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Also admitted in Massachusetts, Connecticut and Vermont

January 27, 2023

VIA HAND DELIVERY & ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk Rhode Island Public Utilities Commission 89 Jefferson Boulevard Warwick, RI 02888

RE: Docket No. 22-42-NG – Issuance of Advisory Opinion to EFSB re RIE Application to Construct an LNG Vaporization Facility on Old Mill Lane, Portsmouth, RI Responses to Town of Middletown's Data Requests – Set 1

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company (the "Company"), I have enclosed the Company's responses to the Town of Middletown's First Set of Data Requests in the above-referenced docket.

Thank you for your attention to this matter. If you have any questions, please contact me at (401) 709-3351.

Sincerely,

George W. Watson III

Enclosures

cc: Docket 22-42-NG Service List

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate were electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.

Heidi J. Seddon

January 27, 2023

Date

Docket No. 22-42-NG – Needs Advisory Opinion to EFSB regarding Narragansett Electric LNG Vaporization Facility at Old Mill, Portsmouth, RI Service List update 12/20/22

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Middletown 1-1

Request:

Referring to the Document titled *Aquidneck Island Gas Reliability Project: Old Mill Lane, Portsmouth, RI* prepared by VHB and submitted to the EFSB on April 4, 2022 (or, "Siting Report"), p. 42 states that "absent substantial subsidies or mandates, electrification is not a cost-effective heating option."

- a. Please provide the price of natural gas supply provided to Aquidneck Island at the time the Siting Report was prepared.
- b. Please provide the current price of natural gas supply provided to Aquidneck Island.
- c. Please provide any forecasts of natural gas supply that RIE (formerly TNEC) used in the Siting Report or by any of the witnesses whose testimony was provided in this docket.

Response:

- a. Rhode Island Energy plans its natural gas supply portfolio to meet the requirements of its firm sales and transportation customers across its entire distribution system, including Aquidneck Island. Detailed information regarding the gas supply costs of the full portfolio is provided in the Company's annual Gas Cost Reconciliation ("GCR") filing to the State of Rhode Island Public Utilities Commission (the "PUC"). The cost of natural gas supply at that time was included in the Company's 2021 GCR filing and subsequently approved by the PUC in Docket No. 5180.
- b. Please see the Company's response to part a, above. The current cost of natural gas supply was included in the Company's 2022 GCR filing and subsequently approved by the PUC in Docket No. 22-20-NG.
- c. The Company does not forecast natural gas supply as such. Rather, the Company forecasts its customers' demand and then seeks to contract for sufficient supply to meet that demand. For the forecast used to prepare the Siting Report, please see Appendix A to the Siting Report, which is the Company's Long Range Resource and Requirements Plan for the Forecast Period 2021/22 to 2025/26 that includes the gas demand forecast used to prepare the Siting Report.

Middletown 1-2

Request:

Page 35 of the Siting Report states: "Heat electrification via air source or ground source heat pumps could be achieved using cold climate heat pumps, which operate efficiently at low outdoor temperatures."

a. Please provide the assumptions regarding heat pump performance, capital cost, and operating cost used in assessing the heat electrification component of the non-infrastructure solution presented in Section 4.7 of the Siting Report.

Response:

The assumptions regarding heat pump performance, capital cost, and operating cost used in assessing the heat electrification component of the non-infrastructure solution presented in Section 4.7 of the Siting Report are the same as those listed in the *Incremental Electrification* section of Appendix A of the September 2020 Aquidneck Island Long-Term Gas Capacity Study. Specifically, the heat pump performance assumptions are listed in Table A-17 of that report, and the capital and operating cost assumptions are listed in Table A-19 of that report.

¹ Available at: https://www.nationalgridus.com/media/pdfs/other/aquidneckislandlong-termgascapacitystudy.pdf

Middletown 1-3

Request:

Please refer to the response to Record Request No. 9 from the Energy Facility Siting Board in EFSB SB-2021-04, in which TNEC describes the former operations on the Old Mill Lane site.

- a. Please confirm that between 1991 and 2001, the site was not used for "peak shaving."
- b. Please confirm that the site was not used between 2014 and when the current annual mobilization under seasonal waivers began in 2019.
- c. Witness Porcaro states on page 8: "A load reduction in any amount would not result in less equipment. The need is driven by providing essential service to customers heating their homes and businesses during winter months."
- d. If the proposed facility was not needed between 1991 and 2001, nor between 2014 and 2019, why is the facility now needed under any circumstances?

