



OVERVIEW OF PUBLIC UTILITY COMMISSIONS

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NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISSIONERS (NARUC)

Overview

- Founded in 1889
- Our members are the state regulatory Commissioners in all 50 states and U.S. territories. Federal regulatory agencies such as the Federal Energy Regulatory Commission (FERC) are also members. NARUC has associate members in over 20 countries.
- Represents state commissions that regulate the utilities that provide essential services such as energy, telecommunications, power, water, and transportation.
- NARUC is a voice for states' interests and a forum for member information exchanges with federal officials and technical experts.

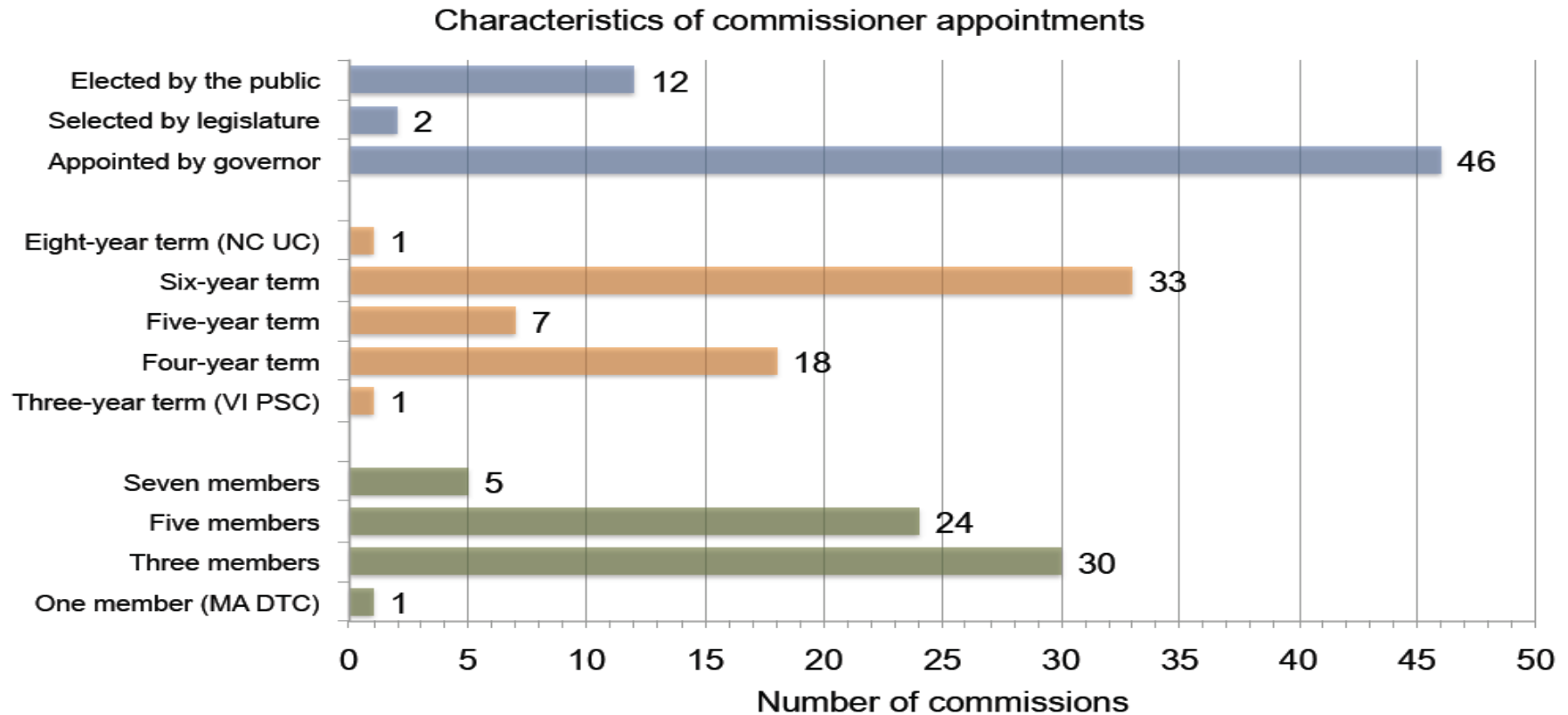


NARUC

- Dedicated to effective and efficient regulation in the public interest.
- Our primary functions are education, information sharing, and advocacy.
- Policy positions are developed by consensus resolutions.
- Use committees for educating members and developing policy positions – Electricity, Gas, Critical Infrastructure, Energy Resources and Environment



WHO ARE WE?



DATA FOR 236 COMMISSIONERS SERVING 60 COMMISSIONS (6 VACANCIES):
FERC; FCC; AND 50 STATES, WITH MA (2), NE (2), TX (2), DC, GU, PR (2), AND VI

WHAT DO STATE REGULATORY COMMISSIONS DO?

TRADITIONAL ROLE

- Regulate the Rates, Terms and Conditions of Service of “Fixed Utilities” –
Telecommunications,
Electricity, Natural Gas, and
Water



STATE AUTHORITY

- Regulation of retail electricity and natural gas sales to consumers
- Approval for the physical construction of electric generation, transmission, or distribution facilities.
- Facility siting of electric generation and transmission.
- Regulation of local distribution pipelines of natural gas, including pipeline safety requirements.
- Resource planning
- Power supply acquisition
- Infrastructure investment, including security measures



PUC PROCEEDINGS

- Quasi-judicial
- PUC acts as the arbiter of the matters before it
- The typical parties to a PUC proceeding are the utility and the consumer advocate (at a minimum), sometimes there are other stakeholders who participate
- In some states, the Commission is separate from the Commission staff and the staff will be a separate party and put forth its own case with its own recommendations



