

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

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POSITIVE **ENERGY**

CANADA'S ENERGY FUTURE IN AN
AGE OF CLIMATE CHANGE



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About Positive Energy

Positive Energy

A Research and Engagement Programme at uOttawa's Institute for Science, Society and Policy

- **Mandate:** to strengthen public confidence in Canadian energy policy, regulation and decision-making through evidence-based research and analysis, engagement and recommendations for action
- **Approach:** uses the convening power of the university to bring together industry, government, Indigenous leaders, ENGOs and academia; solution-focused research

Three-Year Projects

- **PE-I (2015-2018):** Public Confidence in Energy Decisions
- **PE-II (2018-2021):** Canada's Energy Future in an Age of Climate Change

Positive Energy

Financial supporters to date

AB Energy, AER, BCOGC, BCUC, CanWEA, CAPP, CEA, CGA, CEPA, CNSC, CRIN, Cenovus, Ovintiv, NRCan, SSHRC

Advisory Council

Chair: Nik Nanos; Funding orgs + Indigenous/academic/ ENGO/thought leaders

Research collaborators

Senior practitioners and profs from Clarkson, Mount Royal, Queen's, UdeM, UNB, UofR, UofT, UVic, Oregon State
Collaborations with organizations like CAMPUT

Official Pollster

Nanos Research

Research & Engagement Streams

Polarization

How can public authorities address/navigate/work through polarization ?

Roles & Responsibilities

How to strengthen relationships between policymakers/regulators/courts/Indigenous govts/municipalities?

Consensus-Building

What are the models of and limits to consensus-building?

The “What Works?” Collaboration with CAMPUT

Overview – “What Works?” Collaborative Research Project

A collaborative research and engagement project between CAMPUT and Positive Energy seeks to identify innovative approaches and success factors in energy regulatory decision-making in an age of climate change. The project is focused on identifying innovation and best practices for two issue areas:

1. **Two-way interaction in policy/regulatory relations**, including mechanisms to strengthen both policy and regulation while maintaining regulatory independence.
2. **Public engagement**, including collaborative mechanisms that help to ensure diversity in information and viewpoints considered in decision-making processes and oversight.



Two Steps

1. Online survey

- Results today

2. Two case studies will investigate the two themes

- Based in part on survey results
- Innovations in formal two-way interactions, drawing from examples across Canada
- Regulators' public engagement practices in the context of inquiries into distributed energy resources, with application to other decision issues
 - Formal inquiry – Alberta Utilities Commission
 - Informal consultation – Ontario Energy Board

Relevance for decision-makers

Anticipated results

- A list of key success factors, offering decision-makers a roadmap and benchmarking tool for scaling up successful innovations within their organizations

The ‘*What Works?*’ project will support energy regulatory decision-makers in Canadian jurisdictions through:

- Improved understanding of shared challenges and opportunities
- Suggested actions that could enhance policymaker-regulator relationships and public engagement approaches

