

# System Reliability Procurement 2021-2023 Three-Year Plan

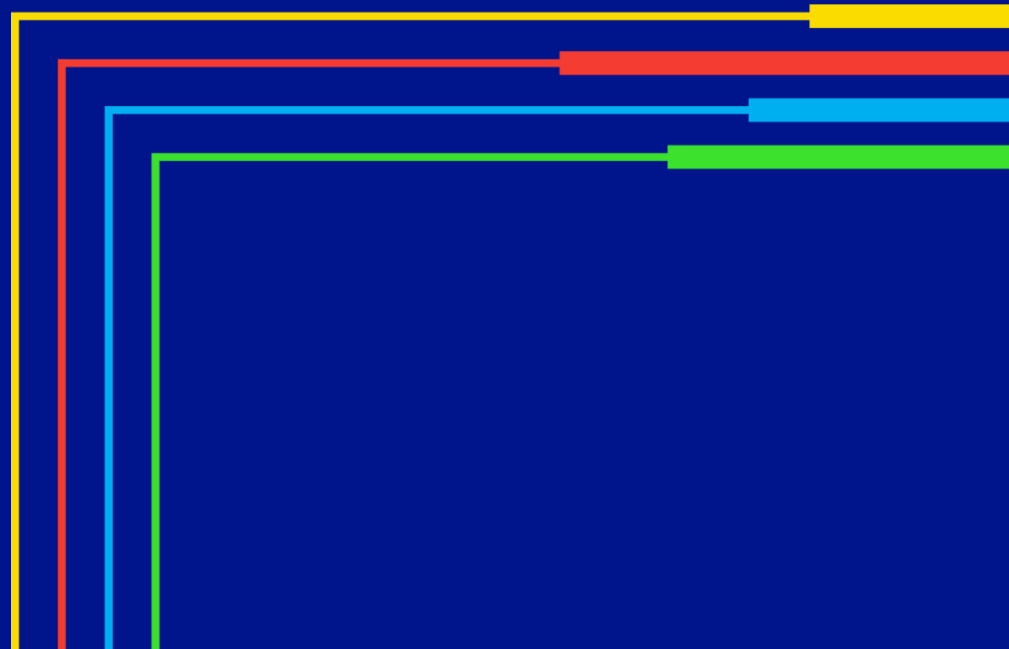
## First Draft

SRP TWG: August 19, 2020

EERMC: August 20, 2019



# Reason for SRP



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To identify alternative solutions as **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)
- Alternative solutions fall outside of the purview of the Infrastructure, Safety and Reliability (ISR) Plan

