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System Reliability Procurement

Presented to the Rhode Island Energy Efficiency and Resource
Management Council, 5/18/2023

Agenda

- Refresher on System Reliability Procurement
- 2022 SRP Year-End Report
- 2023 SRP Technical Working Group
- 2024-2026 SRP Three-Year Plan
- **What else?**



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System Reliability Procurement (SRP) Leads



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Electric Regulatory Strategy



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Gas Regulatory Strategy



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Refresher

Statutory Obligation



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System Reliability Procurement (SRP) is a statutory obligation of public utilities and carriers under RIGL 39-1-27.7 (commonly referred to as “Least-Cost Procurement”). The purpose of SRP within the overarching umbrella of least-cost procurement is:

“Least-cost procurement shall comprise system reliability and energy efficiency and conservation procurement, as provided for in this section, and supply procurement, as provided for in § 39-1-27.8, as complementary but distinct activities that have as common purpose meeting electrical and natural gas energy needs in Rhode Island, in a manner that is optimally cost-effective, reliable, prudent, and environmentally responsible.”

[RIGL 39-1-27.7(a)]

Two Alternatives

Utility Reliability Procurement

Procurement to meet or mitigate a gas or electric distribution system need or optimization that is not System Reliability Procurement and thus represents a utility-only investment or expenditure.⁴

⁴ For example, many such Utility Reliability Procurement investments and operations are proposed in annual Infrastructure, Safety, and Reliability Plans filed pursuant to R.I. Gen. Laws § 39-1-27.7.1(c)(2).

System Reliability Procurement

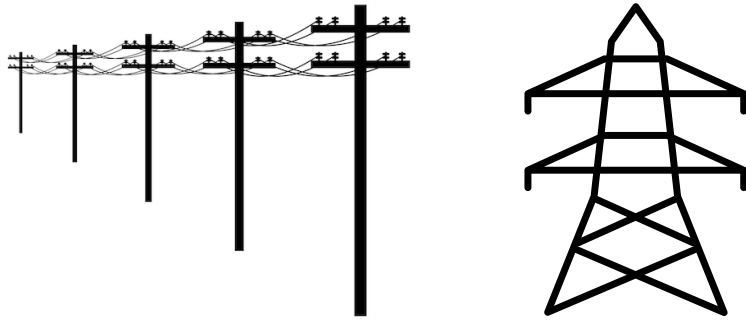
Procurement to meet or mitigate a gas or electric distribution system need or optimization from a party other than the gas or electric utility² that provides the need or optimization by employing diverse energy resources, distributed generation, or demand response.³

² A utility proposal to own and operate non-traditional investment or new operations and maintenance services, such as new voltage-regulation equipment, battery storage, or vegetation management, and any vendor services associated with such investment or service, shall not be considered System Reliability Procurement per this definition. Such investments and services are, however, still subject to the Guidance Document issued in Docket No. 4600A.

³ Including, but not limited to, the resources named in R.I. Gen. Laws § 39-1-27.7(a)(1)(i)-(iii).

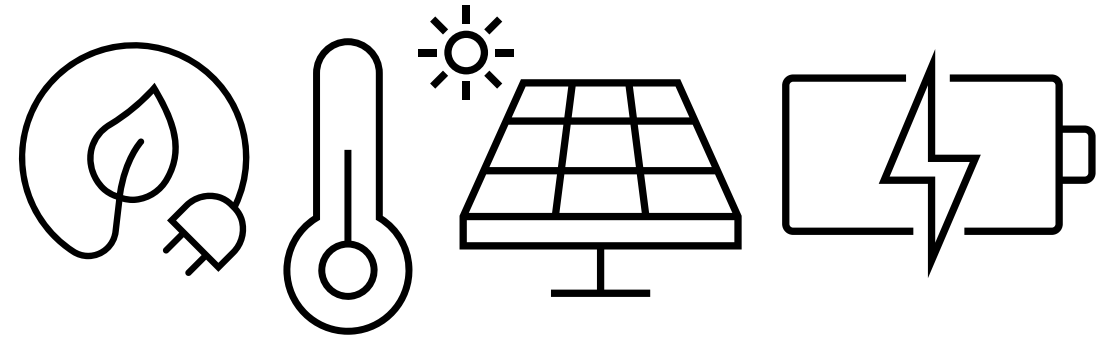
Ex: Electric System

Wires Solutions



Electrical Lines
Transformers
Substations
Etc.

Non-Wires Solutions



Energy Efficiency
Demand Response
Distributed Generation
Energy Storage
Etc.



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2023 SRP TWG Workplan

High-level 2023 workplan



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Timing	Goal
2022 Q4	Refresh SRP TWG and get all administrative pieces organized
2023 Q1	Discuss when and how to apply expected value the decision of whether to choose a wires solution or a non-wires solution
2023 Q2	Discuss locational value of targeted outreach
2023 Q3	Focus on 2024-2026 SRP Three-Year Plan
2023 Q4	Focus on finalizing Non-Pipes Program

