

Virginia Energy Efficiency Stakeholder Framework

Template produced by interested parties

The purpose of this document is to propose a comprehensive approach to stakeholder engagement based on best practices in other states. The goals of an authentic and effective stakeholder process include:

1. Facilitating a workshop in which experts from other states (or national groups) share their experience and knowledge of best practices for effective stakeholder groups
2. Adhering to a common vision of long-term progress instead of short-term gain
3. Gaining buy-in from key decision-makers so that stakeholders are seen as trusted advisors to ensure that progress on the group's goals continues
4. Allowing for flexibility and open discussion to avoid stagnation and ineffective decision-making

Desired Expectations: What are the Procedures and Guidelines for the Stakeholder Group?

1. Third party facilitation
 - a. Neutral, unbiased party: consider former regulators from other states
 - b. Hired by whom? Managed by whom? At very least, joint effort between Governor's office and SCC
 - c. RFP
 - i. Samples- DE https://bids.delaware.gov/bids_detail.asp?i=4689&DOT=N
 - ii. Sets tone of the entire process- want long term consensus-based process
 - iii. Experience with consensus-building activities is key
2. Stakeholders
 - a. Potential participants
 - i. Housing groups
 - ii. Health organizations
 - iii. Weatherization providers (already included)
 - iv. Program Implementers (already invited)
 - v. Low-Income Advocates
 - vi. Intervenors
 - vii. Business Groups and Associations
 - viii. Municipal, University, Schools and Hospitals (MUSH)
 - ix. Environmental organizations
 - x. State entities- DMME, DHCD, DEQ, OAG
 - xi. Local Governments
 - b. Limit number of entities per category
 - c. Identify voting vs. non-voting members
 - i. Technical advisors would be non-voting
 - ii. Can provide lists from other states

3. Roles and Responsibilities
 - a. Alignment on expectations and roles of each participant (SCC, OAG, DMME, Utilities, Implementors, Providers, etc.)
 - b. Subcommittees to discuss specific topics? (e.g. low-income carve-out, EM&V, overall program design and approval)
 - c. Who is responsible for conducting research or generating analysis to inform stakeholder group decisions? Some states hire consultants to fill this role either permanently or semi-permanently based on needs.
4. Timeline
 - a. Set a timeframe for decision making process that aligns with utility filing deadlines and internal planning processes
 - b. Assign this as the first step of the stakeholder process
5. Transparency
 - a. Public comment periods to allow for public engagement
 - b. Dedicated website with meeting minutes posted
 - c. Regular updates provided to the SCC/GA/Governor's office. Preferably have the facilitator file an update after each meeting
6. Decision-Making Process
 - a. How are decisions made? Should be consensus based
 - b. How is consensus determined? What happens if consensus isn't achieved on an issue?
 - c. Once decisions are reached, what obligations do the utilities and the SCC have to incorporate those decisions into the process?

Desired Outcomes: How do We Consider the Stakeholder Process Successful?

2. Effective engagement with Dominion Energy leadership and energy conservation teams
3. Collaboratively designed written guidelines for engagement, communication and decision-making
 - a. See "Arkansas Parties Working Collaboratively Guidelines" as good example
 - b. Avoid creating an overly rigid process that inhibits discussion or creates an ineffective atmosphere where the group is coming together to just "check a box"
4. Alignment on goal-setting for the stakeholder group. Example goals:
 - a. Maximizing energy savings for customers- creating and implementing programs with low overhead costs to increase amount of dollars going to customers
 - b. Ability to provide input into program filings before formally submitted to the SCC
 - c. Setting authority for the group from the outset (what decision-making capabilities will the group have?)
5. Alignment on expectations on outputs and outcomes from stakeholder group
 - a. Annual reports
 - i. Standardize for all utilities
 - ii. Information should include: cost-effectiveness, actual spending (not just budget), and energy savings (net and gross, incremental/annual AND cumulative).

- b. Program design
 - i. Reviewing previously rejected programs as initial programs to apply for
 - ii. Discussion of program planning cycle (annual vs. multi-year)
 - iii. Target sectors/ rate classes
 - iv. Cost-effectiveness
 - 1. Transparency around inputs
 - 2. Consideration of non-energy benefits
 - 3. Potential subgroup or breakout group topic
 - v. Cost caps- either removing entirely or placing at portfolio level to maximize energy savings by allowing utilities to shift \$ between programs as some programs outperform original estimates and others underperform
 - vi. Effective spending of \$1B commitment
 - 1. Stakeholder discussion topic: ramp-up or glide path over ten-year period (which is preferable, front-loading or peaking late?)
 - vii. Savings Targets
 - 1. Stakeholder discussion topic
 - 2. Help identify comprehensive programs to meet full potential
- c. EM&V
 - i. Develop more robust reports from utilities including actual (VA) savings
 - ii. We recognize there are recently developed rules for EM&V but since they were written prior to SB 966, reserve the opportunity, via the stakeholder process, to provide suggestions for continual improvement to EM&V practices
- d. Independent potential studies (Flag for future years)
 - i. Determine achievable annual energy savings. Spending target should be the floor (not the ceiling).
 - ii. Discuss split between spending on energy efficiency and demand response.
- e. Smart meters/customer engagement
 - i. Ensuring that plan is in place to do both in a timely and effective way
- 6. EE in Integrated Resource Planning
 - a. How does SB 966 change IRP in Virginia? How can this group ensure that EE competes as a supply-side resource?
- 7. Aligning work with other processes:
 - a. VA Energy Plan
 - i. The update will be out before this group starts seeing real progress; so ensuring the goals of this group aligns with the recommendations in the VA Energy Plan
 - b. Carbon regulations
 - i. Is there a role for this stakeholder group to support DMME in spending the 5% carve-out?