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# Analysis of National Grid's Long-Term Plan Addendum

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## EXECUTIVE SUMMARY

Near the conclusion of its first Long-Term Plan (LTP) proceeding on July 2, 2025, National Grid (the Company) filed an addendum to its Final Gas System Long-Term Plan (Addendum) with the New York Public Service Commission (PSC or Commission). This Addendum sets forth the following key arguments: (1) the Northeast Supply Enhancement Project (NESE) is a solution to what the utility claims are urgent gas system reliability issues; (2) according to analysis commissioned by National Grid, NESE will put downward pressure on electricity prices; and (3), according to the utility's emissions analysis, NESE will not hinder progress towards achieving New York's climate targets.

The Addendum raises a host of questions and concerns, not least of which involve due process. The Addendum presents information that is incomplete and that National Grid has failed to connect to the existing record that lies before the Commission. The Addendum does not revise National Grid's scenario modeling in the Final LTP, nor does it update any of the recommendations. By failing to update the scenario modeling, the Addendum leaves the Commission and stakeholders with uncertainty as to how, if at all, any new information it provides would interact with or alter outcomes and recommendations of the Final LTP. Without this update, stakeholders have no clear basis for evaluating the two documents together.

National Grid requests that the PSC acknowledge the Addendum. Importantly, in the cover letter filed with the Addendum, it also requests confirmation that securing rights under the NESE precedent agreement is "reasonable." With this request, the Company is apparently seeking pre-approval of a long-term contractual commitment for which it has provided no alternatives and provided insufficient justification for its need. Such a determination appears to be inappropriate in the context of a planning docket and even moreso with respect to a filing made only at the tail end of this proceeding. Further, such a determination would improperly shift the financial risks of speculative fossil gas infrastructure onto customers without the benefit of a full evidentiary record.

Beyond procedural concerns, problems with the Addendum's arguments and supporting analysis call into question the value and validity of this filing. With the Addendum, National Grid maintains there is a critical need for the NESE based on a projected supply constraint; that NESE would result in a high proportion of benefits relative to costs; and that NESE provides the potential to avoid emissions. Based on our review, however, we find that National Grid's justifications for NESE are poorly supported, cherry-picked, and unbalanced.

Substantively, the Addendum suffers from analytical flaws and selective framing that undermine its credibility as a planning document. National Grid's projected load forecast and supply constraint is flawed, for example, by assuming an exceptionally cold weather year as an input into its load forecast. Moreover, the now-final 2025 gas load forecast, which is substantially lower than the 2024 forecast, pushes out the projected need for incremental gas supply by more than a decade. It is highly likely that National Grid overstated benefits of the NESE Project, and its intention to recover NESE costs solely from



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gas ratepayers—who would experience a residential monthly bill impact of around \$7.50 for at least the next 15 years—is problematic considering that the vast majority of benefits would accrue to electric customers under the Company’s own modeling.<sup>1</sup> In addition, given that National Grid used outdated 2019 cost estimates for the NESE project, and that actual project costs tend to run higher than planned for similar projects, costs are likely to be quite a bit higher than planned. These higher costs might be passed down to customers. Finally, National Grid’s emissions claims are misleading and provide an incomplete perspective. Taken together, these shortcomings suggest that the Addendum cannot provide a reliable basis for decision-making; instead, it risks obscuring rather than clarifying the choices before the Commission and stakeholders.

This report first provides a background on gas planning in New York, National Grid’s LTP and Addendum, and the NESE Project. Following that, it describes the many concerns with the Addendum as an LTP filing. In the last section, this report provides a detailed critique of the methodology, assumptions, and specific arguments made in support of the Addendum.

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<sup>1</sup> Addendum, page 11.



## 1. BACKGROUND

### 1.1. Long-Term Plans in New York’s Gas Planning Proceeding

The New York Public Service Commission’s (PSC) Order Adopting Gas System Planning Process (“Gas Planning Order”) filed on May 12, 2022, in Case 20-G-0131 established long-term plans (LTP) and associated filing requirements. As required by this order, LTPs should demonstrate how local distribution companies (LDC) plan to ensure compliance with state policies, including the emission reduction targets of the Climate Leadership and Community Protection Act (CLCPA), while continuing to provide safe and reliable service.<sup>2</sup> The Gas Planning Order requires utilities to develop 20-year demand and supply forecasts for a range of possible futures that differ in level of sales, economic trends, and non-traditional alternatives for inclusion in their LTPs. LTPs are expected to include a “no infrastructure option” where any supply gap is met through demand response and non-pipeline alternatives, though the Gas Planning Order allows LDCs to alternatively justify why a no-infrastructure option is not feasible.<sup>3</sup> For each possible future scenario, LTPs must specify an investment portfolio, bill impacts, and emissions impacts. Further, utilities must identify a preferred portfolio option.<sup>4</sup> The Gas Planning Order discusses a requirement for LDCs to file annual reports in the interim years between LTPs; however, it does not discuss a process for amending or supplementing LTPs.

### 1.2. National Grid’s LTP

National Grid filed its first LTP on May 31, 2024, consistent with the Commission’s schedule. Following this Initial Gas System LTP, National Grid filed its Revised Gas System LTP on October 23, 2024, and its Final Gas System LTP on March 7, 2025.<sup>5</sup> The Company held a technical conference 30 days prior to filing its Initial LTP. Intervenors had the opportunity to ask discovery questions and submit comments following each LTP filing, Intervenors also had the opportunity to submit reply comments following the Initial LTP filing.

Synapse helped Natural Resources Defense Council develop comments on the Initial LTP, which were submitted on September 18, 2024.<sup>6</sup> In those comments, NRDC criticized the Plan’s reliance on speculative volumes of renewable natural gas and hydrogen, its underuse of non-pipeline alternatives,

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<sup>2</sup> Gas Planning Order, page 4.

<sup>3</sup> Gas Planning Order, page 35-37.

<sup>4</sup> Gas Planning Order, page 50.

<sup>5</sup> Case 24-G-0248, available at: <https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=24-G-0248&CaseSearch=Search>.

