Commission staff

and intervenors to participate fully in developing Duke's modeling runs, as described in the stakeholder recommendations set forth above.

Subsection (7), Resource Selection. The rule should specify that each updated CPIRP will identify resource retirements in addition to the resources proposed to be selected by the Commission. Further, the retirements analysis should show why retirements are economical and provide detailed explanations for why any retirements that deviate from the most economical retirement dates do so, and how Duke plans to recover any undepreciated balance. In response to stakeholder input, Duke included a provision among the requirements for the contents of the proposed CPIRP (in contrast with the description of CPIRPs provided in subsection (d), a somewhat confusing organization), stating that if Duke chooses to conduct an updated retirement analysis then the analysis should include "a descriptive summary of material assumptions and analysis performed that may impact the retirement date modeled such as transmission requirements or replacement resource needs to enable executable retirement of resources." Proposed Rule R8-60A(f)(8)(i). However, as discussed above, this provision plainly does not require Duke to conduct retirement analyses, and the descriptive summary it proposes would not provide the Commission and stakeholders with sufficient information. While SACE, et al. appreciate Duke's response to this recommendation, the final rule should require more.

Subsection (8), Execution. As discussed above, the proposed CPIRP should include a proposed or preferred portfolio extending to 2050, not just a near-term action plan. Execution should not be limited to near-term actions. SACE, et al. recognize that Duke included preparation for some long-term activities in its proposed near-term action plan in its first proposed Carbon Plan. The rule should include room for competitive procurement, including all-source procurement.

The phrase "near-term" needs to be defined. SACE, et al. recommend four years.

The last sentence should make clear that compliance with the 2030 and 2050 carbon-reduction requirements not only must comply with G.S. § 62-110.9, but may be delayed *only* pursuant to the conditions described and enumerated in H951. In addition, the last sentence should make clear that the proposed CPIRP will identify risks entailed by not just the "least cost path" but all paths considered in the analysis. This will be important for a risk-aware evaluation of least-cost compliance with H951, since the otherwise least-cost path could have the greatest risk and thereby present higher costs or other unacceptable risks.

*b. Filings (R8-60A(d))*

Subsection (3) should include the following final sentence: "The utility shall make this information available to intervenors pursuant to a reasonable non-disclosure agreement." This is consistent with current practice for information

covered under G.S. § 132-1.2. SACE, et al. recognize that Duke typically does make confidential information available pursuant to a nondisclosure agreement and acknowledged as much during the stakeholder process. But by the same token, that means that this requirement should add no burden to Duke. Furthermore, the CPIRP rules should establish guardrails that ensure good practices, rather than omitting guardrails simply because steering has been accurate to date.

*c. Contents of Biennial CPIRP (R8-60A(f))*

Subsection (1), Forecasts of Load, Supply-Side Resources, and Demand-Side Resources.

The rule should specify that the proposed CPIRP will include the *sources* of the forecast assumptions, as well as indicating varying degrees of uncertainty and key drivers of the uncertainty.

Romanette (iii) should be revised to add that Duke will take into consideration the effects of climate change.

Romanette (iv) should require the proposed CPIRP to include the assumptions about the "new technologies" at issue and the sources of those assumptions. In addition, this provision should require a forecast or forecasts of transportation electrification, including a range of outcomes, uncertainties, and drivers of uncertainties.

Subsection (2), Generating Facilities and Energy Storage.

Under romanette (i), "Existing Generation," sub b., "Unit characteristics," the rule should make clear that information on retirements should include whether Duke expects to replace the resource, if so with what new resource or resources, and why those replacements were selected over alternatives.

Under sub e., the rule should make clear that the description of other changes to existing generation should include whether the changes are expected to increase or decrease the unit's carbon dioxide emissions by 10% or more. This will help ensure H951 compliance.

Under romanette (ii), "Existing Energy Storage," a third item should be added to a. and b., requiring information on the expected useful life before replacement, including any potential for augmentation and any resulting changes in expected useful life.

In romanette (iii), "Planned Generation," Duke should include information on the appropriateness of operational life assumptions and, to the extent Duke uses an operational life for any new gas generation facility longer than 20 years, additional analysis of its modeling inputs for the cost of conversion to green hydrogen, the offset market, sequestration, or long-duration storage for the gas

generation facilities after 2050. In addition, sub d. should delete "designation as baseload capacity."

Subsection (5), Demand-Side Management and Energy Efficiency.

