

August 18, 2021

Emma Rodvien  
Coordinator  
Energy Facility Siting Board  
89 Jefferson Boulevard  
Warwick, RI 02888

Re: EFSB Docket No. SB-2021-04

Dear Ms. Rodvien:

Enclosed please find Acadia Center's filing pertaining to the Extension of the Waiver to operate the Old Mill Lane LNG facility for the winter of 2021-2022. I have emailed the same to all parties on the Service List. By day's end, I will deliver one original and four paper copies to you, one copy for the Division of Public Utilities and Carriers, and will mail one copy each to Board members Meredith Brady and Terrence Gray, in accordance with the Filing Instructions previously provided.

Thank you for your attention to these matters.

Sincerely,



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STATE OF RHODE ISLAND  
ENERGY FACILITY SITING BOARD

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IN RE: THE NARRAGANSETT ELECTRIC COMPANY d/b/a  
NATIONAL GRID APPLICATION FOR A LICENSE TO  
MOBILIZE AND OPERATE A LIQUIFIED NATURAL GAS  
VAPORIZATION FACILITY AT OLD MILL LANE  
(PORTSMOUTH, RI)

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Docket No. SB-2021-04

**PROPOSED CONDITIONS TO EXTENSION OF EMERGENCY WAIVER**

By its attorneys, Acadia Center and Conservation Law Foundation (CLF) do not object to the extension of an emergency waiver to operate the Old Mill Lane LNG facility for some period of time over the 2021-2022 winter. However, Acadia Center and CLF respectfully request the Energy Facility Siting Board (EFSB) to impose a temporary moratorium on new gas connections on Aquidneck Island as a condition of the extension of the emergency waiver. Initiating a moratorium now will keep today's claimed gas constraint problem from growing, and will help preserve all available strategies to mitigate the risks posed by said problem while a permanent solution is investigated. Allowing gas connections on Aquidneck Island to continue will only worsen the severity of the claimed gas constraint problem, while potentially foreclosing viable alternative strategies including demand response programs, weatherization, and beneficial electrification.

Allowing Narragansett to increase this problem only benefits the Company, allowing them to tip the scales towards the Company's preferred infrastructure solutions to potentially be filed in Calendar Year 2022, while simultaneously claiming that they cannot consider all available alternatives at this stage. The Company's internal policy of advocating for "customer choice" is just that—a company policy—and is driven by their own financial interests to build additional rate-based infrastructure and connect new customers who

will pay monthly customer charges. The need to preserve alternative strategies to deal with both these claimed capacity issues and the climate crisis vastly outweighs the company's internal policy statement.

#### STATEMENT OF RELEVANT FACTS

1. On January 8, 2020, the Board granted petitioner Narragansett a temporary two-year emergency waiver from the licensing requirements of the Energy Facility Siting Act to mobilize and operate a Liquefied Natural Gas (LNG) facility at a property located on Old Mill Lane in Portsmouth, RI.
2. On May 19, 2021, petitioner Narragansett filed a petition for a one-year extension of the previous emergency waiver granted by the Board on January 8, 2020 to cover the 2021-2022 winter season operations.
3. Concurrently, petitioner Narragansett also filed an application, referred to hereafter as Application #1, with the Board seeking a license to mobilize and operate the above-referenced LNG facility permanently, without need for further waivers.
4. In response, the Board opened this Docket No. SB-2021-04.
5. At the August 12, 2021, preliminary hearing in the above referenced matter, petitioner Narragansett asserted that it planned to file yet another application in the fourth quarter of Calendar Year 2022, referred to hereafter as Application #2, to obtain a license to operate a not-yet determined long-term solution for Aquidneck Island.
6. Chairman Gerwatowski of the EFSB posited that a proceeding of the nature of Application #1 could individually take approximately one year to complete. Presumably, potential Application #2, could take a similar length of time. This indicates that a fourth quarter filing of Application #2 in Calendar Year 2022 may not be fully adjudicated until late Calendar Year 2023.