<sup>6</sup> Initial Comments of Natural Resources Defense Council (NRDC), Case 24-G-0248, September 18, 2024.

and its unrealistic assumptions about electrification, all of which risked stranded costs and conflict with CLCPA mandates.<sup>7</sup> Those comments also recommended that National Grid apply a geographic non-pipeline alternatives screening tool (such as the one described in Appendix A to this report) to identify locations to implement NPA projects or system downsizing. NRDC and Sierra Club also submitted comments on the Revised LTP, which focused on National Grid's continued use of an unreasonably high 30°F switchover temperature for heat pumps; they argued this assumption inflates gas demand forecasts, perpetuates fossil fuel reliance, and undermines alignment with CLCPA goals.<sup>8</sup> Between the Initial and Final LTP, National Grid made only incremental adjustments to the Plan: it revised its supply portfolio by acquiring new firm capacity and allowing certain cogeneration contracts to expire, which delayed projected Downstate shortfalls by roughly one year; and it modestly reduced overall capital expenditure forecasts while still projecting unexpectedly high customer growth investments. However, the Company did not revise its contested demand forecast or scenario framework, leaving key stakeholder concerns unresolved. The PSC has yet to issue an order on National Grid's Final LTP to date. Below is a description of each of National Grid's three potential pathways as defined in its Final LTP.

- The **Reference Case** is a business-as-usual scenario that reflects current energy policies, assumes consistent levels of gas demand, and maintains the current gas system. National Grid states that the Reference Case "does not allow for meaningful reductions in the use of fossil natural gas," nor does it comply with CLCPA emission targets.<sup>9</sup>
- The **Clean Energy Vision** (CEV) scenario eliminates fossil fuels by 2050 through a combination of hybrid and full electrification, energy efficiency, and low-carbon fuels including renewable natural gas (RNG) and blended hydrogen.<sup>10</sup> National Grid projects decommissioning 10 percent of the gas system in this scenario.<sup>11</sup> The CEV scenario assumes that 90 percent of residential and commercial customers will adopt hybrid gas and electric heating (where roughly one-third of customers retain other gas appliances and two-thirds of customers electrify all other appliances) and 10 percent of customers fully electrify.<sup>12</sup> Under this scenario, National Grid expects annual gas demand (including fossil gas, RNG, and hydrogen) to fall to 50 percent of 2022 levels by 2050.<sup>13</sup>

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<sup>7</sup> NRDC, In the Matter of Review of the Long-Term Gas System Plan of National Grid: Initial Comments of Natural Resources Defense Council, Case 24-G-0248, September 18, 2024.

<sup>8</sup> NRDC and Sierra Club Comments on National Grid's Revised Gas System Long-Term Plan, Case 24-G-0248, December 13, 2024.

<sup>9</sup> National Grid Final LTP, page 16.

<sup>10</sup> National Grid Final LTP, page 17.

<sup>11</sup> National Grid Final LTP, page 217.

<sup>12</sup> National Grid Final LTP, page 41.

<sup>13</sup> Response to NRDC-060, Attachment 1, from National Grid's Initial Gas System Long-Term Plan, Case 24-G-0248.

- The **Accelerated Electrification** (AE) scenario eliminates fossil fuels by 2050 primarily through full electrification and energy efficiency with limited quantities of RNG. National Grid projects decommissioning 90 percent of the gas system in this scenario.<sup>14</sup> The AE scenario assumes that 95 percent of residential customers and 99 percent of commercial customers fully electrify by 2050, with all remaining demand served by RNG.<sup>15</sup> Under this scenario, National Grid expects annual gas demand (including fossil gas, RNG, and hydrogen) to fall to 5 percent of 2022 levels by 2050.<sup>16</sup>

In its Final LTP, National Grid selected the CEV scenario as its preferred pathway. The Company stated, "We believe a balanced pathway consistent with the CEV scenario has the strongest potential for an effective and affordable gas system transition. Our future rate filings will reflect a commitment to this plan..."<sup>17</sup> The Final LTP, filed as recently as March, indicated that National Grid plans to meet near-term supply shortfalls with CNG injections;<sup>18</sup> it did not convey reliability concerns with the level of urgency implied in the Addendum.

### 1.3. NESE Pipeline

Subsequent to National Grid's filing of its Final LTP, the outlook for natural gas supply in New York changed when a previously cancelled pipeline project resurfaced. The pipeline developer, Transcontinental Gas Pipe Line Company (Transco) originally submitted an application for a pipeline project known as the Northeast Supply Enhancement (NESE) to the Federal Energy Regulatory Commission (FERC) in March 2017.<sup>19</sup> FERC granted Transco a certificate for the project in May 2019, but Transco allowed it to expire in May 2024, stating it was no longer pursuing the project.<sup>20</sup>

At the state level, Transco submitted NESE for approval by the New York Department of Environmental Conservation (DEC) in June 2017, but this application was rejected due to concerns about its environmental impacts and inability to comply with water quality standards.<sup>21</sup> DEC also rejected further submissions in 2018 and 2019.

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<sup>14</sup> National Grid Final LTP, page 218.

<sup>15</sup> National Grid Final LTP, page 42.

<sup>16</sup> Response to NRDC-060, Attachment 1, from National Grid's Initial Gas System Long-Term Plan, Case 24-G-0248.

<sup>17</sup> National Grid Final LTP, page XXV.

<sup>18</sup> National Grid Final LTP, page 65.

<sup>19</sup> Transcontinental Gas Pipe Line Company, LLC, FERC Docket No. CP17-101.

<sup>20</sup> Anchondo, Carlos. May 8, 2024. "Pipeline company cancels Northeast gas project." *Politico EnergyWire*. Available at: <https://subscriber.politicopro.com/article/eenews/2024/05/08/pipeline-company-cancels-northeast-gas-project-00156597>.

<sup>21</sup> New York State Department of Environmental Conservation, Division of Environmental Permits. 2020. *Notice of Denial of Water Quality Certification*. Available at: [http://extapps.dec.ny.gov/docs/permits\\_ej\\_operations\\_pdf/nese-wq-denial05152020.pdf](http://extapps.dec.ny.gov/docs/permits_ej_operations_pdf/nese-wq-denial05152020.pdf).