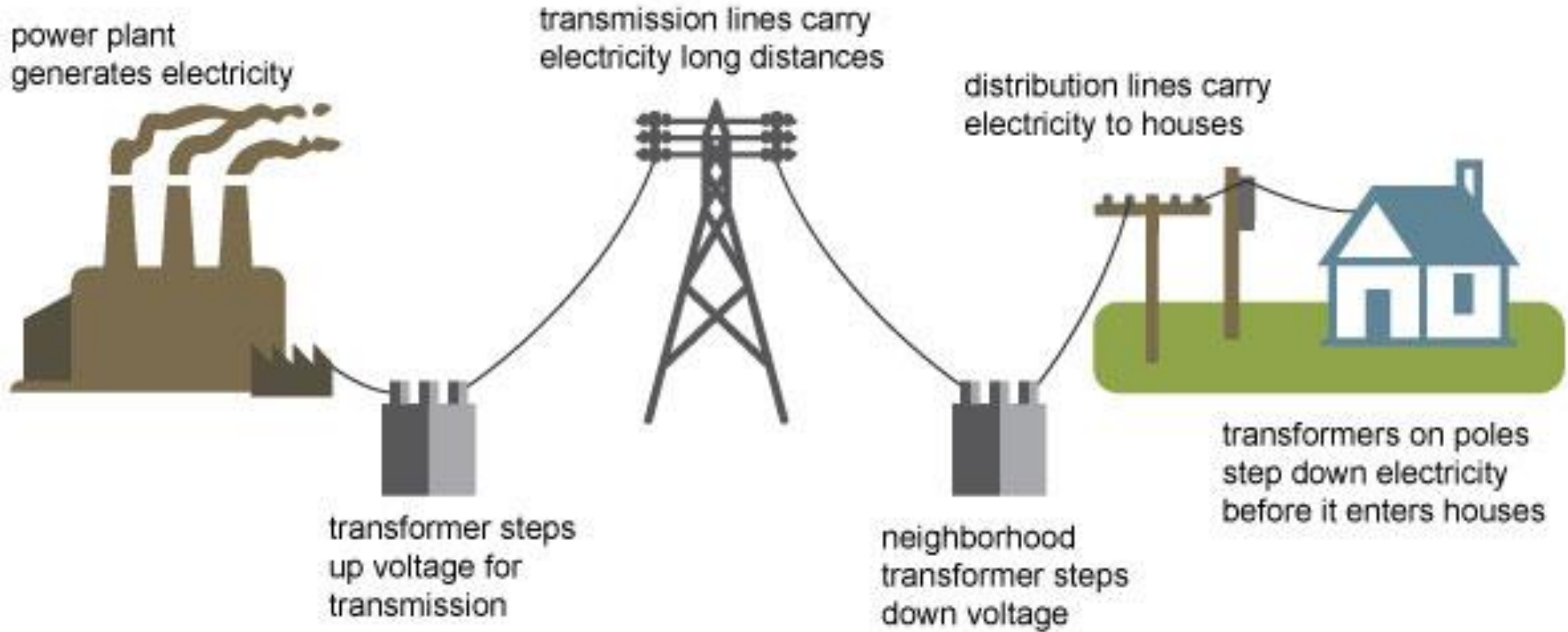
TYPES OF FORMAL PUC PROCEEDINGS

- Rate proceedings;
- Rulemaking;
- Integrated Resource Planning;
- Quality of Service determinations;
- Consumer complaints;
- Enforcement proceedings; and
