

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION

IN RE: BLOCK ISLAND UTILITY DISTRICT :
LRS AND TRANSMISSION RECONCILIATION : DOCKET 22-44-EL
AND RATES FOR CALENDAR YEAR 2023 :

BLOCK ISLAND UTILITY DISTRICT'S RESPONSES TO
COMMISSION'S SECOND SET OF DATA REQUESTS ISSUED TO BIUD
Issued November 17, 2022

- 2-1. On page 5 of his testimony, Mr. Bebyn explained that one of the reasons the Power Supply ended in an under-collection was “the additional fuel costs resulting from generation during the Voltage Conversion outage.” At the hearing on May 10, 2022, in BIUD’s Last Resort Service filing, Mr. Bebyn explained that the fuel related to running the generators was going to be capitalized. Therefore, he stated, “when we do the reconciliation next year, we’ll actually have a credit for what we’re applying, what was capitalized....”
- a. Please provide a schedule showing the credit referenced above or otherwise indicate where in the filed schedule the credit appears.
 - b. If no credit was applied and no credit should be applied, please explain.

Response:

- a) The credit for the additional fuel costs resulting from generation during the Voltage Conversion outage is presented on Attachment 16 page 1 of 6.
- b) See above.

Prepared by: David G. Bebyn, CPA

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION

IN RE: BLOCK ISLAND UTILITY DISTRICT :
LRS AND TRANSMISSION RECONCILIATION : DOCKET 22-44-EL
AND RATES FOR CALENDAR YEAR 2023 :

BLOCK ISLAND UTILITY DISTRICT’S RESPONSES TO
COMMISSION’S SECOND SET OF DATA REQUESTS ISSUED TO BIUD
Issued November 17, 2022

2-2. What will happen to actual power supply costs if actual load in 2023 is higher than forecast? Where will BIUD procure incremental power supply to serve the incremental load, and what are the possible cost impacts?

Response:

The bilateral purchase executed with Shell through October 2025 was structured as a percentage of hourly load. Some of the incremental power supply would come directly from the increase in volumes purchased from Shell at the contracted pricing. Since the contracted percentages change seasonally (Jan-Mar = 73%, Apr = 68%, May = 74%, Jun-Sep = 85%, Oct-Dec = 74%) the remaining open position (if any) would be purchased at the Real-Time (RT) energy market from ISO-NE at the hourly RT Locational Marginal Price (LMP) at the Rhode Island Load Zone (Location ID #4005, Location Name Z.RHODEISLAND). Since LMP is published daily by the ISO, it is hard to determine the possible cost impacts. Please see the table below, for the historical average ATC RT LMP for RI load zone.

Year	Cost Component	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Y_T_D
2018	Avg RT LMP	107.83	36.87	32.91	43.27	23.78	25.5	33.49	39.04	40.83	39.13	55.22	41.66	43.37
2019	Avg RT LMP	51.59	36.97	36.77	26.67	22.75	22.36	29.11	23.47	20.37	20.27	34.08	42.95	30.61
2020	Avg RT LMP	26.31	20.29	16.79	18.03	17.89	21.01	22.35	23.71	19.64	26.69	24.42	41.77	23.29
2021	Avg RT LMP	43.78	71.59	33.77	25.97	23.93	35.56	35.55	48.63	46.2	54.9	58.25	59.31	44.61
2022	Avg RT LMP	148.65	108.64	66.06	59.45	74.66	71.43	90.24	95.53	61.05	51.95			82.7

From ISO Market Rule 1 “Real-Time Locational Marginal Prices for energy and Real-Time Reserve Clearing Prices will be calculated based on a jointly optimized economic dispatch of energy and designation of Operating Reserve utilizing the prices of energy offers and bids, and Reserve Constraint Penalty Factors when applicable.”

Prepared by: Christina Beaudry, Executive Director, Market & Financial Operations
Energy New England

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION

IN RE: BLOCK ISLAND UTILITY DISTRICT :
LRS AND TRANSMISSION RECONCILIATION : DOCKET 22-44-EL
AND RATES FOR CALENDAR YEAR 2023 :

BLOCK ISLAND UTILITY DISTRICT'S RESPONSES TO
COMMISSION'S SECOND SET OF DATA REQUESTS ISSUED TO BIUD
Issued November 17, 2022

2-3. What will happen to actual power supply costs if actual load in 2023 is lower than forecast?

Response:

As mentioned in the response of 2-2, the load following contract is based actual metered load. With a decrease in load the resulting purchased volume from Shell would also decrease.

