



Gas Capacity Stakeholder Meeting

January 25, 2022

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Opening Remarks:

Kevin Nedza

Division of Clean Energy
New Jersey BPU



Stakeholder Process

- The report was released in December and can be accessed at: <https://nj.gov/bpu/newsroom/reports/>
- The focus of the stakeholder process now is to solicit feedback on three specific areas:
 - › The findings of the report regarding the GDC's access to firm gas capacity
 - › The recommended non-pipeline alternatives presented in the report
 - › The Best Practices & Playbook included in the report
- Staff intends to return the Board with recommendations for their consideration at the conclusion of this process



Gas Capacity Report

- Please feel free to ask clarifying questions during the presentation by London Economics, International in the Q&A box
- There will be an opportunity to present general comments after the presentation, and also a public comment period through February 8th.
- A recording of this presentation and the slides will be made available at <https://www.bpu.state.nj.us/bpu/newsroom/public/>

LEI was engaged to study natural gas pipeline capacity and its adequacy to meet current and future demand of NJ customers

- ▶ The objectives of the engagement were to assist the NJ BPU in:
 - determining if sufficient natural gas capacity exists on the regional interstate pipeline system to meet the future peak day demand forecast of New Jersey's GDCs; and
 - determining if there will be sufficient capacity in the mid-term (present through 2030) to **ensure uninterrupted supply to all firm natural gas customers in New Jersey**

Scope of work/final report



1. Analyses of infrastructure, markets, demand, and non-pipeline alternatives



2. Review of reports filed in the proceeding



3. Shortfall risk assessment



4. Development of best practices and playbook for emergencies

*Public version***Redacted*

FINAL REPORT:
ANALYSIS OF NATURAL GAS CAPACITY
TO SERVE NEW JERSEY FIRM CUSTOMERS
PUBLIC VERSION

Prepared for

New Jersey Board of Public Utilities

By



London Economics International LLC
717 Atlantic Ave, Suite 1A
Boston, MA, 02111

November 5, 2021

Takeaway #1: The GDCs have adequate capacity to meet gas firm demand to 2030, under most future conditions



The shortfall risk assessment was underpinned by analysis of a variety of different demand conditions

Main findings of the report: Shortfall risk assessment

Under most conditions, including a design day winter, the New Jersey GDCs will have enough capacity to meet firm demand

Under extreme conditions, the system would fall short

Conditions (2029/30)	Total firm demand (MDth/d)	Surplus or shortfall (MDth/d)
High probability, low impact		
Normal Winter Day	2,547	3,196
Historical Peak Day	3,967	1,776
Low probability, moderate impact		
Winter Design Day	5,469	274
Lower probability, higher impacts		
1-in-90 Design Day	5,896	-153
Perfect Storm (2026/27)	5,321	-525

Takeaway #2: Coping effectively with future emergency conditions requires planning ahead



LEI identified best practices based on lessons learned from other jurisdictions, and took into account New Jersey's starting point