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National Grid, which had identified future needs for firm peak gas supply capacity to serve its customers in New York City and Long Island, had signed an agreement with the NESE project to meet these needs.<sup>22</sup> After DEC denied the NESE pipeline project application, National Grid placed a moratorium on all new gas service connections on or about May 15, 2019.<sup>23</sup> This led the PSC to open a regulatory proceeding to investigate denials of service requests (Case 19-G-0678) and order National Grid to show cause why it is not subject to the imposition of financial penalties.<sup>24</sup> This investigation resulted in a settlement between National Grid and the Department of Public Service. On November 26, 2019, the PSC issued an order approving the settlement and directed National Grid to, among other things, lift its May 2019 moratorium on new gas connections, provide service to denied customers, fund \$15 million in financial relief or energy efficiency services to customers denied service, and \$20 million in clean energy investments through shareholders, and develop a Long-Term Capacity Report to address its gas capacity concerns in the long term to allow for further gas connections.<sup>25</sup> This Capacity Report was issued on February 24, 2020.<sup>26</sup>

In May 2025, Transco resubmitted its application to FERC, with only a few changes.<sup>27,28</sup> It also resubmitted its application to DEC in 2025,<sup>29</sup> and the public comment period for the DEC application closed on August 16, 2025. Transco has yet to receive approval from DEC to proceed with NESE since the 2025 application resubmittal. On August 28, 2025, FERC reissued the certificate of public convenience

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<sup>22</sup> Balaraman, K. Nov. 25, 2019, "National Grid lifts gas moratorium following deal with New York." *UtilityDive*. Available at: <https://www.utilitydive.com/news/national-grid-lifts-gas-moratorium-following-deal-with-new-york/568044/>.

<sup>23</sup> Brachfeld, B. October 14, 2019. "State Orders National Grid to Immediately Connect 1,157 Customers with Gas Service, Alleges Company Violated Law." *Bklyner*. Available at <https://bklyner.com/state-orders-national-grid-to-immediately-connect1157-customers-with-gas-service-alleges-company-violated-law/>.

<sup>24</sup> Order Instituting Proceeding and to Show Cause, Case 19-G-0678, Proceeding on Motion of the Commission to Investigate Denials of Service Requests by National Grid USA, The Brooklyn Union Gas Company d/b/a National Grid NY and KeySpan Gas East Corporation d/b/a National Grid (N.Y. Pub. Serv. Comm'n Oct. 11, 2019).

<sup>25</sup> Order Adopting and Approving Settlement, Case 19-G-0678, Proceeding on Motion of the Commission to Investigate Denials of Service Requests by National Grid USA, The Brooklyn Union Gas Company d/b/a National Grid NY and KeySpan Gas East Corporation d/b/a National Grid (N.Y. Pub. Serv. Comm'n Nov. 26, 2019).

<sup>26</sup> National Grid. 2020. *Natural Gas Long-Term Capacity Report: for Brooklyn, Queens, Staten Island and Long Island ("Downstate NY")*. Available at: [https://millawesome.s3.amazonaws.com/Downstate\\_NY\\_Long-Term\\_Natural\\_Gas\\_Capacity\\_Report\\_February\\_24\\_2020.pdf](https://millawesome.s3.amazonaws.com/Downstate_NY_Long-Term_Natural_Gas_Capacity_Report_February_24_2020.pdf).

<sup>27</sup> *Petition of Transcontinental Gas Pipe Line Company, LLC for Expedited Reissuance of Certificate Authority*, FERC Docket Nos. CP17-101-007, CP20-49-001, Accession No. 20250529-5275 (May 29, 2025).

<sup>28</sup> Simoes, Mariana. August 27, 2025. "With Trump's Help, Gas Supplier Fast Tracks Rejected Application for Pipeline Off NYC Coast." *City Limits*. Available at: <https://citylimits.org/with-trumps-help-gas-supplier-fast-tracks-rejected-application-for-pipeline-off-nyc-coast/>.

<sup>29</sup> New York Department of Environmental Conservation. 2025. "Queens and Richmond County - Northeast Supply Enhancement Project: Notice of Complete Application." *Environment Notice Bulletin*. Available at: <https://dec.ny.gov/news/environmental-notice-bulletin/2025-07-02/public-notice/queens-and-richmond-county-northeast-supply-enhancement-project>.



and necessity (CPCN) to Transco for NESE.<sup>30</sup> Stakeholders may apply for a rehearing on any final FERC order within 30 days of its date of issuance.<sup>31</sup>

## 1.4. National Grid LTP Addendum

On June 2, 2025, National Grid filed a request to “prepare and submit an update to its Gas System Long-Term Plan (“GSLTP”) to capture this recent development concerning a potential new gas supply project, [the Transco NESE pipeline].”<sup>32</sup> The PSC granted this request to allow National Grid to update its LTP and adjusted the LTP filing schedule accordingly.<sup>33</sup>

National Grid filed its Final Gas System Long-Term Plan Addendum (Addendum) on July 2, 2025, in Case No. 24-G-0248. National Grid indicates this is intended as an “informational supplement” to its Final LTP.<sup>34</sup> The Addendum sets forth the following key arguments: (1) NESE is a solution to what the utility claims are urgent gas system reliability issues; (2) according to analysis commissioned by National Grid, NESE will put downward pressure on electricity prices; and (3), according to the utility’s emissions analysis, NESE will not hinder progress towards achieving CLCPA targets.

Regarding the first argument, the Addendum presents NESE as a necessary supply option to meet the Company’s forecasted supply constraints and address reliability risks. In support of that argument, the Addendum presents projections for growing demand for gas and electricity, capacity constraints of existing gas pipeline infrastructure, and the risks of gas outages. It discusses the potential for mitigating prohibitively high electricity prices during winter peak periods when dual-fuel generators switch to more expensive oil, when gas demand is high. National Grid suggests that new gas infrastructure that could increase supply to Downstate New York would help mitigate all of these risks.

To support the second argument, the Addendum summarizes a cost-benefit analysis of NESE, detailed in an attached study by Levitan & Associates, Inc. (LAI study). The Addendum alleges that there are net benefits of between \$4 billion and \$4.5 billion in aggregate between 2028 and 2043 and a benefit-cost ratio of between 2.5 and 3, driven by reduced electric costs and avoided use of Compressed Natural Gas (CNG). The LAI study’s gas price modeling and electric dispatch modeling suggest reduced electric prices in the peak heating season months of December, January, and February due to reduced gas supply

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<sup>30</sup> *Transcontinental Gas Pipe Line Company, LLC*, 192 FERC ¶ 61,184 (2025).

<sup>31</sup> Federal Energy Regulatory Commission. 2025. “How to File a Request for Rehearing.” Available at: <https://www.ferc.gov/how-file-request-rehearing>.