7. While it is impossible to know the potential in-service date of an, at this time, unknown long-term solution, the Company states in its Aquidneck Island Long-Term Gas Capacity Study that “All other approaches described above will involve some degree of reliance on Old Mill Lane Portable LNG before it can be replaced or phased out because all other options have multi-year lead times.”<sup>1</sup>
8. During the August 12, 2021, hearing, representatives from Narragansett indicated they would not support a moratorium on new gas connections and intend to continue allowing new gas connections on Aquidneck Island, even as they have yet to seek a permit their preferred long-term energy solution, expected in a subsequent filing of Application #2 in 4<sup>th</sup> Quarter Calendar Year 2022.
9. The Company also presented slides that indicate the Company projects new gas connections to expand gas usage on Aquidneck Island over the next 15 years, to a level that will more than triple the size of today’s gas constraint, from approximately 1,385 Dth/Day to 4,847 Dth/Day by 2034-2035.
10. The Company’s Siting Report filed in conjunction with this docket fails to explore all available alternatives, including opportunities to use demand reduction strategies, coupled with a gas moratorium, to resolve the claimed gas capacity constraint.

#### Basis for a Gas Moratorium

The Company has claimed it is concerned about a potential gap between customer demand for gas on extremely cold days and the supply of natural gas they can reliably provide to Aquidneck Island from its contracted supplier, Enbridge. Yet the Company seems unwilling to take any decisive actions that would stop

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<sup>1</sup> National Grid’s *Aquidneck Island Long-Term Gas Capacity Study*. September 2020. Pages 9-10.  
<https://www.nationalgridus.com/media/pdfs/other/aquidneckislandlong-termgascapacitystudy.pdf>

customer demand from growing, even temporarily, while it identifies and implements a potential long-term solution.

A moratorium on new connections would be the lowest risk strategy, in the near- and long-term, to ensure that the claimed gas constraint gap does not grow, or at least grow significantly due to new gas customer connections. A moratorium provides a greater opportunity for the Company to adopt or expand demand reduction strategies to resolve the claimed gas constraint. Establishing a moratorium would not impact existing gas customers and does not negatively affect gas service to those customers across the island. In fact, it provides a benefit to today's gas customers by reducing strain on the system and increasing the likelihood that Narragansett will be able to provide adequate gas service during times of peak demand. Further, Rule 1.13(E) provides authority for the EFSB to impose the requested moratorium: "As a precondition for the grant of a Board License, the Board may require any modification or alteration to the proposed facility and may place conditions on the grant of the Board License."

#### No Impact on Economic Development

The undersigned parties assert that most energy uses of natural gas that could be delivered through new natural gas connections can be met with other readily available options. Existing buildings can continue to be serviced by their current appliances and need not connect to the gas distribution network. New buildings can be built and operated cost-effectively as all electric, without the use of fossil fuels for any purpose.<sup>2</sup> Induction cooktops can service customers seeking to make a new connection to the gas distribution network for residential or commercial kitchen applications, all with superior capabilities,

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<sup>2</sup> "Zero Carbon Commercial Construction: An Electrification Guide for Large Commercial Buildings and Campuses." Redwood Energy (Sean Armstrong, Jenna Bader, Emily Higbee, Lynn Brown, Richard Thompson IV, Roger Hess, Harlo Pippenger, Cheyenna Burrows, and Wyatt Kozelka.) 2019. Accessible at: <https://fossilfreebuildings.org/ElectricNewCommercialConstructionGuide.pdf>.

improved safety, and higher energy efficiency benefits than gas appliances. Air-source and ground-source heat pumps are a cost-effective alternative for current delivered fuels customers seeking to make a new gas connection.<sup>3</sup> The above-described new gas connections cover the vast majority of the anticipated gas system growth projected and desired by the Narragansett Electric Company, all of which can be avoided with a moratorium.

#### Exemptions to the Moratorium

The undersigned parties recognize that despite the clear benefits and ability to divert most prospective customers away from the gas distribution network, some very limited uses of new natural gas connections may be reasonable in the near term. In these rare cases, exemptions from the moratorium may be appropriate to satisfy a public policy concern such as resiliency for critical infrastructure, including backup generators for hospitals, emergency warming shelters, or public safety applications. Other exemptions may be warranted for industrial processes that specifically require high-heat gas combustion for manufacturing. In each case of an exemption, the applicant should be required to demonstrate that other energy options are not suitable.

