Participating in Power: How to Read and Respond to Integrated Resource Plans

A Guide for Local Governments and Other Advocates
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Our Experts

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Questions?

Please send questions through the Questions pane
1 Introduction to IRP
What is Integrated Resource Planning?

• A public, regulatory process to develop the long-term vision / plan for resource development in a utility’s territory

• Utilities use IRPs to evaluate the least cost portfolio of strategies for delivering reliable service over the next 10-20 years while considering risks and achieving all policy mandates and regulatory requirements.

• Required in 36 states either by law or regulation- accepted, acknowledged, or approved by the PUC

Elements of an Integrated Resource Plan

- Customer load projections
- Customer-side resources
- Utility-side resources
Why Are IRPs So Important?

- Coordinated view of the future of the utility and the roadmap to get there
- Action plan
- Affect cost, reliability, performance…
- Record for “reasonable” decisions
- “Hub” of information
- Avoid terrible outcomes
Importance of a Coordinated View

Customers/Advocates

Utility

Regulator

Provide safe, reliable, affordable services while maximizing profit

Affordable, equitable, reliable, resilient, clean energy service

Oversight of reasonable business practices, public process, in the public interest
Local Government Strategies to Advance Social Justice, Equity, and Climate Priorities
Growing Local Government Engagement in Utility Regulation

Strong climate goals but lack of direct influence over IOUs +

Deep intersection between the power sector and equity issues =

Growing awareness of the importance of and capabilities to engage at the PUC
Why We Wrote This Guide

Utility Commissions are quasi-judicial bodies, and do not operate like a city council.
Topics Featured in the Guide

Social Justice & Equity Priorities
- Integrating equity into the IRP
- Just transition
- Locational impacts of fossil plants
- Energy burden
- Diverse workforce

Clean Energy & Climate Priorities
- Energy efficiency
- Clean energy generation
- Beneficial Electrification
- Demand flexibility
Local Governments Can Add Valuable Evidence and Perspective to IRP Proceedings

For each subtopic, we include:

• A narrative explaining the topic’s intersection with IRPs and PUC authority

• A table including:
  • key guiding questions,
  • relevant sections of an IRP,
  • possible requests of the PUC,
  • and sources to explore or cite

• Case study, where possible
Content Rooted in Local Government Experience

Featuring examples from:
- City of Charlotte, NC
- City of Minneapolis, MN
- Coalition of NC Cities and Counties
- City of Indianapolis, IN
- King County Climate Coalition

Informed by others’ activities
- City of Atlanta, GA
- City of Boulder, CO
- City of Denver, CO
- City of St. Louis, MO
- Coalition of Minnesota Cities and Counties
- Coalition of PJM Cities
- Hawaii County
- Washington, DC
- Many more….
3 Understanding the IRP Process
Typical IRP Process

Utility IRP analysis
- Forecast demand and screen resources
- Identify goals and regulatory requirements
- Develop candidate resource portfolios
- Compare portfolios
- Select portfolios
- Submit preferred portfolio to commission

Stakeholder engagement
- Stakeholders may directly engage with their utility to influence planning
- Utility may host an official stakeholder process to gather input
- Stakeholders might publicly comment on the plan in media
- Stakeholders may become intervenors in regulatory review process

Regulatory review
- IRP filed
- Discovery
- Testimony/comments
- Rebuttal/reply
- Hearing(s)
- Order

Note: This graphic shows a generalized example of the IRP development process. It does not capture all the variations of analysis, review, or stakeholder engagement, nor the iterations between steps. In this graphic, the regulatory review processes illustrated reflect states in which the regulator has a high level of regulatory oversight.

## Terminology & Order Will Vary

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Source: Arizona Public Service 2020 Integrated Resource Plan
General Tips for Reading an IRP

✓ Develop a map
✓ Use your search function
✓ Pictures help
✓ A little history is useful
✓ Compare your goals with the utility’s
✓ What does the company emphasize?
✓ Understand the perspective of the utility
✓ Divide and conquer
# Pictures Help – An Example

## Retirement Portfolio Scorecard

<table>
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<tr>
<th>Portfolio Transition Target:</th>
<th>65% Coal through 2035</th>
<th>40% Coal in 2023</th>
<th>15% Coal by 2028 w/ ELG</th>
<th>15% Coal by 2028 w/o ELG</th>
<th>15% Coal in 2023 (Mich. City 2035)</th>
<th>15% Coal in 2023 (Schtr 17,18 2023)</th>
<th>15% Coal in 2023 (Schtr 17,18 2023)</th>
<th>0% Coal in 2023</th>
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<td>Cost To Customer</td>
<td>$15,400</td>
<td>$12,911</td>
<td>$12,455</td>
<td>$12,336</td>
<td>$11,454</td>
<td>$11,343</td>
<td>$11,187</td>
<td>$10,974</td>
</tr>
<tr>
<td>Cost Certainty</td>
<td>$15,840</td>
<td>$13,158</td>
<td>$12,622</td>
<td>$12,502</td>
<td>$11,634</td>
<td>$11,504</td>
<td>$11,295</td>
<td>$11,132</td>
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<tr>
<td>Cost Risk</td>
<td>$17,406</td>
<td>$14,123</td>
<td>$13,225</td>
<td>$13,105</td>
<td>$12,252</td>
<td>$12,045</td>
<td>$11,750</td>
<td>$11,656</td>
</tr>
<tr>
<td>Employees</td>
<td>0</td>
<td>125</td>
<td>125</td>
<td>125</td>
<td>276</td>
<td>276</td>
<td>276</td>
<td>426</td>
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<tr>
<td>Local Economy</td>
<td>+$118M (+47%)</td>
<td>$0M (-%)</td>
<td>($23M) (9%)</td>
<td>($31M) (12%)</td>
<td>($65M) (20%)</td>
<td>($74M) (20%)</td>
<td>($74M) (20%)</td>
<td>($94M) (37%)</td>
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How to Develop Comments

✓ Explain who you are, why your opinion is relevant to the proceeding, and your priorities.

