

BEFORE THE
NEW YORK STATE
PUBLIC SERVICE COMMISSION

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Proceeding on Motion of the Commission as to the
Rates, Charges, Rules and Regulations of
Central Hudson Gas & Electric Corporation
for Electric Service

Case 20-E-_____

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Proceeding on Motion of the Commission as to the
Rates, Charges, Rules and Regulations of
Central Hudson Gas & Electric Corporation
for Gas Service

Case 20-G-_____

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**DIRECT TESTIMONY OF THE
CLIMATE AND ENERGY LEADERSHIP PANEL**

August 27, 2020

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11
12
13
14
15
16
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TABLE OF CONTENTS

I. INTRODUCTION 1

II. PURPOSE OF TESTIMONY..... 6

III. DER INTEGRATION 7

IV. DISTRIBUTION SYSTEM OPERATIONS..... 12

V. CDG INTERCONNECTION PROPOSAL..... 18

VI. EV MAKE READY PROGRAM AND EV OUTREACH..... 20

VII. GAS FUTURE INITIATIVES 28

VIII.INSIGHTS+ DEMONSTRATION PROJECT 43

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

I. INTRODUCTION

1

2 Q. Please state the names of the members of the Climate and Energy
3 Leadership Panel ("Panel").

4 A. Our names are John J. Borchert, Heather M. Adams, and Ryan G.
5 Hawthorne.

6 Q. Mr. Borchert, please state your current employer and business address.

7 A. I am employed by Central Hudson Gas & Electric Corporation ("Central
8 Hudson" or the "Company") and my business address is 284 South
9 Avenue, Poughkeepsie, New York 12601.

10 Q. Mr. Borchert, in what capacity are you employed by Central Hudson and
11 what is your scope of responsibilities?

12 A. I am employed by Central Hudson as Senior Director of Energy Policy and
13 Transmission Development. In that capacity, I am responsible for defining
14 and representing the Company's interests related to energy policy issues
15 as well as initiatives to develop regional electric and gas transmission
16 projects. I lead the Company efforts in the coordination of energy policy
17 related to the New York Independent System Operator ("NYISO") and
18 Federal Regulatory Energy Commission ("FERC") energy and capacity
19 markets and development of the Company's Distributed System
20 Implementation Plan.

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

- 1 Q. Mr. Borchert, what is your educational background and professional
2 experience?
- 3 A. I received a Bachelor of Engineering degree in Electric Engineering from
4 SUNY Maritime College, Bronx, New York in 1985, and an M.S. degree in
5 Electric Engineering from Polytechnic University, Brooklyn, New York in
6 1992. I am a registered Professional Engineer in the State of New York.
7 Over the last 35 years, I have been an Engineering and management
8 employee of Central Hudson. In my current position I monitor and provide
9 strategic input in the technical aspects of state and federal regulatory
10 energy policy. I serve as Central Hudson's representative on various
11 NYISO Committees, as well as the New York State Transmission Owners
12 Technical Committee. I represent Central Hudson in the development and
13 formation of the NY Transco, a public-private partnership of the NY
14 Transmission Owners to jointly develop and own transmission facilities in
15 New York. Prior to my current position, I was Manager of Electric
16 Engineering at Central Hudson. I joined Central Hudson in 1985 as a
17 Junior Engineer and had been promoted to several positions within the
18 utility, including Power Quality Services Engineer, Supervisor of New
19 Business, Manager of Customer Services, and Manager of Gas &
20 Mechanical Engineering.

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 Q. Mr. Borchert, have you previously testified before the New York State
2 Public Service Commission (“PSC” or the “Commission”)?

3 A. Yes. I have previously testified before this Commission in Cases 05-E-
4 0934, 05-G-0935, 08-E-0887, 08-G-0888, 17-E-0459 and 17-G-0460.

5 Q. Ms. Adams, please state your current employer and business address.

6 A. I am employed by Central Hudson and my business address is 284 South
7 Avenue, Poughkeepsie, New York 12601.

8 Q. Ms. Adams, in what capacity are you employed by Central Hudson and
9 what is your scope of responsibilities?

10 A. I am employed by Central Hudson as Director of Gas Business
11 Transformation. In that capacity, I am responsible for the strategy and key
12 initiatives related to the future of Central Hudson’s gas business.

13 Q. Ms. Adams, what is your educational background and professional
14 business experience?

15 A. I received a B.S. in Electrical Engineering from Lehigh University in 2003
16 and an MBA from New York University’s Stern School of Business in
17 2008. I am a registered Professional Engineer in New York State.
18 Following a summer internship, I joined Central Hudson in 2003 as a
19 Junior Engineer in the Electric System Protection Section. In 2004, I was
20 promoted to Assistant Engineer. In 2006, I was transferred to the Electric
21 Distribution Planning Section, where I held positions of increasing
22 responsibility and scope in various areas of Electric Distribution Planning

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 and Engineering. Most recently, these included Associate Director of
2 Electric Distribution and Standards in 2013, and Director of Electric
3 Distribution and Standards in 2015. In that role, I led several future
4 initiatives related to the electric business, including serving as utility
5 chairperson of the New York State Interconnection Technical Working
6 Group and the Electric Power Research Institute's leadership team. I was
7 appointed to my current position in July 2019.

8 Q. Ms. Adams, have you previously testified before the Commission?

9 A. Yes, I previously testified before the Commission in Cases 17-E-0459 and
10 17-G-0460.

11 Q. Mr. Hawthorne, please state your current employer and business address.

12 A. I am employed by Central Hudson and my business address is 284 South
13 Avenue, Poughkeepsie, New York 12601.

14 Q. Mr. Hawthorne, in what capacity are you employed by Central Hudson and
15 what is your scope of responsibilities?

16 A. I am employed by Central Hudson as Assistant Vice President of Electric
17 Engineering and Operations. In that capacity, I am responsible for the
18 engineering, planning, design, construction, operations, and maintenance
19 of Central Hudson's electric transmission and distribution systems, as well
20 as our electrical substations. In addition, I have responsibility for the
21 Company's System Operations, Emergency Preparedness, and North

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 American Reliability Corporation (“NERC”) Reliability Compliance
2 organizations.

