



Department  
of Public Service

August 4, 2022

# **CASE 20-G-0131**

**Proceeding on Motion of the Commission in  
Regard to Gas Planning Procedures.**

**- Avoided Cost of Gas Working Group**

## Agenda for the August 4 Avoided Cost of Gas Working Group :

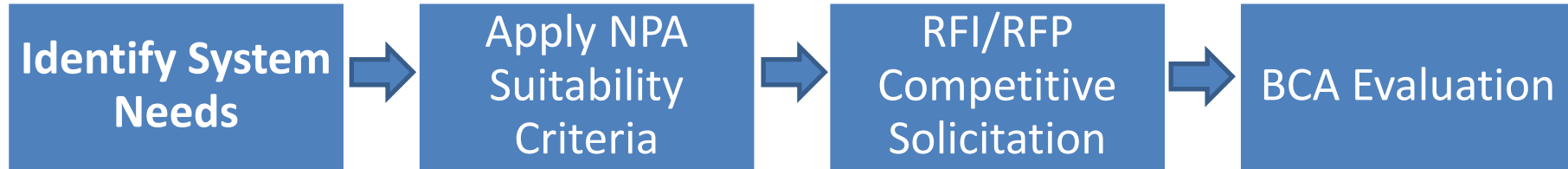
- 1:00 to 1:15 Welcome and Introductions
- 1:15 to 1:45 Staff Presentation
- 1:45 to 2:15 Questions on Staff Presentation
- 2:15 to 2:20 Break
- 2:20 to 2:50 NYSERDA Presentation
- 2:50 to 3:20 Questions on NYSERDA Presentation
- 3:20 to 4:00 Wrap Up, General Questions/Next Steps

## Future Working Group Meetings

**Anyone who wishes to participate in and receive notices for future meetings should contact Joel Andruski by email indicating the topic or topics on which your organization, or group of like-minded entities, wishes to present.**

**([Joel.Andruski@dps.ny.gov](mailto:Joel.Andruski@dps.ny.gov); 518-474-1522)**

# Typical NPA Process:



## BCA “Buckets”

1. Looking to clarify calculations specific to the gas industry using the BCA Framework Order as the outline.
2. No new “buckets” are being proposed.
3. Some “buckets” have several components (i.e., commodity costs can include sales for resale, capacity release, can be utility specific, or use EIA or CARIS estimates.)

### Benefits and Costs Included in the Framework

Table 1: List of Benefits and Costs Components to be included in BCA Framework<sup>1</sup>

BENEFITS	BCA TEST PERSPECTIVE
	Societal (SCT)
<b>Bulk System</b>	
Avoided Generation Capacity (ICAP), including Reserve Margin	√
Avoided Energy (LBMP)	√
Avoided Transmission Capacity Infrastructure and related O&M	√
Avoided Transmission Losses	√
Avoided Ancillary Services (e.g. operating reserves, regulation, etc.)	√
Wholesale Market Price Impacts	--
<b>Distribution System</b>	
Avoided Distribution Capacity Infrastructure	√
Avoided O&M	√
Avoided Distribution Losses	√
<b>Reliability / Resiliency</b>	
Net Avoided Restoration Costs	√
Net Avoided Outage Costs	√
<b>External</b>	
Net Avoided Green House Gases	√
Net Avoided Criteria Air Pollutants	√
Avoided Water Impacts	√
Avoided Land Impacts	√
Net Non-Energy Benefits relate to utility or grid operations (e.g. avoided service terminations, avoided uncollectible bills, avoided noise and odor impacts, to the extent not already included above)	√
<b>COSTS</b>	
Program Administration Costs (including rebates, costs of market interventions, and measurement & verification Costs)	√
Added Ancillary Service Costs	√
Incremental Transmission & Distribution and DSP Costs (including incremental metering and communications)	√
Participant DER Cost (reduced by rebates, if included above)	√
Lost Utility Revenue	--
Shareholder Incentives	--
Net Non-Energy Costs (e.g. indoor emissions, noise disturbance)	√

<sup>1</sup> The UCT and RIM tests remain as set forth in the BCA Whitepaper, Table 1, p. 12.