Prepared by: Christina Beaudry, Executive Director, Market & Financial Operations
Energy New England

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION

IN RE: BLOCK ISLAND UTILITY DISTRICT :
LRS AND TRANSMISSION RECONCILIATION : DOCKET 22-44-EL
AND RATES FOR CALENDAR YEAR 2023 :

BLOCK ISLAND UTILITY DISTRICT'S RESPONSES TO
COMMISSION'S SECOND SET OF DATA REQUESTS ISSUED TO BIUD
Issued November 17, 2022

- 2-4. In Attachment 1 of Mr. Bebyn's Supplemental Testimony in Docket No. 5245, BIUD forecast that it would purchase 1,327 MWh from the Cabot Turners facility (May 2022 – April 2023). In Attachment 1 of Mr. Bebyn's pre-filed testimony in the current docket, BIUD forecasts that it will purchase 1,093 MWh from the Cabot Turners facility (January 2023– December 2023). This represents a decrease of nearly 18%. Regarding this contract, please explain the following:
- a. When was the 2023 generation forecast developed for the Cabot Turners facility, on which the 1,093 MWh estimate was based?
 - b. What will happen to BIUD's actual power supply costs if actual generation in 2023 is lower than expected? Describe how BIUD will make up the difference, and the impact on cost.
 - c. What will happen to BIUD's actual power supply costs if actual generation in 2023 is higher than expected? Describe what BIUD will do with the surplus power, and the impact on cost.

Response:

- a. The 2023 generation forecast is based on historical generation from these facilities times BIUD share of the facility and was developed at the time the contract was executed between FirstLight and BIUD.
- b. If the generation is less that forecasted, BIUD would have to rely on ISO-NE spot market to make up for any shortfall.
- c. If the generation is greater than expected, than BIUD would either buy less from the ISO-NE spot market or have to sell energy back to the spot market. The impact on cost will be highly dependent several factors including how many MWh, the prevailing spot market price at the time that these MWh on when the energy is bought or sold and the amount of MWh actually sold. If the cost of replacement energy is less than the contract price, then BIUD energy cost would be lower.

Prepared by: Jeffery M. Wright and Ken Stambler, Senior Director, Energy
Procurement, Energy New England

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION

IN RE: BLOCK ISLAND UTILITY DISTRICT :
LRS AND TRANSMISSION RECONCILIATION : DOCKET 22-44-EL
AND RATES FOR CALENDAR YEAR 2023 :

BLOCK ISLAND UTILITY DISTRICT'S RESPONSES TO
COMMISSION'S SECOND SET OF DATA REQUESTS ISSUED TO BIUD
Issued November 17, 2022

2-5. Please explain why ISO Ancillary/Schedule charges are increasing from \$60,629 in 2022 to \$116,426 in 2023, per Attachment 1 of Mr. Bebyn's pre-filed testimony.

Response:

Included within the ISO Ancillary/Schedule charges are Scheduled ISO Charges, Regulation, Reserves, and Net Commitment Period Compensation ("NCPC") charges. ENE separates the annual ISO-NE membership fee as its own charge. There are two large charges that have been included in the projections, Mystic Cost of Service and Winter Inventoried Energy Program (IEP).

Mystic was scheduled to be retired, but the pool determined it was needed for reliability purposes. The costs related to its continued operation are shared by all load serving pool participants. The Mystic Cost of Service (COS) charge is an allocation of these supplemental payments paid to Mystic. The Mystic Cost of Service charge is slated to be charged from July 2022 through June of 2024. ISO-NE treats the determination of the Total Pool COS Supplement Charge as confidential and only publishes the following information monthly. Therefore, the forecast for 2023 included an additional average of \$3.00/MWH to the forecasted load for Block Island.

Winter Inventoried Energy Program (IEP) is estimated for the two-year term of Dec23-Feb24 and Dec24-Feb25. ENE added a forecasted \$5.46/MWH to the forecasted monthly load for Block Island. The total projected cost of the Winter IEP assessment is still pending but is estimated to be approximately \$170 Million for these two winter periods.

Prepared by: Christina Beaudry, Executive Director, Market & Financial Operations
Energy New England

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION

IN RE: BLOCK ISLAND UTILITY DISTRICT :
LRS AND TRANSMISSION RECONCILIATION : DOCKET 22-44-EL
AND RATES FOR CALENDAR YEAR 2023 :

BLOCK ISLAND UTILITY DISTRICT'S RESPONSES TO
COMMISSION'S SECOND SET OF DATA REQUESTS ISSUED TO BIUD
Issued November 17, 2022

2-6. Please explain why NYPA Transmission charges nearly doubled from \$28,985 in 2022 to \$52,098 in 2023, per Attachment 1 of Mr. Bebyn's pre-filed testimony.