- Energy efficiency program design and funding

There can also be informal proceedings such as stakeholder workshops and listening sessions.



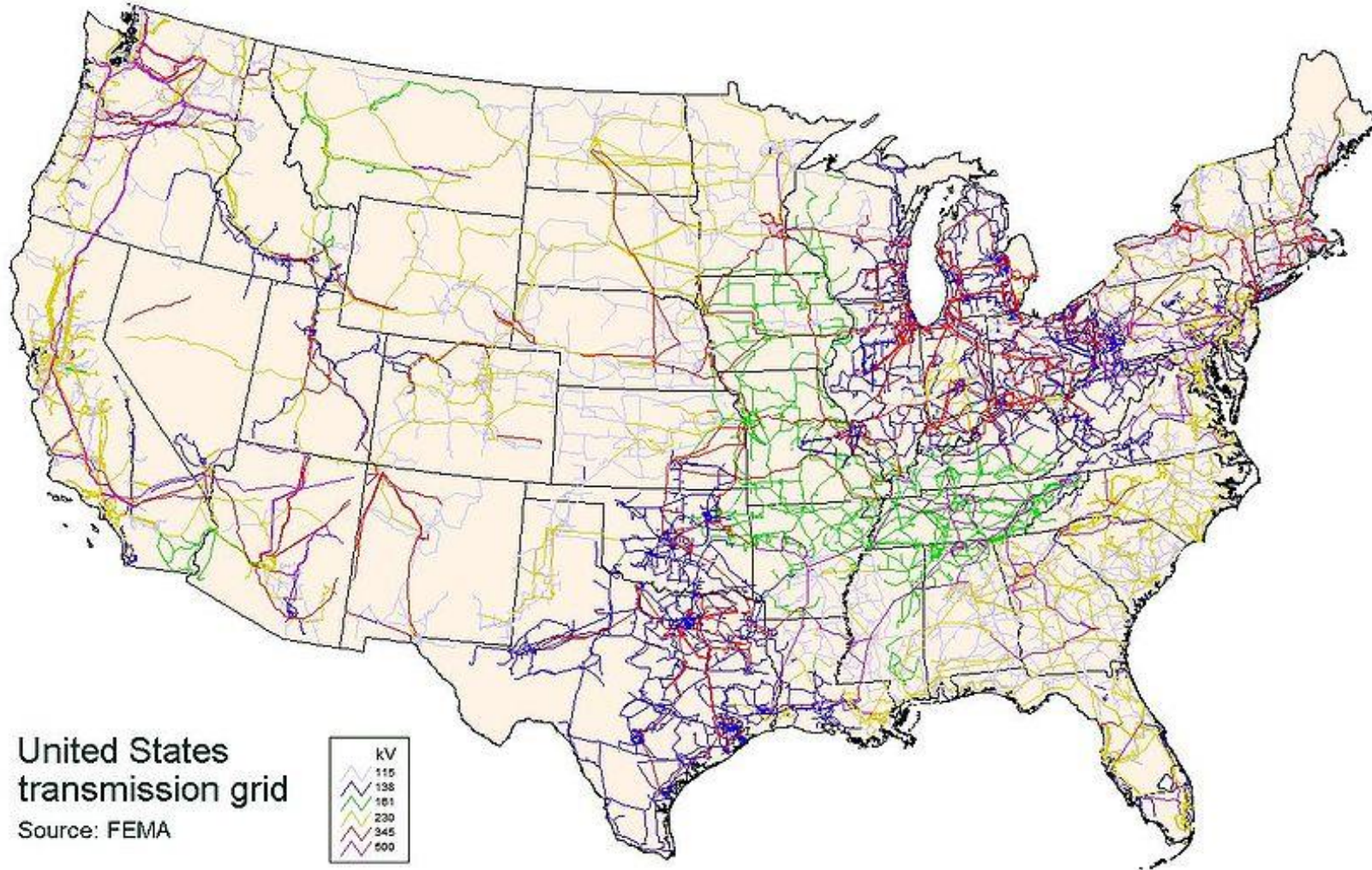
Electricity generation, transmission, and distribution