<sup>32</sup> Gas System Long-Term Plan Extension Request, Case 24-G-0248, June 2, 2025, available at: <https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=24-G-0248&CaseSearch=Search>.

<sup>33</sup> Staff Revised Schedule for LTP, Case 24-G-0248, June 17, 2025, available at: <https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=24-G-0248&CaseSearch=Search>.

<sup>34</sup> Addendum, p. 5.

constraints with NESE, relative to a scenario without NESE. The LAI study also estimates annual total ratepayer savings, using the results of its electricity price modeling. These are presented annually over the course of a 15-year study period, from 2028 to 2042. To provide a sense of how these savings are divided geographically, LAI splits the state into three regions to present the results, based on New York Independent System Operator (NYISO) defined zones.<sup>35</sup> In addition, the Addendum includes an evaluation of the implications of NESE for the utility’s gas distribution customers, who would see higher bills, as well as for electricity consumers, who are forecast to see lower bills.<sup>36</sup>

The third argument involves impacts on greenhouse gas (GHG) emissions. National Grid claims GHG emissions reductions from increasing customer-switching from oil to gas and fewer fuel truck deployments.

The Addendum sets forth a request to the Commission “to review and acknowledge the findings and recommendations presented in this evaluation.”<sup>37</sup>

## 2. THE ADDENDUM VIOLATES PROCEDURAL NORMS AND COMPROMISES DUE PROCESS

Submitting an end-of-cycle LTP addendum to supplement a final LTP is unprecedented within the gas planning process: To our knowledge, no other LDCs have requested to submit, or submitted, an LTP addendum to-date. Further, there are no established processes and requirements for making updates; the Gas Planning Order does not establish guidelines for this type of filing.<sup>38</sup>

The LTP proceeding is not the proper venue for considering the prudence of a specific supply project, including the NESE project, especially when evaluation of the project was not integrated into the LTP. National Grid states “[t]his addendum is an informational supplement to the LTP. It does not alter the content of the LTP itself or its recommendations.”<sup>39</sup> However, National Grid did not adequately analyze or articulate how NESE fits into the scenarios presented in its Final LTP. The Addendum merely presents NESE as a necessary potential new supply option—without articulating how this supply option changes the scenarios it considered or the results of the analysis presented in its Final LTP (and without

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<sup>35</sup> New York Independent System Operator (NYISO). “New York Control Area Load Zones.” Available at: [https://www.nyiso.com/documents/20142/1397960/nyca\\_zonemaps.pdf](https://www.nyiso.com/documents/20142/1397960/nyca_zonemaps.pdf).

<sup>36</sup> Addendum, p. 6.

<sup>37</sup> Addendum, p. 7.

<sup>38</sup> Department of Public Service Staff, Staff Revised Schedule for LTP, Case 24-G-0248, June 17, 2025, available at: <https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=24-G-0248&CaseSearch=Search>.

<sup>39</sup> Addendum, page 5.

adequately demonstrating how NESE is necessary, as discussed later in this report). By failing to update the scenario modeling, the Addendum leaves the Commission and stakeholders with uncertainty as to how, if at all, any new information it provides would interact with or alter outcomes and recommendations of the Final LTP. Without this update, stakeholders have no clear basis for evaluating the two documents together.

National Grid's representation of NESE in this format provides insufficient information to enable stakeholders to assess the full range of feasible options for meeting customer demand. Instead of framing NESE as a potential supply option to meet customer demand, or modifying the Final LTP scenarios, the Addendum centers NESE as, seemingly, the only option, despite its Final LTP resolving the same supply constraint it now claims NESE is needed to address. Importantly, National Grid's filing goes beyond simply asking the Commission to "acknowledge" the Addendum.<sup>40</sup> In its cover letter, the Company asks the Commission to confirm that "securing rights" under NESE is reasonable—effectively seeking preapproval of a long-term contractual commitment in a planning docket instead of an adjudicated rate proceeding. Such a determination appears to be inappropriate in the context of a planning docket and even moreso with respect to a filing made only at the tail end of this proceeding. Further, such a determination would improperly shift the financial risks of speculative fossil gas infrastructure onto customers without the benefit of a full evidentiary record. The potential impacts on gas ratepayers are material (on the order of roughly \$7.50 per month for residential customers), which underscores the need for proper process.

Moreover, the Addendum contains analytical gaps. The following is a list of analyses that are lacking from the Addendum that would help demonstrate how implementation of contracting for capacity from NESE interacts with the findings of the Final LTP:

- **Emissions.** National Grid does not quantify the impact of NESE on incremental emissions. National Grid quantifies avoided emissions from oil-to-gas conversions and avoided CNG, but it does not quantify the incremental Scope 1 (from sources controlled by National Grid) and Scope 3 (resulting from the Company's activities but not owned or controlled by the Company) emissions resulting from NESE.<sup>41</sup> Nor does National Grid include the cost of avoided or incremental emissions in its BCA for NESE.<sup>42</sup> These issues are especially problematic considering

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<sup>40</sup> Addendum, page 7.

<sup>41</sup> According to the U.S. Environmental Protection Agency (EPA), Scope 1 emissions include direct emissions from sources controlled by an organization; Scope 3 emissions include indirect emissions that are a consequence of the organization's activities but not owned or controlled by the organization. For gas utilities, Scope 1 typically includes emissions associated with facilities, leaking pipes; Scope 3 typically includes emissions associated with customer end-use combustion. EPA, *Simplified Guide to Greenhouse Gas Management for Organizations*, April 2024, available at: [Simplified Guide to Greenhouse Gas Management for Organizations](#).