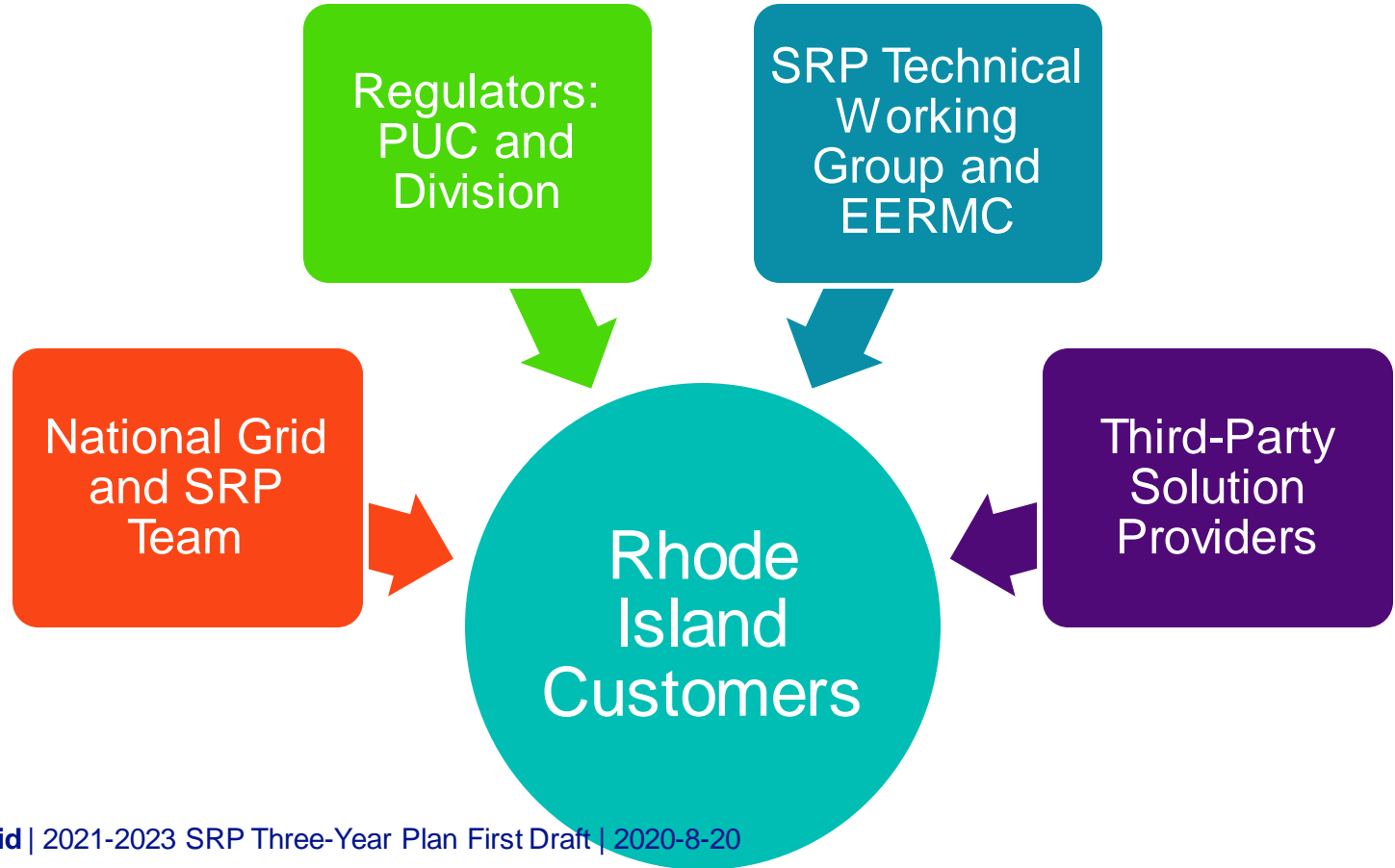
EEP?

- NWAs are an integral part of reliability and distribution system planning
- Do not fall within the Energy Efficiency Program (EEP) Plan

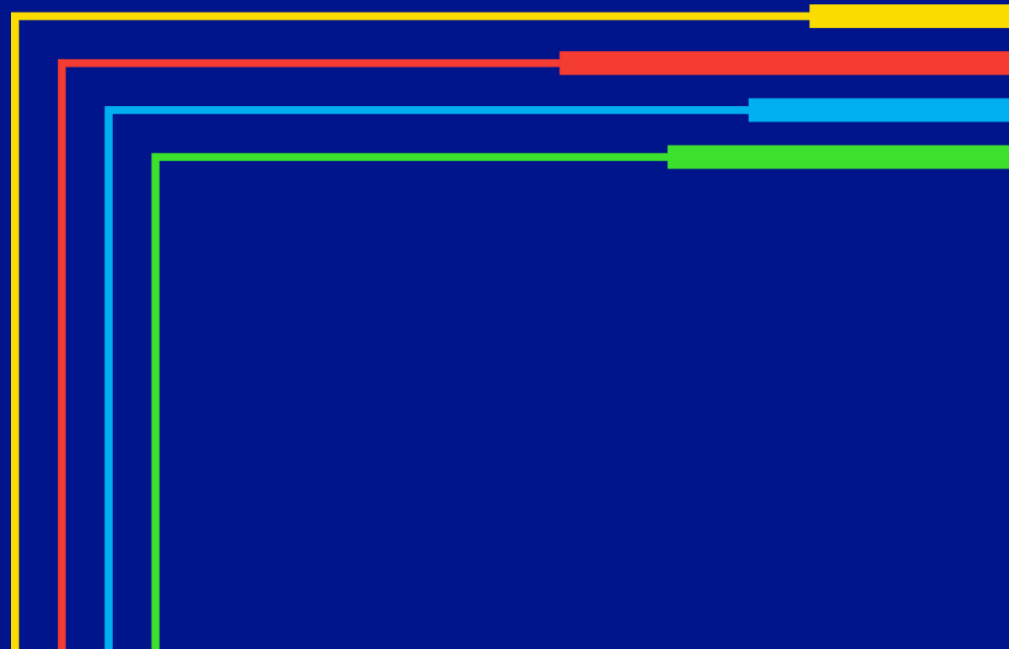
SRP

- NWAs are alternative solutions to address targeted electrical system needs
- Not “traditional” distribution system work
- Do not approach the electrical system in the same bulk-level manner as energy efficiency