Response:

- a. The peak shaving operation using propane ended in 1991. The site was used as an LNG mobile peak shaving facility for the Winter of 2001-2002 pursuant to a one year special use permit issued by the Town of Portsmouth Board of Review on September 25, 2001.
- b. Portable LNG equipment was setup at the site in the spring of 2018 to support the natural gas distribution system during a pipeline inspection. Portable LNG equipment was setup again in January 2019 following the gas supply disruption in that month.
- c. The referenced statement is accurate. Load reduction would reduce the shortfall between demand and the maximum rate of the equipment during an outage, but it would not reduce the equipment needed since the current setup could not support the entire system during a complete outage.

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d. The system is needed to address the risk of outage from the capacity vulnerability and the system is sized and operated to address the capacity vulnerability. The system is also available to support the capacity constraint to address the need summarized on page 19 of the Siting Report. Below is an excerpt from page 19 of the Siting Report.

on January 29, 2019, after AGT experienced a period of high hourly demand on its G system, AGT notified the Company (and all AGT customers served by AGT's G Lateral) that during peak periods it would exercise its tariff authority to require local distribution companies, including the Company, to limit their hourly takes to calculated hourly flow limits at each take station. For Aquidneck Island, the limits are 22,089 Dth/day and 1,045 Dth/hour, which are less than the Company historically has planned to have gas capacity for use on Aquidneck Island. As such, the Company now makes its planning decisions to prepare for the potential limitation of operational flexibility by AGT.

This gas capacity/demand gap materialized with the change in AGT practice and created a new need to plan for reduced gas capacity available at the Portsmouth take station.

Middletown 1-4

Request:

Witness Porcaro references a capacity of the proposed facility of 750 Dth/hr (page 7). This matches statements made in the Siting Report on page 12. The Siting Report also shows the forecasted design hour demand for AI as approximately 1,200 Dth/hr (Graphic 2, page 11).

a. Is RIE proposing additional investments or installations to cover the shortfall between the capacity vulnerability and the capacity of the proposed facility?

Response:

Not specifically. Note that a supply disruption due to the gas supply vulnerability can occur under a broader range of temperature conditions than design hour alone. The system is designed to supply Aquidneck Island in the event of a supply disruption down to temperatures around 45 HDD. If a vulnerability event occurs during colder conditions, where customer demand is over 750 Dth/hr, or occurs over a period of time longer than on site storage is available for, customer curtailments would need to considered to keep customer demand on Aquidneck Island at or below 750 Dth/hr. Please note that the Company has proposed, in its Infrastructure, Safety and Reliability plans, to continue installation of valves within the Aquidneck Island natural gas distribution system that could be use to assist in the segmentation of the system in the event of a supply disruption. These control valves could be used in the event of necessary curtailments.

Middletown 1-5

Request:

Table 2-1 in the Siting Report (page 10) shows that in the event of a complete disruption of supply, nearly half of the customers served by the proposed facility would lose service.

a. Please provide the estimated percentage of customers that would lose service in the event of a complete disruption of gas supply under each of the alternatives analyzed in the Siting Report. This can be assessed at the point in time when the alternative is fully implemented.

Response:

The estimated percentages of customers that would lose service in the event of a complete disruption of gas supply under each of the alternatives analyzed in the Siting Report are as follows:

Seasonal LNG at a New Navy Site – approximately 49% of customers

Permanent LNG at a New Navy Site – approximately 49% of customers

LNG Barge – approximately 49% of customers

AGT Reinforcement project – 0% of customers

Non-infrastructure solution – 100% of customers

Middletown 1-6

Request:

The Siting Report states that "Because the Company's [gas demand] forecast is based on historical correlations to economic and price data, it cannot predict the impact of new policies, particularly responses to climate change." (page 5)

- a. Is it correct that the Company's gas demand forecast does not, therefore, assume or forecast any policies related to emissions of greenhouse gases (GHG), such as emissions caps or carbon taxes?
- b. Is it correct that the Company's gas demand forecast does not assume or forecast any changes in customer behavior as a result of policies related to emissions of GHG?

Response:

- a. Through its incorporation of reductions in natural gas demand associated with the Company's energy efficiency programs, the Company's forecast does reflect reductions in greenhouse gas emissions. The Company's forecast incorporates the effects of known and quantifiable programs addressed at emissions reductions. As further programs arising from GHG-related policies to address net-zero carbon emissions become approved and quantifiable, the Company's forecast can incorporate their effects on net natural gas demand.
- b. The Company's forecast currently does not incorporate any incremental reductions in natural gas demand due to new policies regarding customer behavior. Since the Company's forecast is developed using its historical billing data of customer demand, only rates of reductions occurring in its historical data are incorporated in its forecast period. As further programs arising from GHG-related policies to address customer behavior and net-zero carbon emissions become approved and quantifiable, the Company's forecast can incorporate their effects on net natural gas demand.