The rule should also require that a proposed CPIRP be based on an assessment of energy efficiency and demand-side resources that includes at least one scenario in which Duke achieves at least 1.5% annual energy efficiency savings. In the alternative, the rule could allow Duke to model EE/DSM assumptions provided by stakeholders; or allow for a neutral third-party stakeholder convener to model scenarios. In response to stakeholder input, Duke added the important requirement that its "modeling of the load modification associated with energy efficiency shall include a low, base, and high case" and SACE, et al. appreciate the improvement. However, future proposed CPIRPs would still benefit from including the 1.5% anchor.

Subsection (6), Transmission System Planning and Facilities.

This subsection should be expanded significantly to help address the deficiencies in coordination between the CPIRP process and the transmission planning processes in which Duke participates. CPIRPs should rely on proactive, scenario-based, multi-value portfolios of transmission expansion projects to identify bulk transmission upgrades, including regional and interregional projects. The actual value of transmission expansion typically is much larger than is projected in economic planning assessments which rely on production cost modeling. The quantified benefits not revealed through production cost modeling can exceed—and sometimes more than double—the benefits identified through standard production cost modeling, revealing much higher benefit-to-cost ratios for transmission projects. FERC has recognized this phenomenon and in its notice of proposed rulemaking in Docket No. RM21-17 identified twelve benefit metrics that could be used in prudent transmission planning. In addition, the CPIRP should not simply receive information from Duke's past transmission planning activities but should inform transmission planning. Accordingly, the rules should require more than a report on the activities of the North Carolina Transmission Planning Collaborative (NCTPC) and other efforts.

The transmission planning period should not necessarily be the same as the Base Planning Period (and optimization period) of 15 years. SACE, et al. recommend a 20-year transmission planning period. This will be more likely to synchronize with proposed Federal Energy Regulatory Commission (FERC) requirements.

Under romanette (ii), "Planned Improvements," the rules should include a second item, b., requiring analysis of grid-enhancing technologies (GETs), existing rights of way, and other methods to maximize transmission capacity and interconnection capacity and speed at least cost. In addition, it should require a

list of projects that Duke considered but did not select. This will improve transparency and the depth of analysis.

Under romanette (iii), "Non-wires alternatives," the rules should in all cases provide a cost-benefit analysis of any non-traditional solutions to transmission constraints. The cost-benefit analysis should include the full range of costs and benefits, including avoided infrastructure costs and societal benefits. SACE, et al. would be happy to recommend a list of potential costs and benefits to include. After stakeholder input, Duke replaced its proposal to require discussing "any cost benefit analysis" with the presently proposed requirement to provide an "overall assessment." However, a cost-benefit analysis would better identify the potential cost savings available from non-wires alternatives than an overall assessment, and a cost-benefit analysis should be required. In addition, the CPIRP rule should require that the analysis consider all commercially available non-wires alternatives, including GETs.

Subsection (7), "Modeling of System Operations."

The phrase "discussion of or applicable" should be deleted. The rule should require a proposed CPIRP to study and address modeling of the listed system operations topics, as well as integrated system and operations planning (ISOP), use of distributed energy resources of least-cost compliance, and non-wires alternatives. In addition, the rule should require discussing what alternatives were considered but rejected and why they were rejected. Finally, in the first sentence, the phase "planned by the electric public utility during the Base Planning Period" should be replaced with "planned *or available to* the electric public utility during the Base Planning Period," adding the italicized words. Again, the rule must provide clear guidance to Duke about the contents of a CPIRP for the benefit of Duke, the Commission, intervenors, and other stakeholders.

SACE, et al. appreciate Duke's willingness to add a requirement to provide the requested information on the ISOP process and its relationship to the CPIRP. Proposed Rule R8-60A(f)(7)(ii).

Subsection (9), "Maintaining or Improving Reliability and Resource Adequacy."

The rule should clarify that the "description of, and justification for, the methodology by which the CPIRP will demonstrate that system reliability will be maintained or improved" must be approved by the Commission.

Subsection (10), "Load, Capacity, and Reserve tables."

The rule should require these tables to show energy balance, in addition to capacity, load, and reserve at winter and summer peaks. The rule should describe how demand response resources and storage will be accounted for in the "net of grid edge resources" calculation.

Subsection (11), Evaluation of Resource Portfolios and Selection of Resources.

At the end of the last sentence, the final CPIRP rule should include the phrase, “and opportunity costs of failing to take advantage of presently commercially available resources and technology,” or similar. These opportunity costs translate directly into costs borne by ratepayers and implicate least-cost compliance.

Rather than requiring the near-term action plan merely to discuss the “actions the utilities propose to take over the near-term to progress carbon emissions reductions” the rule should make clear that the proposed CPIRP must explain how the near-term action plan will enable Duke to meet the carbon-reduction requirements of H951, including maintaining a trajectory to meeting the long-term 2050 requirement. The discussion also should include how resource choices balance cost and risk, and how the proposed CPIRP is consistent with the long-run public interest. In response to stakeholder feedback, Duke added the phrase “in a least-cost manner, while maintaining or improving” the reliability of the grid. Although these additions are valuable, they do not capture the carbon-reduction requirement requested above. A consolidated reference to the requirements of G.S. 62-110.9 might suffice to cover all three requirements.