<sup>42</sup> Response to NRDC-060.

that one of the primary objectives of the LTP proceeding is to determine the most cost-effective strategies to reduce GHG emissions to comply with the CLCPA.<sup>43</sup>

- **Impact of NESE on LTP scenarios.** National Grid does not discuss how NESE aligns with the strategies and targets of its LTP scenarios. The CEV scenario, National Grid’s preferred pathway, projects 50 percent annual gas load reduction by 2050, and the AE scenario projects 95 percent annual load reduction by 2050 (both from 2022 levels). National Grid’s justification for NESE is premised on increased demand projections, which does not align with the objectives of the CEV and AE scenarios. Additionally, the CEV scenario envisions repurposing National Grid’s entire system to accommodate 93 percent RNG and 7 percent hydrogen (as a percent of total throughput) by 2050,<sup>44</sup> however the Addendum does not discuss how NESE could be repurposed to accommodate lower-carbon fuels.
- **Revenue requirement.** National Grid did not model the long-term impact of NESE on revenue requirement and customer rates for each LTP scenario. Based on the erroneous assumption that costs would be the same as they were in Transco’s 2019 application for the NESE project, National Grid estimated that NESE would increase CEV and AE cumulative expenditures by 1 percent or less.<sup>45</sup> However, it did not provide an annual breakdown of the rate impact from NESE in each scenario.
- **Customer defection and load decline.** National Grid failed to consider how NESE might impact customer gas demand. Two of National Grid’s primary forecasted economic impacts of NESE—wholesale electric price reductions and gas rate increases—improve the economics of operating electric appliances relative to gas appliances for all manner of gas end uses. If either of these impacts from NESE come to fruition, this will encourage gas customers to reduce gas use and/or electrify their end uses, raising affordability concerns for current and future gas users as gas system costs are spread among a smaller number of therms sold.
- **Alternatives.** In the Addendum, National Grid did not present alternatives to NESE to meet its projected (but outdated) supply constraint. One of the LTP requirements is for LDCs to present a no-infrastructure option or otherwise justify why a no-infrastructure option was not considered.<sup>46</sup> National Grid implies that consideration of alternatives is not warranted “given the urgent need to address risks to gas system resiliency...”<sup>47</sup> However, National Grid’s claims about the existence of an urgent resiliency risk lack substantiation for reasons discussed in a later section. A strategy that considers alternative solutions to meeting customer demand, such as

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<sup>43</sup> Gas Planning Order, page 4.

<sup>44</sup> Response to NRDC-060, Attachment 1, from National Grid’s Initial Gas System Long-Term Plan, Case 24-G-0248.

<sup>45</sup> Addendum page 34.

<sup>46</sup> Gas Planning Order, page 35-37.

<sup>47</sup> Addendum, page 7.

beneficial electrification, is better aligned with CLCPA mandates and National Grid's stated objectives in its CEV and AE scenarios. Identifying areas on its gas system for targeted electrification using a geospatial analysis tool (like the one conceptualized in Appendix A) could help National Grid reduce forecasted demand and reduce emissions.

Notwithstanding the belief that the LTP is an inappropriate place for this discourse about NESE, the following sections present our concerns with NESE as a potential supply option.

### **3. NATIONAL GRID'S ARGUMENTS IN THE ADDENDUM ARE CRITICALLY FLAWED**

In this section, we discuss and critique the three primary arguments that National Grid presents in the Addendum. We find that:

1. The need for NESE is unwarranted given the likelihood of no near-term supply constraint. NESE is not needed to maintain supply because National Grid's final 2025 Gas Long-Term Forecast shows sustained decline in demand compared with the 2024 Gas Long-Term Forecast, eliminating the shortfall on which the Addendum is premised. Building NESE now would lock customers into decades of costs using an outdated forecast.
2. The August 28, 2025 FERC order set NESE's rates based on outdated 2019 cost estimates. Actual project costs tend to run higher, often much higher, than planned. Given these realities, overruns are likely to occur, which might be passed down to ratepayers.
3. Even under LAI's own numbers, National Grid's gas customers in New York City and Long Island face a clear net rate increase—paying roughly \$90 more each year for NESE while receiving only about \$43 in benefits from possible electric savings — leaving them worse off despite claims of statewide savings.
4. While NESE would may put downward pressure on electricity prices, the overwhelming majority of NESE benefits accrue to the statewide electric sector, while the entirety of NESE costs fall on the National Grid's downstate gas customers. This mismatch creates an unreasonable cross-subsidy, and the affiliate relationships between National Grid's gas utilities and its gas-fired generators (GENCO) on Long Island warrant heightened scrutiny and potentially additional guardrails, especially given that the need for NESE is doubtful (given the dramatically reduced 2025 gas load forecast).
5. The utility's emissions analysis is critically flawed, and claims about NESE not hindering progress towards achieving CLCPA targets should be disregarded.

## 3.1. National Grid’s Load Forecast and Supply Constraint Calculations Are Flawed

National Grid’s 2024 Gas Load Forecast projects a supply constraint in 2028–2029, but the 2025 forecast is 8.5% lower and does not have a supply constraint until well in the 2040s. However, numerous concerns about National Grid’s load forecasting assumptions cast doubt on the reasonableness of its gas load forecast and the urgency of the supply constraint.

### Near-term need is questionable

National Grid’s 2025 Gas Load Forecast projects no design-day gas supply shortfall until 2041–2042.<sup>48</sup> In comparison, the 2024 forecast shows a potential deficit as early as 2028–2029.<sup>49</sup> The 2025 forecast reflects the much lower than forecast actual use in recent years and updated assumptions—slower regional economic growth and lower projected fuel-switching from oil to gas—yet still incorporates continuing demand growth. The fact that no supply constraint is projected within the next 15 years under the 2025 Gas Load Forecast undermines National Grid’s claims about the urgency for constructing a major new pipeline by 2028, as proposed for NESE. If supply adequacy is not threatened until the early 2040s, there is a longer planning window to evaluate lower-cost or non-pipeline alternatives consistent with the CLCPA’s binding GHG reduction targets and the Scoping Plan’s recommended electrification pathway.<sup>50</sup>

### Heating degree day assumptions for gas load forecast are problematic

National Grid’s decision to use 2018 weather year conditions to model its gas load forecast exaggerates the likely actual demand, which leads to a potentially premature supply constraint. LDC demand for all years in the LAI study is calculated based on heating degree day values from the 2018 weather year. Data from December 2017 is included as well.<sup>51</sup> According to NYISO’s Fuel and Energy Study (FES Study), “the period spanning December 25, 2017 through January 8, 2018 was the coldest consecutive 14-day period” in the dataset from 1993 to 2023 that was used for the study.<sup>52</sup> An analysis of annual winter peak heating degree day values (December through February) from Long Island shows a significantly higher value of 2,933 for December 2017 through February 2018 than the average over the past decade (2015–2024), 2,786.<sup>53</sup> The 2018 value is driven by the unusually cold temperatures in late December and

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<sup>48</sup> Addendum, p. 13-14.

<sup>49</sup> Response to NRDC-003.

<sup>50</sup> New York State Climate Action Council. 2022. *New York State Climate Action Council Scoping Plan*. Available at: [climate.ny.gov/ScopingPlan](https://climate.ny.gov/ScopingPlan).

