

3. Pursuant to G.L. c. 164, § 69J, a party seeking to construct a “facility” must obtain approval from the Siting Board. Pursuant to G.L. c. 164, § 69G, a jurisdictional facility is defined as a “unit, including associated buildings and structures, designed for and capable of the . . . storage of gas, except such units below a minimum threshold size established by regulation.” The Siting Board’s regulations established a total gas storage capacity of less than 25,000 gallons as being exempt from review. 980 CMR § 1.01(4).

4. The Project includes the installation of an additional tank capable of storing approximately 70,000 gallons of LNG at the site of an existing LNG storage and vaporization facility operated by HG&E for more than fifty years. The proposed new tank constitutes a facility subject to the jurisdiction of the Siting Board. As described in an accompanying analysis (“Analysis”), in coordination with the Project HG&E expects to complete unrelated improvements to existing components of the Facility given the on-site availability of a range of contractors during construction of the Project, including the replacement of the Facility’s existing vaporizer with two new vaporization units so that LNG dispatch is more reliable and service from the Facility is not subject to the failure of a single piece of equipment.

5. In accordance with Section 69J, before approving a petition to construct a proposed energy facility, the Siting Board requires an applicant to justify its proposal in four phases. First, the Siting Board requires the applicant to show that additional energy resources are needed (see Analysis, Section 3.0). Second, the Siting Board requires the applicant to establish that, on balance, its proposed project is superior to alternative approaches in terms of reliability, cost and environmental impact, and in its ability to address the identified need (see Analysis, Section 4.0). Third, the Siting Board requires the applicant to show that it has considered a reasonable range of practical facility siting alternatives and that the proposed site (or route) for the facility is superior to a noticed alternative site (or route) in terms of cost, environmental impact and reliability of supply (see Analysis, Section 5.0). Finally, the applicant

must show that its plans for construction of its new facilities are consistent with the current health, environmental protection and resource use and development policies as developed by the Commonwealth (see Analysis, Section 6.0). As demonstrated throughout the Analysis, the Project satisfies the Siting Board's standards and relevant precedent for jurisdictional facilities.

6. In carrying out its statutory mandate with respect to proposals to construct natural gas pipelines, the Siting Board evaluates whether there is a need for additional natural gas facilities in the Commonwealth to meet reliability, economic efficiency, or environmental objectives. See NSTAR Electric Company d/b/a Eversource Energy, EFSB 19-03/D.P.U. 19-15, at 7 (2021) ("Eversource Andrew Sq./Dewar"); Colonial Gas Company d/b/a National Grid, EFSB 18-01, at 7 (2019) ("Colonial Gas (2019)"); Colonial Gas Company, EFSB 16-01, at 5-6 (2016) ("Colonial Gas (2016)"); Colonial Gas Company, EFSB 05-2, at 5-6 (2006) ("Colonial Gas (2006)"); The Berkshire Gas Company, EFSB 05-1, at 3-4 (2006) ("Berkshire Gas (2006)").

7. As a local municipal natural gas distribution service provider, HG&E's core obligation is to provide safe, reliable, and least-cost gas service to its customers. The Project is needed to provide necessary system reliability and supply security during peak demand periods for a system which is currently served by only a single and limited pipeline system and an existing LNG facility with limited storage capacity that must be refilled during cold weather peaks. The Project may also secure economic and environmental benefits by enabling the targeted addition of new customers to secure economic and environmental benefits; due to limited supply capability, HG&E instituted a moratorium on the addition of new gas customers in 2019.

8. G.L., c. 164, § 69J requires a project proponent to present alternatives to the proposed facility, which may include: (1) other methods of transmitting or storing energy; (2) other sources of electrical power or natural gas; and (3) a reduction of requirements

through load management. See Eversource Andrew Sq./Dewar at 24; Colonial Gas (2019) at 19; Vineyard Wind LLC, EFSB 17- 05/D.P.U. 18-18/18-19, at 16 (2019) (“Vineyard Wind”); Colonial Gas (2016) at 11. In implementing its statutory mandate, the Siting Board requires a petitioner to show that, on balance, its proposed project is superior to alternative approaches in terms of reliability, cost, environmental impact, and ability to meet a previously identified need. See Eversource Andrew Sq./Dewar at 24; Colonial Gas (2019) at 19; Vineyard Wind at 16; Colonial Gas (2016) at 11. In addition, the Siting Board requires a petitioner to consider reliability of supply as part of its showing that the proposed project is superior to alternative project approaches. See Eversource Andrew Sq./Dewar at 24; Colonial Gas (2019) at 19; Vineyard Wind at 13-14; Colonial Gas (2016) at 11; Berkshire Gas (2006) at 12-13.