Main findings of the report: Playbook for emergencies

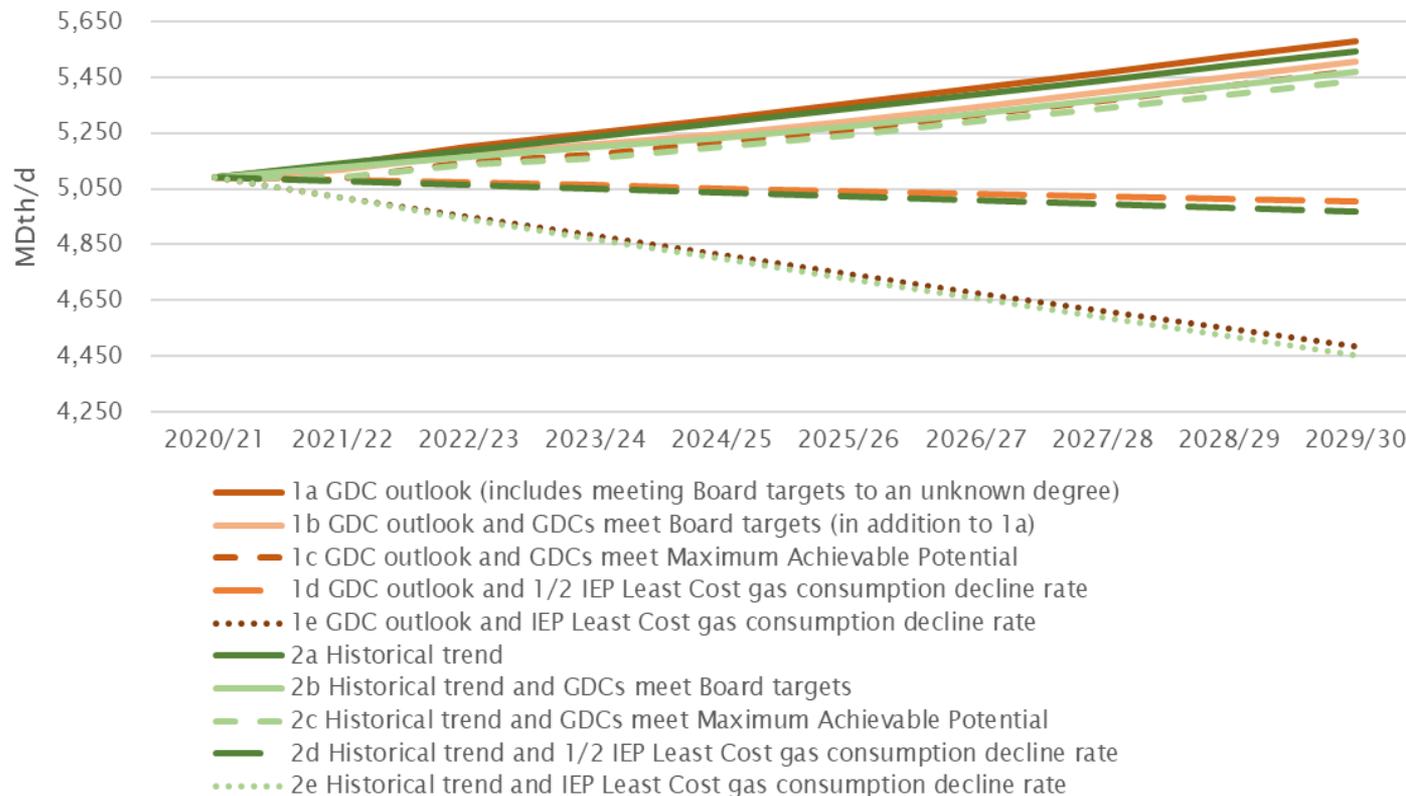
- 1. Develop rules, not just recommendations
- 2. Focus on strategies under the BPU's control
- 3. Build on existing platforms
- 4. Begin now

Takeaway #2: Building electrification is required, to flatten gas demand growth



The key insight derived from using demand scenarios to 2030 is that design day demand will decline only if building electrification gets under way; the middle scenarios are NOT business as usual

Main findings of the report: Demand scenarios to 2030





Public Comments

- All comments received during this meeting will be added to the official record on this docket.
- If you did not pre-register to speak at this meeting but wish to speak please notify staff using the Q&A feature
- Please try and limit your comments to the specific matter at hand.
- Please remain respectful of all other speakers.



Written Comments

- The Board will be accepting written comments on this matter until **5pm E.S.T. on February 8, 2022.**
- Please submit comments directly to the specific docket listed above using the “Post Comments” button on the Board’s [Public Document Search](#) tool. The docket for this matter is Docket No. GO20010033.
- While electronic comments are preferred, written comments may also be mailed to the Board Secretary, Aida Camacho, at the Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, P.O. Box 350, Trenton, NJ 08625-0350.



Thank You!