#### Relief from Company's Claimed "Duty to Serve"

According to the Company, "in general, gas utilities have an affirmative duty to provide service to qualifying applicants in their service territories. In Rhode Island, the Company is required to furnish gas service to applicants under its filed rates. For both residential and non-residential applicants, Narragansett is required to connect and service all customers that request gas service in Rhode Island, unless precluded by

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<sup>3</sup> <https://acadiacenter.org/powerhouse-and-building-electrification-fact-vs-fiction/>

certain conditions, such as the incomplete construction of necessary facilities, insufficient supply, or considerations for public safety.”<sup>4</sup>

The present case is a clear example of the conditions that the Company claims would preclude new connections. The Company, through the Waiver Extension, Application 1, and Application 2 requires the permitting, licensing, and construction of facilities it claims are necessary. The Company has established that on Design Days and Design Hours, it is concerned it will have insufficient supply for its customers. And given the dire emergency and public safety risks of the January 2019 gas outage as well as ongoing risks from methane leakage, it is clear that limiting gas growth and shrinking gas demand back to levels supported by the existing system would improve public safety.

#### EFSB’s Consideration of a Gas Moratorium Against In Light of the Act on Climate

While the moratorium proposal above would primarily serve to improve safe operation and reliability of the Company’s gas distribution system, the undersigned parties also recognize that a moratorium may have the added benefit of avoiding potential greenhouse gas emissions resulting from connections to the gas distribution system. A new connection to the gas distribution system logically means new gas equipment that will be in service for decades to come. With each new service line and gas main comes increased risks of leaking methane, the primary component of natural gas. Leaking methane, in addition to being dangerous, also has a Global Warming Potential that is 86 times higher over its first 20 years in the atmosphere than carbon dioxide.<sup>5</sup>

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<sup>4</sup> National Grid’s *Aquidneck Island Long-Term Gas Capacity Study*. September 2020. Page 20. Accessible at: <https://www.nationalgridus.com/media/pdfs/other/aquidneckislandlong-termgascapacitystudy.pdf>.

<sup>5</sup> *Deeper Decarbonization in the Ocean State*. Stockholm Environmental Institute and Brown University. September 2019. Page 14. Accessible at: <https://cdn.sei.org/wp-content/uploads/2019/09/deeper-decarbonization-in-the-ocean-state.pdf>

The Act on Climate, signed into law in April 2021 before this proceeding was initiated, updates R.I. Gen. Laws 42-6.2-8 to read “Addressing the impacts on climate change shall be deemed to be within the powers, duties, and obligations of all state departments, agencies, commissions, councils, and instrumentalities, including quasi-public agencies, and each shall exercise among its purposes in the exercise of its existing authority, the purposes set forth in this chapter pertaining to climate change, mitigation, adaptation, and resilience in so far as climate change affects its mission, duties, responsibilities, projects or programs. Each agency shall have the authority to promulgate rules and regulations necessary to meet the greenhouse gas emission reduction mandate established by section 42-6.2-9.” Section 42-6.2-9 establishes mandatory targets for emissions reduction, including 45% reduction below 1990 levels by 2030, 80% below 1990 levels by 2040, and net-zero emissions by 2050.

As a result, the EFSB as an instrumentality of the state “shall exercise among its purposes in the exercise of its existing authority, the purposes set forth in the” Act on Climate. A gas moratorium on Aquidneck Island, with reasonable exemptions for critical infrastructure described above, is a prudent measure while Narragansett contemplates its plan of action regarding a long-term proposal.

### Conclusion

In conclusion, Acadia Center and CLF do not object to the extension of an emergency waiver to operate the Old Mill Lane LNG facility for some period of time over the 2021-2022 winter. However, Acadia Center and CLF respectfully request the Energy Facility Siting Board to impose a temporary moratorium on new gas connections on Aquidneck Island as a condition of the extension of the emergency waiver. With significant uncertainty surrounding Narragansett’s multiple successive applications, it is prudent to stop, at least temporarily, growing the size of the claimed gas constraint problem on Aquidneck Island. Limiting the



problem to today's levels will preserve all available options for consideration in Application #1 and a potential Application #2.

Respectfully submitted,

ACADIA CENTER

By its attorney,



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CONSERVATION LAW FOUNDATION

By its attorney,



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