<sup>51</sup> See p. 24 and p.28 of the LAI NESE Study.

<sup>52</sup> FES Study, p. 35.

<sup>53</sup> Brookhaven National Laboratory. 2025. “Monthly Heating Degree Day Records.” Available at: <https://www.bnl.gov/weather/4cast/HeatingDegreeDays.htm>.

early January of that year. Using this more than five percent higher-than-average heating degree day value results in an unrealistically high demand forecast, based on the regression formulas used by the LAI study to estimate gas demand.<sup>54</sup> This, in turn, exaggerates the benefits of NESE by overstating the level of gas capacity constraints, as discussed more in the following section.

### **Switchover Temperature Assumptions are Unrealistic**

National Grid's gas load forecasts assume that dual-fuel, partially electrified customers switch from heat pumps to gas backup at 30°F.<sup>55</sup> However, modern cold-climate heat pumps remain highly efficient well below that threshold. Multiple studies show performance remains strong at 10°F and even down to -5°F. At a coefficient of performance above 1.5,<sup>56</sup> a 10°F switchover is both feasible and consistent with existing programs requiring cold-climate equipment. By using a 30°F switchover assumption, National Grid is effectively inflating its projection of gas demand. Optimizing switchover temperatures downward is essential to maximize electrification, align with demonstrated technology capabilities, and ensure long-term system cost-efficiency and emission reductions.

### **Load Forecast is inconsistent with CLCPA electrification targets**

National Grid's gas load forecast is based on the Reference Case scenario, which is inconsistent with the levels of electrification required by the CLCPA.<sup>57</sup> National Grid assumes continued growth in gas demand through 2050. Given the state's mandate to drastically reduce emissions by 2050, National Grid's gas load forecast is likely overstated, and its supply constraint calculation likely premature. This is especially problematic considering that the LAI study uses NYISO's electric load forecast in its modeling, which assumes aggressive building electrification.<sup>58</sup>

## **3.2. NESE Benefits Are Likely Overstated and Almost Entirely Accrue to the Electric Side**

National Grid and LAI present NESE benefits in terms of electric wholesale savings, avoided supplemental supply purchases, and avoided emissions.<sup>59</sup> The LAI study calculates a favorable benefit-

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<sup>54</sup> LAI NESE Study, p. 29.

<sup>55</sup> Final LTP, p. 40.

<sup>56</sup> The coefficient of performance is the ratio of useful heating or cooling to the total energy input. Because heat pumps transfer heat instead of generating it, the efficiencies of heat pumps can be much greater than 100 percent; typically, heat pumps' COPs exceed 250 percent (represented by a COP of 2.5) for heating and 400 percent (or a COP of 4) for cooling on average.

<sup>57</sup> Response to NRDC-03.

<sup>58</sup> LAI NESE study, p. 23.

<sup>59</sup> Levitan & Associates. 2025. (LAI Study) Assessment of Economic Benefits in NYISO's Wholesale Electricity Market Attributable to Transco's Northeast Supply Enhancement Project. Prepared for National Grid. pp. 8-9.

cost ratio of between 2.5 and 3 for NESE, supporting National Grid’s justification for the project. The core driver of the modeled benefits is the reduction in wholesale electric energy prices during a limited set of winter months (December–February). National Grid’s gas and electric load forecast assumptions have implications on the magnitude of calculated benefits. Concerns about National Grid’s overestimated gas load forecast (as discussed above) translate to concerns about overestimated benefits. This section discusses multiple reasons why National Grid’s calculation of NESE benefits might be overstated, including problematic assumptions around calculating electric wholesale market benefits.

## **Cost Assumptions are Outdated and Understate Ratepayer Risk**

FERC’s August 28 order granting the CPCN adopted the same rates as the Commission’s vacated 2019 approval. Yet those rates are based on capital cost estimates prepared more than six years ago, well before the pandemic’s inflationary impacts on steel, labor, and construction services. It is unrealistic to assume that a large interstate pipeline deferred until 2025 or 2026 can be delivered at 2019 cost levels.

Furthermore, experience with comparable projects suggests that NESE is likely to encounter cost overruns during construction. Resulting cost increases could be passed through to National Grid, and then to ratepayers. Accordingly, the actual ratepayer exposure is almost certainly higher than what National Grid has estimated, creating a material risk that customers will bear substantially greater costs than assumed in the Addendum.

## **Long-term demand is overestimated in the face of electrification**

As discussed above, National Grid’s gas load forecast assumes increasing gas demand over the decades ahead.<sup>60</sup> This stands in contrast to CLCPA requirements and NYISO’s own electric load projections, which anticipate steep declines in fossil fuel use in buildings as electrification accelerates. LAI’s electric load forecast is based on NYISO’s long-term projections, which assume aggressive building electrification and substantial winter electric peak growth.<sup>61</sup> Yet the Addendum treats gas demand as continuing to rise over the long term rather than decline.<sup>62</sup>

This creates a fundamental inconsistency: LAI’s analysis of NESE benefits appears to assume both high electric demand and high gas demand, even though building electrification will shift heating load from gas to electricity. This risks double-counting load and overstating future gas supply constraints if NYISO electrification forecasts are accurate, or overstating electric constraints and prices if electrification forecasts are optimistic. It also inflates the modeled wholesale electricity price benefits of NESE, since gas-fired generation’s role in setting market prices would shrink as fossil generation is phased out under

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<sup>60</sup> LTP Addendum, pp. 12–14.

<sup>61</sup> LAI NESE study, p. 23.

<sup>62</sup> LTP Addendum, pp. 12–14.

the CLCPA—especially after 2040, when NYISO’s System & Resource Outlook shows no fossil plants remaining in the resource mix.

## **Claimed resiliency benefits from NESE are overstated and narrow in scope**

National Grid does not quantify NESE’s reliability and resiliency benefits in its BCA. Though the Addendum emphasizes the importance of these benefits, stating that they would add roughly 13 percent to firm gas supply, create a parallel path into the Rockaways, reduce single points of failure, lessen dependence on trucked CNG operations, and improve electric reliability by lowering wholesale power prices.<sup>63</sup> However, the quantified gas-side cost savings, which the Company estimates to be \$520 million in present value, are comparatively small relative to other quantified benefits, while leaving the core resiliency claims not monetized. NESE may enhance resilience in one narrow respect—by providing more firm capacity and pressure at peak times. But with the Company’s 2025 forecast showing no design-day deficit in the planning horizon, it does not appear that this is an immediate issue.

