

Memo



STATE OF RHODE ISLAND
**ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL**

To: RI Energy Efficiency and Resource Management Council
From: Consultant Team
CC: Becca Trietch
Date: July 22, 2021
RE: System Reliability Procurement (SRP) Year to Date Update

CONSULTANT TEAM

INTRODUCTION

This memo summarizes key System Reliability Procurement (SRP) activities so far in 2021. Five key areas of activity are covered below: Non-Pipes Alternatives (NPA) Program development progress, Non-Wires Alternatives (NWA) proceedings, Technical Working Group (TWG) proceedings, Rhode Island System Data Portal updates, and SRP Market Engagement status. The last section looks forward for SRP in 2021.

NON-PIPES ALTERNATIVES (NPA) PROGRAM DEVELOPMENT

National Grid, with significant input and engagement with stakeholders, has developed a proposed definition of NPA, proposed NPA screening criteria, and proposed NPA evaluation process, all described within the 2020 System Reliability Procurement (SRP) Year-End Report¹. National Grid has provided opportunities for discussion and comment throughout the development of the NPA program through SRP Technical Working Group (TWG) meetings. These conversations are planned to continue, including further discussion of stakeholder perspectives on NPA screening criteria, evaluation process, and other elements of program design.

NON-WIRES ALTERNATIVES (NWA) PROGRAM UPDATES

National Grid evaluated the third-party bid for the **Bristol 51 NWA** opportunity from August 2020 to early 2021 and determined that it did not pass the NWA evaluation criteria. Consequently, National Grid plans to proceed with the wires option for this system need². More recently, National Grid has been engaged in evaluating bids received for the **South Kingstown NWA** and **Bonnet 42F1 NWA**. The Rhode Island Office of Energy Resources (OER), Rhode Island Division of Public Utilities and Carriers (DPUC), and the EERMC Consultant Team (C-Team) engaged in detailed discussions regarding early evaluation results for the bids received. Proposed projects included a Battery Energy Storage System with co-sited solar, a Virtual Power Plant utilizing distributed demand response resources, including energy storage systems with paired solar as well as separate diesel gensets. Early analyses suggest these third-party bids will not be selected. Stakeholders asked to see the internal analysis evaluating National Grid's internal deployment of efficiency and demand response, which National Grid has deemed unfeasible. Stakeholders also asked National Grid to conduct an internal analysis to understand the feasibility of

¹ 2020 SRP Year-End Report: <http://rieermc.ri.gov/wp-content/uploads/2021/05/2020-srp-year-end-report-final-draft-clean.pdf>

² National Grid will proceed with the wires option for the system need associated with the Bristol 51 NWA opportunity through future Infrastructure, Safety, and Reliability proceedings.

locational incentives for rooftop solar PV and battery energy storage. National Grid has committed to doing so and plans to discuss all analyses with stakeholders at the August SRP TWG.

TECHNICAL WORKING GROUP (TWG) PROCEEDINGS

The SRP TWG Stakeholders have engaged in productive discussions on several topics so far in 2021, four of which are briefly highlighted here. Further information on content covered in SRP TWGs can be found in memos provided by the C-Team to the Council earlier in the year^{3,4}. First, the detailed discussions referenced above regarding **NPA program development and specific NWA opportunities** have been productive and enabled significant stakeholder feedback on these two central SRP programs. Second, the TWG had an opportunity to learn more about **electric forecasting** undertaken by National Grid and looks forward to further engagement on this topic, including methodological discussion. Third, OER and the EERMC C-Team presented on two economics concepts, **expected value and option value**, as potential methodological improvement for NWA and NPA cost-effectiveness screening. Fourth, OER presented on a program design opportunity to leverage existing EE and DR programs to mitigate potential future electric system constraints via **targeted EE and DR outreach** to customers connected to heavily-loaded feeders. Targeted EE and DR outreach does not entail increasing incentive levels. Targeted marketing and outreach are anticipated to carry little or negligible additional cost, while increasing the likelihood of deferred distribution system costs for an overall cost-effective approach.

RHODE ISLAND SYSTEM DATA PORTAL

Electric forecasts, the Electric Infrastructure, Safety and Reliability Plan (ISR Plan), the SRP 2021-2023 Three-Year Plan, and the 2020 SRP Year-End Report have been uploaded to the Rhode Island System Data Portal⁵. An update on a few in-progress Portal enhancements will be communicated following their completion, likely in the next SRP Year-to-Date Summary.

SRP MARKET ENGAGEMENT

Following calendar year 2020, the Company has entered a maintenance phase with market engagement for the Rhode Island System Data Portal. Therefore, the only planned SRP Market Engagement activities for the Portal are to maintain web traffic analytics to the Portal landing page. These web traffic analytics have no cost to operate or acquire.

LOOKING FORWARD

Key remaining items in 2021 for SRP include a Technical Session held by the PUC on July 26, 2021 to discuss the SRP Three Year Plan and Year End Report, as well as further TWG discussions, including NPA program development and National Grid's internal NWA opportunity analyses as referenced above.

³ March TWG update memo: <http://rieermc.ri.gov/wp-content/uploads/2021/03/c-team-memo-twg-update-3-11-21.pdf>

⁴ June TWG update memo: <http://rieermc.ri.gov/wp-content/uploads/2021/06/c-team-memo-twg-update-6-17-21.pdf>

⁵ See Rhode Island System Data Portal. *National Grid US*, National Grid USA Service Company, Inc., 2018, www.nationalgridus.com/Business-Partners/RI-System-Portal.