Online Survey Results

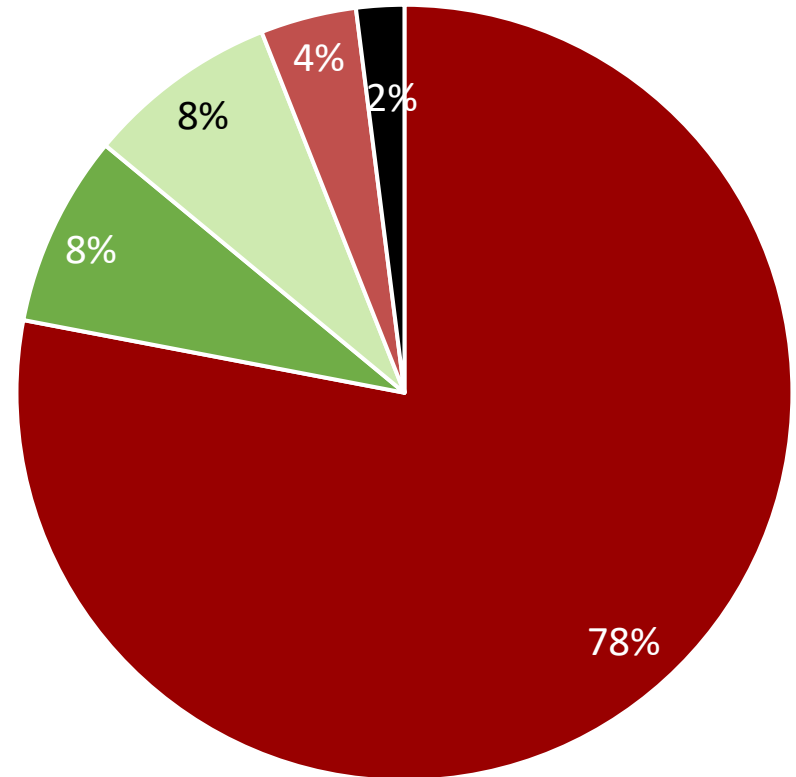
Participation

- **The findings are based on results collected from 50 online survey participants in June 2020.**
- **Survey participants include representatives of:**
 - Stand-alone regulators
 - Utilities
 - Environmental and other non-government organizations
 - Large and small customers
 - Policymaking authorities
 - Indigenous organizations
 - Law firms
 - Academia

Jurisdiction

Where is your work most focused?

- Provincial/territorial
- National
- Combined jurisdiction
- Municipal
- International



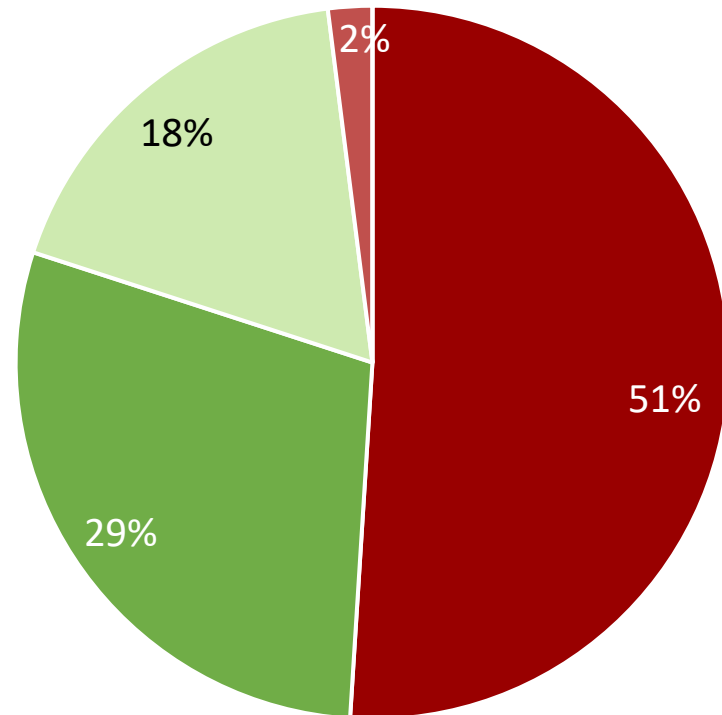
The majority of participants (78%) work mostly at the provincial level

Focus of Work

What is your work mostly focused on?

- Rate regulation
- Other
- Safety and environmental regulation
- Resource production regulation

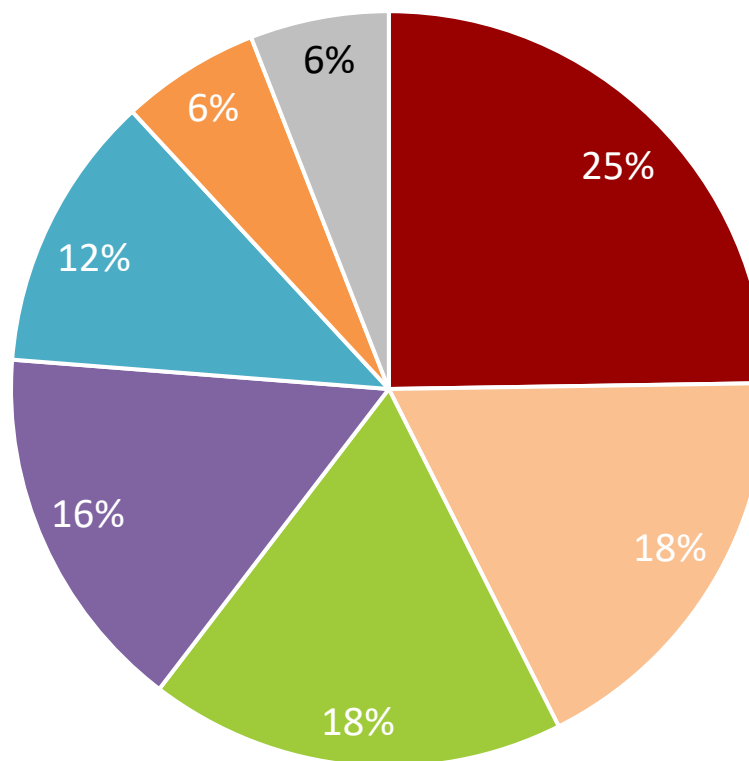
Other: Both rate and infrastructure regulation, non-government organizations, municipal utility, executive training or management



Outcomes and Interactions

Who do you mostly serve or interact with?