## 6. Conclusion

Thank you for considering our input. We look forward to continuing to work towards clear and workable CPIRP rules that will help to ensure future CPIRP proceedings are efficient, participatory, and designed to ensure least-cost compliance with the carbon-reduction requirements in H951.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Joint Initial Comments of the Southern Alliance for Clean Energy, the Sierra Club, and the Natural Resources Defense Council, and the North Carolina Sustainable Energy Association as filed today in Docket No. E-100, Sub 191 has been served on all parties of record by electronic mail or by deposit in the U.S. Mail, first-class, postage prepaid.

This 25th day of May, 2023.

s/ Nick Jimenez

# ATTACHMENT 1

TABLE N-3

## CROSS REFERENCE – NCUC SUBSEQUENT ORDER REQUIREMENTS

| | REQUIREMENT | SOURCE (DOCKET AND ORDER DATE) | LOCATION |
|---|---|---|---|
| 1 | The two Base Case Plans (i.e. Base CO2 Future and Base No CO2 Future) … encourages the Companies to carry forward both alternatives for their next IRPs due for 2020." | E-100, Sub 157, ORDER ACCEPTING FILING OF 2019 UPDATE REPORTS AND ACCEPTING 2019 REPS COMPLIANCE PLANS, dated 4/6/20 | Chapter 12 Appendix A |
| 2 | DEC and DEP present one or more alternative resource portfolios which show that the remainder of each Company's existing coal-fired generating units are retired by the earliest practicable date.<br><br>The "earliest practicable date" shall be identified based on reasonable assumptions and best available current knowledge concerning the implementation considerations and challenges identified.<br><br>In the IRPs the Companies shall explicitly identify all material assumptions, the procedures used to validate such assumptions, and all material sensitivities relating to those assumptions.<br><br>The Companies shall include an analysis that compares the alternative scenario(s) to the Base Case with respect to resource adequacy, long-term system costs, and operational and environmental performance. | E-100, Sub 157, ORDER ACCEPTING FILING OF 2019 UPDATE REPORTS AND ACCEPTING 2019 REPS COMPLIANCE PLANS, dated 4/6/20 | Chapter 11 Appendix A Appendix I |

TABLE N-3

## CROSS REFERENCE – NCUC SUBSEQUENT ORDER REQUIREMENTS (CONT.)

| | REQUIREMENT | SOURCE (DOCKET AND ORDER DATE) | LOCATION |
|---|---|---|---|
| 3 | The Commission expects that the "earliest practicable date" chosen by the Companies when developing their alternative portfolio(s) and the replacement resources included in the portfolio(s) should reflect the transmission and distribution infrastructure investments that will be required to make a successful transition.<br><br>The Companies should also attempt to identify – with as much specificity as is possible in the circumstances - all major transmission and distribution upgrades that will be required to support the alternative resource portfolio(s) along with the best current estimate of costs of constructing and operating such upgrades. | E-100, Sub 157, ORDER ACCEPTING FILING OF 2019 UPDATE REPORTS AND ACCEPTING 2019 REPS COMPLIANCE PLANS, dated 4/6/20 | Chapter 7<br>Chapter 11<br>Appendix A<br>Appendix L |
| 4 | The Companies should note that the directive in this order supplements and does not supersede the directive in the Commission's August 27, 2019 Order in this docket (at p. 31), requiring that the Companies in preparing and modeling their Base Case plans remove any assumption that existing coal-fired units will be operated for the remainder of their depreciable lives and, instead, include such existing assets in the Base Case resource portfolio only if warranted under least cost planning principles.<br><br>In this Order the Commission's directive that the Companies present one or more "earliest practicable date" retirement portfolios is not constrained by least cost principles, and the Companies will be expected to discuss cost differences, if any, between such alternatives portfolios and the resource portfolios selected for their Base Cases. | E-100, Sub 157, ORDER ACCEPTING FILING OF 2019 UPDATE REPORTS AND ACCEPTING 2019 REPS COMPLIANCE PLANS, dated 4/6/20 E-100, Sub 157, ORDER ACCEPTING FILING OF 2019 UPDATE REPORTS AND ACCEPTING 2019 REPS COMPLIANCE PLANS, dated 4/6/20 | Chapter 11<br>Appendix A |

TABLE N-3
## CROSS REFERENCE – NCUC SUBSEQUENT ORDER REQUIREMENTS (CONT.)

