What Works? Identifying and scaling up successful innovations in energy regulatory decision-making

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Overview of two steps

1. **Online survey** – Identified drivers for energy regulators’ innovation broadly, as well as for the policymaker/regulator interactions and regulator public engagement

2. **Case studies**
   1. How might formal policymaker-regulator interactions be strengthened while maintaining regulatory independence?
   2. What innovative mechanisms support meaningful regulator public engagement?
### Relative importance of drivers of innovation

<table>
<thead>
<tr>
<th>Factor</th>
<th>Very important</th>
<th>Important</th>
<th>Slightly important</th>
<th>Not at all important/Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evolving social and environmental goals/values</td>
<td>50%</td>
<td>38%</td>
<td>10%</td>
<td>2%</td>
</tr>
<tr>
<td>Need for operational and decision-making efficiency</td>
<td>42%</td>
<td>42%</td>
<td>12%</td>
<td>4%</td>
</tr>
<tr>
<td>Economic/market interests</td>
<td>42%</td>
<td>38%</td>
<td>16%</td>
<td>4%</td>
</tr>
<tr>
<td>Rapid technological change</td>
<td>34%</td>
<td>52%</td>
<td>14%</td>
<td>4%</td>
</tr>
<tr>
<td>Demands for enhanced communication and stakeholder engagement</td>
<td>34%</td>
<td>46%</td>
<td>16%</td>
<td>4%</td>
</tr>
<tr>
<td>Concern for democratic relationships</td>
<td>22%</td>
<td>40%</td>
<td>32%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Legend:
- **Red**: Very important
- **Green**: Important
- **Orange**: Slightly important
- **Gray**: Not at all important/Unsure
Findings – Use of Formal Agreements in Policymaker/Regulator Interaction

1. Benefits
   - Demonstrated commitment
   - Mutual assistance
   - Improved communication
   - Stakeholder interests

2. Barriers
   - Leadership and other actors
   - Priorities, capacity, resources

Success factors concern each party individually as well as organizations working together
Questions regulator might ask to assess or promote progress?

1. **Role of senior executives in signalling commitment**
   - Does the leadership culture support increased collaboration and cooperation within the legislative mandates?

2. **Agreed intention and goal setting**
   - Under the formal agreement, can we move further along the interaction “continuum”? 

3. **Clarity and understanding for priorities**
   - Do we know / what is the long-term policy objective for the energy market system?

4. **Clear roles and responsibilities**
   - What will be the impact of leadership and/or government change?
Findings – Regulator public engagement

Trade-offs

1. The benefit of an open process raised concern about uncertainty and longer timelines

2. The benefit of taking a systems-based perspective raised concern about reduced clarity for the purpose of the process

3. The benefit of having diverse participants raised concern about their capacity and resources
Questions regulator might ask to assess or promote progress?

1. **Process – Provide a vision and objective**
   - What is the (policy-related) purpose; Is this clear to stakeholders?

2. **Content – Encourage openness and transparency**
   - Do we have an internal policy for openness and transparency?

3. **Representation - Diversity**
   - Are Indigenous groups and policymakers invited and involved?

4. **Reporting - Demonstrate how information is used or not in reaching conclusions**
   - Does reporting include “what was heard” and how participants’ input is being addressed (or not)?