



Department
of Public Service

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 July 6 Avoided Cost of Gas Working Group :

- 2:00 to 2:20 Welcome and Introductions
- 2:20 to 2:40 Presentation of Expectations
- 2:40 to 3:00 Questions on Expectations
- 3:00 to 3:25 Organize Technical Conferences/Presenters
- 3:25 to 3:30 Wrap Up

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.

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Purpose of Working Group:

1. The Commission recognized that some of the metrics discussed in the BCA Framework Order, such as forecasted electricity and capacity prices, do not have a clear corollary in the gas industry.
2. The Commission expects the ACG working group to produce a report outlining settled issues and, if necessary, recommendations regarding future work.
3. The Commission expects that the working group will produce a report describing recommended calculations and specific elements for each LDC, which will then be issued for comment from stakeholders.
4. The report will strive towards consensus where practicable, but the report may also explain areas of disagreement.

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 Framework¹

BENEFITS	BCA TEST PERSPECTIVE
	Societal (SCT)
Bulk System	
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	--
Distribution System	
Avoided Distribution Capacity Infrastructure	√
Avoided O&M	√
Avoided Distribution Losses	√
Reliability / Resiliency	
Net Avoided Restoration Costs	√
Net Avoided Outage Costs	√
External	
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)	√
COSTS	
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)	√

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

Main Topics To Be Considered:

1. **Avoided Bulk System Costs**
 - i. **Commodity**
 - ii. **Peaking**
 - iii. **Pipeline Capacity Costs**
2. **Avoided Distribution Costs**
 - i. **High, Medium, and Low-Pressure**
3. **What Should Qualify as RNG**
4. **Gas For Company Use & System Losses**
 - i. **Upstream/Downstream Lost and Unaccounted For (LAUF)**

Draft Deliverable Timeline

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- Avoided Cost of Gas Working Group													
DRAFT -2022-07-01													
		PHASE ONE											
TASK ID	TASK TITLE	Tech Conferences				Report Draft				Report Final			
1	Tech Conferences												
1.1	DPS/NYSERDA Presentations												
1.2	Avoided Bulk 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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