

System Reliability Procurement 2021-2023 Three-Year Plan

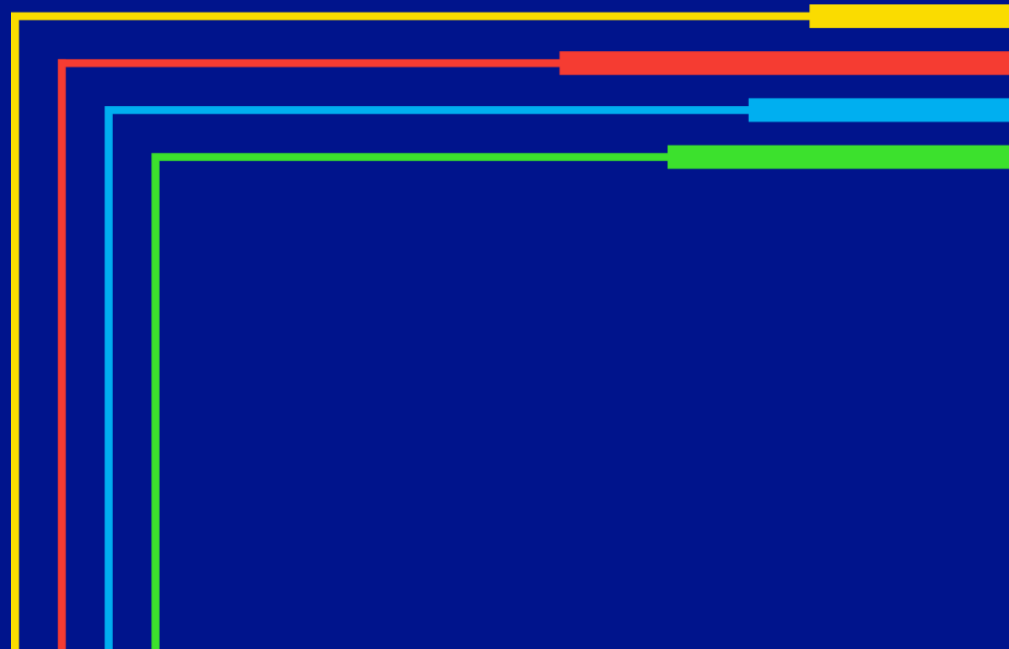
Final Draft

EERMC: November 12, 2020

SRP TWG: October 28, 2020



Reason for SRP



Reason for SRP

To identify alternative solutions through **customer and grid-side opportunities** that are **cost-effective**, **reliable**, **prudent**, **environmentally responsible**, and provide the path to **lower supply and delivery costs** to customers in Rhode Island.

- The Company primarily carries this out through the proposal and implementation of **Non-Wires Alternative (NWA) projects** in SRP.
- **NWA** is the inclusive term for any **electrical grid investment** that **defers or removes the need** to construct or upgrade an electrical system.
- National Grid is also researching **Non-Pipes Alternative (NPA)** opportunities.

NWAs are the core component of SRP

Differences between Plans

ISR?

- NWAs align with the Least-Cost Procurement (LCP) statute (§ 39-1-27.7).
- NWAs fall outside of the purview of the Infrastructure, Safety and Reliability (ISR) Plan.