3 Q. Mr. Hawthorne, what is your educational background and professional
4 experience?

5 A. I graduated from Rensselaer Polytechnic Institute in 2008 with a Bachelor
6 of Science in Electrical Engineering and Computer & System Engineering.
7 In 2016, I received a Master of Engineering in Power Systems
8 Engineering from Worcester Polytechnic Institute. I joined Central Hudson
9 in 2008 as a Junior Engineer in the Electric Distribution Engineering
10 Section within our Electric Engineering Services Group. In 2011, I was
11 promoted to a supervisory position within the Electric Transmission &
12 Distribution Division, ultimately working in three of the Company’s five
13 geographic operating districts – first serving as Operating Supervisor, and
14 then as Electric Transmission & Distribution Superintendent. In 2014, I
15 was promoted to the position of Director of Dispatch Operations. In 2017,
16 I became Director of Distribution System Operations. In 2019, I was
17 promoted to the position of Director of Transmission & Distribution
18 Operations, with responsibility for Distribution System Operations and
19 Emergency Preparedness. In March 2020, I was named to my current
20 position.

21 Q. Mr. Hawthorne, have you previously testified before the Commission?

22 A. No, I have not.

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

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II. PURPOSE OF TESTIMONY

3 Q. What is the purpose of the Panel's testimony in these proceedings?

4 A.

The Panel presents the Company's Climate and Energy Leadership

5 efforts. We first address Distributed Energy Resources ("DER")

6 integration efforts. Next, the Panel addresses the Company's efforts in

7 transitioning to centralized Distribution System Operations. We describe

8 proposed updates to the Community Distributed Generation ("CDG")

9 Interconnection process, as well as Electric Vehicle ("EV") Make Ready

10 and outreach activities. We also discuss Gas Future Initiatives, including

11 proposals on Renewable Natural Gas ("RNG") and a Geothermal District

12 Energy Loop. Finally, we discuss the Company's existing Advanced

13 Metering Infrastructure. As we discuss each topic, we will also describe

14 the incremental staffing needs associated with each initiative, as

15 summarized in the exhibits of Company Witness McGinnis.

16 Q. Is the Panel sponsoring any exhibits in support of its testimony?

17 A. Yes. This Panel is sponsoring the following exhibits that were prepared by

18 or under the supervision of the Panel or one of its members:

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

Exhibit __ (CELP-1) contains the cumulative number of photovoltaic (“PV”) systems interconnected to the Central Hudson system by year from 2013 through 2019;

Exhibit __ (CELP-2) contains the cumulative connected megawatts (“MWs”) from these systems;

Exhibit __ (CELP-3) contains the number of CDG applications between 2MW and 5MW received by year from 2015 through 2019;

Exhibit __ (CELP-4) contains the total MWs included within these applications by year from 2015 through 2019;

Exhibit __ (CELP-5) contains the NYISO interconnection requests and Small Generator Pre-Applications by year from 2009 through 2019;

Exhibit __ (CELP-6) contains proposed program targets and budgets for the light duty electric vehicle Make Ready Program; and

Exhibit __ (CELP-7) contains the calculations for the 75th percentile of historical CDG interconnection costs.

III. DER INTEGRATION

Q. Please describe the impact State Energy Policies (i.e. Clean Energy Standard, Reforming the Energy Vision (“REV”)) have had on the number of interconnected DER, specifically PV, battery energy storage systems (“BESS”) and hybrid system (“PV + BESS”) installations within Central Hudson’s service territory.

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 A. The State Energy Policies have significantly increased the level of activity
2 for interconnected DER on the Central Hudson system. As shown in
3 Exhibit __ (CELP-1) and Exhibit __ (CELP-2), both the number of PV
4 system interconnections and the total PV MWs interconnected to the
5 Central Hudson system continue to grow at a significant rate.

6 Q. Are there factors increasing the resource requirements necessary for the
7 Company to address these interconnections?

8 A. Yes, a number of factors are increasing the resources required to process,
9 review and study these interconnection applications. As displayed in
10 Exhibit __ (CELP-3) and Exhibit __ (CELP-4), both the overall number and
11 size of interconnected DER is continuing to increase. Larger size
12 applications typically require greater levels of resources to process, study
13 and review. This is due to the overall impacts these larger
14 interconnections tend to have on our system, affecting distribution circuits,
15 substations and potentially the transmission system. In addition, the
16 Company is experiencing increased penetration levels in localized areas
17 of our service territory. This complicates the review process and presents
18 queue coordination issues (i.e., coordination among the Standardized
19 Interconnection Requirements ("SIR"), NYISO, and Central Hudson
20 queues). The Company is also experiencing higher levels of BESS and
21 hybrid (BESS + PV) systems, which adds time and effort to the review. As
22 BESS is a complex and versatile technology, these systems require

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 increased scenarios to analyze and understand impacts along with in-
2 depth reviews to understand operating characteristics and ensure
3 protection and controls are sufficient. In addition to the incremental work
4 associated with the actual interconnections, the Company continues to
5 invest resources in associated processes and systems. This type of work
6 includes the development and enhancement of hosting capacity maps and
7 continued alterations to the Company's Interconnection Online Application
8 Portal ("IOAP") to stay in-sync with New York State Standardized
9 Interconnection Requirements ("NYSSIR ") updates and reporting
10 requirements.

11 Q. Please describe the impact the Climate Leadership and Community
12 Protection Act ("CLCPA") goals are having and are projected to have on
13 both distribution and transmission level interconnections to the Central
14 Hudson system.

15 A. It is anticipated that the Company will experience an increase in the level
16 of proposed and completed interconnections to our system on both the
17 distribution and transmission level. Exhibit __ (CELP-5) shows the NYISO
18 interconnection requests and Small Generator Pre-Applications by year
19 from 2009 through 2019. Prior to 2018, the Company processed
20 approximately 295MWs of proposals; from 2018 to present, the Company
21 has experienced approximately 1,235MWs of proposals. Based on the
22 magnitude of the CLCPA goals, it is expected that these trends will

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 continue, with the impact more pronounced at the transmission level with
2 increased levels of transmission and substation interconnections.

3 Q. Is the level of work required the same for the smaller MW size/distribution
4 projects as it is for the larger MW size/utility scale sub-transmission and
5 transmission level interconnected projects?

6 A. No. The level of work for the larger scale sub-transmission/transmission
7 level projects is generally greater than the work required for the smaller
8 distribution level connected projects 5MW or less. The NYISO projects in
9 the Company service territory have ranged from 10-200MW in size.
10 These larger projects can be complex to study, may have more significant
11 or widespread system impacts and may require individual feasibility,
12 system impact and facilities studies. The work associated with the
13 interconnection is typically of a larger scale, requiring significant levels of
14 Engineering resources from a number of areas (Electric Transmission
15 Planning, Electric System Protection, Electric Substation Design, Electric
16 Transmission Design, and Electric Distribution Engineering and
17 Standards).

18 Q. What impact has this level of interconnection activity had on the
19 Company's Engineering resources?

20 A. The increased level of activity has significantly impacted existing Central
21 Hudson Engineering resources. Current staffing levels within Engineering
22 are struggling to keep up with the pace of work associated with the

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 interconnection requests while also completing the existing workload.