Also, NESE would not improve resilience broadly, as it draws from the same Transco/Appalachian supply basin that already serves Downstate.<sup>64</sup> Freeze-offs (equipment freezing at wells) or upstream outages in Appalachia that reduce gas supplies that feed the pipelines would impact NESE flows just as it would existing Transco pipelines. In other words, the addition of NESE would not mitigate the correlated upstream risks that threaten the gas supply to Downstate; it would merely increase dependence on the same supply corridor.

## **Benefits are overestimated by use of 2018 weather year in capacity analysis**

National Grid claims that NESE would lower wholesale electricity prices by reducing gas price spikes that occur when pipeline capacity into New York is constrained. In theory, additional pipeline capacity would reduce congestion and leave more gas available for power plants, thereby lowering electricity prices.<sup>65</sup> However, the magnitude of these benefits is overstated because the analysis relies on an unrealistic demand assumption—namely, that the coldest 14-day period in the last three decades will recur every single year of the study horizon.

The LAI study, which underpins National Grid’s claims, estimates gas available for New York power generators as total pipeline supply into the state minus two factors: estimated New York LDC demand and exports to New England.<sup>66</sup> While this methodology mirrors the approach taken in the NYISO Fuel

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<sup>63</sup> Addendum, pp. 29–34.

<sup>64</sup> Addendum, p. 30.

<sup>65</sup> Addendum, p. 30.

<sup>66</sup> LAI Study, pp. 28–29.

and Energy Study (FES Study),<sup>67</sup> the inflated LDC demand assumption skews the results. By modeling extreme cold conditions as if they were the norm, the study exaggerates the frequency and severity of pipeline constraints, thereby inflating the projected market price benefits of NESE. In practice, such conditions are rare and cannot credibly be assumed to occur every winter.

## **The majority of claimed NESE benefits accrue to the electric side**

National Grid included avoided CNG purchases and wholesale electricity savings as benefits in its BCA. According to National Grid's calculations, wholesale electricity benefits across New York account for \$6,013 million (comprised of \$2,750 million from the Downstate region, \$1,318 million from the Capital District and Lower Hudson Valley, and \$1,946 from the Upstate New York region) while avoided CNG purchases account for \$520 million in benefits, just 8 percent of total benefits (all in cumulative, 2028 present value).<sup>68</sup> Avoided CNG purchases accrue entirely to National Grid's Downstate gas customers, however electric wholesale market benefits are shared between gas and electric customers. National Grid explains that "Nearly all gas customers are also electric customers and, as a result, would benefit from savings in the electricity market."<sup>69</sup> However, National Grid does not distinguish the dollar amount of wholesale electricity market benefits that accrue to gas and electric customers separately.

A simple analysis reveals that the majority of NESE benefits accrue to the electric side instead of the gas side (Table 1), which is problematic considering National Grid suggests recovering NESE costs entirely through gas ratepayers. Assuming that Downstate gas and electric customers split the total Downstate electric wholesale market benefits equally, this would result in \$1,375 million in benefits to the gas side and \$1,375 million to the electric side. However National Grid's BCA includes wholesale market benefits to the Upstate and Capital regions of New York as well, which accrue entirely to the electric side (since National Grid does not have any gas customers in these regions).<sup>70</sup> Upstate and Capital region electric wholesale benefits amount to \$3,264 million.<sup>71</sup> It follows that \$1,375 million of the \$6,013 million total wholesale market benefits accrue to gas customers, and \$4,638 million accrue to electric customers. After factoring in avoided CNG purchases, gas customers experience \$1,895 million of the total NESE benefits, and electric customers experience \$4,638 million in benefits, indicating that the electric sector would receive more than twice the amount of benefits as gas customers.

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<sup>67</sup> Analysis Group. 2023. Fuel and Energy Security in New York State: An Assessment of Winter Operational Risks for a Power System in Transition. Prepared for NYISO. pp. 34-40.

<sup>68</sup> Response to NRDC-022 Attachment 1.

<sup>69</sup> Response to NRDC-023.

<sup>70</sup> Response to NRDC-022 Attachment 1.

<sup>71</sup> Response to NRDC-022 Attachment 1.

Table 1. Distribution of NESE benefits (2028 net present value, \$M)

Source of benefits		Total NESE benefits calculated by National Grid	Beneficiaries	
			Gas customers	Electric customers
CNG		\$520	\$520	\$0
Electric wholesale market savings	Downstate region	\$2,750	\$1,375	\$1,375
	Upstate region	\$1,946	\$0	\$1,946
	Capital region	\$1,318	\$0	\$1,318
	Subtotal	\$6,013		
<b>Total benefits</b>		<b>\$6,534</b>	<b>\$1,895</b>	<b>\$4,639</b>
<b>Share of total</b>		<b>100%</b>	<b>29%</b>	<b>71%</b>

Source: Addendum, page 32.

## Gas customers would, inappropriately, shoulder the entire cost of NESE alone

As discussed in the previous section, the majority of NESE benefits, as calculated by National Grid, accrue to electric customers. This is especially problematic considering that National Grid is planning to recover costs entirely from its Downstate gas customers, who will only receive 29 percent of NESE benefits. This raises the concern that KEDNY and KEDLI customers would be cross-subsidizing NESE costs for the benefits of others. The timing of an increase in gas rates from NESE is very problematic, given projected increases in electrification and declines in demand, which will also push up gas rates.

## Existing affiliate relationships warrant closer scrutiny

As noted previously, National Grid’s ask to the Commission leaves open the question of what such an acknowledgement implies. The National Grid gas utilities are seeking a Commission order “confirming that securing rights in the NESE project is reasonable given the facts and circumstances as they stand.”<sup>72</sup> Given this lack of specificity in National Grid’s request, it is reasonable to ask what National Grid seeks to achieve by gaining an acknowledgment. The Addendum was written in support of the NESE Project. It appears that, at least in part, National Grid is looking for the Commission to pre-authorize an investment that comes with speculative benefits to any group of ratepayers (as described in this report) and a heavy

<sup>72</sup> Addendum Letter, page 5.

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dose of risk, particularly to gas customers who may be saddled with higher costs if such a deal is sanctioned.

