

STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities

Docket No. DE 16-097

**Least Cost Integrated Resource Plan**

**Motion to Waive or Stay the Requirement to File an LCIRP by July 1, 2019**

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities, through counsel, respectfully moves the Commission pursuant to RSA 378:38-a to waive or, in the alternative, to stay the requirement that Liberty file its next least cost integrated resource plan (“LCIRP”) by July 1, 2019, in light of *Staff’s Recommendation on Grid Modernization* (“Recommendation”) filed February 12, 2019, in Docket No. IR 15-296.

The Recommendation, if approved, would require the filing in early 2020 of a new “integrated distribution plan,” or IDP, which would be “more comprehensive” than an LCIRP in that it would “integrate grid mod initiatives and supporting documentation into the LCIRP.” Recommendation at 8. Liberty thus seeks a waiver or stay of its requirement to file an LCIRP in 2019 because the IDP to be filed in 2020 would be “more comprehensive” than, and effectively supersede or satisfy, the 2019 LCIRP requirement.

In support of this motion, Liberty represents as follows:

1. The order in this docket approving Liberty’s prior LCIRP established July 1, 2019, as the deadline for the Company to file its next LCIRP. Order No. 26,039 at 7 (July 10, 2017). RSA 378:38 prescribes the contents of the 2019 LCIRP that Liberty would file by that date.

2. However, Staff's Recommendation proposed that the Commission substantially augment the existing LCIRP requirements through what Staff called an "integrated distribution plan," or IDP. Recommendation at 8-9. The IDP, as proposed by Staff, would have some elements of the existing LCIRP statute plus many new requirements, the details of which would be refined through a working group process over the coming year. Recommendation at 66-68. A comparison of the items listed in the LCIRP statute, RSA 378:38, with the items to be included in the proposed IDP, Recommendation at 67-76, confirms that the IDP would be a far more comprehensive document than an LCIRP.
3. Staff acknowledged the substantial differences between the LCIRP and the proposed IDP:

The Grid Mod Working Group proposed to combine the existing LCIRP requirements with a grid mod plan. Staff agrees with this approach and proposes that the utilities be required to submit more comprehensive IDP's which integrate grid mod initiatives and supporting documentation into the LCIRP. The IDP would include a 5- and 10-year roadmap for each utility and determine the least cost options for operating distribution and sub-transmission systems by analyzing both traditional utility investments and non-utility owned resources. The IDP must review technologies and processes that will enable the integration of DERs at varying levels of penetration while ensuring reliability, resiliency, and safety.

Recommendation at 8-9.

4. Given these substantial differences, Staff also acknowledged that a waiver of the requirement to file the next LCIRP for Liberty and the other utilities would be appropriate:

The IDP will require approximately 12 months to develop, using the comprehensive LCIRP template with the incorporation of the grid modernization initiatives plus an engaged stakeholder process. Eversource and Liberty Utilities are required to file their next LCIRP to the Commission by August 25, 2019, and July 1, 2019, respectively, and Unitil is required to file its LCIRP by January 9, 2020. Staff recommends

that, if necessary, the utilities request that the LCIRP filing requirement be waived by the Commission, pursuant to RSA 378:38-a, in order to enable the utilities to submit the more robust, integrated, and transparent IDPs.

Recommendation at 67.

5. RSA 378:38-a states: “The commission, by order, may waive for good cause any requirement under RSA 378:38, upon written request by a utility.” Since the need to file an LCIRP by a date certain is a requirement of RSA 378:38 (“each electric and natural gas utility ... shall file a least cost integrated resource plan with the commission within 2 years of the commission’s final order regarding the utility’s prior plan”), RSA 378:38-a grants the Commission express authority to waive that requirement when requested by a utility and good cause is shown.
6. Accordingly, Liberty requests a waiver of the requirement to file its LCIRP by July 1, 2019, for the “good cause” reason that a 2019 LCIRP filing would be a wasted effort because it would almost immediately be superseded (or satisfied) by the proposed 2020 IDP. The time spent evaluating and adjudicating the 2019 LCIRP through the second half of 2019 and into 2020 (Liberty’s prior LCIRP proceedings took 18 months) would overlap with the working group schedule that Staff proposed to refine and establish the IDP process. And just when the Commission may be in a position to rule on the 2019 LCIRP, the Company would be filing the 2020 IDP, which would cause all involved to cast aside the 2019 LCIRP and focus on the 2020 IDP.
7. As stated above, the Recommendation contains Staff’s position that waiver of the LCIRP deadline is appropriate.
8. Based on statements in prior LCIRP dockets, the OCA also would seem to support a waiver of the 2019 LCIRP deadline in favor of the 2020 IDP. During the

hearing in this docket on Liberty's 2016 LCIRP, the OCA listed a number of faults with what it characterized as the outdated LCIRP process and suggested an improved process that contains features of the proposed IDP:

[The problem is] that new technologies, utility scale storage, the so-called smart grid, distributed generation, energy management systems, are making even the distribution utilities envisioned by the Legislature in 1996 when it adopted the Restructuring Act obsolete. And perhaps most importantly, and relatedly, it's the fact that in today's emerging electric grid there is every reason to suppose that planning decisions that are truly least-cost would rely at least to some extent on services and assets provided by third parties and customers themselves. Again, Mr. Brouillard said as much during his testimony.

