

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

IR 22-053

ELECTRIC AND GAS UTILITIES

**Investigation of Energy Commodity Procurement
(Renewable Portfolio Standard, Default Service Electric Power, Cost of Gas)
Methodology and Process**

**Procedural Order Re: Data Requests for Utilities;
Separation of Electric and Gas Issues**

Following the conference held on October 5, 2022, the Commission determined that it would engage in two lines of inquiry: one, for the electric utility issues surrounding default service and Renewable Portfolio Standard (RPS) procurements; and the second, for the gas utility issues surrounding cost of gas procurements. The Commission will proceed with this investigation accordingly.

Also, as indicated at the conference, the Commission requests that the electric and gas utilities listed below produce independent technical statements providing answers to the following inquiries, and submit them to the Commission on or before the close of business on Friday, November 18, 2022:

Electric Default Service and RPS

(Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty; Public Service Company of New Hampshire d/b/a Eversource Energy; Until Energy Systems, Inc.)

The following lines of inquiry aim to provide a further refinement to the scope of this investigation. However, further recommendations on timing, frequency of bidding, etc. to help mitigate price volatility could be explored.

- (i) Consolidated Procurement: What is the viability of a regionally harmonized and/or a state-wide approach to energy procurement?¹

¹ Possibilities include coordinated statewide procurement by the electric utilities, procurement conducted by the New Hampshire Department of Energy (or some other instrumentality of government), as opposed to the utilities

- a. Please identify the constraints in consolidating procurement of default energy service for customers served by all New Hampshire electric utilities in a single process.
 - b. Please indicate how these constraints could be eliminated.
- (ii) Flexible Implementation of Laddering/Full Requirement Procurement: Can a more flexible approach to combining laddering and full requirement procurement, based on the expected near future pricing trends, be instituted by the utilities to better manage energy volatility in electric prices and its impact on ratepayers? Please provide alternatives that can be explored herein. In such an exploration of alternatives, please take into consideration factors listed below:
- a. the balance between achieving price stability (with risk premiums) versus exposure to market volatility.
 - b. laddering timeframes (including their suspension) to more closely reflect market prices with a goal to providing greatest relief to New Hampshire ratepayers, without compromising market bidding outcomes.
 - c. The intervals, frequencies, timing, and scale of procurements and/or rate changes.
- (iii) If a solicitation fails to achieve any bid or is found to be noncompetitive, please provide back-up options that can be followed to rely entirely on spot purchases, while instituting a retail-level process that still imparts some stability in energy prices for default service customers.
- (iv) Balance between Price Stability and Volatility: Are there tangible avenues to reduce the risk premium included in bids by balancing the speed of regulatory approval and effective oversight during the procurement process? If so, please discuss the specific possible improvements in regulatory oversight during Request for Proposals and/or procurement solicitation processes and opine on the possibility of an order *nisi*-based approach to the approval of default service procurements.
- (v) Default Service Practices: With the goal of enabling consistent pricing and rates across utilities, companies are requested to share a detailed outline as well as supporting process documents on the practices that they have adopted by their affiliates in their various jurisdictions.
- (vi) RPS: Explore possible avenues to improve ratepayer cost outcomes as well as compliance-related and administrative processes to meet RPS standards.
- (vii) Miscellaneous: Any other issues that could improve the default service process in New Hampshire.

Cost of Gas

(Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty; Northern Utilities, Inc.)

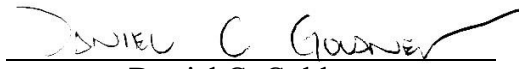
The following lines of inquiry aim to provide a further refinement to the scope of this investigation. However, further recommendations on timing, gas portfolio management, etc. to help mitigate price volatility could be explored. Please provide your company's independent position regarding these matters in its Technical Statement, and if it has no position, please indicate that.

- (i) Consolidated Procurement: What is the viability of a regionally harmonized and/or a state-wide approach to gas procurement?
 - a. Please identify the constraints of a possible unification of existing procurement practices.
 - b. Given that asset management is currently optimizing resources across utilities and states, could the use of state-of-the-art asset management tools enhance the possibility of a consolidated procurement process?
 - c. How could consistency among jurisdictions pertaining to legal requirements be achieved?
- (ii) Cost of Gas Practices: Each company is requested to share a detailed outline as well as supporting process documents on the practices that they have adopted by their affiliates in their various jurisdictions.
- (iii) Miscellaneous: Explore possibilities to implement more proactive market-based measures by adjusting the intervals, frequencies, timing, and scale of procurements² as well as any other issues that could improve the cost of gas approval process with the goal of reducing utility rates in New Hampshire.

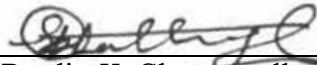
Responses from Non-Utility Participants: Non-utility participants in this investigation are welcome to prepare and submit written comments on these matters. Non-utility participants are especially encouraged to share best practices from comparable jurisdictions regarding these issues. The Commission will also provide an opportunity for these participants to submit responses to the utilities' technical statement submissions, after they are made.

² Considering the upward trend of the prices in the market, of note is a recent proactive procurement by one of the gas companies for an extended period of time covering seasonal fluctuations.

So ordered, this eleventh day of October, 2022.



Daniel C. Goldner
Chairman



Pradip K. Chattopadhyay
Commissioner

Service List - Docket Related

Docket# : 22-053

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