Response:

The transmission costs associated with the NYPA contract are a pass through of the costs to transmit the power through New York to the ISO-NE Roseton node. The New York Power Authority does not provide a forecast of these charges, so the forecast is based on historical data. In reviewing Block Island's actual costs it was determined that the forecast for 2023 needed to be increased based on the historical trend.

Prepared by: Christina Beaudry, Executive Director, Market & Financial Operations
Energy New England

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION

IN RE: BLOCK ISLAND UTILITY DISTRICT :
LRS AND TRANSMISSION RECONCILIATION : DOCKET 22-44-EL
AND RATES FOR CALENDAR YEAR 2023 :

BLOCK ISLAND UTILITY DISTRICT'S RESPONSES TO
COMMISSION'S SECOND SET OF DATA REQUESTS ISSUED TO BIUD
Issued November 17, 2022

- 2-7. Please provide evidence supporting the estimated \$6,278 in REC sales revenue from the Cabot Turners facility, as shown in Attachment 1 of Mr. Bebyn's pre-filed testimony. In your response, explain why BIUD is forecasting sales revenue to increase between 2022 and 2023 despite generation decreasing.

Response:

There are a couple of reasons why the BIUD sales revenue forecast is set to increase between 2022 and 2023. First, there is the lag between when the MWh are generated and when the RECs are minted. There is a six-month lag between generation and minting of the RECs, so part of the 2022 minted RECs will show up in the 2023 sales revenue. The second reason is because the underlying value of the REC has increased in value. Market prices from ME Class II RECs have increased over the last year from less than \$6.00 per REC to currently more than \$10.00 per REC.

Prepared by: Jeffery M. Wright and Ken Stambler, Senior Director, Energy Procurement
Energy New England

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION

IN RE: BLOCK ISLAND UTILITY DISTRICT :
LRS AND TRANSMISSION RECONCILIATION : DOCKET 22-44-EL
AND RATES FOR CALENDAR YEAR 2023 :

BLOCK ISLAND UTILITY DISTRICT’S RESPONSES TO
COMMISSION’S SECOND SET OF DATA REQUESTS ISSUED TO BIUD
Issued November 17, 2022

2-8. Please provide forecast vs. actual REC sales revenue from the Cabot Turners facility in 2022. If they differ by more than 5%, please explain why.

Response:

As shown below, the actual revenue from the sale of the ME Class II RECs that were produced by the Cabot/Turners hydroelectric facility is greater than 5% more than the original forecast despite the fact that the generation (or RECs minted) are down nearly 9%. More than offsetting the decline in production was the fact that REC prices were up over 100% versus the forecast. Together, the revenues ended up 90% greater than the forecast.

	Calendar 2022					Total
	2021-Q3	2021-Q4	2022-Q1	2022-Q2		
Cabot-Turner Forecast						
RECs Minted	-	-	386	452		838
REC Revenue	\$ -	\$ -	\$ 1,930	\$ 2,260		4,190
Forecasted REC Price	\$ -	\$ -	\$ 5.00	\$ 5.00		\$ 5.00
Cabot-Turner Actuals						
RECs Minted	-	-	387	377		764
REC Revenue	\$ -	\$ -	\$ 3,290	\$ 4,713		8,002
REC Price (Estimated)	\$ -	\$ -	\$ 8.50	\$ 12.50		\$ 10.47

Note: The REC price is an estimate based on sales made to date for all ME Class II RECS. The RECs are aggregated amongst the municipals that are sell their ME Class II RECs and then allocated based on the average sales price. Almost 90% of the available RECs have been sold to date.

Prepared by: Jeffery M. Wright and Ken Stambler, Senior Director, Energy Procurement
Energy New England

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION

IN RE: BLOCK ISLAND UTILITY DISTRICT :
LRS AND TRANSMISSION RECONCILIATION : DOCKET 22-44-EL
AND RATES FOR CALENDAR YEAR 2023 :

BLOCK ISLAND UTILITY DISTRICT'S RESPONSES TO
COMMISSION'S SECOND SET OF DATA REQUESTS ISSUED TO BIUD
Issued November 17, 2022

2-9. Please update BIUD's response table to PUC 1-18 in Docket No. 5245 with 2022 actuals.

Response:

See Attached.