In our judgment, it is imperative for the Commission to confront this reality, though not necessarily in this docket. We have been endeavoring, and by "we" I mean the OCA, to raise this issue in other places it's relevant, specifically, the pending grid modernization docket, the pending net metering docket, and the pending Unitil and Liberty rate cases.

I have, in various conversations with various parties, suggested that maybe the Legislature needs to address this question. In response, some stakeholders have suggested that the waiver language in RSA 378:38-a gives the Commission all the authority it needs to reinvent least-cost integrated resource planning to suit the electric grid of the 21<sup>st</sup> Century.

If so, the Commission should take that step as soon as possible. Signaling an interest in reforming the LCIRP process would be a very welcome and constructive outcome of this docket, regardless of whether the Commission approves the pending Liberty plan, rejects it or takes no action.

Transcript of December 6, 2016, Hearing, at 86-88.

9. The OCA raised similar concerns during the hearing on Eversource's 2015 LCIRP:

However, the reason I'm not here urging you to reject the 2015 Least Cost Integrated Resource Plan or the Settlement Agreement is that I can't see any useful purpose in your doing that. It would be far more useful for the Commission to take this occasion, perhaps by issuing an

order in both this docket and the Liberty docket, to get the least cost integrated resource planning process back on track.

It's clear that the Commission has broad authority to do that, because RSA 378:38-a allows you to waive any of the substantive requirements for plan contents set forth in RSA 378:38. The Commission should use that authority to reinvent least-cost planning to account for three huge changes in the electric industry since New Hampshire first embraced least-cost planning back in 1990.

Those changes are: (1) Industry restructuring, such that electric utilities are no longer vertically integrated or responsible for the development of appropriate generation capacity. (2) Increasingly vigorous assertion by the FERC of authority under the Federal Power Act, such that transmission planning and the mechanisms by which we assure the existence of adequate capacity, meaning generation capacity, now happen at the regional, rather than at the state level. And (3) Grid modernization, such that we can and should expect that a truly least-cost grid will require utilities to yield some of their hegemony in favor of allowing and even facilitating the process of having key grid components developed, owned and operated by third parties and even customers themselves.

Transcript of February 7, 2017, Hearing in Docket No. DE 15-248, at 54-55. Thus, like Staff in its Recommendation, the OCA has encouraged the Commission to “reinvent” least cost planning in light of other developments, particularly those relating to grid modernization.

10. And most relevant to this motion, what the OCA was then requesting in the context of the LCIRP filings for Liberty and Eversource is exactly what the Staff is recommending now – that the Commission waive the requirements of RSA 378:38 to allow for a more robust and comprehensive documentation of the planning decisions than has been in place with the existing LCIRP process.
11. Finally, the Commission has also acknowledged that changes to the process would be worthwhile. In the final sentence of its order approving Eversource's last LCIRP, the Commission “acknowledge[d] the OCA's position that we should transform

the LCIRP process and we intend to continue to develop a new approach to the planning process for electric distribution utilities' LCIRPs.” Order No. 26,050 at 9 (Aug. 25, 2017) at 9.

12. Based upon the authority contained in RSA 378:38-a, and in light of the discussion above, Liberty asks that the Commission waive the requirement for Liberty to file an LCIRP until the IDP or a similar requirement is established.

13. In the alternative, Liberty asks that the Commission stay the current deadline for its 2016 LCIRP pending resolution of Staff's proposed IDP process.

WHEREFORE, Liberty respectfully asks the Commission to:

- A. Waive the July 1, 2019, deadline for Liberty's next LCIRP in favor of the IDP to be filed in 2020;
- B. In the alternative, stay the July 1, 2019, deadline for Liberty's next LCIRP until the Commission acts on the Recommendation's proposed IDP; and
- C. Grant such further relief as is just and equitable.

Respectfully submitted,  
Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities  
By Its Attorney



Dated: April 15, 2019

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### **CERTIFICATE OF SERVICE**

I hereby certify that, on April 15, 2019, I have electronically provided a copy of this motion to those on the Commission's service list.

A handwritten signature in dark ink, appearing to read "M. Sheehan", is positioned above a horizontal line.

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Michael J. Sheehan