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Webinar

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

A Guide for Local Governments and Other Advocates

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A Guide for Local Governments and Other Advocates

Jake Duncan and Julia Eagles, IMT
David Farnsworth, John Shenot and Jessica Shipley, RAP



Our Experts

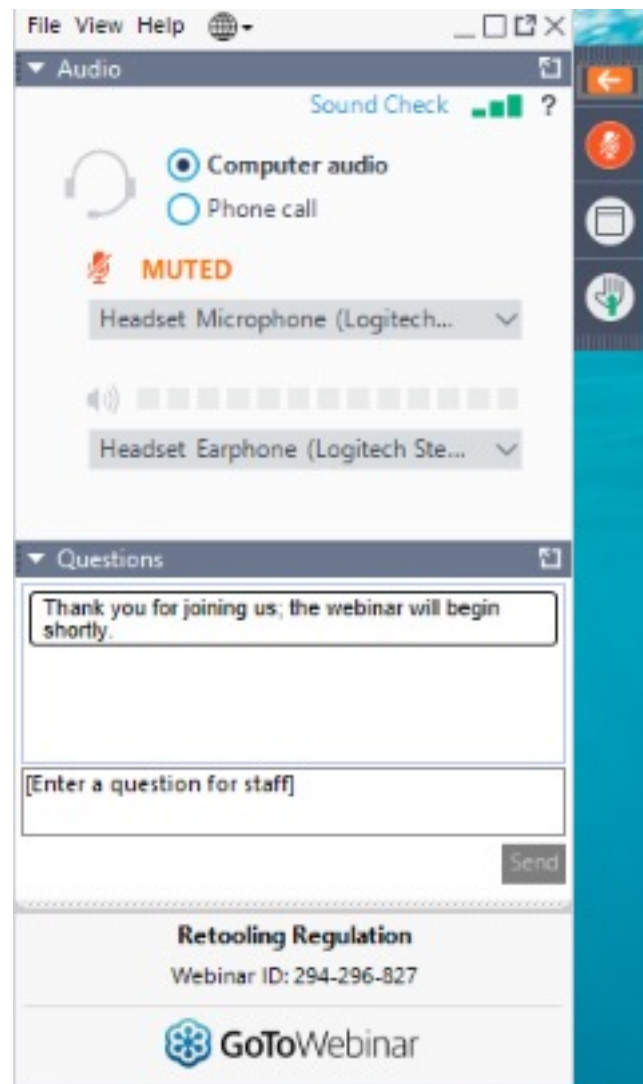
- From IMT, Julia Eagles and Jake Duncan
- From RAP, Elaine Prause and John Shenot
- From SSDN, Meg Williams Jamison