# 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 17<sup>th</sup>:

Circulated to SRP TWG and EERMC

August 14<sup>th</sup>:

Stakeholder comments due on First Draft

## Second Draft

Refinement and revisions to content, numbers start being entered

September 11<sup>th</sup>:

Circulated to SRP TWG and EERMC

October 1<sup>st</sup>:

Stakeholder Comments due on Second Draft

## Final Draft

Finalization to content and numbers

October 19<sup>th</sup>:

Circulated to SRP TWG and EERMC

November 20<sup>th</sup>:

2020 SRP Report filed with PUC

# 2021-2023 SRP 3YP Outline

## Sections 1-4

Information-only: **Executive Summary, Introduction, Regulatory Basis for SRP, and SRP Program Design and Planning Principles**

## Section 5

### **SRP Funding Mechanism**

Details the proposed SRP funding mechanism for SRP investments.

## Section 6

### **SRP Performance Incentive Mechanism**

Details the PIM for SRP.

## Section 7

### **NWAs in System Planning**

Details the NWA definition, screening criteria, and planning and evaluation processes.

## Section 8

### **Proposal for NPAs in System Planning**

Details the NPA definition, and proposed plan for developing the NPA program in Rhode Island.

## Section 9

### **Rhode Island System Data Portal**

Details the Portal to date and the planned activity for additional Portal enhancement.

## Section 10

### **SRP Market Engagement**

Details the National Grid's engagement with the market for SRP investments and activities.

## Section 11

### **Coordination between SRP and other Programs**

Details coordination between SRP and PST, ISR, EE, Grid Mod, and AMF.

## Section 12

### **SRP Timeline**

Details the regulatory timeline for the SRP program's integral parts.

# What's New in the 2021-2023 SRP Three-Year Plan?

First year for a standalone Three-Year Plan for SRP.

- Revised NWAs in System Planning section for better clarity on NWA definition, screening criteria, and evaluation process.
- New section detailing plan for NPAs in System Planning.
- Clarified SRP Market Engagement section, added detail on National Grid's procurement process.
- Proposals: SRP Funding Mechanism, SRP Performance Incentive Mechanism, NPAs in System Planning, SRP Timeline: Year-End Reports



# SRP Funding Mechanism and SRP Incentive Mechanism

## SRP Funding Mechanism:

- Language detailing the current funding mechanism for SRP investments
  - Proposal to file capex SRP investments in an SRP Investment Proposal, and with capex tracking factors for such investments.
- Planned Funding Requests for 2021-2023



## SRP Incentive Mechanism:

- Framework detailed for Savings-Based Incentives
- Framework being developed for Locational Incentives

# SRP Funding Request

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

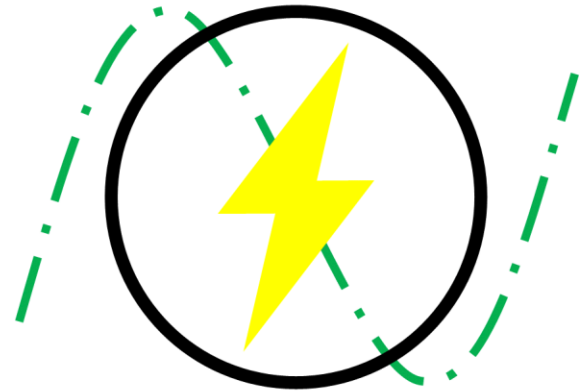
**NWA and NPA projects to be filed in SRP Investment Proposals, therefore reflected as unk./\$0 in SRP 3YP.**

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

# NWAs in System Planning

## Details the following components of National Grid's NWA program:

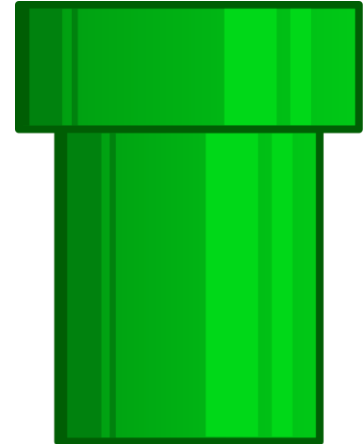
- Definition of NWA
- Screening Criteria for NWA
- NWA Planning Process and Integration with Electric System Planning
- NWA Evaluation Process