2 This negative impact on productivity will be compounded as the
3 penetration of both distribution and transmission level interconnections
4 results in additional projects clustering in the same geographic areas.

5 Clustered/higher penetration levels add to the level and complexity of
6 engineering work required. Additionally, the increase in DER systems and
7 the wide range of potential operating characteristics for those systems
8 impacts planning processes and studies conducted by employees within
9 the Distribution and Transmission Planning groups. Additional studies and
10 reviews may be required after interconnection has occurred due to
11 permanent or temporary circuit reconfigurations associated with capital
12 projects or maintenance. During the interconnection process, the
13 interconnection project is studied for the system normal condition. If the
14 projects wish to stay on-line during system abnormal conditions, additional
15 study work (load flow, short circuit) may be required by the Distribution or
16 Transmission Planning groups to determine overall impacts and possible
17 solutions to address any issues.

18 Q. Is the Company proposing incremental resources to address this
19 increased level of interconnection requests?

20 A. Yes, the Company is proposing to increase staffing levels in a number of
21 Engineering work groups to keep pace with the current/expected levels of
22 interconnection requests. The Company is proposing to add the following

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

resources: two incremental positions in Electric Transmission Planning;
two incremental positions in Electric System Protection; one incremental
position in Distribution Engineering and Standards; one incremental
position in Electric Substation Design; and one incremental staff position
for administration and coordination of the interconnection program. These
positions are included within the exhibits of Company Witness McGinnis.

Q. Is the Company proposing a significant increase in expense-related costs
associated with these incremental resources?

A. No, since interconnection developers are responsible for the costs
associated with their projects, credits will be applied from the
interconnection developers to offset the majority of internal labor costs that
will be charged to capital work orders.

IV. DISTRIBUTION SYSTEM OPERATIONS

Q. Please describe Central Hudson's Distribution System Operations
organization.

A. In 2017, Central Hudson formed a centralized Distribution System
Operations organization. This organization was created in response to the
implementation of the Distribution Management System ("DMS") – the
department to serve as the operator of the DMS platform and thus the
operational authority for the electric distribution system, ultimately
providing Central Hudson the ability to remotely control and monitor its
electric distribution system. This organization is currently staffed with an

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 Associate Director who oversees the department, a Distribution System
2 Engineer, and a DMS Model Manager. The Associate Director also has
3 responsibility for the Distribution Dispatch functions of the Company.
4 These individuals are charged with updating the electric system model to
5 prepare for future centralized operation, integrating the Distribution
6 Automation devices into the model for real-time monitoring and control,
7 and developing policies and procedures regulating future centralized
8 operation. This organization is based in the Distribution Control Center at
9 Central Hudson's Poughkeepsie headquarters, where Distribution
10 Dispatch activities are performed.

11 Q. Why is the Company centralizing Distribution System Operations?

12 A. The distribution grid is rapidly evolving. One-way power flow via central
13 station generators is no longer the norm. DERs continue to proliferate
14 across the state, and as a result power flow has become much more
15 complex, with a two-way flow interaction. As regulations change and
16 DERs like large solar fields or aggregators are able to bid into the
17 wholesale market, centralized control becomes necessary to effectively
18 operate an increasingly complex distribution network. Undertaking grid
19 modernization allows Central Hudson to continue its support of the wide
20 adoption of DERs within its service territory and help meet the State's
21 clean energy policy. With more devices on the system providing visibility
22 and control, the Company can better manage voltage variations and

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 quickly identify areas without power and work to restore them faster
2 through remote operation.

3 Q. Is the Company proposing incremental resources within the Distribution
4 System Operations organization?

5 A. Yes, the Company is proposing two incremental Distribution Operator
6 positions in the Rate Year to increase staffing levels for centralized
7 operation of the electric distribution system. Central Hudson plans to first
8 operate the DMS in a limited capacity for the areas where the electric
9 system model is complete; this will allow for proper testing, development
10 and transition to new policies and procedures. These two positions would
11 be focused on end-to-end testing as we commission devices within the
12 network. Within the Rate Year, the electric system model is scheduled to
13 be completed for two of Central Hudson's five geographic districts; these
14 two positions will also perform real-time monitoring & analysis on the
15 current system's operation as the model continues to be built. These
16 incremental positions are summarized in the exhibits of Company Witness
17 McGinnis. Additional incremental positions will be necessary in future
18 Rate Years to conduct system-wide centralized Distribution System
19 Operations.

20 Q. What functions do the Distribution Operators perform?

21 A. Distribution Operators perform the real-time monitoring and control of the
22 electric distribution system through the DMS. These tasks include:

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 acknowledgement of distribution system alarms (including monitoring of
2 remote gas distribution pressure points); optimizing system efficiency
3 through operation of Volt-VAr Optimization (“VVO”) while maintaining the
4 electric distribution system within the required American National
5 Standards Institute (“ANSI”) voltage limits; and restoration of customer
6 outages through remote operation of Distribution Automation devices.
7 With the transition to centralized Distribution System Operations,
8 operational authority for the distribution system will transition to these
9 operators; they are thus responsible for all distribution switching and
10 tagging. This includes proper lockout / tagout (“LOTO”) protocols such as
11 creating, reviewing, approving, and implementing distribution switching
12 orders, as well as issuing clearance to qualified individuals in order to
13 safely perform work on the distribution system. As DERs continue to
14 proliferate on the electric distribution system, and the number and
15 complexity of interactions increase, real-time monitoring of these systems
16 is required to identify and mitigate voltage or loading concerns as they
17 occur. The Distribution Operator will also perform this real-time
18 monitoring.

19 Q. Who performs these functions today?

20 A. Many of these functions and tasks are not currently performed; those
21 tasks that are performed today are done so in a decentralized manner.
22 Today, Central Hudson has five operating districts that operate

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 independently. Operating authority for the distribution system resides in
2 each of the five operating districts. Responses to outages are managed by
3 the centralized Distribution Dispatch Organization. As the centralized
4 Distribution System Operations organization is created and implemented,
5 this operating authority will shift to the Distribution Operators, thus
6 allowing for the new functions (real-time monitoring and control, VVO,
7 remote switching) described above. As noted, this shift to centralized
8 operations will take place regionally as the electric system model is
9 completed; full-scale transition is expected to be completed in 2024.

10 Q. Are there plans to develop a new Primary Control Center as Company-
11 wide centralized Distribution System Operations is undertaken?