| | REQUIREMENT | SOURCE (DOCKET AND ORDER DATE) | LOCATION |
|---|---|---|---|
| 5 | Updated resource adequacy studies be filed along with the Companies' 2020 IRPs, together with all supporting exhibits, attachments and appendices subject to such confidentiality designations as the Companies deem warranted. | E-100, Sub 157, ORDER ACCEPTING FILING OF 2019 UPDATE REPORTS AND ACCEPTING 2019 REPS COMPLIANCE PLANS, dated 4/6/20 | IRP Filing Letters Chapter 9 Attachment III |
| 6 | In documenting the updated Resource Adequacy Study for 2020, the Companies should provide additional detail and support for both the study inputs and outputs. | E-100, Sub 157, ORDER ACCEPTING FILING OF 2019 UPDATE REPORTS AND ACCEPTING 2019 REPS COMPLIANCE PLANS, dated 4/6/20 | Chapter 9 Attachment III |
| 7 | The Commission will direct DEC and DEP to more fully explain and detail the study results. | E-100, Sub 157, ORDER ACCEPTING FILING OF 2019 UPDATE REPORTS AND ACCEPTING 2019 REPS COMPLIANCE PLANS, dated 4/6/20 | Chapter 9 Attachment III |
| 8 | The updated Resource Adequacy Study should provide additional clarity around outputs…<br>At a minimum the Commission finds it helpful for results to be displayed in a graphic that clearly shows the various components to the Total System Costs such as included in the "Bathtub Curves." | E-100, Sub 157, ORDER ACCEPTING FILING OF 2019 UPDATE REPORTS AND ACCEPTING 2019 REPS COMPLIANCE PLANS, dated 4/6/20 | Chapter 9 Attachment III |
| 9 | The Commission directs the updated Resource Adequacy studies to address the sensitivity of modeling inputs such as Equivalent Forced Outage Rates (EFOR). | E-100, Sub 157, ORDER ACCEPTING FILING OF 2019 UPDATE REPORTS AND ACCEPTING 2019 REPS COMPLIANCE PLANS, dated 4/6/20 | Chapter 9 Attachment III |

TABLE N-3

## CROSS REFERENCE – NCUC SUBSEQUENT ORDER REQUIREMENTS (CONT.)

| | REQUIREMENT | SOURCE (DOCKET AND ORDER DATE) | LOCATION |
|---|---|---|---|
| 10 | The Companies to continue to involve stakeholders in a meaningful way as the ISOP process advances. In particular, the Commission recognizes that there could be significant benefits to involving North Carolina's electric membership cooperatives and municipally owned and operated electric utilities in this effort. | E-100, Sub 157, ORDER ACCEPTING FILING OF 2019 UPDATE REPORTS AND ACCEPTING 2019 REPS COMPLIANCE PLANS, dated 4/6/20 | Executive Summary<br>Chapter 15 |
| 11 | The 2020 IRPs should continue to report on the progress of the ISOP effort.<br>As a minimum, the IRPs should communicate with some specificity the project plan and dates for the ISOP effort.<br>In addition, the Commission will direct the utilities to discuss the expected outputs of the ISOP process and how they will be utilized in the IRP process. | E-100, Sub 157, ORDER ACCEPTING FILING OF 2019 UPDATE REPORTS AND ACCEPTING 2019 REPS COMPLIANCE PLANS, dated 4/6/20 | Chapter 15 |
| 12 | The Commission determines that the "First Resource Need" section of DEC's and DEP's 2019 IRPs is an appropriate output of the integrated resource planning processes and adequate to support future avoided cost calculations. | E-100, Sub 157, ORDER ACCEPTING FILING OF 2019 UPDATE REPORTS AND ACCEPTING 2019 REPS COMPLIANCE PLANS, dated 4/6/20 | Chapter 13 |
| 13 | Demonstrate assessments of the benefits of purchased power solicitations, alternative supply side resources, potential DSM/EE programs, and a comprehensive set of potential resource options and combinations of resource options, as required by Commission Rule R8-60(d), (e), (f) and (g), including: | E-100, Sub 157, Order Accepting Integrated Resource Plans and REPS Compliance Plans, Scheduling Oral Argument, and Requiring Additional Analyses, dated 8/27/19, Appendix A | Chapter 3<br>Chapter 4<br>Chapter 8<br>Chapter 12<br>Appendix A<br>Appendix D<br>Appendix G<br>Appendix J |