Source: Adapted from National Energy Education Development Project (public domain)

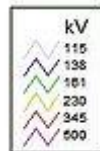


U.S. TRANSMISSION GRID

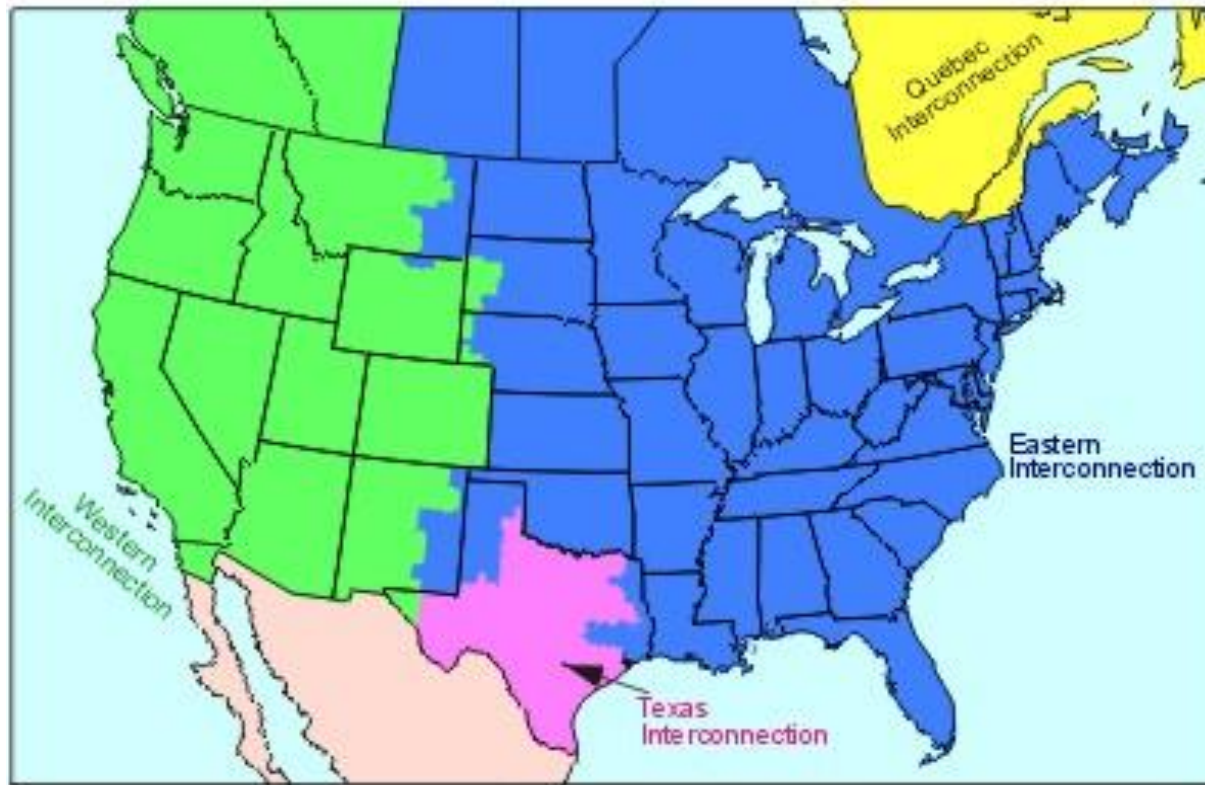