12 A. Yes. Central Hudson is currently constructing a new Training Academy
13 and Primary Control Center, co-located on the same parcel. Co-location
14 of these facilities was utilized to achieve cost synergies associated with
15 site development and permitting, utility installation, and support staffing.
16 Construction of the Training Academy portion of the project is underway,
17 with completion projected for the second half of 2022. Design of the
18 Primary Control Center is currently underway to allow for construction to
19 begin following completion of the Training Academy. The Primary Control
20 Center is scheduled for completion in 2024, allowing both Transmission
21 and Distribution System Operations to relocate to the new facility by year-
22 end.

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

- 1 Q. What is the need for construction of a new Primary Control Center?
- 2 A. Given the decentralized operations practice in place today, the Company
- 3 currently has no Alternate Distribution Control Center. An alternate
- 4 secured facility is necessary to centrally manage the electric distribution
- 5 system on a continual basis, responding to outages and emergency
- 6 events, in the event of a loss of the primary Distribution Control Center.
- 7 The current Distribution Control Center houses the Distribution Dispatch
- 8 function, along with the current Distribution System Operations staff
- 9 previously mentioned. There is insufficient space within the existing
- 10 Distribution Control Center in order to accommodate the full complement
- 11 of Distribution Operators; as staffing in the department increases to allow
- 12 for centralized Distribution System Operations, additional space is
- 13 necessary to accommodate this increased headcount. This space,
- 14 however, is adequate for temporary operation when required as an
- 15 Alternate Control Center. Upon completion of the new Primary Control
- 16 Center, Transmission and Distribution System Operations will relocate to
- 17 this facility, and the space vacated at the Company's Poughkeepsie
- 18 headquarters will be designated as the Alternate Control Center. The
- 19 costs associated with this construction are discussed in the Capital Plan
- 20 Panel testimony.

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 Q. Are there additional software upgrades necessary that impact Distribution
2 System Operations?

3 A. Yes. Central Hudson's Outage Management System ("OMS") is
4 scheduled for replacement in 2022. Our existing OMS will no longer be
5 supported by the vendor after 2021 and is thus reaching end-of-life.
6 Industry practice has shifted from standalone OMS solutions to one
7 integrated within the DMS platform. Central Hudson's current OMS relies
8 on a GE Smallworld electric data model; the DMS operates from an
9 Environmental Systems Research Institute ("ESRI") electric system model.
10 As both products are relied on by Distribution System Operations, these
11 two separate models must be constantly maintained in order to avoid
12 reference conflicts between them. The benefits of an integrated solution
13 include operating off of a single electric data model, thus reducing the
14 amount of maintenance required. This OMS upgrade is included in the
15 Information Technology ("IT") portion of the Company's Five Year Capital
16 Plan as described in the Capital Plan Panel testimony.

17 **V. CDG INTERCONNECTION PROPOSAL**

18 Q. Please describe Central Hudson's proposed CDG Interconnection
19 Program.

20 A. In support of the CLCPA goals to encourage the installation of renewable
21 generation and remove the barriers to the development of DER, Central
22 Hudson is proposing a program designed to address the issue of the "first

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 mover” as well as improving the “financeability” of CDG projects. The “first
2 mover” problem is when one developer’s proposed interconnection results
3 in needed upgrades to the system that allow subsequent developers to
4 interconnect without having to make or pay for those upgrades. Central
5 Hudson’s CDG Interconnection Program proposes to offer to qualified
6 CDG developers the option of having the interconnection costs for their
7 projects funded by this Program. Instead of paying for the interconnection
8 costs upfront, the developers in the Program would repay the costs on a
9 socialized basis through a charge over a fixed period.

10 Q. How would the repayment of the costs be socialized over a fixed period?

11 A. The interconnection costs funded through this program would be levelized
12 across all developer participants that elect to participate in the program.

13 Q. Please describe further how the CDG Interconnection Program would be
14 implemented.

15 A. For any qualified CDG project, upon the completion of their
16 interconnection application and development of interconnection costs,
17 they would be offered the option of paying the interconnection costs up
18 front or paying a socialized value over time. If the developer chooses to
19 pay the interconnection cost over time, the developer would pay a fixed
20 payment over a ten year period based on the average interconnection
21 costs of participating developers to date. This ten year period was
22 selected to coincide with the expected project breakeven.

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 Q. Would developers still have a price signal to locate in an area that does
2 not inflate interconnection costs?

3 A. Yes. Central Hudson proposes to limit the amount funded based on a
4 proxy \$250,000/MW value based on the 75th percentile of historical
5 interconnection costs, as shown in Exhibit __ (CELP-7). In the event a
6 developer's interconnection costs are higher than that value, the
7 developer would pay the incremental amount upfront.

8 **VI. EV MAKE READY PROGRAM AND EV OUTREACH**

9 Q. Please describe Central Hudson's proposed electric vehicle Programs and
10 the associated EV outreach.

11 A. In conjunction with the State's policy goals to expand efforts related to the
12 electrification of the transportation sector to reduce greenhouse gas
13 ("GHG") emissions in New York, Central Hudson is proposing a program
14 that both supports these policy objectives and aligns with the Order
15 Establishing Electric Vehicle Infrastructure Make-Ready Program And
16 Other Programs Issued and Effective July 16, 2020 in Case 18-E-0138
17 Proceeding Regarding Electric Vehicle Supply Equipment and
18 Infrastructure ("EVSE&I"). Central Hudson is proposing a Make Ready
19 Program to support the development of public Level 2 and Direct Current
20 Fast Charging ("DCFC") chargers for light duty electric vehicles. This
21 program will set targets and budgets for each level of chargers consistent
22 with the July 16, 2020 Order in Case 18-E-0138. In addition, Central

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 Hudson is proposing a Medium and Heavy Duty Pilot Program in a similar
2 approach to the light duty program, but with expanded incentives. Finally,
3 the successful implementation of these EV programs will depend on
4 expanded implementation and outreach activities, which are detailed
5 below.

6 Q. Why is Central Hudson proposing investments and incentives for the
7 development of EV charging locations?

8 A. Central Hudson believes that the transition from fossil fuel transportation
9 to electric transportation is an important step in achieving GHG emission
10 reductions in the State. This beneficial electrification will build on the
11 progress being made to reduce emissions in the energy sector.

12 Q. What has the Company already done to encourage and facilitate the
13 adoption of EVs or the development of charging locations?

14 A. The Company has taken several steps to improve the adoption of EVs.
15 The Company has promoted the adoption of EVs in its service territory
16 through its website, Ride & Drive events, EV summits, and other
17 promotional venues that explain the benefits of converting to electric
18 vehicles. The Company has developed a Time of Use ("TOU") rate to
19 improve the cost effectiveness of EV charging. Finally, the Company has
20 implemented the DCFC incentive program, per the February 7, 2019
21 Order in Case 18-E-0138, to encourage the development of Level 3
22 charging in the service territory.

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 Q. What are the targets, budgets and their basis in the Panel's light duty
2 electric vehicle Make Ready Program proposal?