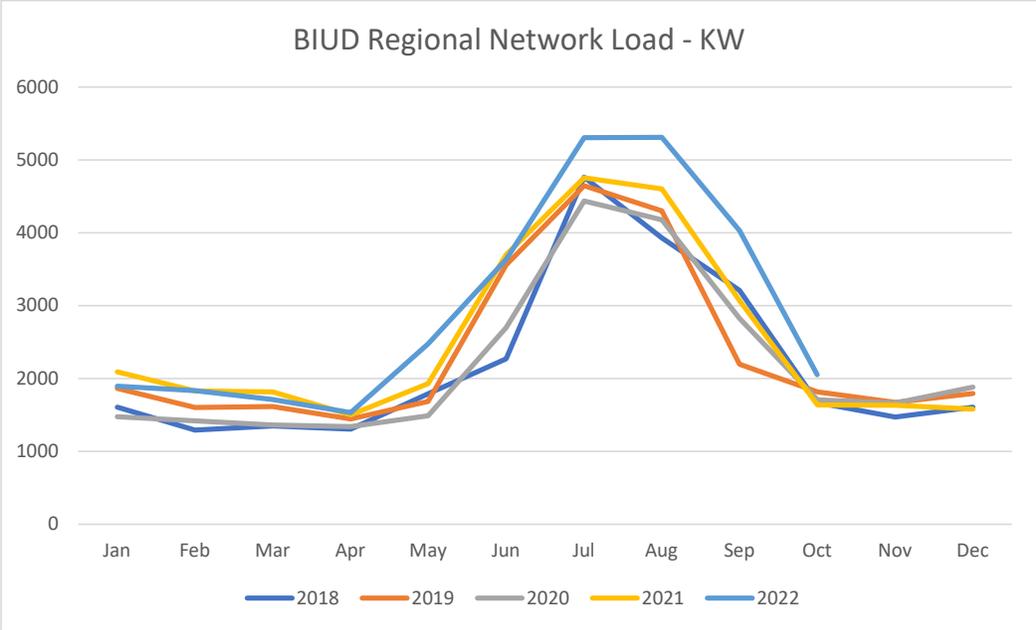
Prepared by: David G. Bebyn, CPA

Coincident Network Load - PTF (KW)

Month	2018	2019	2020	2021	2022
Jan	1602	1864	1475	2092	1892
Feb	1293	1600	1421	1830	1836
Mar	1345	1614	1360	1817	1713
Apr	1302	1443	1339	1500	1531
May	1789	1683	1488	1929	2476
Jun	2269	3558	2701	3700	3633
Jul	4764	4647	4435	4754	5307
Aug	3928	4301	4180	4604	5311
Sep	3209	2196	2827	3069	4029
Oct	1665	1815	1708	1633	2048
Nov	1468	1673	1663	1631	
Dec	1602	1793	1881	1579	

Real Time Load Obligation (MWH)

Month	2018	2019	2020	2021	2022
Jan	925	934	902	1,038	1,093
Feb	741	814	813	982	908
Mar	814	925	849	936	910
Apr	825	791	802	874	530
May	1,068	1,090	859	1,073	1,113
Jun	1,443	1,468	1,379	1,584	1,548
Jul	2,352	2,531	2,426	2,433	2,552
Aug	2,545	2,396	2,325	2,518	2,638
Sep	1,545	1,461	1,531	1,692	1,619
Oct	1,014	1,004	1,059	1,039	1,049
Nov	869	872	876	867	
Dec	886	950	994	935	



STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION

IN RE: BLOCK ISLAND UTILITY DISTRICT :
LRS AND TRANSMISSION RECONCILIATION : DOCKET 22-44-EL
AND RATES FOR CALENDAR YEAR 2023 :

BLOCK ISLAND UTILITY DISTRICT’S RESPONSES TO
COMMISSION’S SECOND SET OF DATA REQUESTS ISSUED TO BIUD
Issued November 17, 2022

2-10. Please update BIUD’s response table to PUC 1-19 in Docket No. 5245 with 2022 actuals.