Moderator: David Farnsworth

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**



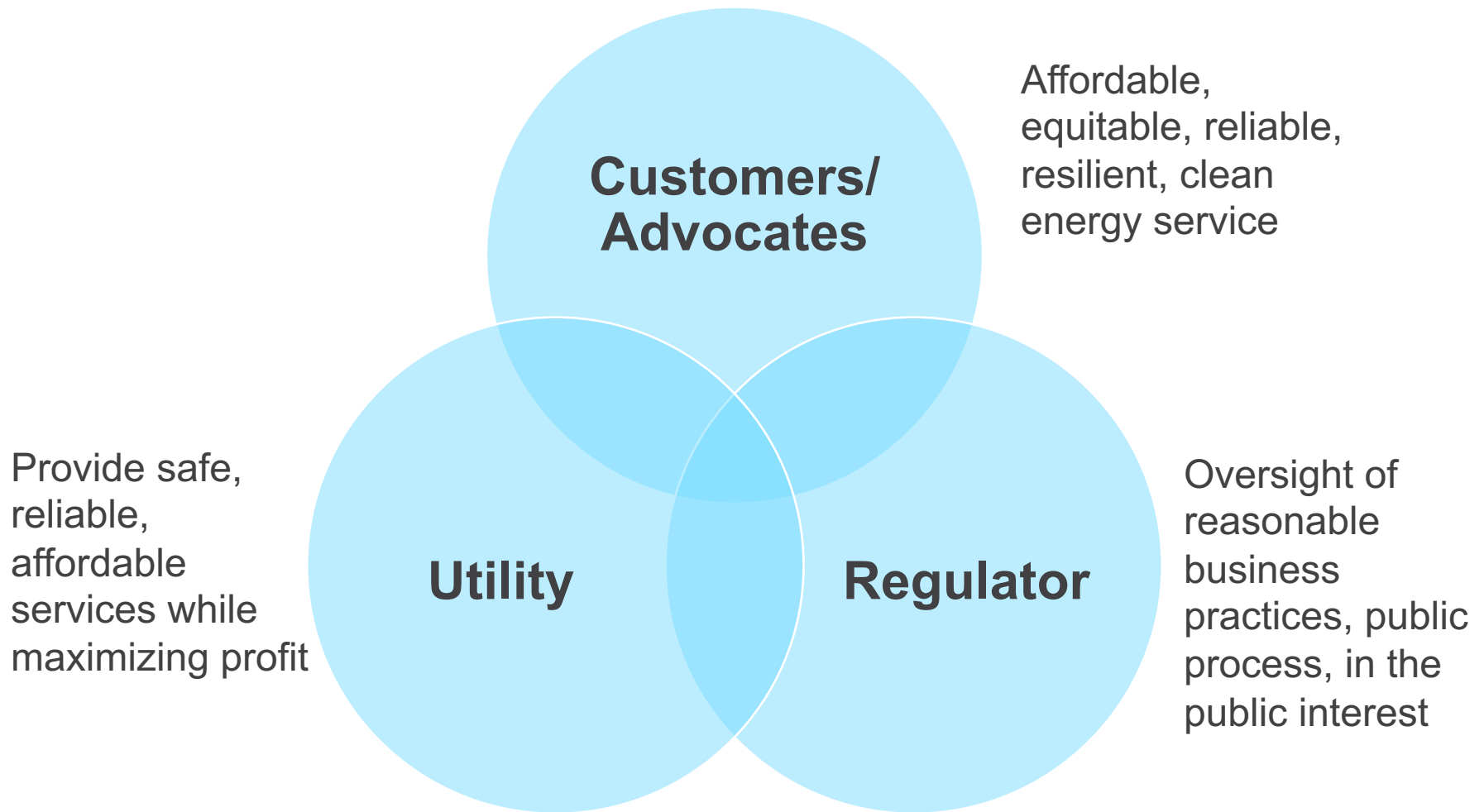
**Utility-side
resources**

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



2

Local Government Strategies to Advance Social Justice, Equity, and Climate Priorities



Growing Local Government Engagement in Utility Regulation

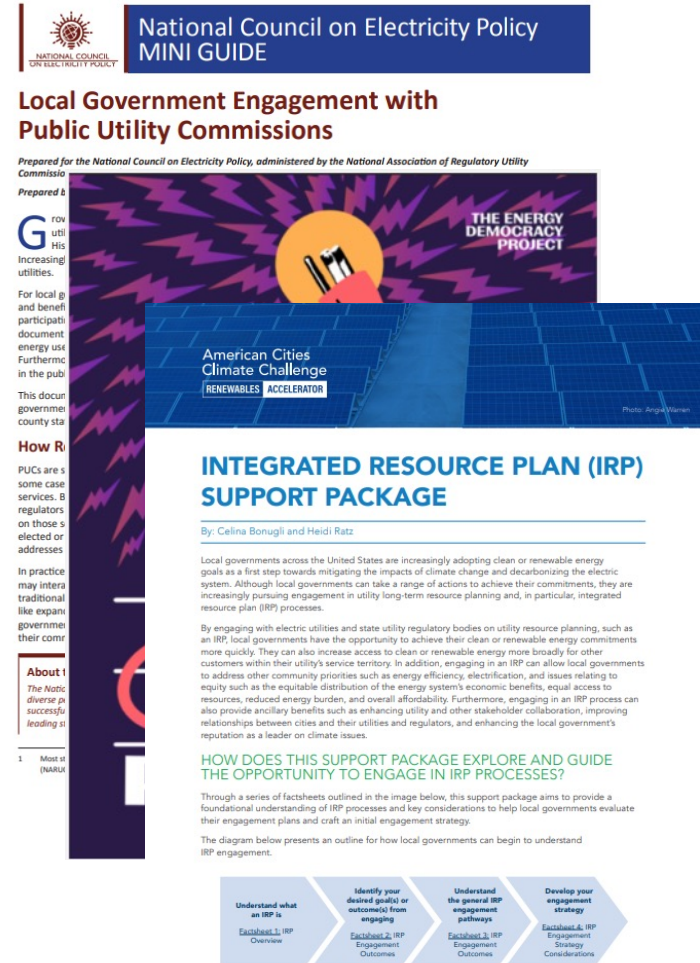
Strong climate goals but lack of direct influence over IOUs