3 A. The proposed program targets and budgets are shown in Exhibit ____
4 (CELP-6) and are based on those identified in the July 16, 2020 Order.
5 The interim yearly targets were estimated based on an escalating program
6 participation from 2021 through 2025.

7 Q. What is included in the light duty electric vehicle Make Ready Program
8 budgets and what equipment does this cover?

9 A. The light duty electric vehicle Make Ready Program includes two
10 categories of costs: 1) the cost of any system extensions or upgrades
11 needed to support the installation that would be beyond the standard new
12 business allowance normally paid as a Contribution In Aid of Construction
13 ("CIAC"); and 2) the cost of the equipment from the point of
14 interconnection to the charging equipment that is normally the
15 responsibility of the customer.

16 Q. Please explain the Company's proposal for the light duty electric vehicle
17 Make Ready Program.

18 A. The Company is proposing make ready incentives to cover the CIAC and
19 customer side make ready for the development of Level 2 and DCFC
20 chargers. Incentives up to a Maximum Incentive Limit ("MIL") would be
21 available to cover the costs of any upgrades subject to a CIAC, and if

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 there are remaining funds, they may be applied to the site development
2 costs beyond the point of interconnection as an incentive.

3 Q. How does the Company propose to recover new incremental capital costs
4 associated with the light duty electric vehicle Make Ready Program?

5 A. The Company proposes to include in its rate base the incremental New
6 Business investments, CIAC credits, and any future-proofing investment
7 on the Company's side of the point of interconnection. Future-proofing
8 includes the addition of charging station components that can be
9 oversized with minimal incremental cost to accommodate upgrades to the
10 quantity or charging capacity of the station. On the Company's side of the
11 point of interconnection, this can include larger conductors, larger
12 transformers, or upstream upgrades to address expected future load at
13 the site.

14 Q. Have the aforementioned incremental capital costs been incorporated into
15 the rate base assumed in the determination of revenue requirements?

16 A. No. Due to timing of available information, the Company has not included
17 any incremental capital costs in the development of rate base. Therefore,
18 updates for these costs will be required at a later stage in these
19 proceedings. As a result, when actually incurred, these expenditures will
20 be treated as new business investments that will be placed in rate base
21 through the normal work order process.

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 Q. Is the Company seeking deferral related to the incremental capital costs?

2 A. Yes. To the extent that the total Net Plant target is exceeded due to these
3 investments, the Company is requesting deferral of the revenue
4 requirement effect of the amount by which the total net plant exceeds the
5 Net Plant Target. The structure of this deferral mechanism is consistent
6 with that authorized by the Commission in the July 16, 2020 Order in Case
7 18-E-0138 (page 81) related to new business capital. Any amount
8 deferred as a result of this provision would be subject to carrying charges
9 at the Company's pre-tax authorized rate of return, with any deferred
10 carrying charges recovered through the Company's Rate Adjustment
11 Mechanism ("RAM").

12 Q. How does the Company propose to recover non-capital costs associated
13 with the Make Ready Program?

14 A. All remaining program costs, including incentives (rebates),
15 implementation costs, and allowable non-utility side future-proofing costs
16 related to the Make Ready Program will be deferred as a regulatory asset,
17 with recovery of the costs over 15 years, subject to carrying charges at the
18 overall pre-tax rate of return. Any deferred carrying charges will be
19 recovered through the Company's RAM. Future-proofing on the
20 Developer's side of the point of interconnection can include larger
21 conductors, additional conduit, additional transformer pads, or panels to
22 address expected future load at the site.

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 Q. Have these costs been included in the development of revenue
2 requirements?

3 A. Yes. The Company assumed that all non-capital costs associated with the
4 program would be deferred through the program year, with the collection
5 of costs over a 15 year period beginning on January 1st of the subsequent
6 year. As such, beginning on January 1, 2022, this amortization is included
7 in base rates.

8 Q. Is the Company seeking deferral associated with the amortization of the
9 costs included in base rates?

10 A. Yes. The Company proposes deferral of actual costs over / under the
11 amounts assumed in the development of delivery rates. Further, the
12 Company proposes that any over-spending be deferred for future recovery
13 from customers and any under-spending be deferred for future use in the
14 electric vehicle program or as otherwise determined in a future rate
15 proceeding. Any over/under balances will be subject to carrying charges
16 at the pre-tax authorize rate of return, with any carrying charges balances
17 being collect/passed back through the Company's RAM.

18 Q. Are there additional program costs associated with Central Hudson's light
19 duty electric vehicle Make Ready program?

20 A. Yes. To successfully implement the light duty electric vehicle Make Ready
21 Program Central Hudson is proposing that an additional 15% of the Make
22 Ready Program incentives budget be established to fund implementation

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 and outreach efforts. These would include mapping and EV
2 interconnection improvements, fleet assessment services, trade ally and
3 developer outreach and training programs, website enhancements, and a
4 point of sale program.

5 Q. What measures are being proposed by Central Hudson in order to
6 incentivize the Company to run the light duty electric vehicle Make Ready
7 Program in a manner that will accomplish the programs' goals?

8 A. Central Hudson is proposing two program incentives: one incentive related
9 to the target number of Level 2 and DCFC installed plugs and the other
10 incentive related to program cost effectiveness based on the cost/plug for
11 Level 2 chargers and the cost/kW for the DCFC. Please refer to the
12 testimony of the Earnings Adjustment Mechanisms Panel for further
13 details.

14 Q. Is the Company proposing a Medium and Heavy Duty Pilot Program?

15 A. Yes. To complement the light duty electric vehicle Make Ready Program,
16 Central Hudson also proposes a pilot program for medium and heavy duty
17 vehicles. This program would be initially for fleet or transit stations.

18 Q. Is this program different than the light duty electric vehicle Make Ready
19 Program?

20 A. Yes. This program, while covering much of the same costs as the light
21 duty electric vehicle Make Ready Program, such as the CIAC, would
22 provide an incentive for not only the make ready or site development cost

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 but also the costs of the charging equipment. The incentive would be for
2 up to 50% of the entire costs, including make ready and charging
3 equipment, subject to a cap established through a Benefit Cost Analysis
4 (“BCA”) process.

5 Q. Will Central Hudson be providing a specific program budget and targets
6 for the Medium and Heavy Duty Pilot Program as part of its testimony in
7 these proceedings?