TABLE N-3

## CROSS REFERENCE – NCUC SUBSEQUENT ORDER REQUIREMENTS (CONT.)

| | REQUIREMENT | SOURCE (DOCKET AND ORDER DATE) | LOCATION |
|---|---|---|---|
| 14 | A detailed discussion and work plan for how Duke plans to address the 1,200 MW of expiring purchased power contracts at DEP and 124 MW at DEC. | E-100, Sub 157, Order Accepting Integrated Resource Plans and REPS Compliance Plans, Scheduling Oral Argument, and Requiring Additional Analyses, dated 8/27/19, Appendix A | Chapter 12<br>Chapter 14<br>Appendix A<br>Appendix J |
| 15 | A discussion of the following statement: "The Companies' analysis of their capacity and energy needs focuses on new resource selection while failing to evaluate other possible futures for existing resources. As part of the development of the IRPs, the Companies conducted a quantitative analysis of the resource options available to meet customers' future energy needs. This analysis intended to produce a base case through a least cost analysis where each company's system was optimized independently. However, the modeling exercise fails to consider whether existing resources can be cost effectively replaced with new resources. Therefore, Duke has not performed a least-cost analysis to design its recommended plans." | E-100, Sub 157, Order Accepting Integrated Resource Plans and REPS Compliance Plans, Scheduling Oral Argument, and Requiring Additional Analyses, dated 8/27/19, Appendix A | Chapter 11<br>Chapter 12<br>Chapter 16<br>Appendix A |
| 16 | (d) A stand-alone analysis of the cost effectiveness of a substantial increase in EE and DSM, rather than the combined modeling of EE and high renewables included in DEC's and DEP's Portfolio 5 in their 2018 IRPs. | E-100, Sub 157, Order Accepting Integrated Resource Plans and REPS Compliance Plans, Scheduling Oral Argument, and Requiring Additional Analyses, dated 8/27/19, Appendix A | Appendix A<br>Appendix D |

TABLE N-3

## CROSS REFERENCE – NCUC SUBSEQUENT ORDER REQUIREMENTS (CONT.)

| | REQUIREMENT | SOURCE (DOCKET AND ORDER DATE) | LOCATION |
|---|---|---|---|
| 17 | Provide a discussion of the advantages and disadvantages of periodically issuing "all resources" RFPs in order to evaluate least-cost resources (both existing and new) needed to serve load | E-100, Sub 157, Order Accepting Integrated Resource Plans and REPS Compliance Plans, Scheduling Oral Argument, and Requiring Additional Analyses, dated 8/27/19, Appendix A | Chapter 11 Appendix A |
| 18 | Include information, analyses, and modeling regarding economic retirement of coal-fired units | E-100, Sub 157, Order Accepting Integrated Resource Plans and REPS Compliance Plans, Scheduling Oral Argument, and Requiring Additional Analyses, dated 8/27/19, Appendix A | Chapter 11 Appendix A |
| 19 | Model continued operation under least cost principles in competition with alternative new resources | E-100, Sub 157, Order Accepting Integrated Resource Plans and REPS Compliance Plans, Scheduling Oral Argument, and Requiring Additional Analyses, dated 8/27/19, Appendix A | Chapter 11 Appendix A |

TABLE N-3

## CROSS REFERENCE – NCUC SUBSEQUENT ORDER REQUIREMENTS (CONT.)

| | REQUIREMENT | SOURCE (DOCKET AND ORDER DATE) | LOCATION |
|---|---|---|---|
| 20 | If continued operation until fully depreciated is least cost alternative, shall separately model an alternative scenario premised on advanced retirement of one or more of such units (including an analysis of the difference in cost from the base case and preferred case scenarios.) | E-100, Sub 157, Order Accepting Integrated Resource Plans and REPS Compliance Plans, Scheduling Oral Argument, and Requiring Additional Analyses, dated 8/27/19, Appendix A | Chapter 11 Appendix A |
| 21 | Future IRP filings by all IOUs shall continue to include a detailed explanation of the basis and justification for the appropriateness of the level of the respective utility's projected reserve margins. | E-100, Sub 141, Order Approving Integrated Resource Plans and REPS Compliance Plans, dated 6/26/15, ordering paragraph 4 | Chapter 9 Attachment III |
| 22 | Future IRP filings by all IOUs shall continue to include a copy of the most recently completed FERC Form 715, including all attachments and exhibits. | E-100, Sub 141, Order Approving Integrated Resource Plans and REPS Compliance Plans, dated 6/26/15, ordering paragraph 5 | Filed Under Seal |
| 23 | IOUs should continue to monitor and report any changes of more than 10% in the energy and capacity savings derived from DSM and EE between successive IRPs, and evaluate and discuss any changes on a program-specific basis. Any issues impacting program deployment should be thoroughly explained and quantified in future IRPs. | E-100, Sub 141, Order Approving Integrated Resource Plans and REPS Compliance Plans, dated 6/26/15, ordering paragraph 7 | Appendix D |

