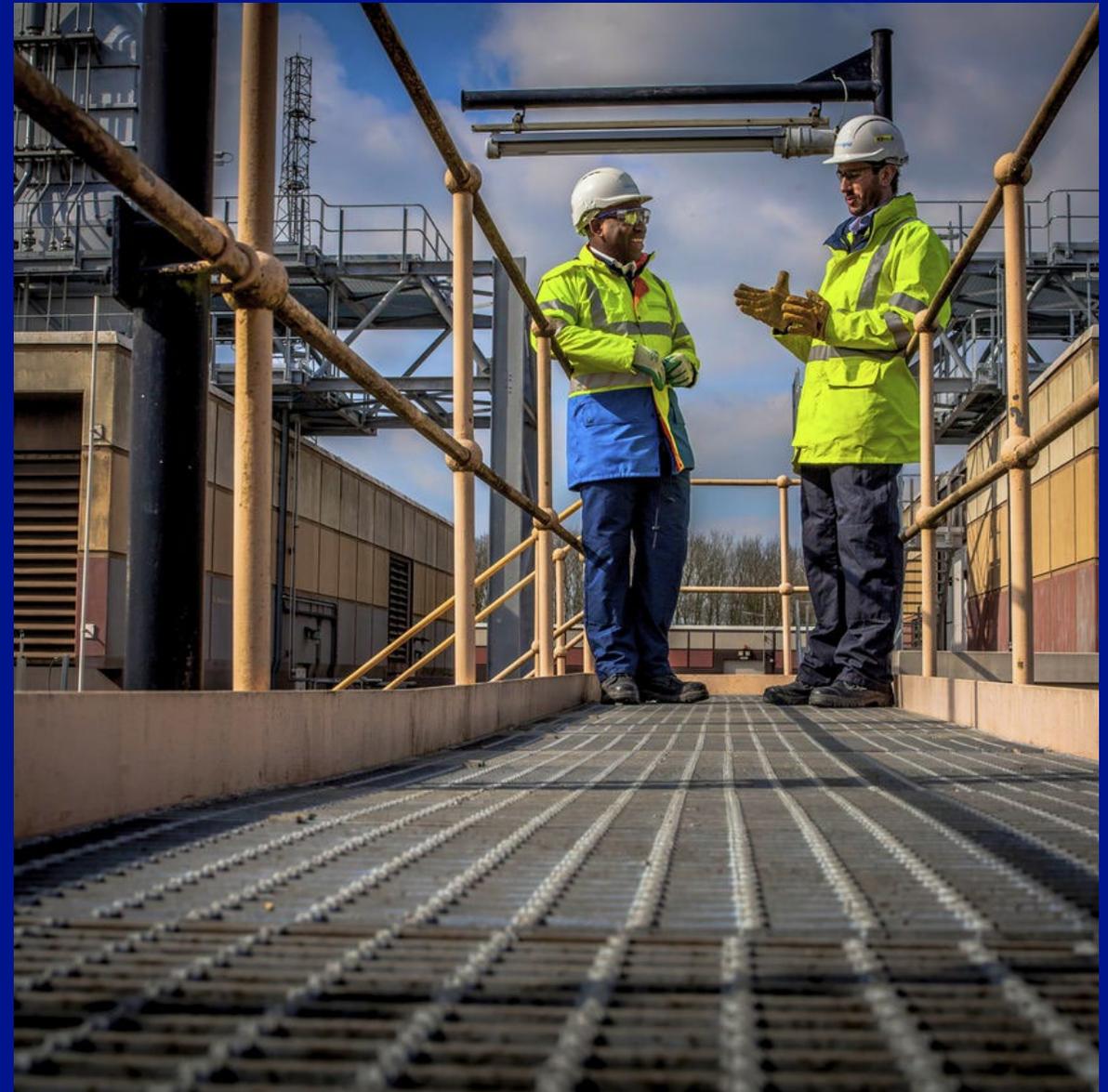


**NYS DEC
Public Hearing
on Greenpoint
LNG Air Permit**

March 10, 2021

nationalgrid

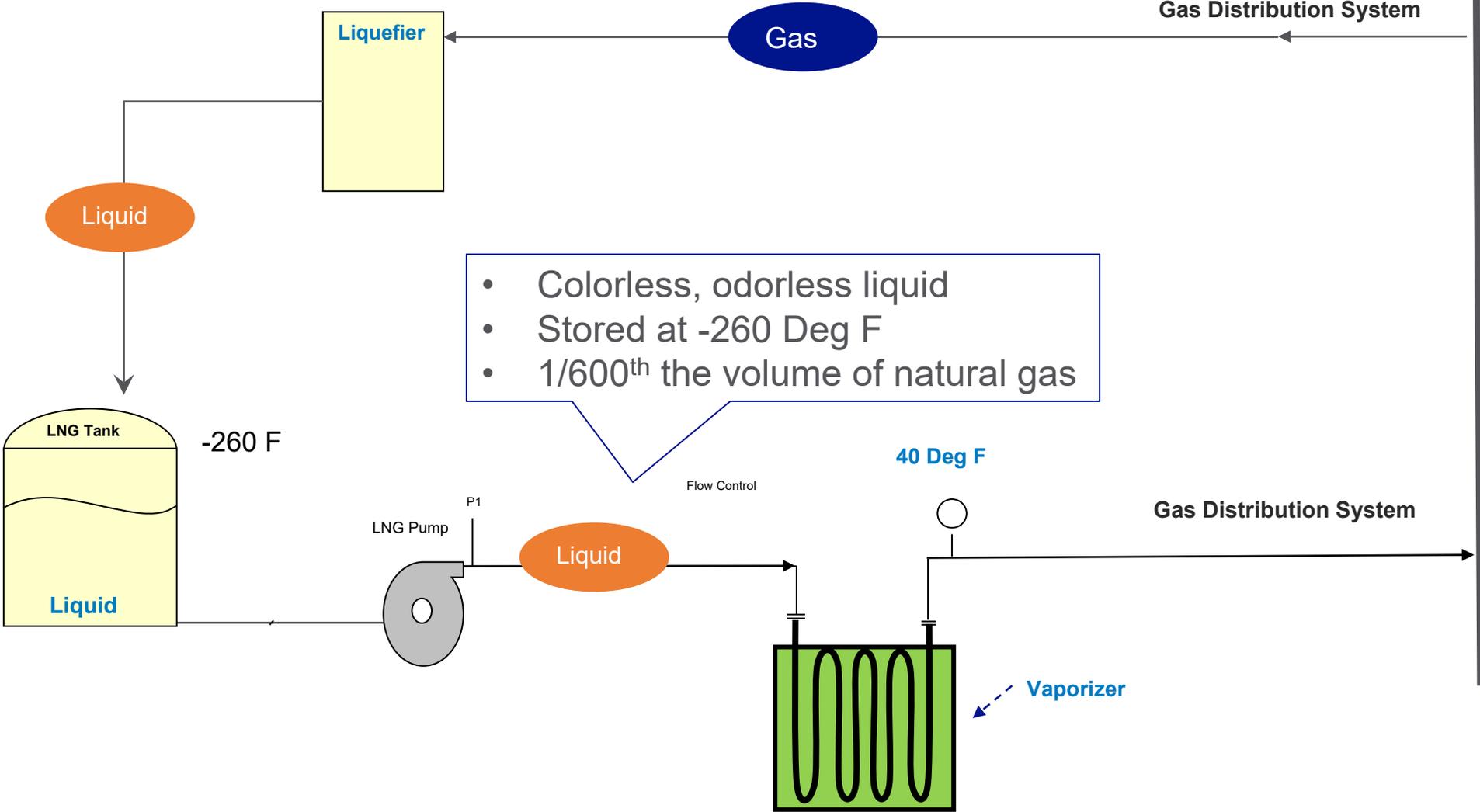




Background

- Existing interstate gas pipelines that deliver gas to National Grid are unable to meet peak winter demand on their own without LNG support
- Greenpoint LNG plant has been in service since 1968
- The plant liquifies and stores gas from our system during low demand periods
- The vaporizers are operated infrequently but are critical to the overall gas supply portfolio
 - when pipeline supply cannot meet demand during coldest days of winter → typically < 15 deg F
 - due to interruption in upstream supply from interstate pipelines
- National Grid must be prepared for winter storms and weather extremes and ensure availability of gas to customers for heating
- The Vaporizers 13 & 14 project is part of the non-pipeline solution in the company's Natural Gas Long-Term Capacity Supplemental Report with the State; it's based on detailed analysis and extensive feedback from the public

LNG Process – Liquefaction and Vaporization



Brief Overview

- In May 2020, an application was filed to allow for the construction of two new vaporizers and a CNG Transfer station at the Greenpoint Energy Facility
- New vaporizers are the most efficient available and will operate with lower carbon emissions
- The application covers the entire Greenpoint Energy Center
- Subject Filing – Downgrade from Title V to State Facility permit

Existing Permit

- ✓ Title V Facility Air Permit
- ✓ *NO_x < 47.4 tons per year*

New Permit

- ✓ State Facility Air Permit
- ✓ *NO_x < 24.9 tons per year*

- National Grid has determined that the new Vaporizers can be constructed in time to meet peak demand
- **National Grid has hence withdrawn the CNG Transfer Station from this application**

Our Duty to Serve

- Over the prior 12 years, approximately 70,000 new natural gas customers have connected to the system
- National Grid has a duty to serve our customers in all types of weather
- Critical to serving our customers is effective contingency planning which avoids the need to shut down gas service leaving customers in the cold