8 A. No, it has not been included at this time or reflected in the development of
9 revenue requirements. Pursuant to the July 16, 2020 Order in Case 18-E-
10 0138, the Company in consultation with Staff and in accordance with
11 program elements outlined in that Order, will be filing a Medium and
12 Heavy Duty Fleet Make-Ready Pilot Program Implementation Plan by
13 October 16, 2020. In this implementation plan, Central Hudson will
14 propose the total program budget and targets. As such, we are proposing
15 that the Company be provided authorization to establish its program
16 offerings and put in place deferral accounting treatment, similar to the
17 treatment outlined in the light duty electric vehicle Make Ready Program,
18 in the event that municipalities, fleet operators, or transit authorities wish
19 to progress with transportation electrification.

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 Q. How will Central Hudson assess the cost effectiveness of the Medium and
2 Heavy Duty Pilot Program to ensure that participation and operation of the
3 program will be beneficial to ratepayers?

4 A. Central Hudson will propose a limit on the overall incentive based on a
5 benefit/cost test, ensuring that the installations provide enough revenues
6 and other benefits to cover the costs of the incentive.

7 Q. Please describe the deferral provisions proposed by the Company in
8 relation to the Medium/Heavy Duty Pilot Program.

9 A. As is noted by the Accounting and Tax Panel, the Company has reflected
10 an additional deferral related to the Medium and Heavy Duty Pilot
11 program. The Company proposes deferral of the revenue requirement
12 effect (depreciation and return on investment) and any associated O&M
13 program costs of the Medium and Heavy Duty Pilot Program with carrying
14 charges applied at the pre-tax weighted average cost of capital. Any
15 deferred carrying charges will recovered through the Company's RAM.

16 **VII. GAS FUTURE INITIATIVES**

17 Q. Does the Company have existing gas business programs that support the
18 CLCPA that it wishes to expand?

19 A. Yes. Central Hudson's current gas business programs support the
20 CLCPA and the Company intends to expand them in the future. In
21 addition, Central Hudson is proposing two new initiatives that are still
22 under development that the Company believes align with the goals of the

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 CLCPA. These actions and initiatives also support the goals of Case 20-
2 G-0131 Proceeding on Motion of the Commission in Regard to Gas
3 Planning Procedures (“Gas Planning Proceeding”) initiated on March 19,
4 2020.

5 Q. Please summarize the current programs specific to the gas business that
6 support the CLCPA.

7 A. As described in the Gas Safety Panel testimony, Central Hudson is
8 recommending the continuation of initiatives and metrics in place to
9 reduce the leak backlog as well as the number of new leaks. In addition,
10 the continued elimination of Leak Prone Pipe (“LPP”) may reduce the
11 number of new leaks on the Central Hudson gas system. Finally, Central
12 Hudson’s natural gas efficiency, demand response, and geothermal
13 heating and cooling programs described in the Earnings Adjustment
14 Mechanisms Panel testimony, also support the reduction of GHG
15 emissions.

16 Q. Does the elimination of LPP require replacement of the eliminated pipe?

17 A. Not always. When a pipeline is scheduled to be eliminated, Central
18 Hudson seeks alternatives to the replacement of that pipeline. Central
19 Hudson will continue to eliminate double runs of pipe, bring unprotected
20 steel pipe into cathodic protection, or pursue a Non-Pipes Alternative
21 (“NPA”) whenever economically feasible.

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 Q. Please summarize the NPA program.

2 A. The NPA program consists of projects designed to displace the need for a
3 traditional gas infrastructure investment. In the context of avoiding LPP
4 replacement, an NPA project converts natural gas customers to customers
5 who are supplied by alternate forms of energy, such as electricity, allowing
6 for the retirement of non-essential sections of LPP. In its Initial
7 Implementation Plan and Compliance filing on June 14, 2019, within
8 Cases 17-E-0459 and 17-G-0460, Central Hudson entitled this type of
9 NPA a "Transportation Mode Alternative". As of May 15, 2020, Central
10 Hudson has completed a Transportation Mode Alternative project in one
11 area of the gas system and is scheduling the retirement of that pipeline.
12 Thirty additional locations are currently under review or in various stages
13 of marketing and implementation, encompassing approximately four miles
14 of LPP.

15 Q. Does Central Hudson plan to implement all 30 Transportation Mode
16 Alternative NPAs within the next rate period?

17 A. That has not yet been determined. As required by the Company's current
18 Rate Plan, potential projects must undergo a comprehensive benefit cost
19 analysis and an implementation plan must be developed and executed.
20 For those NPA projects that move to implementation, it is typically most
21 cost effective for them to be completed at the same time as the elimination
22 of other LPP on the same section of the gas system. Therefore, some

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 projects may be implemented under the Current Rate Order, with the
2 remaining projects implemented thereafter and until all LPP is eliminated
3 from Central Hudson's infrastructure. In addition, not all projects that
4 move to the implementation phase will result in 100% of customers
5 electing the electrification option. Electrification will not proceed and LPP
6 will need to be replaced in these cases.

7 Q. Are Transportation Mode Alternative NPAs the only types of NPAs that
8 Central Hudson is pursuing?

9 A. No, an NPA can also be utilized to defer growth-related investment by
10 decreasing demand or increasing the supply of gas in an area. To assist
11 with identifying these opportunities, Central Hudson completed the
12 "Central Hudson Locational Specific Gas Avoided Distribution Costs"
13 study, filed on June 18, 2020 in Cases 17-E-0459, 17-G-0460, and 18-M-
14 0084.

15 Q. Is Central Hudson proposing any changes to its NPA program?

16 A. No. Central Hudson proposes to continue the implementation of its NPA
17 program as described in the current Rate Order, including the NPA
18 Incentive Mechanism and Revenue Requirement Deferral Mechanisms
19 described therein. These mechanisms are further described in the
20 Accounting and Tax Panel testimony. Central Hudson also anticipates
21 that the NPA program will evolve through the Gas Planning Proceeding.

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 Q. Is Central Hudson proposing new Gas Future Initiatives?

2 A. Yes, Central Hudson is proposing RNG and Geothermal District Energy
3 Loop initiatives.

4 Q. Has research and market analysis been conducted to support RNG's
5 inclusion in the pathway to achieving the CLCPA's goals?

6 A. Yes, an example of the research is Southern California Gas's significant
7 study work and educational materials describing the benefits of RNG. The
8 July 24, 2018 Navigant Consulting study titled "Analysis of the Role of Gas
9 for a Low-Carbon California Future" identified that including RNG as a
10 component of the clean energy portfolio is three times more cost effective
11 than pursuing a solely electrification pathway in California. In New York,
12 diversifying the pathways to achieving the requirements of the CLCPA
13 reduces risk and lowers costs.

14 Q. Please identify the components of Central Hudson's RNG initiative.

15 A. Central Hudson's proposal for RNG has two components to be completed
16 in parallel: (1) an RNG potential study, and if applicable, a pilot project,
17 and (2) an RNG supply source.