United States
transmission grid

Source: FEMA



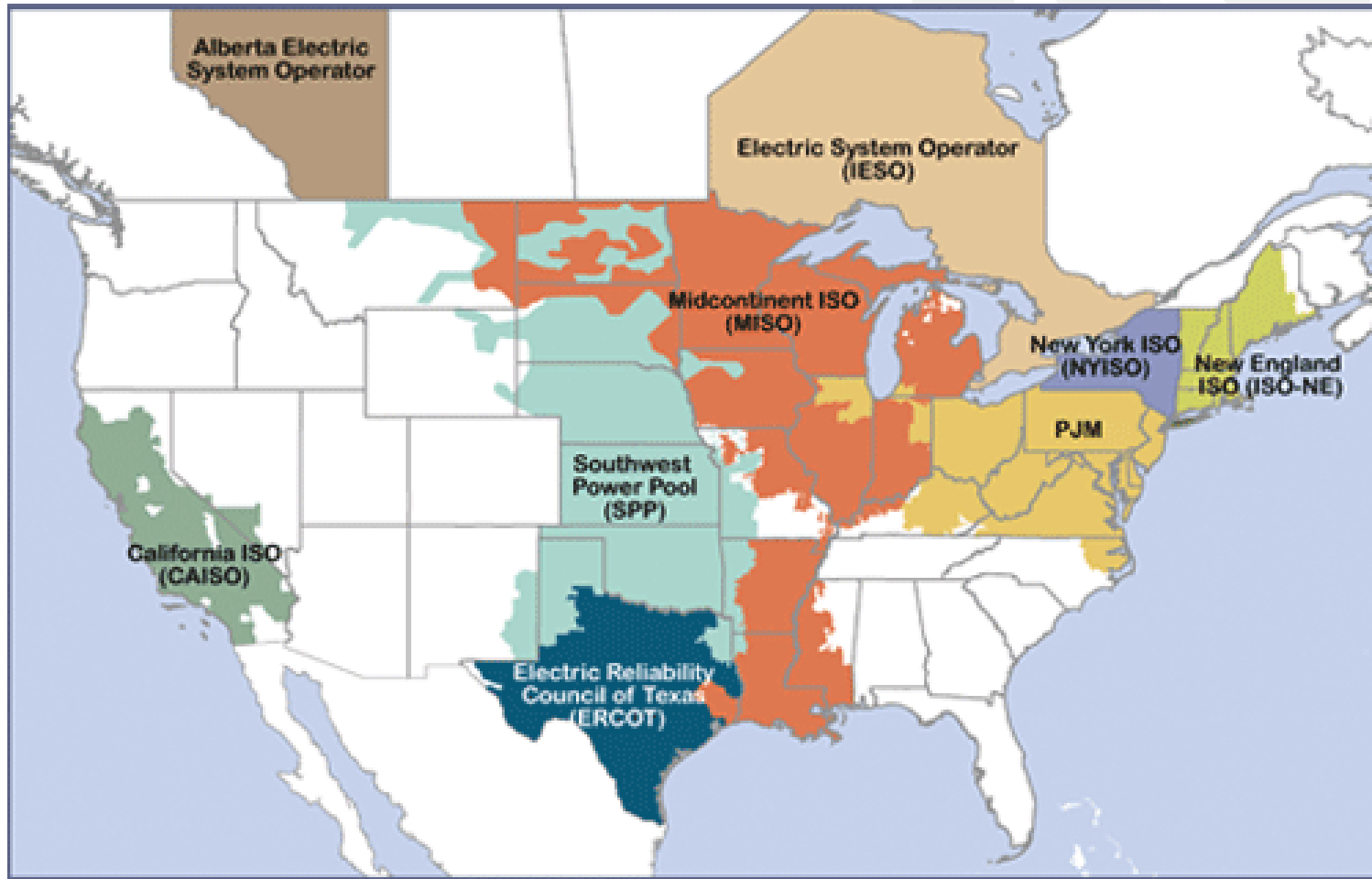
U.S. INTERCONNECTIONS



Source: EIA,
http://www.eia.doe.gov/cneaf/electricity/chg_str/booklet/images/fig4.jpg



