Winter Preparedness of the Natural Gas and Electric Systems
2019-2020 Winter Season
• Natural Gas Winter Outlook
• Bulk Electric Systems Preparedness
• Electric Utility Portfolio Price Volatility and Supply Price Outlook
• Outreach and Education Programs
Natural Gas
Winter Outlook

John Sano
Gas and Water Rates and Supply
Office of Electric, Gas, and Water
Capacity and Supply Review

- Review of expected customer requirements for design weather conditions for this winter
- Review of supplies to meet those customer requirements
- Staff’s monitoring of supply, prices and demand response customers throughout the winter
## LDC Commodity Portfolio

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Physical Storage</td>
<td>32%</td>
<td>$2.45</td>
<td>$2.49</td>
<td>$2.23</td>
</tr>
<tr>
<td>Hedged Supply</td>
<td>17%</td>
<td>$2.90</td>
<td>$2.97</td>
<td>$2.63</td>
</tr>
<tr>
<td>Flowing Gas</td>
<td>51%</td>
<td>$3.15</td>
<td>$3.72</td>
<td>$2.54</td>
</tr>
<tr>
<td>Average Winter Commodity Price</td>
<td></td>
<td>$2.88</td>
<td>$3.25</td>
<td>$2.46</td>
</tr>
</tbody>
</table>

## Firm Customers

**New York State Gas Utility Typical 2019-20 Winter Supply Portfolio**

- **Physical Hedges (Storage)**: 32.0%
- **Financial Hedges**: 17.3%
- **Flowing**: 50.7%
## Statewide Avg. Winter Bills

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>$831</td>
<td>$757</td>
<td>-10.9%</td>
</tr>
</tbody>
</table>
Enbridge Pipelines’ Force Majeure

• Force majeure is the result of integrity verification testing resulting from:
  – Incident investigation by the National Transportation Safety Board (NTSB)
  – Corrective action order from PHMSA
• The situation results in pressure reductions of up to 20% on much of the Enbridge system into the downstate area.
• Creates an immediate downstate reliability concern for existing customers this winter.
• NY gas utilities are in the process of contracting for additional replacement supplies to be ready to meet 2019-2020 winter conditions
Natural Gas Summary

- Commodity prices are projected to be lower compared to last year, but will vary depending on the impact of weather on winter flowing gas prices.

- Customer bills this winter are expected to be lower than last year. Delivery Costs are about the same but Gas Costs are forecast to decrease.

- NY gas utilities are in the process of contracting for additional supplies to be ready to meet 2019-2020 winter conditions.

- Enbridge Force Majeure – 20% reduction in operating pressure
  - An immediate downstate reliability concern for existing customers this winter.
  - Shows how a single point interstate failure can impact NY operations.
Bulk Electric Systems Preparedness

Vijay Puran

Bulk Electric Systems

Office of Electric, Gas, and Water
Historic Coincident Peaks


MW 22,000 24,000 26,000 28,000 30,000 32,000 34,000 36,000

Record Winter Peak 25,738
Record Summer Peak 33,956
Forecast 24,123
30,410
## New York Winter 2019/20 Capability & Load

<table>
<thead>
<tr>
<th>NYISO Provided Data</th>
<th>MW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Winter Generation Capacity</td>
<td>41,815</td>
</tr>
<tr>
<td>New York Special Case Resources (SCRs)</td>
<td>853</td>
</tr>
<tr>
<td>Net Purchases &amp; Sales</td>
<td>678</td>
</tr>
<tr>
<td>LESS: Total Projected Capacity Outages</td>
<td>(5,703)</td>
</tr>
<tr>
<td><strong>NET WINTER CAPACITY RESOURCES</strong></td>
<td><strong>37,643</strong></td>
</tr>
<tr>
<td>Winter Peak Load Forecast</td>
<td>24,123</td>
</tr>
<tr>
<td>Operating Reserve Requirement</td>
<td>2,620</td>
</tr>
<tr>
<td>Capacity Margin</td>
<td>10,900</td>
</tr>
</tbody>
</table>
Major Generation Facilities

- Staff reached out to major generation facility owners located primarily in the Southeastern portion of New York

- Lessons learned and beneficial changes made as a result of the 2013/2014 Polar Vortex are continuing

- On-site storage and replenishment of fuel oil is a critical priority
State Agencies and NYISO Preparations

- State Agencies and NYISO Winter Protocol

- NYISO Winter 2019/2020 Preparations
  - Continue enhancements and activities developed over recent years
    - Monitor fuel availability
    - Share confidential operational information with interstate pipelines
Electric Utility Portfolio
Price Volatility and
Supply Price Outlook

Paul J. Darmetko Jr.
Electric Rates & Tariffs
Office of Electric, Gas, and Water
NYISO Spot Market vs. Utility Full Service Residential Customer Supply Portfolio Volatility
(Statewide 12-month rolling average)
Statewide Weighted Average
Full Service Residential Supply Price - Winter Months
(Cents per kWh)
Messages

- Bill management strategies
  - Financial assistance programs
  - Budget billing
  - Payment options

- Energy efficiency tips

- Special customer protections

- Safety information
  - natural gas/electricity
  - carbon monoxide

- Storm preparation
DPS Outreach Efforts

- Educational materials

- Grassroots outreach
  - Events/presentations
  - Websites and toll-free numbers

- Partnerships
  - service organizations
  - government agencies
  - community based groups
Utility Outreach Efforts

- Media Advertisements – print/radio/tv/outdoor
- Website/Social Media/Mobile Applications
- Consumer Education
  - Publications - brochures/newsletters/bill inserts and messaging
  - Events
  - Weatherization kits
- Public Relations
- Outbound calling
- Employee Training and Quality Monitoring
Questions?