9. HG&E comprehensively identified and analyzed various project alternatives to address its established need, including” (i) a “no build” alternative; (ii) the Project; (iii) a new LNG facility; (iv) a new distribution pipeline or interconnections with neighboring utilities; (v) the use of compressed natural gas (“CNG”); and (vi) non-pipeline alternatives and emerging technologies, such as energy efficiency and electrification. HG&E considered each of these scenarios and evaluated them based on their ability to meet the identified need; their reliability, environmental impact, and cost; and the extent to which each provided additional reliability benefits to the area. HG&E was well-suited to perform this comprehensive analysis of alternatives because it provides both gas and electricity distribution service. The proposed Project was determined to best meet HG&E’s need while balancing reliability, cost, and environmental considerations. The analysis in support of this petition summarizes the need for the Project and the consideration of alternatives in Section 4.0 of the Analysis.

10. HG&E evaluated a number of potential alternatives to the Project, including non-pipeline and pipeline alternatives, including: (1) no-build alternative; (2) the proposed Project; (3) alternative sites for an LNG facility; (4) use of Compressed Natural Gas (“CNG”)

or Liquefied Natural Gas (“LNG”); and (5) non-pipeline alternatives and emerging technologies, such as energy efficiency and (6) electrification. HG&E analyzed these potential alternatives according to their ability to meet the identified Project need as well as considerations of reliability, cost and environmental impacts. As demonstrated in Section 4.0 of the Analysis, the Project is the superior alternative and solution to satisfy the Project need, while also appropriately balancing reliability, cost, and environmental impacts.

11. In implementing its statutory mandate to ensure a reliable energy supply for the Commonwealth with a minimum impact on the environment at the lowest possible cost, the Siting Board requires a petitioner to show that its proposed facility is sited at a location that minimizes costs and environmental impacts while ensuring a reliable energy supply. To determine whether such a showing is made, the Siting Board requires a petitioner to demonstrate that the proposed site for the facility is superior to the noticed alternative on the basis of balancing cost, environmental impact and reliability of supply. See Eversource Andrew Sq./Dewar at 44; Colonial Gas (2019) at 42; Vineyard Wind at 35; Colonial Gas (2016) at 29. In order to determine if a petitioner has achieved the proper balance among various environmental impacts and among environmental impacts, cost and reliability, the Siting Board determines if the petitioner has provided sufficient information regarding environmental impacts and potential mitigation measures to enable the Siting Board to make such a determination. The Siting Board then determines whether environmental impacts would be minimized. Similarly, the Siting Board must find that the petitioner has provided sufficient cost and reliability information in order to determine if the appropriate balance among environmental impacts, cost and reliability is achieved. See Eversource Andrew Sq./Dewar at 44-45; Colonial Gas (2019) at 42-43; Vineyard Wind at 35; see also Berkshire Gas (2006) at 31; Colonial Gas (2006) at 59-60.

Accordingly, the Siting Board examines the environmental impacts, reliability and cost of the proposed facilities at a petitioner's preferred site and when appropriate noticed alternative sites, to determine: (1) whether environmental impacts would be minimized; and (2) whether an appropriate balance would be achieved among conflicting environmental impacts as well as among environmental impacts, cost and reliability. In this examination, the Siting Board compares the preferred and alternative sites to determine which is superior with respect to providing a reliable energy supply for the Commonwealth with a minimum impact to the environment at the lowest possible cost. See Eversource Andrew Sq./Dewar at 44-45; Colonial Gas (2019) at 42-43; Vineyard Wind at 35; see also Berkshire Gas (2006) at 31; Colonial Gas (2006) at 59-60.

HG&E conducted a comprehensive analysis of the environmental impacts associated with the Project and will take steps to appropriately minimize and mitigate such impacts. Overall, HG&E's analysis demonstrates that the Project will achieve an appropriate balance among conflicting environmental concerns as well as among environmental impacts, reliability and cost. The cost, reliability and environmental impacts analyses are set forth in Section 5.0 of the Analysis.

12. HG&E also demonstrates that the construction and operation of the Project is consistent with current health, environmental protection and resource use and development policies as adopted by the Commonwealth, as are more particularly set forth in Section 6.0 of the Analysis.

13. Given the clear superiority of the Project at the West Holyoke Facility and concerns with customer confusion, particularly in Environmental Justice communities where an alternative site was located, HG&E determined a "noticed" alternative is not appropriate and should not be employed in this proceeding.

WHEREFORE, HG&E respectfully requests that the Siting Board, pursuant to G.L. c. 164, § 69J, conduct a public hearing on this Petition and take such other action as may be necessary to: (i) grant the authority to construct and operate the Project as more particularly described in the attached Analysis; (ii) find that the construction of the Project is consistent with current health, environmental, and resource use and development policies as adopted by the Commonwealth and the policies stated in G.L. c. 164, § 69H; and (iii) find that such construction and operation is required in order to provide a necessary energy supply for the Commonwealth with a minimum impact on the environment at the lowest possible cost.

Respectfully Submitted,

HOLYOKE GAS & ELECTRIC DEPARTMENT

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