- LNG Vaporizers 13 and 14 do not increase annual output from the Greenpoint LNG plant or frequency of plant operation
- The plant will be operated in conjunction with our Demand Response Programs to ensure continued service to our customers in Brooklyn and Queens --- **ensuring reliability on the coldest days of winter**
- Contingency planning is needed to manage and mitigate risk thereby avoiding large-scale outages that are difficult to recover from, especially when combined with freezing temperatures

No Expansion of LNG Storage Capacity

- LNG Vaporizers 13 & 14 do not increase LNG storage at the Greenpoint facility; LNG tank capacity remains the same
- New units allow the facility to vaporize its current annual capacity at a faster rate to meet demand, with redundancy in the event of equipment failure
- In addition to our energy efficiency and gas conservation measures, this is one of the non-pipeline alternatives needed to meet peak demand pursuant to National Grid's obligation to serve

MRI vs. Vaporizers 13 & 14

- Though proposed to be funded via the same rate case, Vaporizers 13 and 14 and MRI (Metropolitan Reliability Infrastructure) are **independent projects**
- The current phases of MRI are completed and the next phase will not proceed without State approval.
- MRI allows the system to operate more efficiently and reliably by resolving a bottleneck in the gas distribution system but does not add any additional gas supply
- Vaporizers 13 and 14 are needed to support customers by ensuring adequate supply to meet peak demand with or without MRI



Conclusion

- As we transition away from carbon based fuels we must continue to maintain our infrastructure and reliably serve our gas customers
- Absent LNG Vaporizers, a significant number of customers in Brooklyn and Queens could be at risk of losing heating when they need it most
- Gas outages may persist for an extended duration until pressure is restored in the system
- Our commitment through this project reaffirms National Grid's requirement to meet the energy security needs of New York City while we undergo this transition to decarbonizing our energy future