- Combination of all options
- Publicly owned utility
- Regulatory agencies
- Policymakers
- Private sector
- NGO(s)
- General public



Findings

This survey reveals broad agreement that innovation in regulatory decision-making is needed for two issue areas – innovation in two way policymaker/regulator interactions and regulators' public engagement.

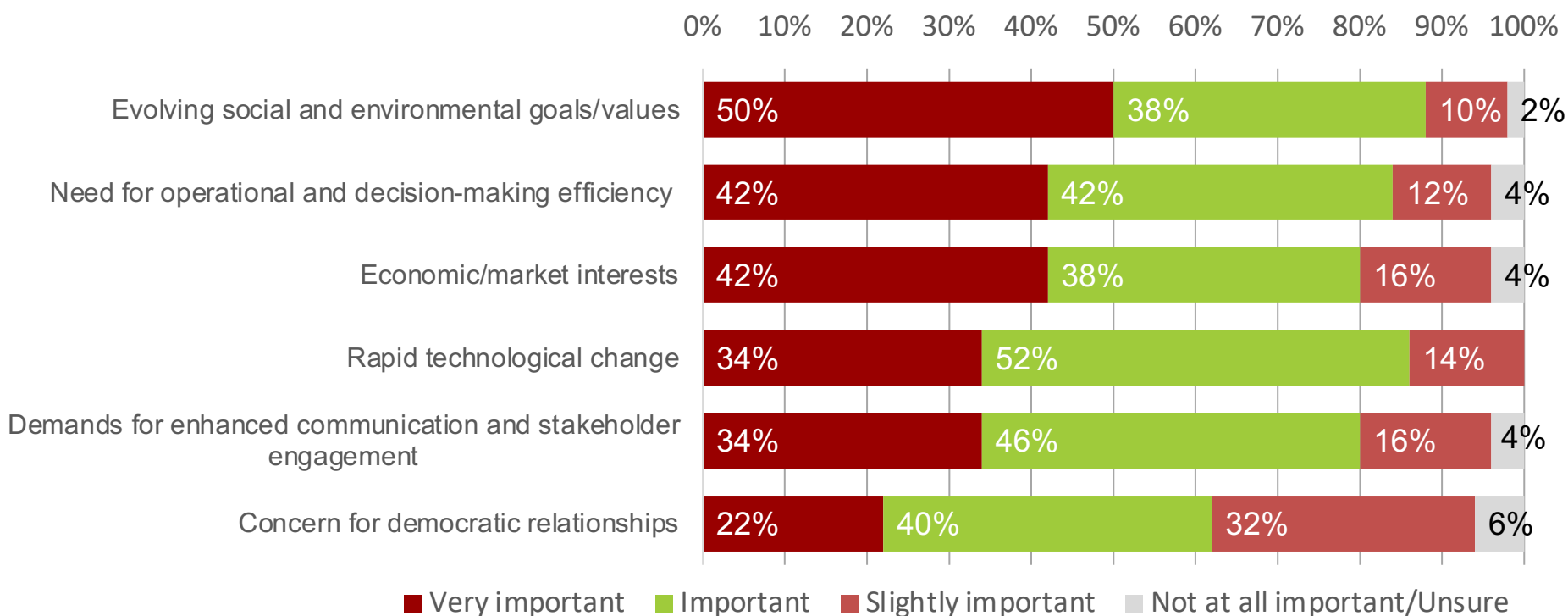
While most survey participants see the need for these types of innovations, fewer participants reported experiencing them in their work.

Key drivers and suggestions ?



