

QUESTIONS AND ANSWERS

RFP #2016-003

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

REQUEST FOR PROPOSALS FOR CONSULTING SERVICES

Supplemental Response

In response to a question from a potential bidder enquiring whether the non-price characteristics to be evaluated are the characteristics identified by Eversource in its filing, Commission Staff said that the Commission expects the consultant in consultation with Commission Staff to select the non-price characteristics on which the independent qualitative assessment is to be based. See Questions and Answers, Set 3, Answer 2.a.

During the bidder's conference, a potential bidder followed-up by asking that Commission Staff specify the non-price characteristics that it believes should be considered when evaluating competing projects. The Commission Staff offers the following questions as a guide to the kinds of issues consultants may wish to consider when evaluating one or more infrastructure projects on the basis of qualitative factors¹: (i) what is the likelihood that winter gas prices at project receipt points will experience significant volatility during colder-than-normal weather? ; (ii) is it reasonable for regulators to expect that a project with limited scope (e.g., one associated with a single pipeline) can meaningfully reduce electricity prices region-wide?; and (iii) given the June 2018 implementation date for ISO-NE's Pay for Performance programs, should regulators expect that an expansion of firm gas supply arrangements with gas generators will improve power system reliability in a meaningful way?

¹ Note that Staff does not include a number of very important characteristics, such as the phase-in of project capacity, the inclusion of a cap on project costs, and the effect on gas market clearing prices of finite LNG storage capacity, each of which did not feature prominently in Eversource's evaluation. Staff believes these characteristics should be classified as price-related and included in the quantitative analysis.