✓ Summarize your points and your requests for commission action.

✓ Discuss the specific areas of the IRP that your organization wishes to change or new analyses you wish to see performed.
How to Develop Comments

✓ If you believe the plan doesn’t conform to a legal requirement or established goal, or doesn’t serve the public interest, emphasize that.

✓ Learn and use terms that can influence PUC decisions, such as:
  ➢ “Public interest”
  ➢ “Just and reasonable”
  ➢ “Least cost, considering risks”
4 Case Studies
Making the Case to Include Equity in IRPs

- IRPs have historically not discussed equity. However, the energy system has resulted in disparities that should be considered in the planning process.
- Connect your equity concerns to the regulator’s authority and charge to regulate in the “public interest”.
- Point to precedence in other states and/or industries that have incorporated equity, environmental justice, and energy burden in their decision-making.
Prioritize equity in the IRP process:

- **Procedural equity**: Include and amplify community input in comments
- **Distributive equity**: Ensure equitable access to clean energy and energy efficiency programs
- **Reparative equity**: Address disproportionate environmental impacts of pollution from electricity, support a just transition

Case Study: Minneapolis
Case Study: Minneapolis

- Reference state and city policies to inform decision-making
  - Introduce the City as a customer and voice for the public interest, with ambitious carbon and racial equity goals
  - Include examples from other jurisdictions, industry thought leaders
Actionable Takeaways: Making the Case for Equity in IRPs

Key questions to ask

- Does the commission have a stated position on its role in advancing equity?
- Has the commission defined the public interest, and is this definition relevant?

Relevant IRP sections

- Planning environment
- PUC website (external)
- Statutes guiding PUC review of IRP (external, but likely cited in the filing)

Possible suggestions to the commission

- Request the commission open an investigation to establish its role in advancing equity and to establish a modern definition of the public interest
- Require the utility to propose equity criteria for its evaluation of resource portfolios

Sources

- Initiative for Energy Justice
  - *The Intersection of COVID, the Recession, and Race and Their Impact on Utility Regulation* from the National Association of Regulatory Utility Commissioners
- Revisiting the Public Good, Part 1 and Part 2
Advocate for Utility Programs that Address Energy Burden

- Local governments have on the ground insight to the reality of energy burdened communities and the efficacy of utility programs
- Prioritize the use of energy efficiency as a resource in IRP modeling
  - Review utility methods to evaluate demand side management
  - Analyze energy burden among customers
  - Expand access to energy efficiency programs for low-income customers

Sources: Efficiency Vermont, ACEEE
Case Study: Charlotte, NC

Include energy burden data and maps:

- Average energy burden: 4.2%
- Households with high energy burden (>6%): 120,000 (31%)
- Used the Greenlink Equity Map to map energy burden by census tract
IRP comments:

• Stated what the City is doing to address both energy spending and income

• Requested that Duke Energy update IRP scenarios using the recently approved Utility Cost Test and include more customer benefits

• Connected energy burden to resilience in older buildings
# Actionable Takeaways: Addressing Energy Burden

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<td>What is the energy burden in my community?</td>
<td>Planning environment</td>
<td>Request the utility analyze the energy burden among its customers and publish a map</td>
<td>Quantitative Energy Equity[^7] by Empower Dataworks</td>
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<td>Analysis</td>
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<td>Set a goal for energy efficiency delivered to energy-burdened customers</td>
<td>Energy Equity Project[^6] of the Urban Energy Justice Lab</td>
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<td>Information request</td>
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<td>How High Are Household Energy Burdens?[^2] from ACEEE</td>
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<td>Low-Income Energy Affordability Data Tool[^1] from the U.S. Department of Energy</td>
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Key Takeaways

- IRPs form the justification for new investments and programs, and benefit from robust and diverse input.
- Local governments and other advocates can, and have added new perspective and evidence to IRP proceedings.
- Regulators should encourage, facilitate and provide technical support to stakeholders that can add new information to proceedings.
The Guide Provides:

- Documentation of local government’s engagement in IRPs
- Details on what to expect in an IRP
- Tips for finding relevant information
- Actionable guidance on how to effectively respond to IRPs
- Other considerations for success

Download from RAPonline.org or IMT.org
Response: IRP and Communities

Meg Jamison,
Executive Director, SSDN
Additional Resources

NARUC:
- Local Government Engagement with Public Utility Commissions
- The Role of State Utility Regulators in a Just and Reasonable Energy Transition
- Public Utility Commission Stakeholder Engagement: A Decision-Making Framework
- Comprehensive Electricity Planning Library

ACCC Renewables Accelerator: Engaging with State Regulators
- ACCC IRP Support Package
- WRI Solar in IRP report

RMI: PUC Modernization Issue Briefs

Acadia Center: RESPECT – Reforming Energy System Planning for Equity and Climate Transformation