TABLE N-3
## CROSS REFERENCE – NCUC SUBSEQUENT ORDER REQUIREMENTS (CONT.)

| | REQUIREMENT | SOURCE (DOCKET AND ORDER DATE) | LOCATION |
|---|---|---|---|
| 24 | Each IOU shall continue to include a discussion of the status of EE market potential studies or updates in their future IRPs. | E-100, Sub 141, Order Approving Integrated Resource Plans and REPS Compliance Plans, dated 6/26/15, ordering paragraph 8<br>E-100, Sub 128, Order Approving 2011 Annual Updates to 2010 IRPs and 2011 REPS Compliance Plans, dated 5/30/12, ordering paragraph 9 | Appendix D Attachment V |
| 25 | All IOUs shall include in future IRPs a full discussion of the drivers of each class' load forecast, including new or changed demand of a particular sector or sub-group. | E-100, Sub 141, Order Approving Integrated Resource Plan Annual Update Reports and REPS Compliance Plans, dated 6/26/15, ordering paragraph 9<br>E-100, Sub 137, Order Approving Integrated Resource Plan Annual Update Reports and REPS Compliance Plans, dated 6/30/14, ordering paragraph 9<br>E-100, Sub 133, Order Denying Rulemaking Petition (Allocation Methods), dated 10/30/12, ordering paragraph 4 | Chapter 3 Appendix C |

TABLE N-3

## CROSS REFERENCE – NCUC SUBSEQUENT ORDER REQUIREMENTS (CONT.)

| | REQUIREMENT | SOURCE (DOCKET AND ORDER DATE) | LOCATION |
|---|---|---|---|
| 26 | Future IRP filings by DEP and DEC shall continue to provide information on the number, resource type and total capacity of the facilities currently within the respective utility's interconnection queue as well as a discussion of how the potential QF purchases would affect the utility's long-range energy and capacity needs. | E-100, Sub 141, Order Approving Integrated Resource Plans and REPS Compliance Plans, dated 6/26/15, ordering paragraph 14<br>E-100, Sub 137, Order Approving Integrated Resource Plan Annual Update Reports and REPS Compliance Plans, dated 6/30/14, ordering paragraph 14 | Chapter 5<br>Appendix E<br>Appendix K |
| 27 | Duke plans to diligently review the business case for relicensing existing nuclear units, and if relicensing is in the best interest of customers, pursue second license renewal. | No new reporting requirements, but NCUC stated its expectation that Duke would make additional changes to future IRPs as discussed in Duke's 4/20/15 reply comments (p. 7) in E-100, Sub 141, Order Approving Integrated Resource Plans and REPS Compliance Plans, dated 6/26/15 (p. 39) | Chapter 10 |

TABLE N-3

## CROSS REFERENCE – NCUC SUBSEQUENT ORDER REQUIREMENTS (CONT.)

| | REQUIREMENT | SOURCE (DOCKET AND ORDER DATE) | LOCATION |
|---|---|---|---|
| 28 | Duke will include Li-ion battery storage technology in the economic supply-side screening process as part of the IRP. | No new reporting requirements, but NCUC stated its expectation that Duke would make additional changes to future IRPs as discussed in Duke's 4/20/15 reply comments (p. 19) in E-100, Sub 141, Order Approving Integrated Resource Plans and REPS Compliance Plans, dated 6/26/15 (p. 39) | Chapter 6<br>Chapter 8<br>Chapter 12<br>Appendix A<br>Appendix G<br>Appendix H |
| 29 | DEP will incorporate into future IRPs any demand and energy savings resulting from the Energy Efficiency Education Program, My Home Energy Report Program, Multi-Family Energy Efficiency Program, Small Business Energy Saver Program, and Residential New Construction Program. | E-2, Sub 1060, Order Approving Program, dated 12/18/14, p. 2<br>E-2, Sub 989, Order Approving Program, dated 12/18/14, p. 3<br>E-2, Sub 1059, Order Approving Program, dated 12/18/14, p. 2<br>E-2, Sub 1022, Order Approving Program, dated 11/5/12, footnote 2 (Small Business Energy Saver)<br>E-2, Sub 1021, Order Approving Program, dated 10/2/12, footnote 3 (Residential New Construction Program) | Appendix D |