+

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

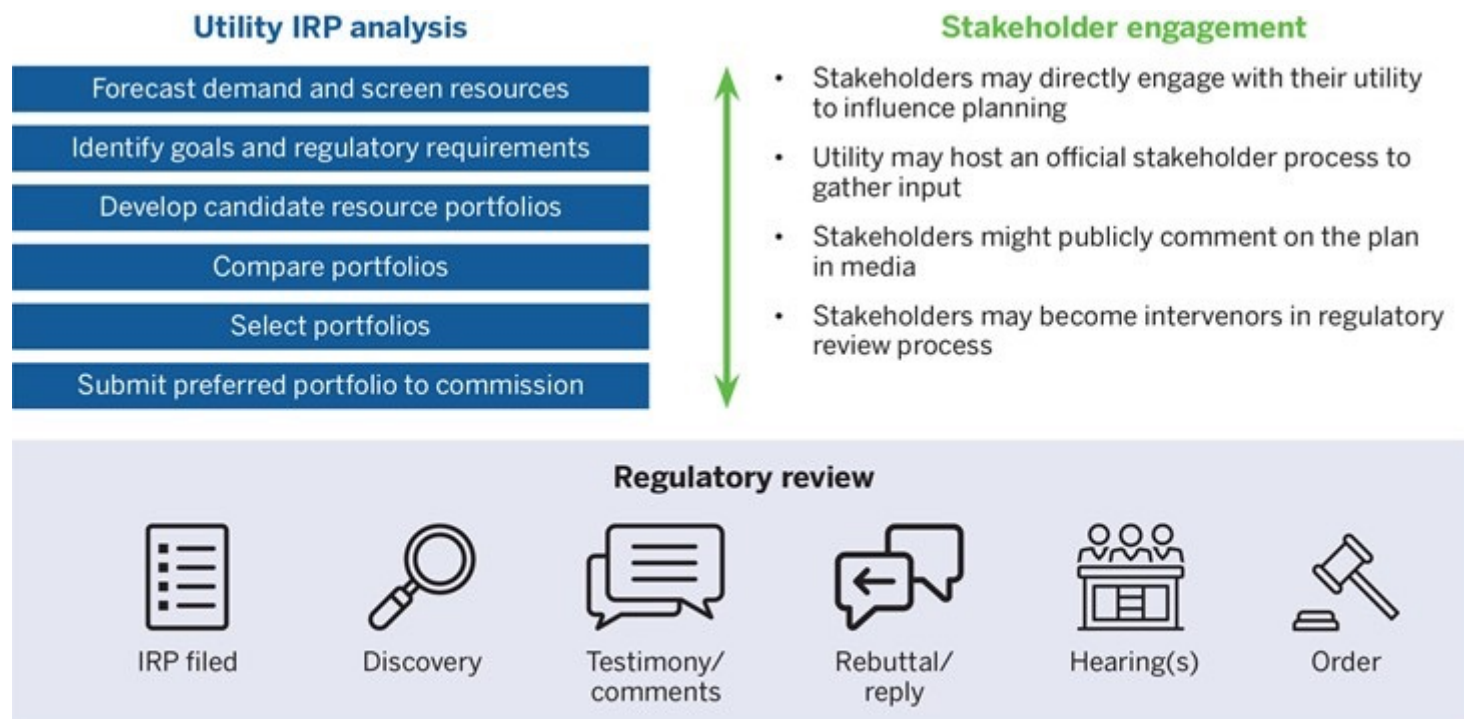
Informed by others' activities

- 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



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.

Source: Bonugli, C., & Ratz, H. (n.d.) Integrated resource plan (IRP) support package. American Cities Climate Challenge Renewables Accelerator. <https://cityrenewables.org/resources/integrated-resource-plan-irp-support-package/>

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

	1	2	3	4	5	6	7	8
Portfolio Transition Target:	65% Coal through 2035	40% Coal in 2023	15% Coal by 2028 w/ ELG	15% Coal by 2028 w/o ELG	15% Coal in 2023 (Mich. City 2035)	15% Coal in 2023 (Mich. City 2028)	15% Coal by 2023 (Schfr 17/18 2021)	0% Coal in 2023
Retire:	None	Schfr:17,18 (2023)	Schfr:17,18 (2023) Schfr:14,15 (2028)	Schfr:17,18 (2023) Schfr:14,15 (2028)	Schfr:17,18 (2023) Schfr:14,15 (2023)	Mich.City:12 (2028) Schfr:17,18 (2023) Schfr:14,15 (2023)	Mich.City:12 (2028) Schfr:17,18 (2021) Schfr:14,15 (2023)	Mich.City:12 (2023) Schfr:17,18 (2023) Schfr:14,15 (2023)