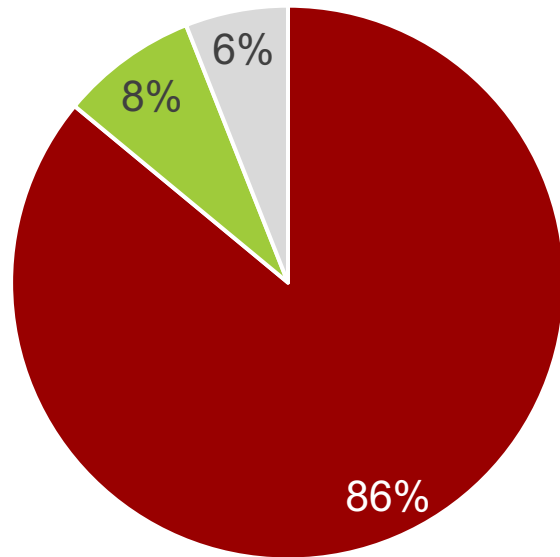
Drivers of Regulatory Innovation

Please rank the relative importance of drivers for innovation in energy regulatory decision-making in recent years.



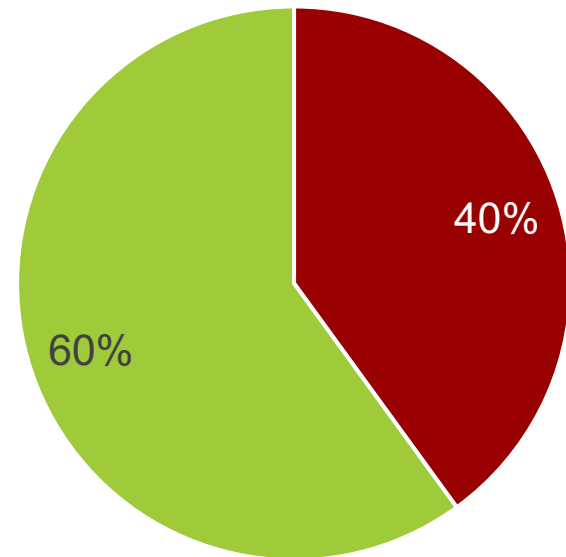
Innovation in the two-way interactions between energy regulators and associated policy-making authorities

Do you see or feel the need for this kind of innovation?



■ Yes ■ No ■ Not sure

Do you have experience with this kind of innovation?