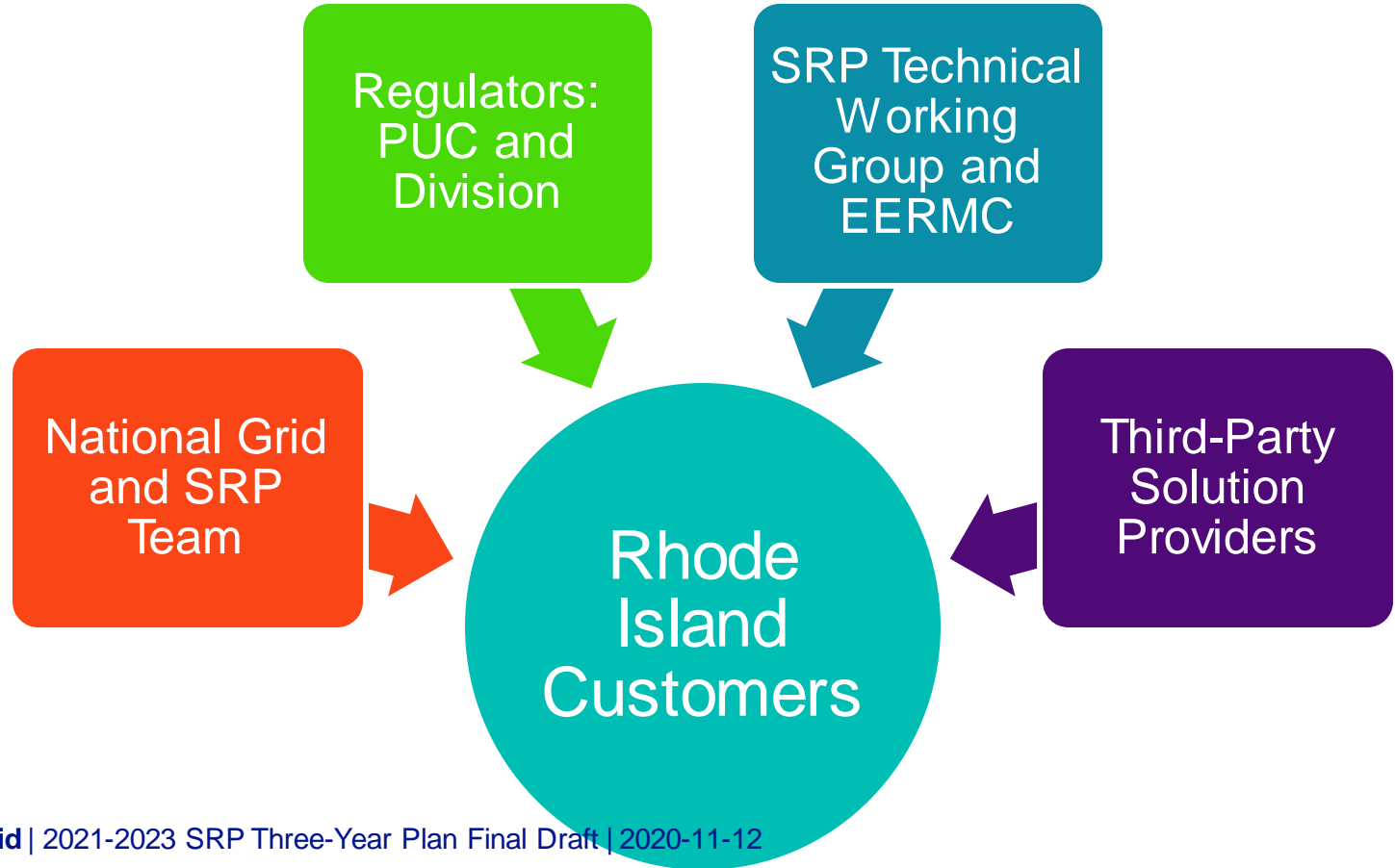
EEP?

- NWAs do not approach the electrical system in the same bulk-level manner as energy efficiency.
- NWAs do not fall within the Energy Efficiency Program (EEP) Plan.

