

Integrated Resource Planning (IRP) Comparative Analysis and Recommendations

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I. Background

Southface and an Agnes Scott College fellow conducted research looking at Integrated Resource Planning (IRP) processes in Georgia, Florida, and North Carolina. Through legislative and policy research, literature reviews, analysis, and expert interviews¹, we developed a framework to evaluate existing processes and identify potential improvements and policy recommendations for each state.

II. What is IRP, and why is it important?²

An integrated resource plan enables the utility, local and state governments, corporate funders, and the general public to "prove" the benefit of rate-payer-funded investments. Consumers can benefit from the transparency provided by an IRP. It reveals whether a regulated utility is investing in green technologies, fossil fuels, and other areas and typically allows the public to comment on the utility's plans and strategy.

III. Current state - IRP across the three states

This table illustrates the differences in key IRP elements that define and determine the inner workings, rulings, and guidelines of each state's IRP process.

IRP Key Elements Comparison

Key Elements/Clarifying Questions	North Carolina	Georgia	Florida
How often do they process IRPs or something similar?	- NC Commission requires a bi-annual IRP filing	- Every three years , utilities submit IRPs	- Every year, regulated Florida utilities file a Ten Year Site Plan (TYSP)
Timeline and Duration	- The IRPs are generally filed by Sept. 1st each year. -Duration varies each year.	-IRPs are filled in January, and a ruling is made in July.	- Filed April 1, 2022 - Utilities can change their TYSP at any time and submit

¹ Special thank you to our interviewees; NRDC- Luis Martinez, New Energy Economics- Daniel Bruer, Ron Lehr, Southface-Kevin Kelly, William Collier, SACE- Bryan Jacob, George Carvos

² Duncan, J. D., Eagles, J. E., Farnsworth, D. F., Shenot, J. S., Shipley, J. S., Regulatory Assistance Project, & Institute for Market Transformation. (2021, October). *Participating in Power: How to Read and Respond to Integrated Resource Plans A Guide for Local Governments and Other Advocates*. https://www.raponline.org/wp-content/uploads/2021/11/rap_imt_participating_in_power_reading_and_responding_to_integrated_resource_plans_webinar_2021_november.pdf

			written notice to the Commission.
Frequency of IRP updates	Annual updates in the years between.	No updates in between filings	No updates in between filings
How many years are forecasted in the future?	15 years	20 years	10 years
Purpose of IRP or Objectives	NCUC , The purpose of IRP is to identify those options for electric resources that can be acquired in North Carolina at the least expensive ratepayers rate while still providing adequate and dependable electric service.	The PSC's goal is to determine fair and reasonable pricing for services provided within its jurisdiction that belongs to the Georgia Public Service Commission.	PSC's goals for the TYSP are to make it easier to deliver safe, dependable utility services at affordable pricing. Streamline regulatory standards to offer a transparent, approachable, effective, and impartial regulatory procedure.
Stakeholder engagement	- Before IRP filing in Sept. stakeholders participated in virtual sessions to give feedback	- There is a range of ways to get involved, from making public comments and meeting with Commissioners to rallying at proceedings and intervening in the docket.	- Instead of actively participating in creating a plan, stakeholders and the Commission can simply respond to plans.
Open proceedings? (can stakeholders review and submit comments)	Yes, public comment/intervention - According to Commission Rule R8-60(k) , the Commission must schedule a public hearing in this docket just to hear non-expert public witness testimony about the submitted IRP reports and REPS compliance plans.	Yes, public comment/intervention - The Commission must hold a public hearing on the suitability of the plan within 60 days of a utility filing its plan. Any interested party may address the Commission at the hearing with their thoughts on the plan's content and appropriateness.	Limited public comment - They have utility presentations with a small section for public comments. There is no official review and notice/comment process.
Key elements of Statute	- Forecasting utility sales and peak demand over the long run under a variety of plausible situations - Generation technology	- The plan identifies and accounts for any current and anticipated decreases in energy demand. - Increase energy efficiency in	- The need for electrical power in specific areas. - Effect on fuel diversity - Possible alternatives to the proposed plan.

	<p>suggestions</p> <ul style="list-style-type: none"> - Predicted energy from renewable energy sources - Adoption of renewable energy and co-generation - Energy efficiency - Demand response programs 	<p>the state's commercial, residential, industrial, and energy-producing sectors.</p> <ul style="list-style-type: none"> -The benefits to the economy, environment and other factors are clearly shown in the plan. 	<ul style="list-style-type: none"> - The opinions of the relevant local, state, and federal organizations. - Renewable energy production and purchases
Statute requirements	<ul style="list-style-type: none"> - 15 year forecast - Analysis of all resource options - Generating Resources: existing, planned, and non-utility - Economic Development - Studies - Discuss advantages/disadvantages 	<ul style="list-style-type: none"> - IRP every 3 years with a 20-year forecast - Each utility shall prepare an Executive Summary - Hearing and Review of Integrated Resource Plans - After approving a plan, the Commission may decide to focus only on matters that are directly related to significant modifications when reviewing subsequent plans. 	<ul style="list-style-type: none"> - Submit TYSP not less frequently than every 2 years -The Commission must conduct a preliminary analysis of the proposed plan within 9 months of receiving it and categorize it as "appropriate" or "unsuitable."
Any mentions of environmental or health impacts?	<ul style="list-style-type: none"> - No explicit mention of Public Health - Required to have a Certificate of Environmental Compatibility and Public Convenience and Necessity (CEPCN). 	<ul style="list-style-type: none"> - No explicit mention of Public Health - The utility is required to submit an Environmental Compliance Strategy ("ECS") that is thorough and includes a thorough report on the status of existing and proposed environmental regulations. 	Nothing mentioned

