Public Utilities Commission Strategic Plan

2024–2028

Introduction

The Public Utilities Commission (PUC or Commission) is a small but growing agency that regulates electric, gas, and landline telephone utility services. The PUC is made up of five commissioners who are appointed by the governor and approved by the Minnesota Senate. Commissioners come from a wide variety of political, geographic, and professional backgrounds, and bring a blend of different perspectives to their decisions. Under Minn. Stat. §216B.03, the Commission has a statutory duty to act in the public interest and ensure that utility rates are just and reasonable; not unreasonably preferential or prejudicial; not discriminatory; but sufficient, equitable, and consistent in application to a class of consumers.

Not unlike the telecommunication industry in the 1990s, the energy industry is currently in a transition period. This impacts replacement of aging assets and new generation, transmission, and distribution. In generation, utilities are moving away from coal and other fossil fuels toward wind, solar, hydro, and other carbon-free energy sources. This transition, along with the increasing pace of electrification in multiple sectors, affects all parts of the energy industry, including increased pressure on the transmission and distribution systems and additional need for energy storage and other innovative solutions to ensure that utility service continues to be reliable and affordable. Like the ongoing transition in the electric industry, natural gas and telecommunications are also areas of growing complexity, impacted by changing consumer choices, environmental concerns, local and state laws, and other considerations.

In recent years, major legislation has re-shaped the policy landscape. For example, in 2021, the Minnesota legislature passed the Natural Gas Innovation Act (NGIA), establishing a framework to allow natural gas utilities to meet greenhouse gas reduction and decarbonization goals using innovative resources. Also in 2021, the legislature passed the Minnesota Energy Conservation and Optimization Act (ECO Act), increasing energy conservation goals and modernizing utility and state energy efficiency programs. In 2023, the legislature passed the 100% by 2040 bill (Laws 2023, Chapter 7), setting a standard that electric utilities must generate or procure 100% carbon-free electricity by 2040—accelerating most utilities' decarbonization plans. In addition to these major legislative initiatives, statutes have been updated to increase public participation, consumer support, DEI efforts, support for host communities, and use of local labor in energy projects, to name a few. These issues have contributed to a rapid increase in the pace of regulatory work, including more dockets, more filings, and more contact with consumers.

The 2023 legislature also made a significant investment in our agency, enabling the PUC to hire new staff to begin to tackle these challenges. Meanwhile, the workplace is also evolving at a rapid pace. During the COVID-19 pandemic, PUC staff shifted largely from in-office work to telework. Now, the office and public meetings have all been configured to support a hybrid model. The agency is confronting new issues, in a new environment, with more hiring and staff turnover than at any time in recent history.

This strategic plan is intended to position the agency to meet emerging needs in energy and telecommunication regulation and ensure that we are entering this new regulatory environment with a clear vision and goals for the next four years.

The PUC went through a monthslong process to engage stakeholders, staff, commissioners, and the public on this strategic plan. Their input helped guide the development of priority areas, strategies, and action steps contained in this document. We have updated our mission and guiding principles to reflect the current and ongoing needs of the agency and have taken a holistic view of agency operations and goals, including workplace considerations, regulatory issues, technology and efficiency improvements, and more. Diversity, equity, and inclusion (DEI) principles are incorporated throughout the document and are intended to underpin every aspect of the agency's work. The strategic plan includes metrics and milestones that we will use to evaluate success throughout the four-year period.

PUC Strategic Plan

Building Blocks

Mission

Improve the lives of all Minnesotans by ensuring safe, reliable, and sustainable utility services at just and reasonable rates.

Guiding Principles

- Provide a professional, collaborative, innovative, and respectful work environment that attracts and retains high performing, dedicated public servants.
- Provide independent, consistent, efficient, and comprehensive oversight and regulation of utility service providers and project developers in rapidly changing industries.
- Balance the public and private interests affected in each docket and make decisions that are consistent with state policies and in the public interest.
- Prioritize and implement diversity, equity, and inclusion in our workplace and in the industries we regulate.
- Engage the public to build awareness and increase meaningful participation in Commission activities and increase utilization of consumer support programs.

Priority Areas

Public Trust and Engagement

Priority Area 1: Serve as a trusted, fair, and transparent resource on utility regulation

Strategy 1: Increase public awareness of, access to, and meaningful participation in the Commission's work.

- **What we want to accomplish with this strategy:**
  Make Commission activities accessible and understandable to the public. A thorough record, including meaningful public input, can improve the Commission's decision-making and build public confidence in the Commission's decisions.

Strategy 2: Educate legislators and the Administration to secure agency resources and policy changes necessary to serve the public interest.

- **What we want to accomplish with this strategy:**
  This strategy seeks to ensure that policymakers are well informed of the impacts of their work on Commission activities and utility customers, the agency is funded to meet its objectives, and the agency has lasting relationships with policymakers.

Strategy 3: Improve public awareness and utilization of the Consumer Affairs Office (CAO).

- **What we want to accomplish with this strategy:**
  The CAO plays a vital role in assisting utility consumers and is the face of many of the Commission's public interactions. This strategy seeks to maximize the usage of this small office.

Strategy 4: Advance Minnesota's interests on federal and regional issues.