Response:

The updated ISO-NE/BIUD Coincidental and BUD Non-Coincidental peaks matrix is updated below:

<u>ISO-NE PEAKS AND BIPCO COINCIDENTAL PEAKS</u>					<u>BIPCO NON-COINCIDENTAL PEAKS</u>			
Date	Day	Hour	System Peak Load (MW)	BIUD Coincidental Load (MW)	BIUD Peak Day/Date	Day	Hour	BIUD Summer Peak (MW)
6/13/2017	Tue	17	23,508	2.314	7/20/2017	Thu	21	4.193
8/29/2018	Wed	17	25,528	3.867	8/17/2018	Thu	20	4.831
7/30/2019	Tue	19	23,973	4.647	7/20/2019	Sat	19	5.082
7/27/2020	Mon	18	24,695	4.435	7/30/2021	Thu	19	4.749
7/16/2021	Fri	18	22,365	4.753	7/17/2021	Sat	19	5.280
7/20/2022	Wed	19	24,290	4.643	7/22/2022	Fri	19	5.294

Prepared by: Jeffery M. Wright

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION

IN RE: BLOCK ISLAND UTILITY DISTRICT :
LRS AND TRANSMISSION RECONCILIATION : DOCKET 22-44-EL
AND RATES FOR CALENDAR YEAR 2023 :

BLOCK ISLAND UTILITY DISTRICT'S RESPONSES TO
COMMISSION'S SECOND SET OF DATA REQUESTS ISSUED TO BIUD
Issued November 17, 2022

2-11. In preparing the kWh sales forecast for 2023, did BIUD make adjustments for any of the following DERs: solar PV, EV load, or heat pump load? If no, explain why the sales forecast is reliable without such adjustments, given the pace and scale of DER adoption on the island.

Response:

BIUD did not make any adjustments to account for the further deployment of solar, EV load or heat pump load in 2023. Despite the Block Island Solar Initiative (BISI) having many applications in the permitting process, the program has stalled given the passing of Cool Energy owner/operator David Reidy. The BISI has been challenged to find a solar installer to continue their work due to the construction/logistical challenges that the island poses. BIUD will continue to coordinate with the BISI and adjust in future reconciliations as appropriate.

Prepared by: Jeffery M. Wright

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION

IN RE: BLOCK ISLAND UTILITY DISTRICT :
LRS AND TRANSMISSION RECONCILIATION : DOCKET 22-44-EL
AND RATES FOR CALENDAR YEAR 2023 :

BLOCK ISLAND UTILITY DISTRICT'S RESPONSES TO
COMMISSION'S SECOND SET OF DATA REQUESTS ISSUED TO BIUD
Issued November 17, 2022

2-12. In forecasting the demand-related capacity and transmission costs included in Attachment 1 of Mr. Bebyn's pre-filed testimony, what assumptions did BIUD make around demand in 2023? Did BIUD use actual demand from 2022? Did BIUD make and adjustments for possible demand impacts from the DERs referenced in the prior question?

Response:

BIUD did not make any adjustments for possible demand impacts from the DER's for the same reasons stated in my response to 2-11.

Prepared by: Jeffery M. Wright

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION

IN RE: BLOCK ISLAND UTILITY DISTRICT :
LRS AND TRANSMISSION RECONCILIATION : DOCKET 22-44-EL
AND RATES FOR CALENDAR YEAR 2023 :

BLOCK ISLAND UTILITY DISTRICT'S RESPONSES TO
COMMISSION'S SECOND SET OF DATA REQUESTS ISSUED TO BIUD
Issued November 17, 2022

- 2-13. In preparing the kWh sales forecast for 2023, what assumptions did BIUD make around whether Champlain's marina will be interconnected to BIUD by summer 2023? If BIUD did not include possible Champlain's interconnection in the forecasts, explain the possible impact(s) such interconnection might have to actual power supply costs and revenues in 2023.

Response:

Champlain's Marina has not committed to an interconnection at this time. Transformer lead times currently exceed 60 weeks, therefore there will be no impact to BIUD's energy forecast/procurements in 2023.

Prepared by: Jeffery M. Wright

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION

IN RE: BLOCK ISLAND UTILITY DISTRICT :
LRS AND TRANSMISSION RECONCILIATION : DOCKET 22-44-EL
AND RATES FOR CALENDAR YEAR 2023 :

BLOCK ISLAND UTILITY DISTRICT'S RESPONSES TO
COMMISSION'S SECOND SET OF DATA REQUESTS ISSUED TO BIUD
Issued November 17, 2022

- 2-14. In forecasting the demand-related capacity and transmission costs included in Attachment 1 of Mr. Bebyn's pre-filed testimony, what assumptions did BIUD make regarding possible demand impacts from Champlain's marina interconnecting to BIUD by summer 2023? If BIUD did not include possible Champlain's interconnection in the forecasts, explain the possible impact(s) such interconnection might have to actual power transmission and capacity costs and revenues in 2023.

Response:

As stated in my response to 2-13, Champlain's has put the interconnection on hold for right now, so we have not yet analyzed the full impact on costs or additional revenue.

Prepared by: Jeffery M. Wright