# DRAFT GAS COROLLARY FOR BCAs

Benefits and Costs Included in the Framework for Electric		Benefits and Costs Included in the Framework for Gas	
Table 1: List of Benefits and Costs Components to be included in BCA Framework <sup>1</sup>		Gas System Corollary	
BCA TEST PERSPECTIVE		BCA TEST PERSPECTIVE	
Societal		Societal	
BENEFITS	(SCT)	BENEFITS	(SCT)
<b>Bulk System</b>		<b>Transmission System</b>	
Avoided Generation Capacity (ICAP), including Reserve Margin	√	Avoided Pipeline Capacity (Company owned)	√
Avoided Energy (LBMP)	√	Avoided Energy	√
Avoided Transmission Capacity Infrastructure and related O&M	√	Avoided Transmission Capacity Infrastructure and related O&M	√
Avoided Transmission Losses	√	Avoided Upstream LAUF	√
Avoided Ancillary Services (e.g. operating reserves, regulation, etc.)	√	Avoided Ancillary Services (including Peaking Services, Company Contracted Capacity)	√
Wholesale Market Price Impacts	--	Wholesale Market Price Impacts	--
<b>Distribution System</b>		<b>Distribution System</b>	
Avoided Distribution Capacity Infrastructure	√	Avoided Distribution Infrastructure (by pressure, geographical region, or both?)	√
Avoided O&M	√	Avoided O&M	√
Avoided Distribution Losses	√	Avoided Distribution Losses (Company Specific LAUF, gas for company use, etc.)	√
<b>Reliability / Resiliency</b>		<b>Reliability / Resiliency</b>	
Net Avoided Restoration Costs	√	Net Avoided Restoration Costs	√
Net Avoided Outage Costs	√	Net Avoided Outage Costs	√
<b>External</b>		<b>External</b>	
Net Avoided Green House Gases	√	Net Avoided Green House Gases	√
Net Avoided Criteria Air Pollutants	√	Net Avoided Criteria Air Pollutants	√
Avoided Water Impacts	√	Avoided Water Impacts	√
Avoided Land Impacts	√	Avoided Land Impacts	√
Net Non-Energy Benefits relate to utility or grid operations (e.g. avoided service terminations, avoided uncollectible bills, avoided noise and odor impacts, to the extent not already included above)	√	Net Non-Energy Benefits relate to utility or grid operations (e.g. avoided service terminations, avoided uncollectible bills, avoided noise and odor impacts, to the extent not already included above)	√
<b>COSTS</b>		<b>COSTS</b>	
Program Administration Costs (including rebates, costs of market interventions, and measurement & verification Costs)	√	Program Administration Costs (including rebates, costs of market interventions, and measurement & verification Costs)	√
Added Ancillary Service Costs	√	Added Ancillary Service Costs (Including Alternative Fuel Costs)	√
Incremental Transmission & Distribution and DSP Costs (including incremental metering and communications)	√	Incremental Transmission & Distribution and DSP Costs (including incremental metering and communications)	√
Participant DER Cost (reduced by rebates, if included above)	√	Participant DER Cost (reduced by rebates, if included above)	√
Lost Utility Revenue	--	Lost Utility Revenue	--
Shareholder Incentives	--	Shareholder Incentives	--
Net Non-Energy Costs (e.g. indoor emissions, noise disturbance)	√	Net Non-Energy Costs (e.g. indoor emissions, noise disturbance)	√

# DRAFT GAS COROLLARY FOR BCA DATA SOURCE(S)

Benefits and Costs Included in the Framework for Gas Gas System Corollary	
BENEFITS	Source(s)
<b>Transmission System</b>	
Avoided Pipeline Capacity (Company owned)	Utility Specific
Avoided Energy	Utility Specific; CARIS; Wood MacKenzie; SNL
Avoided Transmission Capacity Infrastructure and related O&M	Utility Specific
Avoided Upstream LAUF	Utility Specific
Avoided Ancillary Services (including Peaking Services, Company Contracted Capacity)	Utility Specific
Wholesale Market Price Impacts	--
<b>Distribution System</b>	
Avoided Distribution Infrastructure (by pressure, geographical region, or both?)	Utility Specific (MCOS)
Avoided O&M	Utility Specific; ECOS
Avoided Distribution Losses (Company Specific LAUF, gas for company use, etc.)	PHMSA Annual Report
<b>Reliability / Resiliency</b>	
Net Avoided Restoration Costs	Site Remediation Costs?
Net Avoided Outage Costs	Cost of Alternative Fuel Outage?
<b>External</b>	
Net Avoided Green House Gases	BCA Framework Order (CO <sub>2</sub> , SO <sub>x</sub> , NO)
Net Avoided Criteria Air Pollutants	BCA Framework Order
Avoided Water Impacts	As Needed
Avoided Land Impacts	As Needed
Net Non-Energy Benefits relate to utility or grid operations (e.g. avoided service terminations, avoided uncollectible bills, avoided noise and odor impacts, to the extent not already included above)	As Needed
COSTS	
Program Administration Costs (including rebates, costs of market interventions, and measurement & verification Costs)	Program Specific
Added Ancillary Service Costs (Including Alternative Fuel Costs)	Program Specific
Incremental Transmission & Distribution and DSP Costs (including incremental metering and communications)	Program Specific
Participant DER Cost (reduced by rebates, if included above)	Program Specific
Lost Utility Revenue	--
Shareholder Incentives	--
Net Non-Energy Costs (e.g. indoor emissions, noise disturbance)	Program Specific



# NEXT STEPS

## CASE 20-G-0131

Proceeding on Motion of the Commission in Regard to Gas Planning Procedures.

- Avoided Cost of Gas Working Group

DRAFT -2022-08-04

TASK ID	TASK TITLE	PHASE ONE											
		Tech Conferences					Report Draft				Report Final		
		4-Aug											
1	Tech Conferences												
1.1	DPS/NYSERDA Presentations												
1.2	Avoided Transmission System Costs												
1.2.1	Commodity												
1.2.2	Peaking												
1.2.3	Pipeline Capacity Costs												
1.3	Avoided Distribution Costs												
1.4	What Should Qualify as RNG												
1.5	Gas For Company Use & System Losses												
2	Working Group Report												
2.1	Scope and Goal Setting												
2.2	Drafting												
2.3	Edits to Draft												
2.4	Final Report												



# Questions?

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