

HOW DATA ACCESS AND OPEN ACCESS MODELING CAN IMPROVE UTILITY PLANNING AND RATEMAKING

DATA ACCESS: AN UNLEVEL PLAYING FIELD

Improving access to data and modeling is a key strategy to make utility regulatory processes more effective and more equitable. In order to make regulatory decisions, Public Utility Commissions often rely heavily on the information that is submitted into the record during a proceeding. Notably, utilities tend to have the most resources for data collection, modeling, and analysis – and the most intimate knowledge of their systems. Other stakeholders, including regulators, may not have access to utilities' modeling assumptions nor to all the data used in their planning decisions, reports, and proposals. This creates an information asymmetry that many states are trying to address.

OPTIONS FOR COMMISSIONS TO INCREASE ACCESS TO DATA FOR REGULATORY DECISIONS:

- ⚡ Commissions can require utilities to provide modeling licenses or remote access to the software to stakeholders, Commission staff, and/or consumer advocates
- ⚡ Commissions can require the utility to provide scenario development opportunities to stakeholders
- ⚡ Commissions can require utilities to run specific scenarios

Arizona

On March 2, 2022, the Arizona Corporation Commission issued an order¹ in a resource planning and procurement docket to require that utilities, for future Integrated Resource Plans (IRPs), negotiate access to, and cover the costs for, up to 12 Resource Planning Advisory Council members and Staff to perform their own modeling runs in the same software package as the utilities. The order also required utilities to provide all necessary data and support for those stakeholders to fully utilize the models.

New Mexico

Example 1: In late 2018, the Public Service Company of New Mexico (PNM) proposed to decommission the San Juan Generating Station. When initiating the proceeding, the Public Regulation Commission (PRC) required PNM to provide access to all computer models used to support its selection of replacement resources.² Stakeholders could either have virtual access to PNM's modeling software to run their own scenarios, or request that PNM run specific scenarios on their behalf.³ **The Commission ultimately selected an intervenor proposal, which provided lower costs, greater resource diversity, and more community benefits than the utility proposal.**⁴

Example 2: In May 2021, the PRC took a broader step towards expanding access to utility modeling by opening a docket to revise its integrated resource planning rules. Its goals were 1) to ensure that utilities prioritize resources aligned with state greenhouse gas reduction targets and grid modernization, and 2) to improve transparency for regulators, stakeholders, and the public.⁵ On September 14, 2022 the PRC issued an order requiring utilities to provide staff and stakeholders with reasonable access to the same modeling software and all modeling information used by the utility.⁶

Oregon

On October 30, 2020, the Oregon Public Utility Commission accepted a stipulation on one of PacifiCorp's rate adjustment mechanisms, which included measures to increase understanding of and access to the utility's new production cost model.⁷ In this deal, the utility agreed to 1) host a public workshop on its new modeling, 2) provide modeling licenses for all Commission staff and intervenors, and 3) share all inputs, data, modeling settings, and constraints used by the utility in its forecasts.

Kentucky

On November 25, 2020, the Kentucky Utilities Company (KU) and Louisville Gas and Electric Company (LG&E), together referred to as LG&E/KU, filed applications with the Kentucky Public Service Commission requesting approval for significant increases in revenue and several tariff revisions.⁸ Upon investigation, the Commission found a notable lack of transparency in LG&E/KU's modeling, which it stated would likely become increasingly problematic as renewable energy penetration deepens. On June 30 and September 24, 2021 the Commission denied the requested increase in revenue⁹ and the proposed tariff revisions, ordering LG&E/KU to submit a proposal detailing how they would increase their modeling transparency.¹⁰

Kentucky (cont.)

In response, LG&E/KU proposed to include more granular summaries of their inputs and outputs in future filings; run models on behalf of intervenors; support the Commission seeking licenses to run the model with alternative inputs; and increase access to online data.¹¹

South Carolina

On December 23, 2020 the South Carolina Public Utilities Commission issued an order directing Dominion Energy South Carolina to expand its IRP modeling and transparency, including to negotiate a discounted licensing agreement that would allow interested stakeholders to perform their own modeling using the same software as the utility.¹²

¹ Arizona Corporation Commission, 2022, <https://docket.images.azcc.gov/0000206081.pdf?i=1663624640116>.

² New Mexico Public Regulation Commission, 2019, https://powersuite.aee.net/dockets/nm-19-00018-ut/filings/13489170?version=beta&filing_search_id=1258879&document_id=157217274.

³ New Mexico Public Regulation Commission, 2019, https://powersuite.aee.net/dockets/nm-19-00195-ut/filings/13490125?version=beta&filing_search_id=1258965&document_id=157218322.

⁴ New Mexico Public Regulation Commission, 2020, https://powersuite.aee.net/dockets/nm-19-00195-ut/filings/13763830?version=beta&filing_search_id=785299&document_id=157812089.

⁵ New Mexico Public Regulation Commission, 2021, https://powersuite.aee.net/dockets/nm-21-00128-ut/filings/15296428?version=beta&filing_search_id=1258851&document_id=161996498.

⁶ New Mexico Public Regulation Commission, 2022, https://powersuite.aee.net/dockets/nm-21-00128-ut/filings/17239777?version=beta&filing_search_id=1258833&document_id=167477708.

⁷ Oregon Public Utility Commission, 2020, <https://apps.puc.state.or.us/orders/2020ords/20-392.pdf>.

⁸ Kentucky Utilities Company, 2020, https://psc.ky.gov/pscscf/2020-00349/rick.lovekamp%40lge-ku.com/11252020084757/05-KU_Application_%282020-00349%29.pdf and Louisville Gas & Electric Company, 2020, https://psc.ky.gov/pscscf/2020-00350/rick.lovekamp%40lge-ku.com/11252020085918/05-LGE_Application_%282020-00350%29.pdf.

⁹ Kentucky Public Service Commission, 2021, https://psc.ky.gov/pscscf/2020%20Cases/2020-00349//20210630_PSC_ORDER.pdf.

¹⁰ Kentucky Public Service Commission, 2021, https://psc.ky.gov/pscscf/2020%20Cases/2020-00349//20210924_PSC_ORDER.pdf.

¹¹ Louisville Gas & Electric and Kentucky Utilities Company, 2021, https://psc.ky.gov/pscscf/2020-00349/rick.lovekamp@lge-ku.com/12222021084221/Closed/3-LGE_KU_Response_12-22-2021.pdf.

¹² South Carolina Public Utilities Commission, 2020, <https://dms.psc.sc.gov/attachments/order/a4b59f43-e545-43bd-9f35-a846b7602c39>.

INTERESTED IN LEARNING MORE?

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