

**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: Record Requests

The Commission requests that the parties respond to the following record requests on or before the close of business on Friday, February 17, 2023:

I. ELECTRIC - RENEWABLE PORTFOLIO STANDARDS (RPS)

RR 1 (Utilities): Utilities are requested to provide:

- a. The number of RECs and the associated total cost for each Rate Class (i.e., Residential/Small, Large C&I) used to meet the RPS requirements for each renewable energy source class (Class I non-thermal, Class I thermal, Class II, Class III, and Class IV) **for each 6-month period over the last five years**. Provide the information in live Excel format with a separate tab for each Rate Class.
- b. For the requested data in part (a) above, please also indicate **for each 6-month period over the last five years**, what percentage of the RPS requirement was met through Alternative Compliance Payments.

RR 2 (Utilities): Separate from question #5 below, please provide the 6-month average default energy service price for the Residential rate class over the last 5 years along with the corresponding: (i) RPS portion of the average default energy service price; and (ii) the Administrative and General portion of the default service price. Please provide the requested data in live Excel format.

II. ELECTRIC - PROCUREMENT PROCESS

Laddering (All participants)

RR 3: Please comment on whether utilities should be provided flexibility to determine at any time, with proper notice to the Commission, a switch from laddering to full requirement (and vice-versa) based on future price trends to lower energy service costs for ratepayers. Participants are welcome to offer recommendations based on hypothetical scenarios.

Tranches (All participants)

RR 4: Are there ways to approach tranches (e.g., number of procurement periods, percentage of load per tranche, number of tranches etc.) differently so that the default service procurement produces more competitive prices? Please provide detailed recommendations as appropriate.

Procurement Practices (Utilities)

RR 5: Utilities are requested to comment on whether (i) there may be changes required to the electricity procurement processes to better accommodate direct electric purchases from the ISO-NE, as was recently approved by the Commission for an electric utility; (ii) all else equal, utilities expect competitive procurement results to change as a result of this authorization?

RR 6: Utilities are requested to provide the following:

- a. Comment on whether, similar to Cost of Gas filings, long-term, short-term, and peaking contracts could be designed optimally, instead of buying load every six months.
- b. Given that the current practice of using a 6-month weighted average prices may not give the exact price signals, e.g., for better conservation of energy during peak load periods, please provide an alternative approach, if any, that could potentially help generate better market signals. Please share the pros and cons of the proposed approach.

RR 7: All utilities are requested provide **5-years historical data** on prices secured through their RFP processes for each Rate Class (i.e., Residential/Small, Large C&I) along with: (i) **monthly bid prices** for each 6-month period; (ii) **weighted average price** used for the Default Energy Service Rate for the corresponding 6-month period; (ii) **daily prices** from the day-ahead market for the corresponding 6-month periods. Provide this data in two separate tabs using the following format in MS Excel:

TAB 1 – RESIDENTIAL/SMALL CUSTOMERS

<u>Month, Year</u>	<u>Monthly Bid Price</u>	<u>6-Month Weighted Average Used for Default Energy Rate</u>	<u>Monthly Market Price</u>

TAB 2 – LARGE C&I CUSTOMERS

<u>Month, Year</u>	<u>Monthly Bid Price</u>	<u>6-Month Weighted Average Used for Default Energy Rate</u>	<u>Monthly Market Price</u>

TAB 3 – DAILY DAY-AHEAD MARKET PRICE

<u>Day, Month, Year</u>	<u>Market Price</u>	<u>Daily Residential/Small Customer Volume (kWh)</u>	<u>Daily Large C&I Customer Volume (kWh)</u>

III. GAS

a. 8 (Liberty Gas and Northern Utilities):

- a. Please provide the Company's portfolio (i.e., resource mix of spot purchases and all other purchases in percentages) and how it has changed over the past 5 years.
- b. Please explain how each Company determines that the portfolio resource mix is optimal and produces lower Cost of Gas rates?

RR 9 (Liberty Gas):

- a. When was Liberty's hedging policy last updated?
- b. Does Liberty consider that its hedging policy requires updating to match latest market trends?
- c. Please provide a detailed breakdown of hedging costs over the past three years.


RR 10 (Northern Utilities):

Northern Utilities, on pg. 9 of its Technical Statement from 11/18/2022, suggested considering *expanded methods of hedging* as a tool to mitigate short-term gas price volatility in New England. Please explain what this means and how it could work.

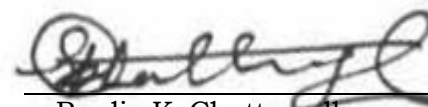
RR 11 (All participants):

Please provide an overview on the types of Asset Management tools that exist or are entering the market, and how those can help optimize procurement decisions for both utilities and their suppliers.

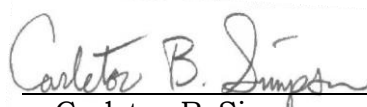
So ordered, this eighth day of February, 2023.



Daniel C. Goldner
Chairman



Pradip K. Chattopadhyay
Commissioner



Carleton B. Simpson
Commissioner

Service List - Docket Related

Docket#: 22-053

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