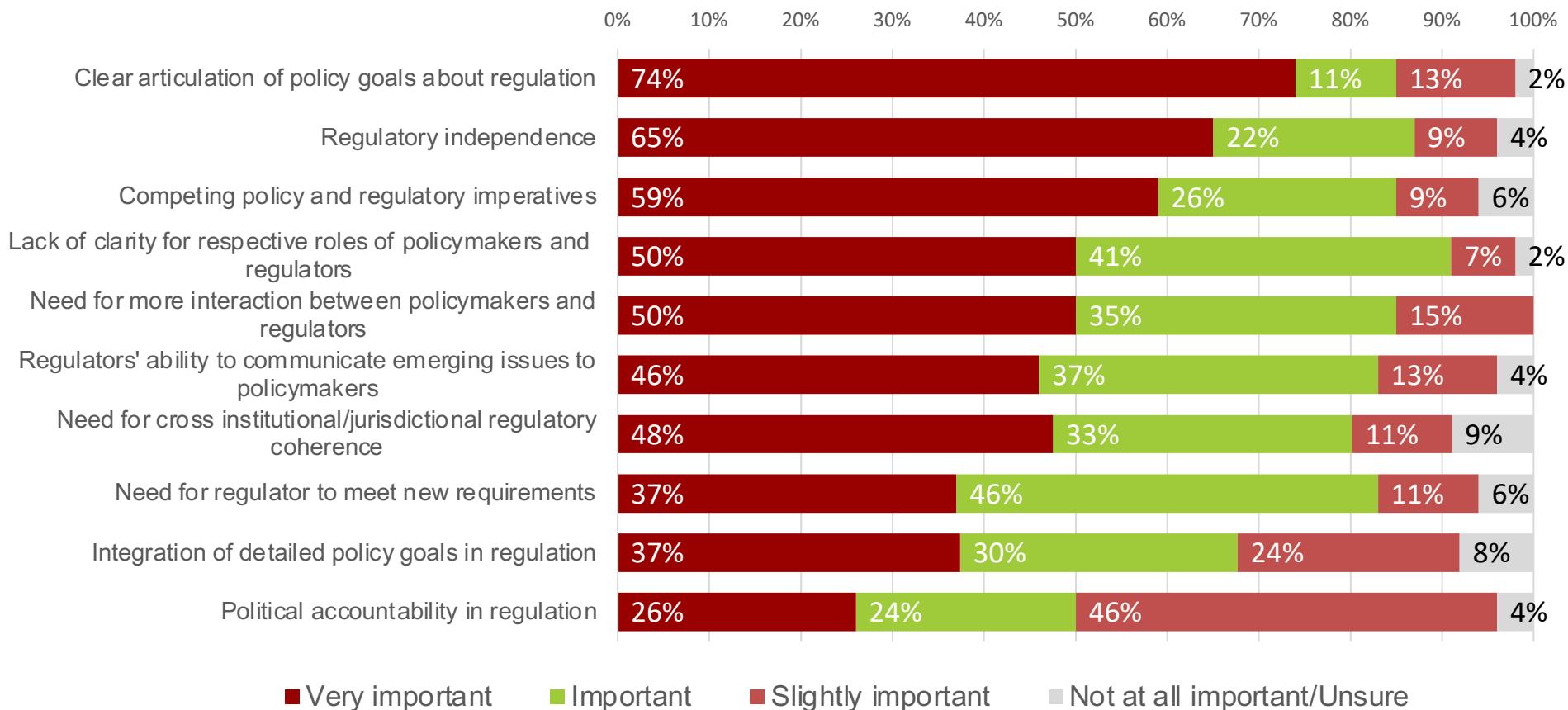


■ Yes ■ No



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Relative importance of drivers for innovation between regulators and associated policy-making authorities



Suggested innovations in policymaker/regulator interactions

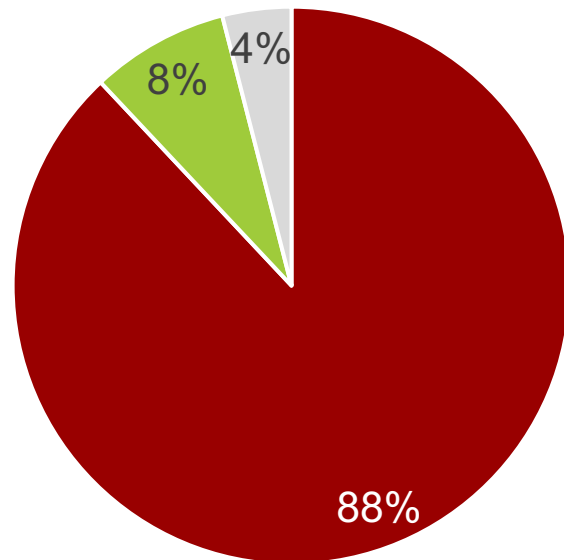
As examples, the goal of the interaction could be to inform public policy, general knowledge exchange, or relationship building.

The interactions include one-off and recurring initiatives:

- Single-window regulator institutional design
- Governance tables – Major Projects Management Office
- Ad hoc review and assessment of legislative / project proposals
- Use of Ministerial Directives or Memorandum of Understanding
- Active adjudication
- Workshops / events focused on specific proposals
- Board member / staff outreach, meetings, briefings,
- Non-government and industry forums

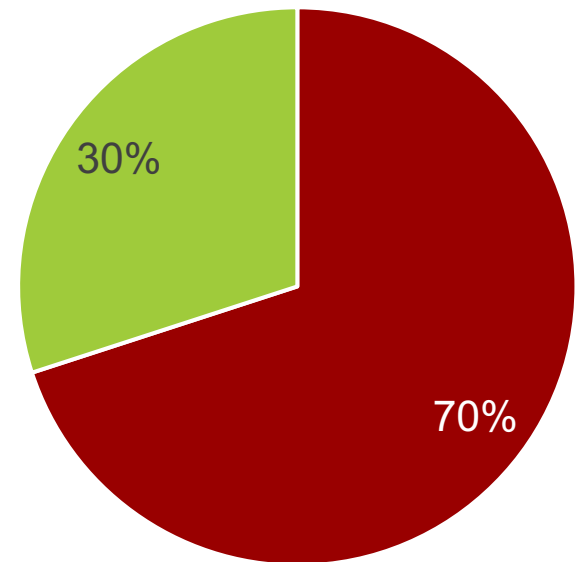
Innovation in public engagement

Do you see or feel the need for this kind of innovation?



