

CASE STUDY

Technical Proficiency and Industry Knowledge Drive Advisory Council Discussions Toward Better Outcomes

After founding an advisory council of public interest groups and industry representatives, Arizona Public Service required a skilled partner with industry experience to lead meetings that improve outcomes for the public and the utility.



Challenge

All states across the U.S. have a public utilities commission. In 35 states, utility commissioners are appointed by the governor. Arizona is unique because it is one of a few states in which public utility commissioners must be elected rather than appointed.

As one of the few elected commissions in the country, the Arizona Corporation Commission (ACC) has a broader scope of responsibility than most commissions, including the ability to regulate the incorporation of businesses, provide pipeline safety guidelines and regulate securities.

Project Stats

Client

Arizona Public Service

Location

Phoenix, Arizona

3

FACILITATED DISCUSSIONS ON
KEY BUSINESS ACTIVITIES FOR APS

20+

ORGANIZATIONS REPRESENTED
IN THE RPAC

In November 2020, the ACC proposed a rule in which utilities would be required to organize a resource planning advisory council (RPAC) to garner input regarding key aspects of utility planning processes, including load forecasting and resource procurement. As part of Arizona's comprehensive energy rules package, the rule also would require regulated utilities to achieve 100% reduction in carbon emissions by 2050.

Anticipating approval of the new rule, Arizona Public Service (APS), the largest electric utility in Arizona, moved to create its own RPAC and develop plans to eliminate its carbon emissions by 2050.

Solution

The RPAC serves as a steering committee to help guide APS. It comprises individuals from various interest groups, including industry representatives, consumer advocates and environmental advocates. Some of the companies and professional associations participating in the RPAC include Southwest Energy Efficiency Project, Solar Energy Industries Association and Western Grid. Consumer and environmental advocates on the committee are affiliated with several organizations, including the American Association of Retired Persons, the Sierra Club and Arizona Public Interest Resource Group.

To facilitate the RPAC meetings and provide detailed analysis of resource procurement and long-range integrated resource planning, APS partnered with 1898 & Co. As a consultant and third party, we provide an impartial perspective to guide conversations while APS participates in meaningful dialogue with a diverse council of interested parties and customers.

One of the most critical components of our facilitation is working with APS to develop integrated resource planning models (IRP). During the planning process, utility operators and 1898 & Co. staff analyze potential energy demand and supply to find any likely risks that could limit the utility's ability to meet customers' long-term energy consumption needs, especially at a reasonable cost. A standard IRP model incorporates renewable and fossil fuel energy resources, federal and state laws, economic impacts, energy security solutions, environmental impacts and reliability.

For APS and its RPAC, IRP models serve as a decision-making tool. Developing and evaluating IRP models is as much an art as it is a science. As a facilitator of these meetings, we brought a national perspective regarding the resource planning of various utilities across the country. Furthermore, the benefit of our facilitation services during these meetings is our industry

knowledge. Rather than relying on a professional facilitator with limited utility experience, APS reached out to our team of consultants to provide in-depth facilitation on complex topics.

In addition to the technical acumen leveraged to create the IRP, our team manages RPAC meetings by preparing agendas, compiling meeting minutes and developing a communication strategy before and after each meeting.

The technical proficiency of our consultants, as well as their facilitation skills, drives the conversation to deliver better outcomes based on experience, collaboration and transparency.

Results

ACC had required a public comment period following announcement of the potential rule regarding the formation of RPACs at utilities, including the goal to reach 100% zero emissions for all utilities in Arizona by 2050. The rules were on the verge of passing in 2021. In January 2022, three of the five commissioners voted down the proposal.

This did not deter APS from establishing its RPAC and continuing efforts to improve customer service. Additionally, APS maintained its commitment to pursue 100% zero emissions by 2050. By engaging a diverse set of interested parties in meaningful conversations, 1898 & Co. helped APS foster dialogue and improve transparency with the public.

1898 & Co. provided technical guidance and meeting facilitation skills to improve the decision-making process at APS and its RPAC. This type of engagement can be difficult, but the end result is more fruitful because various interest groups have representation. Additionally, when resource procurement can lead to increased customer prices, the RPAC demonstrates that APS values the opinions of interested parties in the community as it weighs the various concerns of price, environmental impacts, available resources and system reliability.

About 1898 & Co.



1898 & Co. is a business, technology and cybersecurity consulting firm serving the industries that keep our world in motion. As part of Burns & McDonnell, our consultants

leverage global experience in critical infrastructure assets to innovate practical solutions grounded in your operational realities. For more information, visit 1898andCo.com.