- **What we want to accomplish with this strategy:**
  This strategy seeks to build the agency's capacity on federal and regional issues and ensure that Minnesota's interests are effectively represented on regional and federal matters of importance to the state.

Efficient Utility Regulation

Priority Area 2: Maximize efficiency in effective utility regulation and oversight.

Strategy 1: Gather the data necessary to evaluate efficiency and effectiveness of docketed proceedings.

- **What we want to accomplish with this strategy:**
  This strategy is designed to ensure internal processes are as streamlined as possible to improve the efficiency of the agency's regulatory work. Current data is inconsistent and labor-intensive to compile. This strategy will position the agency to tailor improvements where they are most impactful.

Strategy 2: Streamline and improve predictability of record development.

- **What we want to accomplish with this strategy:**
  This strategy is designed to increase predictability and efficiency of docketed work and reduce the volume of extensions or delayed decisions.

Strategy 3: Evaluate ongoing energy transition and ensure efficient and effective regulation consistent with our mission.

- **What we want to accomplish with this strategy:**
  This strategy seeks to align MN energy regulation and resource allocation with the changing requirements and technologies of the energy industry.

Strategy 4: Identify the agency's role in the changing telecom industry and ensure we are addressing all requirements.

- **What we want to accomplish with this strategy:**
  This strategy seeks to align MN telecommunications regulation and resource allocation with the changing requirements and technologies of the telecom industry.

Workplace Culture

Priority Area 3: Create a workplace culture that values, attracts, and retains dedicated, high-performing public servants.

Strategy 1: Enhance internal communication, understanding, and interconnectivity between units and throughout the agency.

- **What we want to accomplish with this strategy**:
  This strategy seeks to ensure all employees have ready access to all pertinent information and available resources, and to break down silos across organizational units, enabling increased

collaboration and efficiencies. This strategy also aims to increase agency-wide employee engagement.

Strategy 2: Modernize the workplace to improve the customer experience and staff satisfaction.

- **What we want to accomplish with this strategy:**
  This strategy seeks to ensure the workplace meets the needs of a changing workforce and the evolving needs of the customers we serve.

Strategy 3: Invest in building positive interpersonal relationships in the workplace.

- **What we want to accomplish with this strategy:**
  This strategy aims to create an inclusive and welcoming working environment by reinforcing positive relationships between all employees and with external stakeholders as the volume and complexity of disputes before the Commission grows.

Strategy 4: Strategically manage and prioritize limited agency resources.

- **What we want to accomplish with this strategy**:
  This strategy seeks to ensure that limited staff and Commissioner resources are allocated strategically to advance the agency's mission. This clarity will help optimize staff time and ensure that resources are distributed in a way that aligns with agency priorities, acknowledging tradeoffs.

Strategy 5: Hire, train, and maintain staffing complement necessary to meet emerging needs.

- **What we want to accomplish with this strategy:**
  The Commission's staff are an extremely important resource. This strategy seeks to ensure that the Commission attracts and maintains the necessary staff to successfully carry out our mission, while building redundancy and implementing a comprehensive and seamless onboarding strategy.

Strategy 6: Implement technology and process solutions for better project management and accountability, and more efficient use of staff time.

- **What we want to accomplish with this strategy:**
  This strategy seeks to improve internal recordkeeping and reporting, to better identify workload trends and use staff time efficiently.

Interagency Relationships and Collaboration

Priority Area 4: Optimize Cross-Agency Coordination.

Strategy 1: Clarify roles and relationships with the Department of Commerce to improve collaboration and efficiency.

- **What we want to accomplish with this strategy**:
  This strategy seeks to improve accountability and regulatory outcomes through enhanced collaboration and a better definition of roles and responsibilities.

Strategy 2: Redefine relationships with support agencies and organizations.

- **What we want to accomplish with this strategy:**
  This strategy is geared toward improving operational outcomes with support agencies, such as Admin, MMB, and MN.IT.

Strategy 3: Establish consistent and productive relationships with cabinet agencies.

- **What we want to accomplish with this strategy:**
  This strategy aims to enhance collaboration with partner agencies. Given the broadening scope of the PUC's work, engagement with impacted agencies will help inform PUC decisions.

Equity and Inclusion

Priority Area 5: Integrate diversity, equity, and inclusion (DEI) into all facets of Commission work.

DEI is one of the Commission's core guiding principles. The Commission has a clear statutory duty to act in the public interest, including a duty to ensure that rates are just, reasonable, and nondiscriminatory. Increasing public participation in dockets and deliberate consideration of equity issues improves record development and therefore improves our regulatory decision-making.

DEI considerations are intended to be incorporated throughout the strategies and action steps in this strategic plan. The strategies listed below are specific items that have been developed by the Commission's DEI Committee and will be overseen by the DEI Coordinator.

Strategy 1: Implement an internal DEI Workplace Action Plan, including recruitment and hiring practices, retention, training, and an inclusive work environment.

Strategy 2: Incorporate DEI into dockets by asking equity-related questions in notices and information requests.

Strategy 3: Incorporate DEI considerations into public engagement efforts by focusing on engagement with underrepresented groups and those who do not regularly participate in Commission work.