In this context, it is also important to consider the affiliate relationships between the gas utilities and the gas generators serving Long Island. In considering the reasonableness of securing rights in NESE, the Commission should consider several factors.

First, The Commission should consider the existing affiliate relationships between the National Grid's regulated gas LDCs and its other subsidiary's gas generation assets that have existing contracts with Long Island Power Authority (LIPA).

- There are two gas facilities in New York state (Glenwood Energy Center and Port Jefferson Energy Center) that are owned in whole or in part by a National Grid affiliate, National Grid Generation LLC, and are located in the KEDLI service area.<sup>73</sup> These generating facilities operate under long-term power supply agreements with LIPA,<sup>74</sup> but the National Grid gas utilities are not party to these agreements. These generators are interruptible customers. LIPA outsources the fuel management functions to a third party. Currently, the gas generators have interruptible service (i.e., are interrupted when required for system reliability or others operational considerations).<sup>75</sup> It is anticipated that these gas generators will be able to access additional capacity provided by NESE, if KEDLI's firm customers are not using the capacity.<sup>76</sup>
- There are established affiliate rules between the PSC-regulated National Grid subsidiaries (e.g. KEDLI and KEDNY) and other non-regulated entities. These include rules such as separation, non-sharing of competitively sensitive information, fully distributed cost allocation, and audit rights.

Second, the Commission should also consider if there are any potential contract negotiations in the future between LIPA and National Grid's affiliate gas generation assets where a KEDLI capacity contract with NESE could have a financial impact on the affiliate. This is particularly important in light of the NYISO's firm fuel capacity accreditation revisions that will assign higher capacity accreditation factors to generators with firm fuel arrangements.<sup>77</sup>

In light of the potential benefits that the affiliate could realize as a result of a NESE contract with the regulated utility, the Commission should evaluate the existing affiliate rules and the fuel-supply contract structure. Based on that evaluation, the Commission should determine if additional guardrails or reporting are appropriate and necessary to limit the risk of cross-subsidization.

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<sup>73</sup> Response to NRDC-041.

<sup>74</sup> Response to NRDC-042.

<sup>75</sup> Response to NRDC-048.

<sup>76</sup> Response to NRDC-049.

<sup>77</sup> FERC, Order Modifying Tariff Changes and Dismissing Waiver Request, Docket Nos. ER25-2245-000 and ER25-2257-000, July 14, 2025.

### 3.3. NESE is likely not the best option for achieving CLCPA emission targets

As mentioned previously, one of the primary objectives of the LTPs is to identify feasible pathways toward decarbonization. National Grid touts the avoided emissions from NESE without assessing the emission reduction potential of alternatives. Moreover, National Grid's calculations of avoided emissions from NESE are likely overstated for the reasons discussed below. The environmental benefits National Grid is claiming from NESE warrant closer scrutiny.

In the original filing, National Grid claims that NESE would reduce GHG emissions by approximately 13,000 metric tons of CO<sub>2</sub> equivalent (MTCO<sub>2</sub>e) from 2025 to 2042 by enabling conversions from higher emitting fuels like residual and distillate heating oil and by reducing diesel fuel consumed by CNG trucks.<sup>78</sup> However, in response to discovery, the Company issued revised values showing that the number of oil-to-gas customer conversions are only **half** of what was initially claimed.<sup>79</sup> Based on this revision, avoided emissions from NESE are only 9,250 MTCO<sub>2</sub>e. This error underscores the level of uncertainty associated with these projections.

Additionally, National Grid's emission reduction projection from oil-to-gas conversions is optimistic due to uncertainty about future heating preferences. There are many reasons why National Grid's projected oil-to-gas conversions might not come to pass, including policy and economic variables that may change customers' fuel preference over the next 15 years. The passage of the all-electric buildings act and potential revisions to 16 New York Codes, Rules, and Regulations (NYCRR) Part 230 (New York's gas line extension policy) may impact the cost of gas options relative to electric options. Customer preference may evolve as generated electricity becomes less carbon-intensive and as the economics of heat pump technologies and electrification improve. Moreover, National Grid's oil-to-gas conversion strategy is problematic considering the state's emission reduction targets. Installing new gas appliances would lock customers into a longer-term dependency on fossil fuels, which contradicts the objectives of National Grid's CEV and AE scenarios.

## 4. CONCLUSION

The Addendum does not provide a sufficient analytical basis for Commission action. It introduces a single supply option late in the planning cycle, does not integrate that option into the Final LTP's scenarios, and requests an acknowledgement that would functionally preapprove a long-term but risky commitment. On the merits, the Addendum relies on demand and cost assumptions that are not aligned

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<sup>78</sup> Addendum. Page 33.

<sup>79</sup> Response to NRDC-07 states, "the original value of 13,400 conversions should be revise to approximately 6,700 oil-to-gas-conversions."

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with current forecasts, omits relevant electric-system upgrades, and presents emissions impacts without a complete accounting consistent with the CLCPA.

1. **Need timing.** National Grid’s finalized 2025 gas load forecast indicates no design-day shortfall within the next 15 years. This undermines the asserted urgency for a 2028 in-service date and supports evaluating lower-cost, non-pipeline strategies within the normal planning horizon.
2. **Demand and weather assumptions.** The Addendum’s reliance on 2017–2018 HDD conditions and a 30°F heat-pump switchover assumption inflates gas demand relative to observed technology performance and recent climatology, biasing need and benefits upward.
3. **Cost exposure.** The August 28, 2025 CPCN adopts rate inputs derived from 2019 cost estimates. Given inflation and construction risk, actual revenue requirement for NESE is likely higher; Transco retains the ability to seek rate adjustments at FERC, increasing fixed demand charges borne by downstate customers.
4. **Benefit-cost incidence.** Modeled wholesale electricity savings are statewide and concentrated on the electric side, while NESE costs would be assigned to KEDNY/KEDLI gas customers. Even based on National Grid’s numbers, downstate gas customers experience a net bill increase.
5. **Emissions accounting.** The Addendum overstates the benefits of avoided emissions from oil-to-gas conversions. Oil-to-gas conversions are not aligned with CLCPA trajectories that prioritize end-use electrification.

In summary, advancing NESE on the basis of the Addendum risks (i) committing ratepayers to long-lived fixed charges in the absence of a near-term need, (ii) accelerating gas rate pressure and customer defection as electrification proceeds, and (iii) diverting resources from measures that are more consistent with CLCPA compliance and a managed transition of the gas system.