18 Q. What are the goals of the RNG potential study and pilot project?

19 A. Central Hudson's natural gas pipeline infrastructure is an existing resource
20 that is available to support a low carbon future in New York State. Central
21 Hudson's RNG proposal is to identify the potential for RNG within its
22 service territory. If potential for RNG exists, Central Hudson will gain

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 experience with barriers to implementation, explore market interest in
2 ways to leverage and repurpose its pipeline infrastructure, and ultimately
3 achieve the demonstration of technology within our unique service territory
4 while contributing to the State' goal of reducing GHG emissions. Central
5 Hudson will also gain experience with its "Interconnect Guide for
6 Renewable Natural Gas ("RNG")"¹ in advance of higher market
7 penetration, and make improvements to the technical and contractual
8 aspects of the document.

9 Q. Why is Central Hudson well suited to play a role in RNG development?

10 A. Central Hudson owns and operates a natural gas system consisting of 165
11 miles of transmission pipelines and 1,297 miles of distribution pipelines, as
12 well as customer services and meters. Tremendous investment has been
13 made in this infrastructure originally and to support the reduction in
14 emissions that have been achieved in New York State to date. This
15 infrastructure may be repurposed over time to help achieve the GHG
16 emission reduction targets identified in the CLCPA. Significant
17 institutional knowledge and expertise has been developed by owning and
18 operating our natural gas system. The Company is best suited to
19 understanding the potential uses of our system to meet CLCPA goals.
20 Central Hudson is a trusted energy advisor to its customers with the

¹ Central Hudson Gas & Electric Corporation, Gas Transportation Operating Procedures, October 12, 2018, Section B.

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 A. knowledge and expertise to support a deeply decarbonized environment
2 while balancing affordability by leveraging existing infrastructure. To date,
3 the market has not brought RNG solutions forward within Central
4 Hudson's service territory. While cleaner gas technologies continue to be
5 developed, the Company must seek energy supply and business model
6 alternatives that meet the needs of State energy policy and all segments
7 of our gas customer base.

8 Q. Why is an RNG potential study required before the Company can
9 proceed?

10 A. While industry research and analysis has been completed and potential
11 studies have been completed in some jurisdictions, there has not been a
12 RNG potential study completed specific to Central Hudson's unique
13 service territory. Central Hudson has completed initial research to identify
14 potential landfill and wastewater treatment resources, but must expand the
15 list of biomass sources and assess the suitability and economics of the
16 locations.

17 Q. When will Central Hudson complete the RNG potential study?

18 A. In parallel with the development of this testimony, Central Hudson is
19 commencing a Request for Proposal ("RFP") process. It is anticipated
20 that a vendor will be selected and the RNG potential study will be
21 completed by the middle of 2021.

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 Q. How will Central Hudson determine if an RNG site identified in a potential
2 study is suitable for a pilot project?

3 A. Central Hudson will utilize the results of the RNG potential study to
4 establish the criteria to move forward with a project. The criteria may
5 consist of quantitative factors, such as project economics and greenhouse
6 gas emission reductions, as well as qualitative factors such as the
7 complexity of the project site and interest from site developers.

8 Q. If the potential study identifies suitable locations for RNG, what would the
9 next steps be?

10 A. If suitable locations are identified, Central Hudson would engage with the
11 municipality or landowner to assess interest and issue an RFP to
12 developers for a pilot project. Based upon the results of the RFP, all
13 parties would negotiate the terms to move forward, including costs, project
14 schedules, and project ownership.

15 Q. Who would own and operate the RNG facility or facilities and
16 interconnection infrastructure associated with a pilot project(s)?

17 A. Either Central Hudson or third party ownership of the RNG facility would
18 be considered. Central Hudson would own and maintain the
19 interconnection infrastructure.

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 Q. Is Central Hudson seeking cost recovery for an RNG potential study and
2 pilot project?

3 A. Yes, Central Hudson is seeking a deferral mechanism for the recovery of
4 the RNG potential study and pilot project activities, including return on any
5 capital investment in the RNG project and interconnecting facilities. This
6 deferral mechanism is incorporated into the testimony of the Accounting
7 and Tax Panel.

8 Q. Is the Company also proposing an RNG Supply Program?

9 A. Yes. Central Hudson will evaluate opportunities to contract with an RNG
10 facility or supplier. Depending upon the volume of supply the Company is
11 able to procure, the Company may pursue the following alternatives:

- 12 1. Offer customers the opportunity to opt-in to a premium gas supply
13 offering consisting or partially consisting of RNG sources ("RNG
14 Supply Option 1"). This will test customer willingness to pay for clean
15 energy and offer a product that a segment of our customers may
16 demand. It also may be available to a wider customer base than a
17 RNG facility and allow the Company to begin testing the market
18 sooner.
- 19 2. Integrate the RNG supply as an additional source of gas supplied to all
20 full retail customers ("RNG Supply Option 2"). While this option does
21 not provide as much opportunity to test customer willingness to pay for
22 RNG, it provides a cleaner gas supply for all of our customers. If the

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 available RNG supply is very limited, the administration of a separate
2 supply offering may not be practical and the increase in gas supply
3 prices to all customers will be minimal, rendering this solution as the
4 preferred option.

5 Q. What customer classes could participate in the RNG supply program?

6 A. If the available RNG supply is limited, Central Hudson would initially offer
7 the RNG supply program to residential customers only to allow for a
8 sufficient number of participants. If additional supply becomes available,
9 the Company will consider expanding the program.

10 Q. What costs is Central Hudson seeking to recover associated with the RNG
11 supply project?

12 A. For RNG Supply Option 1, the customers who opt into the program would
13 pay the actual price per Ccf plus program administration fees. For RNG
14 Supply Option 2, the RNG supply costs would be recovered as part of and
15 in the same manner that all gas supply costs are recovered. Initially in
16 order to explore either RNG Supply Option, RNG supply would be limited
17 to 5% of the 2020 gas supply requirement.

18 Q. Please describe Central Hudson's Geothermal District Energy Loop
19 project.

20 A. Central Hudson is proposing to identify multiple locations where feasibility
21 studies will be completed. If a location is determined to be feasible,
22 Central Hudson will seek to implement one to two pilot projects.

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 Q. What will the criteria be for selecting locations to perform feasibility
2 studies?

3 A. The Company will identify multiple locations with an anticipated high
4 utilization and available electric capacity. Initial targeting would be
5 towards mixed use village/city areas or developments, or campus facilities
6 such as colleges and hospitals, with five to twenty meters. However,
7 criteria for selection of potential sites will be expanded or narrowed as
8 required to optimize the program.