Retain beyond 2023:	Mich. City: 12 Schfr:14,15,17,18	Mich. City: 12 Schfr:14,15	Mich. City: 12 Schfr:14,15	Mich. City: 12 Schfr:14,15	Mich. City: 12 (2035)	Mich. City: 12 (2028)	Mich. City: 12 (2028)	None
Env. Compliance	CCR ELG: non-ZLD	CCR ELG: non-ZLD	CCR ELG: non-ZLD	CCR ELG: Extended Retirement	CCR ELG: Retirement	CCR ELG: Retirement	CCR ELG: Retirement	CCR ELG: Retirement
Cost To Customer	\$15,400 +\$4,426 40.3%	\$12,911 +\$1,937 17.7%	\$12,455 +\$1,481 13.5%	\$12,336 +\$1,361 12.4%	\$11,454 +\$479 4.4%	\$11,343 +\$369 3.4%	\$11,187 +\$213 1.9%	\$10,974 - \$ - %
Cost Certainty	\$15,840 +\$4,708 42.3%	\$13,158 +\$2,026 18.2%	\$12,622 +\$1,490 13.4%	\$12,502 +\$1,370 12.3%	\$11,634 +\$502 4.5%	\$11,504 +\$372 3.3%	\$11,295 +\$163 1.5%	\$11,132 - \$ - %
Cost Risk	\$17,406 +\$5,750 49.3%	\$14,123 +\$2,467 21.2%	\$13,225 +\$1,569 13.5%	\$13,105 +\$1,449 12.4%	\$12,252 +\$596 5.1%	\$12,045 +\$389 3.3%	\$11,750 +\$93 0.8%	\$11,656 - \$ - %
Reliability Risk	Acceptable	Acceptable	Acceptable	Acceptable	Acceptable	Acceptable	Unacceptable	Unacceptable
Employees	0	125	125	125	276	276	276	426
Local Economy	+\$118M +47%	\$0M -%	(\$23M) (9%)	(\$31M) (12%)	(\$65M) (26%)	(\$74M) (29%)	(\$74M) (29%)	(\$94M) (37%)