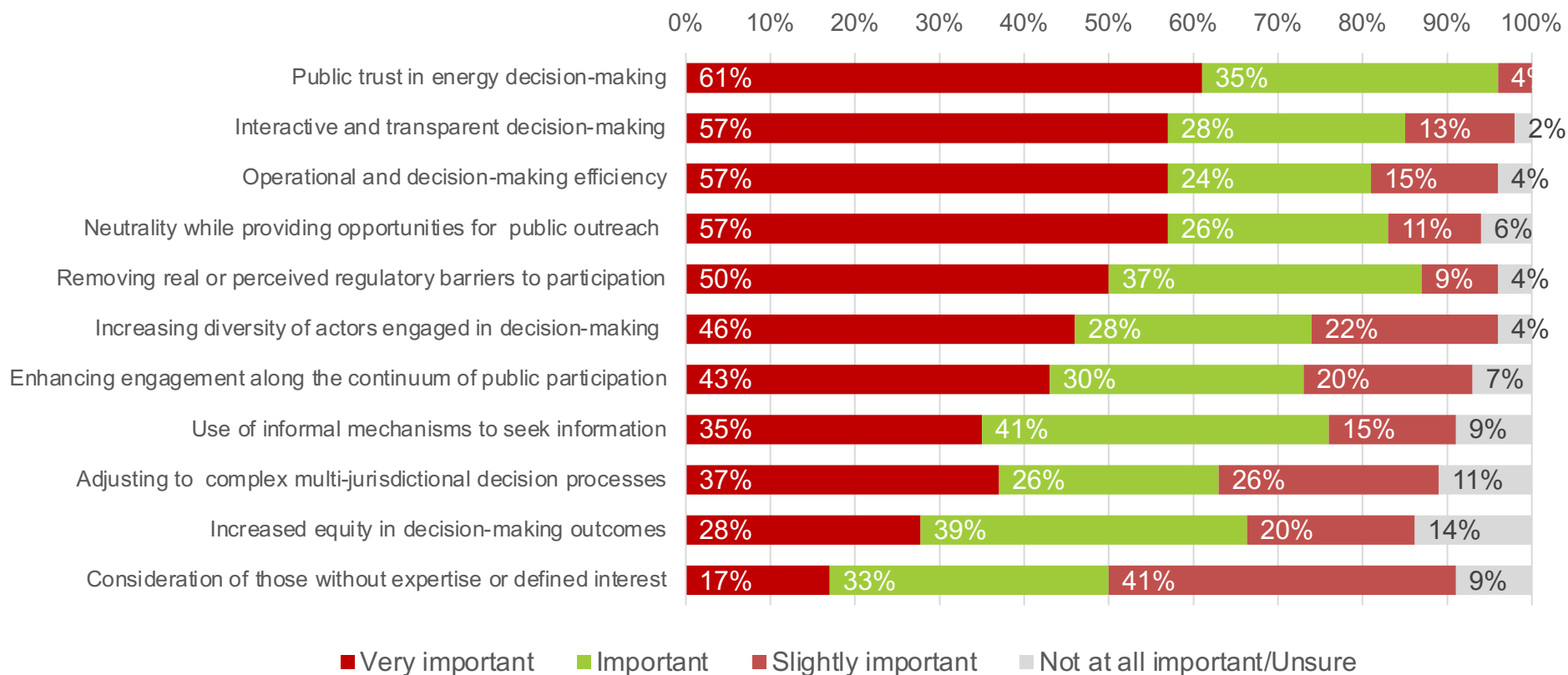
■ Yes ■ No ■ Not sure

Do you have experience with this kind of innovation?



■ Yes ■ No

Relative importance of drivers for regulators' innovation in public engagement



Suggested innovations for regulators' public engagement

The goal of engagement could be related to decision-making, dialogue / relationship building, general knowledge exchange, or to inform regulatory development.

Suggested innovations include:

- Examples of well-received Indigenous engagement
- Engagement in regulatory development
- Regulatory sandbox initiatives
- Outreach and engagement pre-hearing for potentially affected communities
- Non-regulator engagement with communities
- Intervenor funding initiatives
- Website development
- Survey research

Additional themes

Two-way interaction

- Policymaker backdrop
- Regulators' opportunity to be innovative

Engagement

- Focus on ratepayers
- More opportunities for meaningful engagement

Thank you!

Questions?