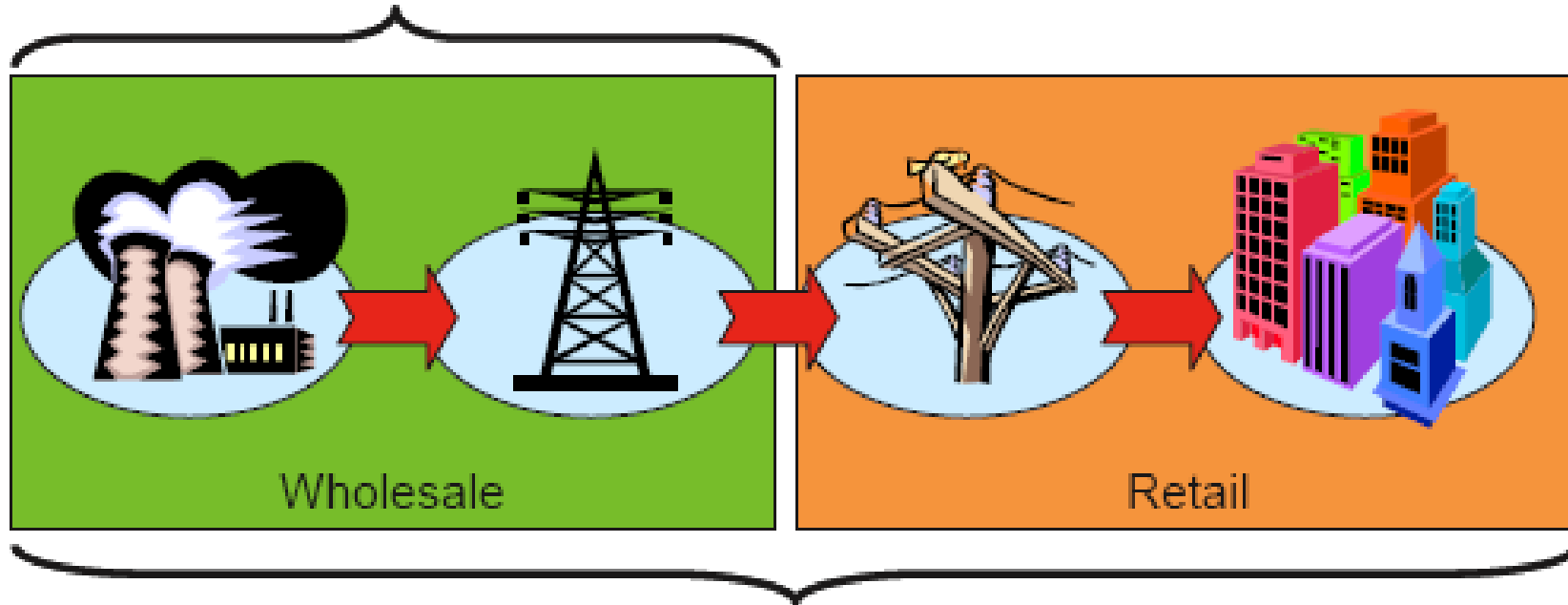
RTOS IN THE UNITED STATES



Source: <https://www.ferc.gov/industries/electric/indus-act/rto.asp>

CHANGES BROUGHT BY INDUSTRY RESTRUCTURING

Federal Jurisdiction



State Jurisdiction – Facility Siting, Distribution, Retail Rates

Source: ISO-NE



WHAT DO STATE REGULATORY COMMISSIONS DO?

NEW ROLE

- **Manage the Development of Competitive Markets for Energy Services**
- **Monitor Market Performance**
- **Energy Efficiency**



RATE DESIGN

Overview

- Traditional Utility Models Are Evolving
 - Technology
 - Push for Clean, Renewable Energy Sources
- Net Energy Metering Activity Continues to Rise
- States Developing Net Metering/Distributed Generation Policies
- Highly Contentious Among Utility and Industry Stakeholders



GRID MODERNIZATION

- Technological Advancements
 - Deploying New Technologies
- Climate Policies
- Cleaner Energy Resources
 - State Policies for Renewable Energy and Energy Efficiency
- Integrating Distributed Energy Resources and Storage Resources



WHAT DO STATE REGULATORY COMMISSIONS DO?

EVEN NEWER ROLE

- **Help Ensure Safety, Reliability and Security of Utility-based Critical Infrastructure Facilities;**
- **Consider Environmental Factors in Utility Planning and Operation;**
- **Assess Impact of EPA Regulations on Reliability and Affordability**



WHAT DO STATE REGULATORY COMMISSIONS DO?

IN ADDITION...

- **Coordinate State Policies and Procedures with Traditional Federal Counterparts – FERC and the FCC.**
- **Which has been expanded to also include DOE, EPA, NRC, DOT, ...**