Preferred Retirement Path

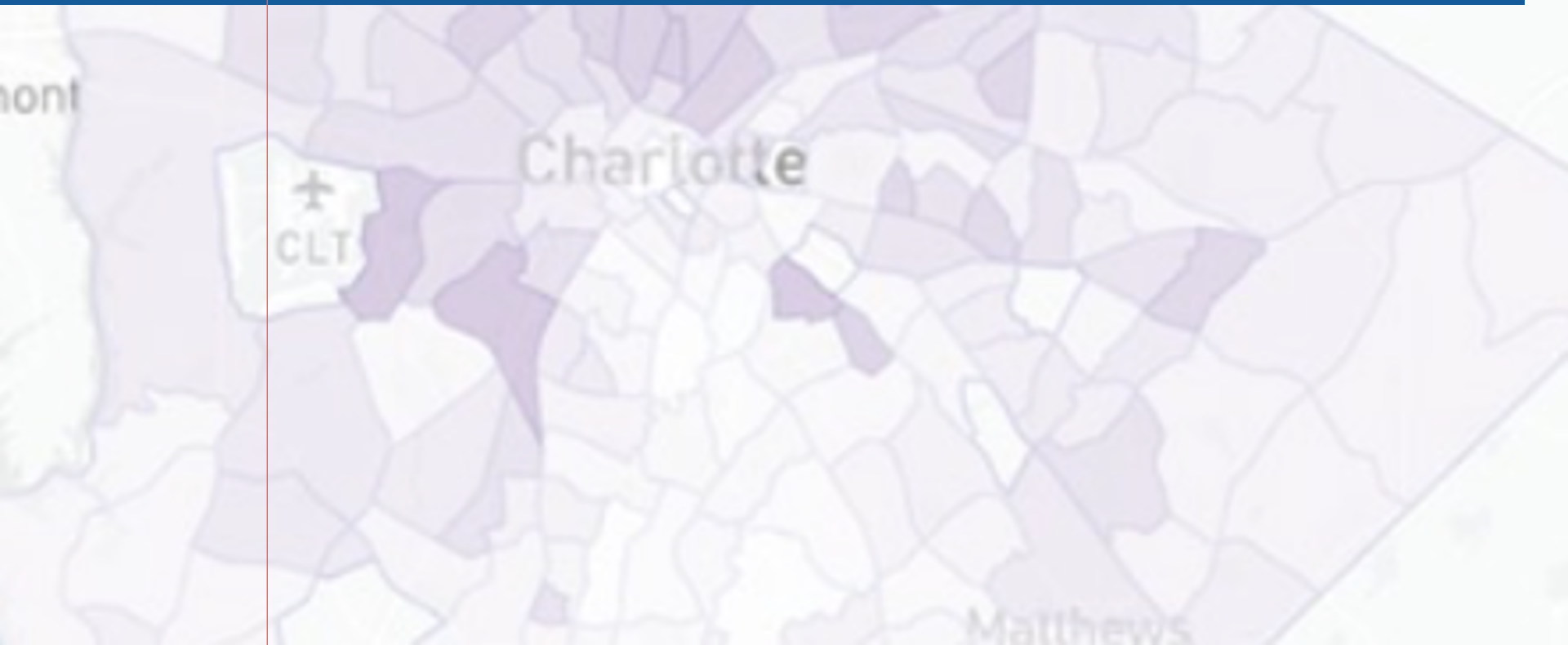
How to Develop Comments

- ✓ 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

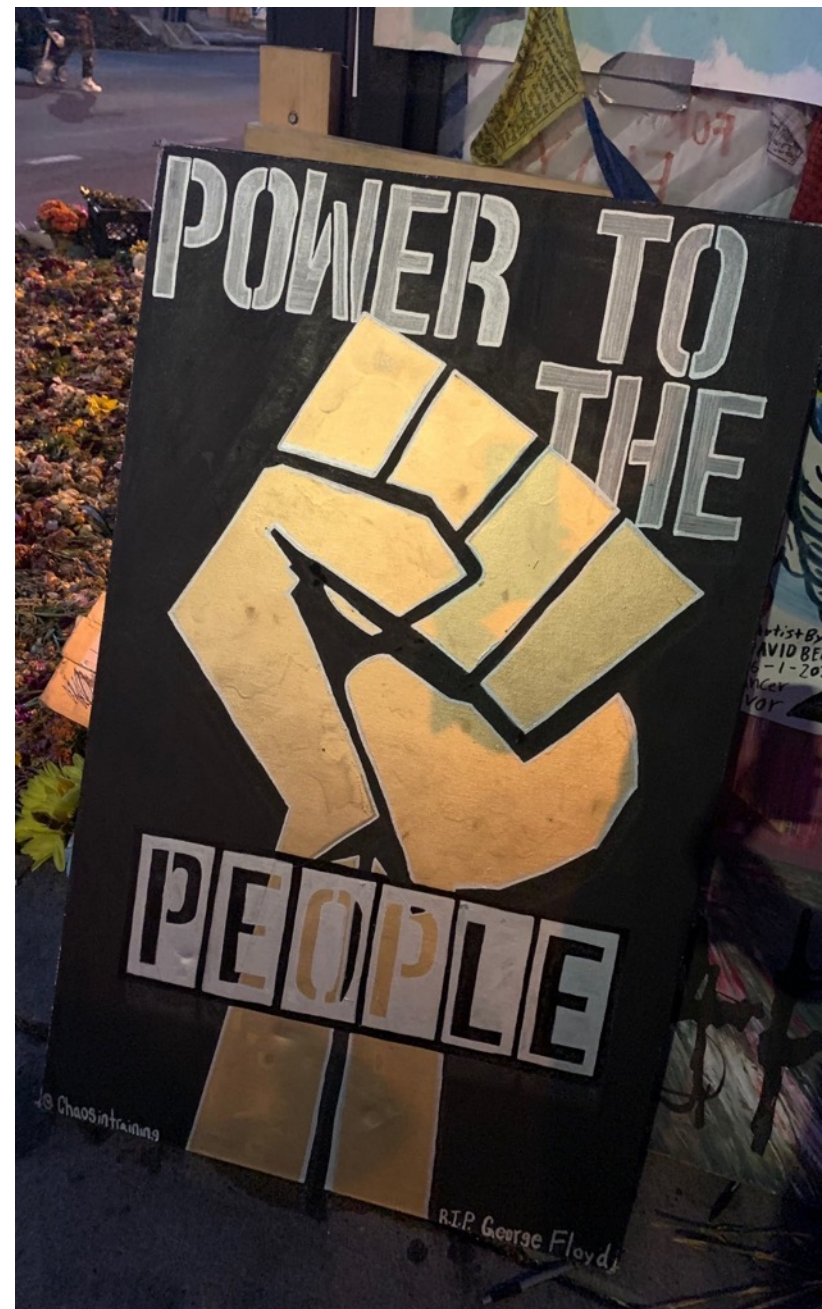
- ✓ If you believe the plan doesn't conform to a legal requirement or established goal, or doesn't serve the public interest, emphasize that.
- ✓ Learn and use terms that can influence PUC decisions, such as:
 - “Public interest”
 - “Just and reasonable”
 - “Least cost, considering risks”

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





Case Study: Minneapolis

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



- **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

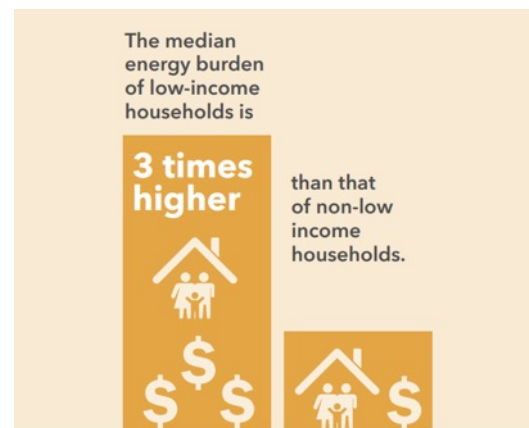
Actionable Takeaways:

Making the Case for Equity in IRPs

 Key questions to ask	 Relevant IRP sections	 Possible suggestions to the commission	 Sources
Does the commission have a stated position on its role in advancing equity?	Planning environment PUC website (external)	Request the commission open an investigation to establish its role in advancing equity and to establish a modern definition of the public interest	Initiative for Energy Justice ¹⁸ <i>The Intersection of COVID, the Recession, and Race and Their Impact on Utility Regulation</i> ¹⁹ from the National Association of Regulatory Utility Commissioners
Has the commission defined the public interest, and is this definition relevant?	Statutes guiding PUC review of IRP (external, but likely cited in the filing)	Require the utility to propose equity criteria for its evaluation of resource portfolios	<i>Revisiting the Public Good, Part 1 and Part 2</i> ²⁰

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

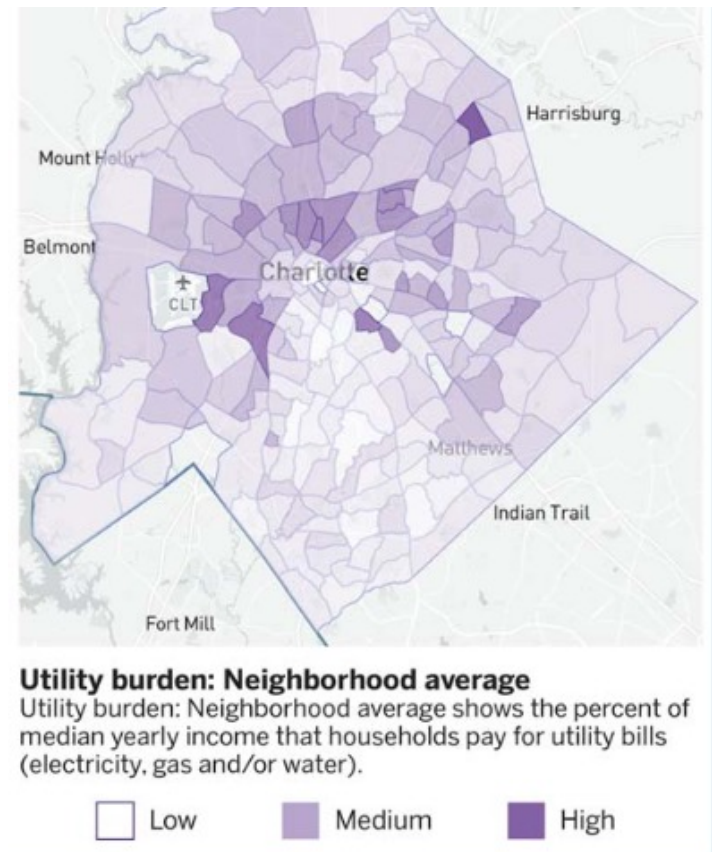


Sources: [Efficiency Vermont](#), [ACEEE](#)

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









Case Study: Charlotte, NC

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

 Key questions to ask	 Relevant IRP sections	 Possible suggestions to the commission	 Sources
What is the energy burden in my community?	Planning environment Analysis Information request DSM plan (external)	Request the utility analyze the energy burden among its customers and publish a map Set a goal for energy efficiency delivered to energy-burdened customers	<i>Quantitative Energy Equity</i> ²⁷ by Empower Dataworks Energy Equity Project ²⁸ of the Urban Energy Justice Lab <i>How High Are Household Energy Burdens?</i> ²⁹ from ACEEE Energy burden mapping ³⁰ by The Greenlink Group <i>Low-Income Energy Affordability Data Tool</i> ³¹ from the U.S. Department of Energy