# Proposal for NPAs in System Planning

## Details the following components of National Grid's in-progress NPA program:

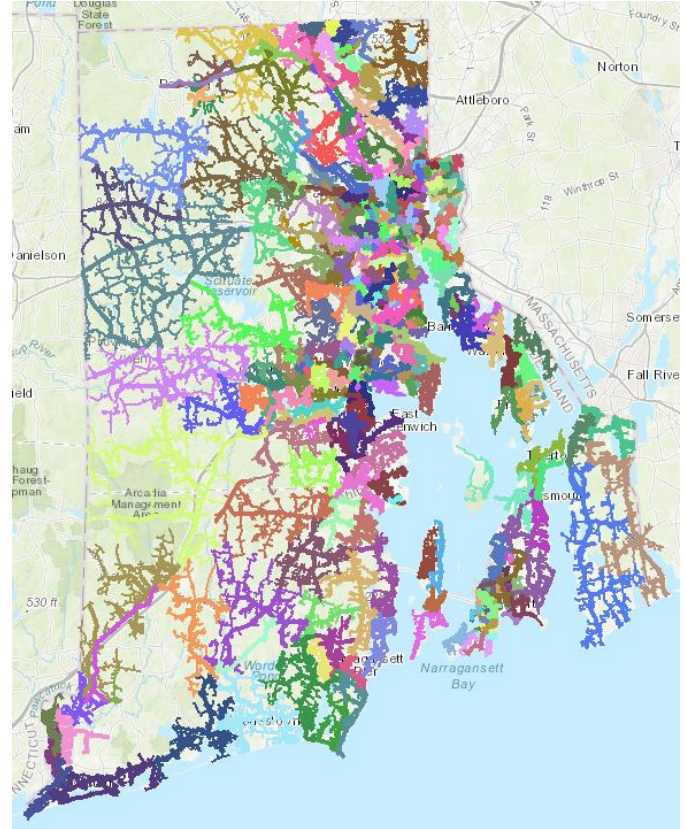
- Definition of NPA
- Screening Criteria for NPA (TBD)
- NPA Planning Process and Integration with Gas System Planning (TBD)
- NPA Evaluation Process (TBD)



# Rhode Island System Data Portal

## Details the following components of National Grid's Rhode Island System Data Portal:

- Development of the Portal to Date
- Portal Funding Plan
  - No additional funding requested as there are no currently planned Portal enhancements for calendar years 2021 through 2023.



# SRP Market Engagement

## Details the following components of National Grid's Market Engagement program for SRP:

- National Grid's procurement process
- Market engagement channels for SRP and NWA activities
- SRP Market Engagement Proposal
  - Portal has entered a maintenance phase with market engagement
- Market Engagement Funding Plan
  - Anticipate \$0 for 2021 through 2023



# 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 opex-based 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 capex-based 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.
8	NPAs in System Planning	The Company requests the PUC approve the development plan for the Non-Pipeline Alternatives (NPA) program in calendar years 2021 through 2023.
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.
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 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.

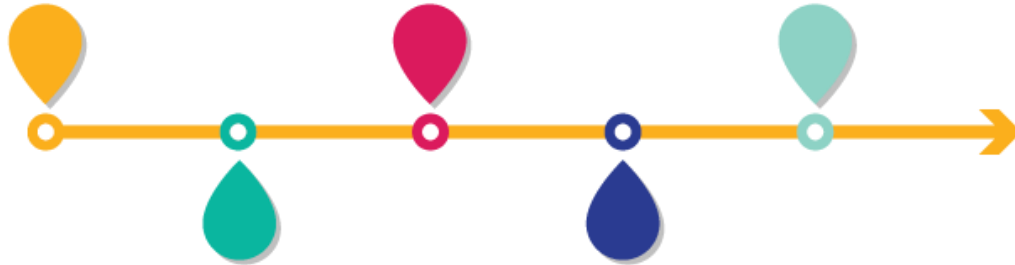
# 2021-2023 SRP 3YP – Next Steps

**First Draft Review:** Comment submittal on Friday August 14<sup>th</sup>.

**Second Draft Review:** To be circulated on September 11<sup>th</sup>. Comments due October 1<sup>st</sup>.

**SRP Plan Development:** Continuing discussions with SRP TWG members on draft development, priorities, and proposals.

**Plan Refinement:** Company continuing content refinement and numbers determination.



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