High-level 2023 workplan



Timing	Goal		
2022 Q4	Refresh SRP TWG and get all administrative pieces organized		
2023 Q1	Discuss when and how to apply expected value the decision of whether to choose a wires solution or a non-wires solution		
	Jan	Feb	Apr
<ul style="list-style-type: none"> • Overview of concept and work to date • Confirm workplan • Discuss meeting lengths • Discuss test case for March 	<ul style="list-style-type: none"> • Brief review and Q&A • Frame out simple fictional NWA example • Define the scenarios • Assign values • Assess probabilities 	<ul style="list-style-type: none"> • Primer on deferral value • Application of expected value • Preview of 2022 SRP Year-End Report 	
2023 Q2	Discuss locational value of targeted outreach		
2023 Q3	Focus on 2024-2026 SRP Three-Year Plan		
2023 Q4	Focus on finalizing Non-Pipes Program		

High-level 2023 workplan



Timing	Goal		
2022 Q4	Refresh SRP TWG and get all administrative pieces organized		
2023 Q1	Discuss when and how to apply expected value the decision of whether to choose a wires solution or a non-wires solution		
2023 Q2	Discuss locational value of targeted outreach		
May	June	June	
<ul style="list-style-type: none"> • Priorities for 2024-2026 SRP 3YP from members • Conceptual preview of 2024-2026 SRP 3YP • Discuss which BCA categories lend themselves to locational value • Discuss locational outreach on heavily loaded feeders 	<ul style="list-style-type: none"> • Electric Load Forecasting Discussion 	<ul style="list-style-type: none"> • Focus on non-pipes 	
2023 Q3	Focus on 2024-2026 SRP Three-Year Plan		

High-level 2023 workplan



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Q3 and Q4 are proposed workplans that are subject to change.



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2022 SRP Year-End Report

Reference: Requirements

LCP Standards:

“The Three-Year SRP Plan will include an annual reporting plan on the implementation of the Three-Year SRP Plan and investments made under System Reliability Procurement during the Three-Year SRP Plan period.”

Three-Year SRP Plan:

“3. SRP Year-End Reports

- a. National Grid will submit a Year-End Report to the EERMC and the SRP TWG for their review and comment annually at least three weeks before the EERMC’s scheduled meeting prior to the filing date that year.
- b. The EERMC shall vote whether to endorse the Annual Plan prior to the prescribed filing date, annually.
- c. June 1, 2021 and annually thereafter: Submit the Year-End Report detailing plan implementation for the preceding calendar year.
- d. The SRP Year-End Reports will contain content including, but not limited to:
 - i. Screening results summary on all applicable wires and pipes investments for potential NWA or NPA opportunities.
 - ii. Details on Rhode Island Company electric service projected load growth rates.
 - iii. Status and progress updates on potential NWA or NPA opportunities.
 - iv. Status and progress updates on active and implemented NWA or NPA projects.
 - v. Status and progress updates on new enhancements for the Rhode Island System Data Portal, as applicable.
 - vi. Status and progress updates on SRP market engagement efforts, as applicable.
 - vii. Proposals to update the Company’s NWA screening criteria for Rhode Island, as applicable.
 - viii. Proposals to update the Company’s RI NWA BCA Model, as applicable.
- e. The Company proposes the annual reporting plan for SRP Year-End Reports as detailed above for calendar years 2021 through 2023.”

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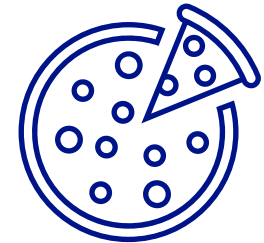
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2024-2026 SRP Three-Year Plan

2024-2026 SRP Three-Year Plan: RIE Priorities









4.3 General Plan Design and Principles

- A. In order to meet Rhode Island’s gas and electric energy system needs and policy goals in a manner consistent with R.I. Gen. Laws §39-1-27.7, Three-Year SRP Plans should include both a **broad consideration of needs and goals and broad consideration of solutions** to these needs and goals in order to encourage optimal investment by the distribution company.
- B. The Three-Year SRP Plan should be **integrated** with the distribution company’s distribution planning process and be designed, where possible, to complement the objectives of Rhode Island’s energy policies and programs as described in Section 3.2.A.
- C. The Three-Year SRP Plan should be designed so that potential non-utility solution providers can **understand** how and when the distribution company makes decisions to implement System Reliability Procurement in lieu of Utility Reliability Procurement.



Least-Cost Procurement Standards (2020 version adopted in Docket 5015)

2024-2026 SRP Three-Year Plan: RIE Priorities

A	B	C	Objectives	How
			<p>Readable: Easy to navigate and understand by any reader, including third-party solution providers</p>	<ul style="list-style-type: none"> • Restructuring sections and content to be more responsive to the LCP Standards Chapter 4 • Organizational discipline • Concise writing
			<p>Useful: Demonstrate clear alignment and integration with other business functions and investment proposals</p>	<ul style="list-style-type: none"> • Links to overarching business objectives • Cross references • Calling out contingencies if/when they exist
			<p>Actionable: Where we identify areas of innovation or improvement, provide clear and actionable workplans</p>	<ul style="list-style-type: none"> • Work/research/discussions needed • Milestones • Interim and end deliverables
			<p>Compelling: Clear proposals for PUC ruling with well-supported justification and reasoning</p>	<ul style="list-style-type: none"> • Screening requirements and implementation plans for non-wires and non-pipes solutions • Annual reporting requirements • Performance metrics and incentive plan • Other proposals, as appropriate

For More Information



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References

[Least-Cost Procurement Statute](#)

[Least-Cost Procurement Standards](#)

Docket 5080

[2021-2023 SRP Three-Year Plan](#)

[2021 SRP Year-End Report](#)

[System Data Portal](#)

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