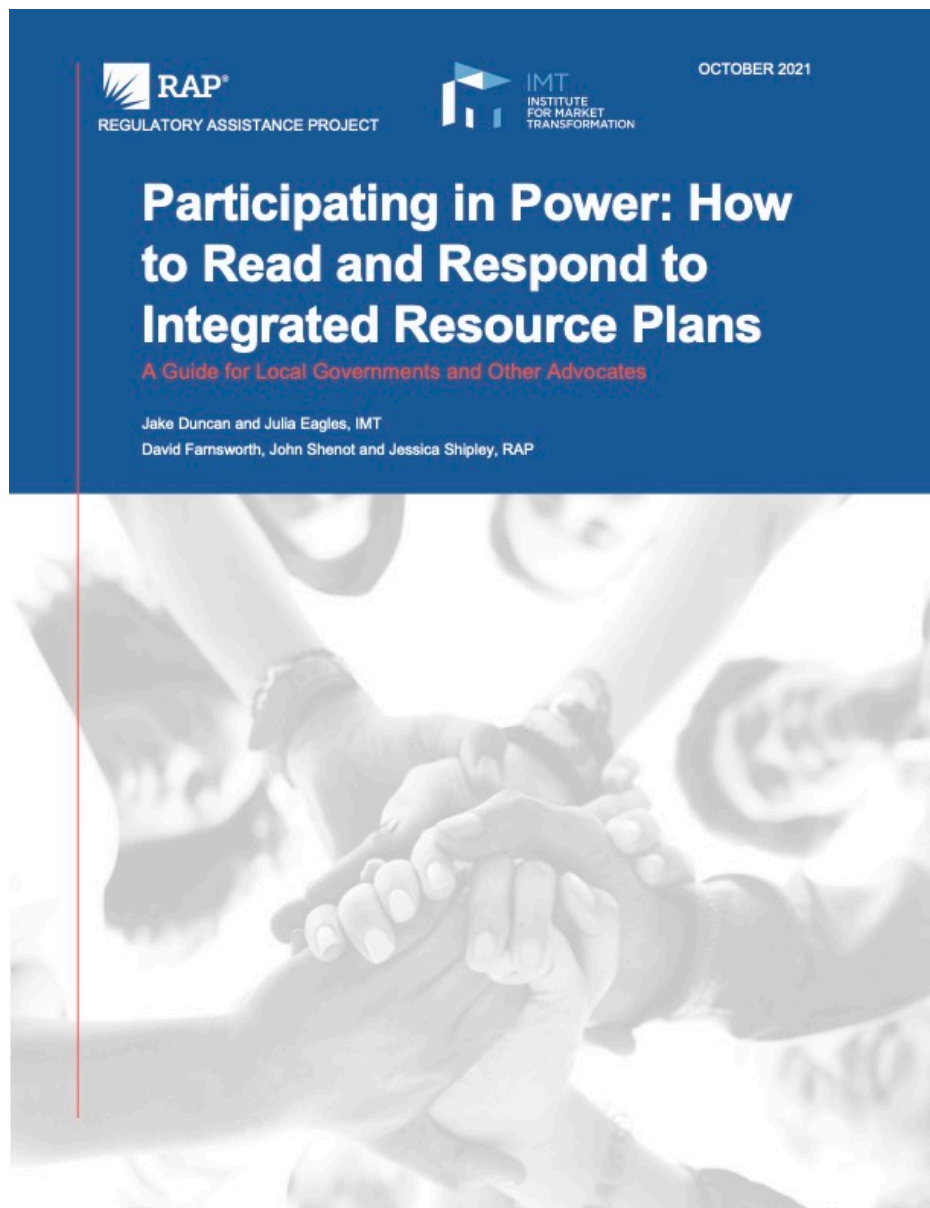
Key Takeaways

- 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

SSDN SOUTHEAST SUSTAINABILITY
DIRECTORS NETWORK

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](#)