FEDERAL – STATE JURISDICTIONAL ISSUES

- Electric utilities are regulated at both the state and federal levels:
 - The Federal Energy Regulatory Commission (FERC) regulates wholesale sales and interstate transmission services.
 - States regulate everything else, especially retail rates and distribution-level reliability
- The line between state and federal jurisdiction is not as clear as it used to be.
- Always tension between states and federal agencies



FEDERAL – STATE JURISDICTIONAL ISSUES (II)

- US EPA's Power Plant Regulations
 - Clean Power Plan, other iterations
- Cases where state plans to have power plants built in market states were stopped by FERC
- Storage and Distributed Energy Resources Integration
- FERC's Transmission Orders and Rulemakings
 - Joint Federal-State Task Force on Electric Transmission



AREAS OF FOCUS

- Utility and Regulatory Accounting
- Uniform Systems of Accounts
- Power Purchase Agreements
- Renewable Energy
- Connection Standards
- Information Technology
- Wholesale & Regional Market Development
- Auditing
- Rate Design
- External & Intergovernmental Affairs
- Transmission/Distribution Planning
- Complaints Handling
- Cybersecurity
- Service Quality
- Reliability
- Public Education
- Organizational Management
- Emergency Planning
- Stakeholder Outreach
- Mini-Grids
- Demand Response
- Energy Efficiency
- Financial Data Collection
- Natural Gas Issues
- Public Hearings
- And Many More!



CONTACT INFORMATION

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