IV. Best Practices for IRP and Ideal State³

Through literature review, we have compiled a list of best practices for IRP. We scored and ranked each state IRP process on a 0-2 scale, with a 0 score meaning that a particular best practice is not presently included and/or is deficient, a score of 1 for a best practice that is partially but not fully in place, and a score of 2 when a best practice is included and prioritized in the state's IRP.

³ Wilson, R. W., Biewald, B. B., Regulatory Assistance Project, & Synapse Energy Economics. (2013, May). *Best Practices in Electric Utility Integrated Resource Planning Examples of State Regulations and Recent Utility Plans*. https://www.synapse-energy.com/sites/default/files/SynapseReport.2013-06.RAP_.Best-Practices-in-IRP.13-038.pdf

Best Practices	North Carolina	Georgia	Florida
Comprehensive and Holistic ⁴	2	1	0
Health Impacts ⁵	1	1	0
Environmental Effects ⁶	2	2	0
Transparent ⁷	1	1	0
Established Objectives ⁸	2	2	2
Public Interest ⁹	2	1	0
Meaningful Stakeholder Engagement ¹⁰	2	2	0
Total Score	12	10	2

V. Recommendations

We identified three general recommendations and specific reforms each state could implement to support a more robust and comprehensive IRP process.

⁴ Baker, J. B. (2000, March). *10 CFR § 905.11 - What must an IRP include?* LII / Legal Information Institute. Retrieved July 8, 2022, from <https://www.law.cornell.edu/cfr/text/10/905.11>

⁵ *Integrated Resource Planning*. (n.d.). PSE | Physicians, Scientists, and Engineers for Healthy Energy. Retrieved August 2, 2022, from <https://www.psehealthyenergy.org/our-work/programs/clean-energy/irps/>

⁶ Baker, J. B. (2000, March). *10 CFR § 905.11 - What must an IRP include?* LII / Legal Information Institute. Retrieved July 8, 2022, from <https://www.law.cornell.edu/cfr/text/10/905.11>

⁷ Nurse, D. (2018, September 19). *What Is An Integrated Resource Plan & Why Is It Important?* 🤔💡. Energy Acuity. <https://www.energyacuity.com/blog/what-is-an-integrated-resource-plan-why-is-it-important/>

⁸ International Rivers, Greacen, C. G., Greacen, C. G., Hippel, D. H., & Bill, D. B. (2013, October). *An Introduction to Integrated Resources Planning*. International Rivers.

<https://www.internationalrivers.org/wp-content/uploads/sites/86/2020/06/int-resource-planning-report.pdf>

⁹ Duncan, J. D., Eagles, J. E., Farnsworth, D. F., Shenot, J. S., Shipley, J. S., Regulatory Assistance Project, & Institute for Market Transformation. (2021, October). *Participating in Power: How to Read and Respond to Integrated Resource Plans A Guide for Local Governments and Other Advocates*.

https://www.raponline.org/wp-content/uploads/2021/11/rap_int_participating_in_power_reading_and_responding_to_integrated_resource_plans_webinar_2021_november.pdf

¹⁰ Frick, N. F. (2021, March 4). *Training on Integrated Resource Planning for South Carolina Office of Regulatory Staff* [Slides]. U.S. Department of Energy's Office of Electricity.

https://eta-publications.lbl.gov/sites/default/files/stakeholder_engagement_practices.pdf

Recommendation #1: Include explicit consideration of human health and welfare

- All states- Establish a framework, so public health and environmental impacts are explicitly required. Begin incorporating public health and equity metrics and models into state's IRPs. (ex: calculating scenario emission, air pollutant models, new cost tests, etc.)
- Georgia- Implement supportive policies to improve consideration of climate and public health and welfare, which could be adopted “adjacent to” IRP policy and process reform. (ex: Renewable Portfolio Standards (RPS), clean energy goals, etc.)

Recommendation #2: Transparency and opportunity for meaningful public participation

- Florida- There is a need for a docketed proceeding to encourage public involvement where parties can intervene in a formal documented process before the Commission to express their questions and concerns.

Recommendation #3: Market-based mechanisms to increase diversity and lower costs for consumers.

- North Carolina- Develop a competitive acquisitions policy where new resources are to be obtained by competitive means. Utilities can then begin the competitive bidding process to acquire the new resources needed to meet load and reserve requirements.