TABLE N-3

## CROSS REFERENCE – NCUC SUBSEQUENT ORDER REQUIREMENTS (CONT.)

| | REQUIREMENT | SOURCE (DOCKET AND ORDER DATE) | LOCATION |
|---|---|---|---|
| 30 | To the extent an IOU selects a preferred resource scenario based on fuel diversity, the IOU should provide additional support for its decision based on the costs and benefits of alternatives to achieve the same goals. | E-100, Sub 141, Order Approving Integrated Resource Plans and REPS Compliance Plans, dated 6/26/15, ordering paragraph 13<br>E-100, Sub 137, Order Approving Integrated Resource Plan Annual Update Reports and REPS Compliance Plans, dated 6/30/14, ordering paragraph 13<br>E-100, Sub 137, Order Approving Integrated Resource Plans and REPS Compliance Plans, dated 10/14/13, ordering paragraph 16 | Chapter 8<br>Appendix A<br>Appendix F<br>Appendix G |
| 31 | DEC and DEP should consider additional resource scenarios that include larger amounts of renewable energy resources similar to DNCP's Renewable Plan, and to the extent those scenarios are not selected, discuss why the scenario was not selected. | E-100, Sub 137, Order Approving Integrated Resource Plans and REPS Compliance Plans, dated 10/14/13, ordering paragraph 15 | Chapter 5<br>Appendix A<br>Appendix E<br>Appendix N (DEP) |
| 32 | DEP, DEC and DNCP shall annually review their REPS compliance plans from four years earlier and disclose any redacted information that is no longer a trade secret. | E-100, Sub 137, Order Granting in Part and Denying in Part Motion for Disclosure, dated 6/3/13, ordering paragraph 3 | Attachment I |

TABLE N-3

## CROSS REFERENCE – NCUC SUBSEQUENT ORDER REQUIREMENTS (CONT.)

| | REQUIREMENT | SOURCE (DOCKET AND ORDER DATE) | LOCATION |
|---|---|---|---|
| 33 | [2013] Duke shall show the peak demand and energy savings impacts of each measure/option in the Program separately from each other, and separately from the impacts of its other existing PowerShare DSM program options in its future IRP and DSM filings, and in its evaluation, measurement, and verification reports for each measure of the Program. | E-7, Sub 953, Order Approving Amended Program, dated 1/24/13, ordering paragraph 4 (PowerShare Call Option Nonresidential Load and Curtailment Program) | Appendix D |
| 34 | Each utility shall include in each biennial report potential impacts of smart grid technology on resource planning and load forecasting: a present and five-year outlook – see R8-60(i)(10). | E-100, Sub 126, Order Amending Commission Rule R8-60 and Adopting Commission Rule R8-60.1, dated 4/11/12 | Chapter 14 Appendix D |

# ATTACHMENT 2

NARUC

National Association of Regulatory Utility Commissioners

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

*Jasmine McAdams*

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## Disclaimers

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# 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.

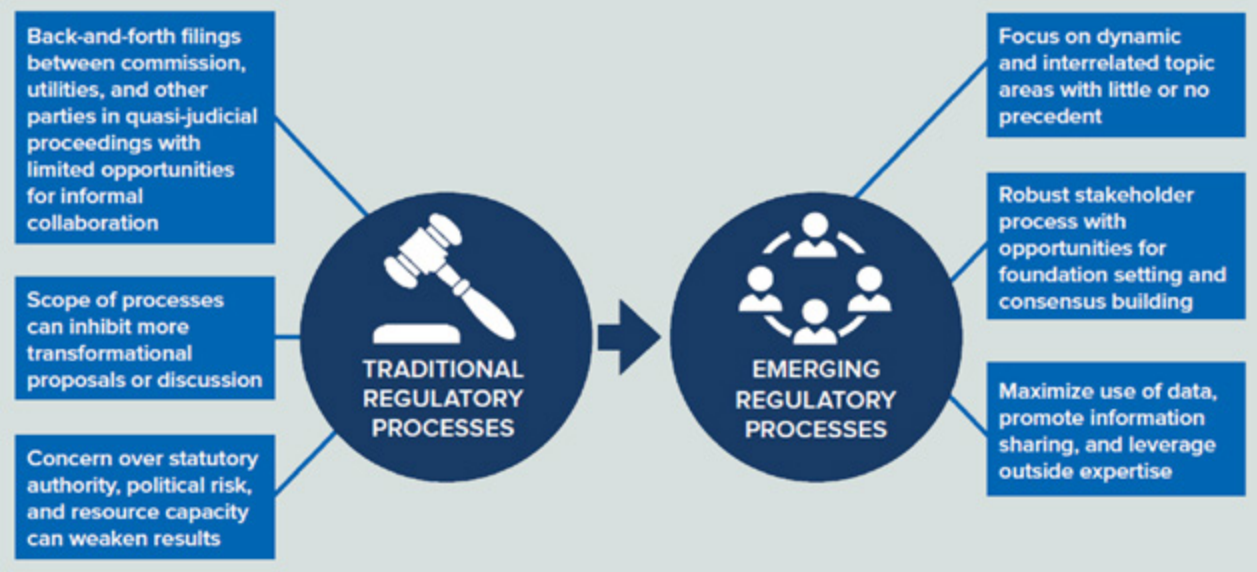
*Figure 2*, replicating key portions of Cross-Call, Goldenberg, and Wang's (2019) Process for Purpose diagram, illustrates some of the key differences in scope and stakeholder involvement between traditional and emerging regulatory processes.