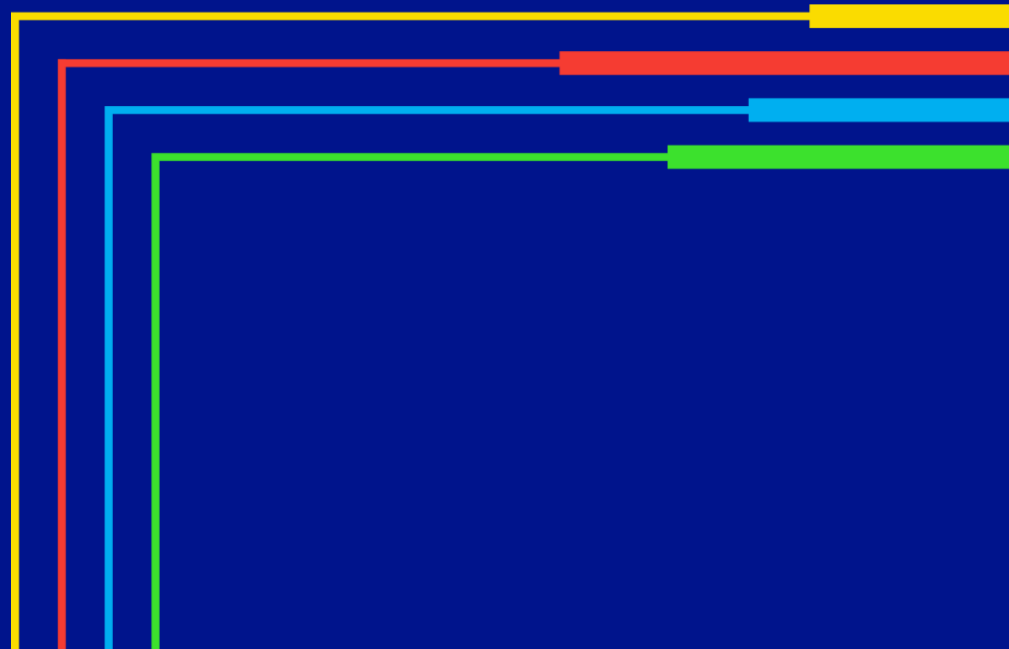
SRP

- NWAs are an integral part of reliability and distribution system planning, yet are not “traditional” distribution system work.
- NWAs are alternative solutions to address targeted electrical system needs.

Who's involved with SRP?



2021-2023 SRP Three-Year Plan Development



2021-2023 SRP Three-Year Plan Development

First Draft

Content development starts, major edits from prior plan made, some items TBD

July 24th: Circulated to SRP TWG and EERMC

August 14th: Stakeholder comments due on First Draft

Second Draft

Refinement and revisions to content, numbers start being entered

September 11th: Circulated to SRP TWG and EERMC

September 25th: Stakeholder Comments due on Second Draft

Final Draft

Finalization to content and numbers

October 29th: Circulated to SRP TWG and EERMC

November 12th: EERMC Vote

November 20th: 2021-2023 SRP 3YP filed with PUC

SRP 3YP Final Draft Updates

- **Changes since SRP 3YP Second Draft:**
 - Clarified language in and just after Table 4 re: cost-effectiveness categories. Section 3.2.
 - Added detail re: Targeted Gas DR to the NPA program development plan. Section 8.2.
 - Added clarification that an annual stakeholder meeting will be held to review the electric forecast. Section 11.1.
 - Added preemptive targeted EE/DR detail. Section 11.3.
 - Clarified coordination between SRP and GridMod+AMF. Section 11.4.
 - Appendix 1 now up to date and added new Appendix 2.



SRP Proposals Summary

SRP Section	SRP Initiative/Proposal	Requested Ruling
5	SRP Funding Mechanism	The Company requests the PUC approve the Company's proposal that operational expenditure (opex)-type SRP investments be funded through the System Benefit Charge, or Energy Efficiency (EE) Charge, on customers' bills.
5	SRP Funding Mechanism	The Company requests the PUC approve the Company's proposal that capital expenditure (capex)-type SRP investments be filed and proposed in an SRP Investment Proposal.
6	SRP Performance Incentive Mechanism	The Company requests the PUC approve the Company's proposed performance incentive mechanism (PIM) for calendar years 2021 through 2023.
7.2	NWAs in System Planning	The Company requests the PUC approve the proposed NWA screening criteria for Rhode Island as detailed in Table 5 for calendar years 2021 through 2023.
8	NPAs in System Planning	The Company requests the PUC approve the development plan for the Non-Pipeline Alternatives program in calendar years 2021 through 2023.
12	SRP Timeline: SRP Investment Proposals	The Company requests the PUC rule on SRP Investment Proposals within 60 days of filing.
12	SRP Timeline: Year-End Reports	The Company requests the PUC approve the annual reporting plan for SRP Year-End Reports for calendar years 2021 through 2023.