9 Q. When will Central Hudson commence these feasibility studies?

10 A. Upon approval to recover the costs associated with the Geothermal
11 District Energy Loop feasibility studies, Central Hudson will commence an
12 RFP process for at least one location with the schedule to be established
13 at that time. Additional locations for studies may be added on a rolling
14 basis.

15 Q. How will Central Hudson determine if a feasibility study should advance to
16 a pilot project?

17 A. Central Hudson will utilize the results of the feasibility study to establish
18 the criteria to move forward with a particular project. The criteria may
19 consist of quantitative factors, such as project economics and GHG
20 emission reductions, as well as qualitative factors such as the complexity
21 of the project site and interest from impacted customers.

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

- 1 Q. Why is Central Hudson proposing a Geothermal District Energy Loop
2 feasibility study and pilot project?
- 3 A. In addition to reducing emissions by supporting cleaner gas supply
4 through RNG, Central Hudson also supports the electrification component
5 of the CLCPA. Central Hudson's NPA program currently supports
6 electrification at individual homes and businesses with heating and cooling
7 through air source heat pumps, as well as the installation of electric
8 appliances. Through the current Rate Order, Central Hudson previously
9 established a Geothermal Rate Impact Credit and Environmentally
10 Beneficial Electrification Earnings Adjustment Mechanism ("EAM"). The
11 Earnings Adjustment Mechanisms Panel testimony proposes specific
12 modifications to the Electrification EAM to support the statewide building
13 electrification initiative reflected in Case 18-M-0084. Within certain use
14 cases, a Geothermal District Energy Loop may enable more efficient
15 achievement of the goals of the statewide building initiative. For example,
16 by incorporating mixed use facilities with varying load profiles, a
17 Geothermal District Energy Loop will allow for higher utilization of the
18 geothermal system than when installed at a single facility. These
19 Geothermal District Energy Loops may incorporate space heating and
20 cooling as well as hot water heating.

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 Q. What are the goals of the Geothermal District Energy Loop feasibility
2 study and pilot project?

3 A. The goals of the Geothermal District Energy Loop feasibility study and
4 pilot study include:

- 5 • Study feasibility of various sites and demonstrate the technology
6 within Central Hudson's service territory.
- 7 • Determine its costs and benefits, and additional potential use cases.
- 8 • Understand the challenges associated with installing and maintaining
9 a Geothermal District Energy Loop system.
- 10 • Gain experience with marketing, stakeholder engagement and
11 education, and customer acquisition costs.
- 12 • Understand the siting constraints (physical and electric system
13 capability), technical and interconnection challenges, and overall
14 scalability.
- 15 • Test various business models, measurement, monitoring and control
16 processes, metering, and customer pricing methodologies including
17 potential rate designs, upon completion of the CIS replacement
18 project.
- 19 • Identify legal considerations that will need to be addressed to allow for
20 scalability.

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 Q. Have other Geothermal District Energy Loop projects been proposed or
2 completed within New York State?

3 A. Yes, as is described in the April 3, 2020 Final Report filed in Case 16-G-
4 0058, KeySpan Gas East Corporation d/b/a National Grid has completed a
5 District Heating Loop demonstration project. Pursuant to the January 16,
6 2020 Order in Cases 19-E-0065 and 19-G-0066, Consolidated Edison
7 Company of New York, Inc. has been approved to complete feasibility
8 studies and, if the study is successful, move forward with implementation.

9 Q. How does Central Hudson's Geothermal District Energy Loop initiative
10 differ from what has been proposed or implemented at other New York
11 State utilities?

12 A. Central Hudson will leverage the experience of its peers in the
13 implementation of its Geothermal District Energy Loop initiative where
14 possible. But Central Hudson's service territory is vastly different from
15 Con Edison and National Grid's service territories in terms of population
16 density and economic considerations. In addition, 75% of Central
17 Hudson's electric customer base uses a non-gas heating source. Central
18 Hudson can test the feasibility and design challenges in a suburban
19 environment in upstate New York. If LPP exists in the area, then this may
20 be considered as an NPA. However, given the small percentage of the
21 population served by natural gas within Central Hudson's service territory
22 and that the emission reduction benefit will be greater for oil customers,

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 the potential location should not be limited to areas where an NPA can be
2 implemented.

3 Q. Is Central Hudson seeking deferral authority for the Geothermal District
4 Energy Loop initiative?

5 A. Central Hudson is seeking deferral authority for any feasibility studies and
6 implementation of pilot project(s), including return on and of capital
7 investments associated with the Geothermal District Energy Loop
8 initiative. This deferral mechanism is incorporated into the testimony of
9 the Accounting and Tax Panel.

10 Q. Are there any other considerations regarding Gas Future Initiatives?

11 A. Yes, the Gas Planning Proceeding was initiated in March 2020. As
12 described in the Accounting and Tax Panel testimony, Central Hudson is
13 seeking a deferral mechanism for on-going implementation costs
14 associated with the Gas Planning Proceeding, such as support for Joint
15 Local Distribution Company filings and modernization of the gas planning
16 process.

17 Q. Why is Central Hudson bringing forward these preliminary initiatives as a
18 part of its Rate Filing?

19 A. Central Hudson is committed to working with Staff, the Commission, and
20 interested parties to support the CLCPA goals and the Gas Planning
21 Proceeding, which are moving forward in parallel with the Rate Filing. The

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

1 proposals will be further refined and developed throughout the duration of
2 this Rate Proceeding.

3 **VIII. INSIGHTS+ DEMONSTRATION PROJECT**

4 Q. Does the Company seek to continue the Insights+ demonstration project?

5 A. No, the Company proposes ending the Insights+ demonstration project
6 and deferral. However, the Company recognizes that the Insights+
7 platform is useful for the enrolled customers and customers using
8 Insights+ to participate in time of use ("TOU") rates or value stack
9 applications. Therefore, the Company proposes to keep the Insights+
10 platform in order to continue providing value to customers taking part in
11 the offerings previously described.

12 Q. How will costs associated with Insights+ be accounted for beginning July
13 1, 2022?

14 A. Beginning July 1, 2022, all costs associated with Insights+ will be included
15 in Central Hudson's electric delivery revenue requirement.

16 Q. Is the Company proposing to continue enrolling customers in Insights+?

17 A. No, as we indicated previously, the Company is proposing to discontinue
18 the demonstration project at this time while continuing to provide granular
19 usage data to customers currently enrolled in Insights+ and for other
20 offerings requiring interval data from the Insights+ platform. Additionally,
21 for customers already enrolled in the Insights+ program Central Hudson
22 proposes to eliminate the monthly subscription fee.

**DIRECT TESTIMONY OF THE CLIMATE AND ENERGY
LEADERSHIP PANEL**

- 1 Q. Does this conclude your direct testimony at this time?
- 2 A. Yes, it does.