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:

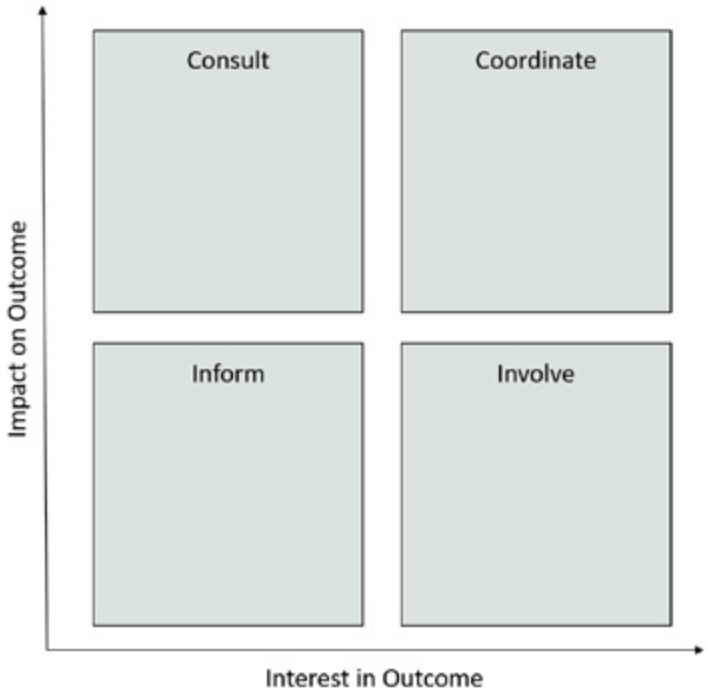
- Consult: regularly and actively seek support for and feedback on how best to achieve upcoming goals.
- Coordinate: establish an ongoing relationship regarding all aspects of the transition, ranging from day-to-day operations to timing significant milestones.
- Inform: keep the stakeholder apprised 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)

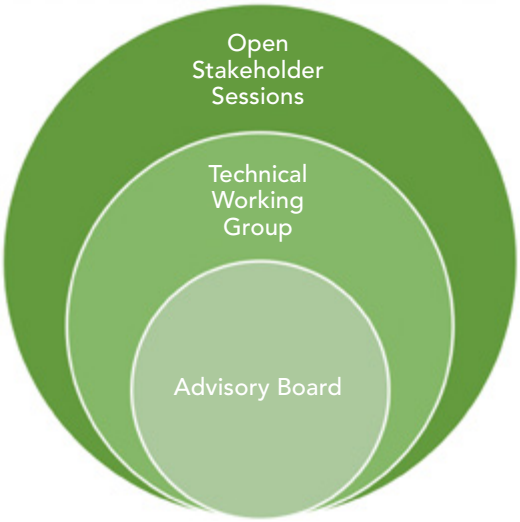
| | Explore/Inform | Consult | Advise | Decide | Implement |
|---|---|---|---|---|---|
| **Outcomes**[5] | • Improved understanding of issues, process, etc.<br>• Lists of concerns<br>• Information needs identified<br>• Explore differing perspectives<br>• Build relationships | • Comments on draft policies<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

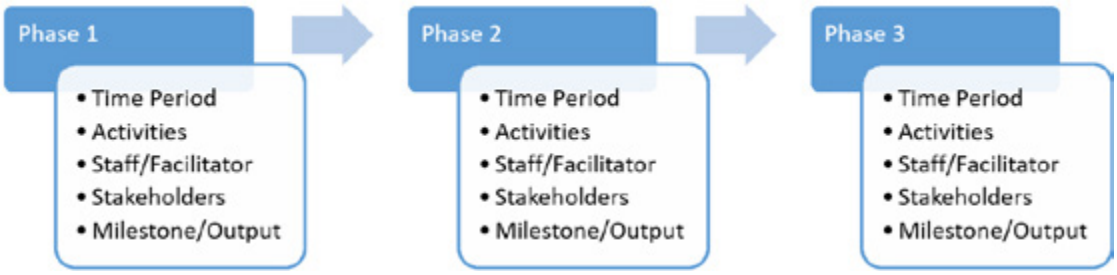
Feedback from commissions revealed the importance of setting timelines to anticipate times when disagreements might arise and prepare for difficult discussions during the stakeholder engagement process.

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?

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