SRP Commitments Summary

SRP Section	SRP Commitment
7	The Company plans to continue analyzing its current NWA screening and development processes to determine how NWAs might be best considered as both complete and partial solutions.
8	The Company commits to performing further background research on NPAs, to exploring how NPAs align with Company policy and the Least Cost Procurement Standards (LCP Standards), and to build out the NPA program over calendar years 2021 through 2023. The Company commits to engaging with stakeholders to discuss and understand opportunities and challenges regarding NPAs.
8.2	The Company intends to engage stakeholders continually throughout the development of the NPA program over the next three years via SRP TWG meetings. The Company intends stakeholders to be engaged during the development of specific program parts, as detailed in Section 8.2.
8.2	The Company commits to produce a detailed initial NPA Program at the end of the 2021-2023 SRP Three-Year Plan cycle.
11	The Company recognizes that improved synchronization between SRP and Power Sector Transformation (PST), the Energy Efficiency Program Plan (EE Plan), the Infrastructure, Safety and Reliability (ISR) Plan, the Renewable Energy Growth (REG) Program, the Grid Modernization Plan (GMP), and the Advanced Metering Functionality (AMF) Business Case is necessary and intends to maintain and improve coordination between these filings.
11	Therefore, the Company commits to continued stakeholder engagement and continued participation in enhanced discussions regarding SRP, NWA, and related policy and programs with stakeholders.
11.1	The Company will commit to maintaining alignment between SRP and AMF with regard to the AMF Data Governance and Management Plan and will participate in future collaborative discussions about data access and security.

SRP Funding Request

Funding request for next three-years anticipated to be **\$0 incremental cost** for the **Portal** and **SRP Market Engagement**.

NWA and NPA projects to be filed in SRP Investment Proposals, therefore reflected as TBD in SRP 3YP.

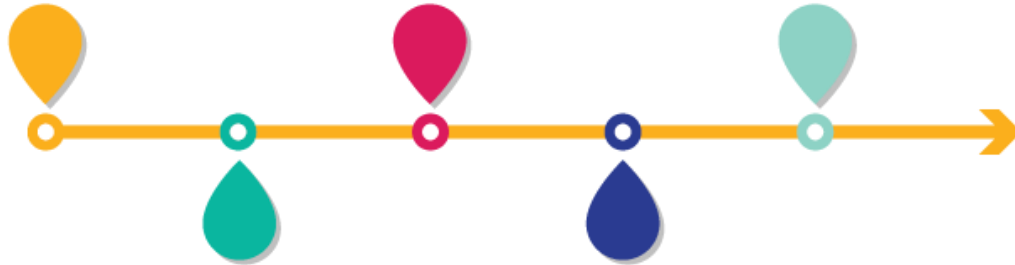
SRP Section	SRP Initiative/Proposal	CRM	CY 2021	CY 2022	CY 2023
6.1	SRP Incentive Mechanism, Savings-Based Incentive	EE Charge	TBD	TBD	TBD
7	NWAs in System Planning	TBD	TBD	TBD	TBD
8	NPAs in System Planning	TBD	TBD	TBD	TBD
9	Rhode Island System Data Portal	EE Charge	\$0	\$0	\$0
10	SRP Market Engagement	EE Charge	\$0	\$0	\$0
Total			\$0	\$0	\$0

2021-2023 SRP 3YP – Next Steps

Final Versioning: Final formatting and tweaks to advance the Final Draft into the Final Version.

Final Version Filing: November 20th.

Hearing Prep: Will coordinate with settling parties as needed leading up to the hearing.



national**grid**