



**BOSTON GAS COMPANY D/B/A NATIONAL GRID
REQUEST FOR PROPOSALS
GAS SUPPLY SOLUTIONS**

October 15, 2021

RFP Schedule

A. Due Date for Inquiries

All questions and requests for additional information concerning this Request for Proposals and execution of non-disclosure agreements are due in writing by **November 12, 2021** and should be directed via email to the following representatives of National Grid with the Subject '**Boston Gas Supply RFP - Inquiry**':

Samara Jaffe
Director – Gas Contracts, Compliance & Hedging
100 East Old Country Road
Hicksville, NY 11801
Phone: (516) 418-9906
Samara.Jaffe@nationalgrid.com

and

Janet Prag
Senior Contracts Specialist – Gas Contracts, Compliance & Hedging
100 East Old Country Road
Hicksville, NY 11801
Phone: (516) 545-5463
Janet.Prag@nationalgrid.com

B. Proposal Due Date, Time, and Location

Date: **December 6, 2021**

Time: 5:00pm EST

Commensurate with the instructions above for inquiries, all proposals shall be directed via email to Samara.Jaffe@nationalgrid.com and Janet.Prag@nationalgrid.com with the Subject '**Boston Gas Supply RFP - Proposal**'

Request for Proposal

A. Purpose of Request for Proposals

Boston Gas Company d/b/a National Grid (“Company” or “National Grid”) is a wholly owned subsidiary of National Grid USA, providing natural gas sales and transportation service to approximately 925,000 residential and commercial customers. The Company is issuing this RFP in order to solicit proposals so that it may continue to safely and reliably meet a portion of its peak day requirements beginning with the winter of 2024/25.

National Grid is committed to transitioning its natural gas network with smarter, cleaner, and more resilient energy solutions to meet the goal of reducing greenhouse gas emissions by 2050.¹ As the Company continues to work towards achieving this net-zero goal, the Company must continue to meet the forecasted requirements of its firm customers throughout the near term. If National Grid determines that proposal(s) submitted in response to this RFP are commercially reasonable and do not hinder the Company’s progress in achieving its net-zero goal while continuing to meet its firm customer requirements, it intends to negotiate with the selected Bidder(s) and to finalize a contract(s) that will be filed with the Massachusetts Department of Public Utilities for approval.

At a minimum, **all proposals must clearly address the provisions set forth in Section E of this RFP.** While proposals for service are requested to be available to commence as early as winter 2024/25, the Company will consider pursuit of multiple proposals that can be phased in over several heating seasons. The Company does not expect that a single proposal may be able to satisfy the gas supply requirements identified herein, nor that a single proposal will be available for the entire period identified in Section D. Bidders may therefore submit proposals that can satisfy only a portion of the gas supply requirements, including an in-service date later than winter 2024/25, and are encouraged to submit projects that may be scaled to meet only a portion of the Company’s needs or to tender deliveries at a specific location as further set forth herein.

This RFP does not constitute a commitment, implied or otherwise, that National Grid will take procurement action in this matter. This RFP will enable National Grid to make decisions regarding the selection of the appropriate solution(s) for its Boston Gas Company portfolio. National Grid is seeking information including but not limited to resource availability and lead time, permitting risk, development and operational costs of potential suppliers. Further, National Grid will not be responsible for any cost incurred by Bidders in furnishing this information. Thus, Bidders submitting proposals in response to this RFP understand and agree that unless and until a definitive contract has been executed and delivered, no contract or agreement providing for a transaction with National Grid shall be deemed to exist and that National Grid will not be under any legal obligation of any kind whatsoever with respect to such transaction by virtue of this or any other written or oral expression of communication. The Company reserves the right to withdraw or modify this RFP at any time and the Company shall have the right, in its sole and absolute discretion, to reject any or all proposals submitted in response to this RFP. The winning bid(s), if any, will be selected based on the proposal(s) that generate the greatest value and ability to reliably serve the Company’s customers.

B. Eligible Projects for Consideration by the Company

Although proposals are not limited to these markets, the Company is familiar with the following types of supply resources that may be available to meet forecasted peak day requirements identified in this RFP:

¹ On October 29, 2020, the Department of Public Utilities issued a Vote and Order in docket D.P.U. 20-80, opening an investigation into the role of gas local distribution companies as the Commonwealth achieves its target 2050 climate goals (“Order”). Order at 1, 3.

- Biomethane facilities that can interconnect directly to the Company’s distribution system.
- Distributed natural gas storage and vaporization, including Compressed Natural Gas (“CNG”) and Liquefied Natural Gas (“LNG”).
- Interstate Pipeline Transportation able to transport supplies to citygates set forth in Section D of this RFP.

C. National Grid’s Condition Precedent

National Grid’s award of the gas supply services contemplated by this RFP and execution of any resulting agreement(s) are contingent upon receipt by National Grid of both internal approval as well as receipt of regulatory approval by the Commonwealth of Massachusetts Department of Public Utilities (“DPU”) (the “Approvals”). National Grid shall use due diligence to file all such agreements resulting from this RFP on or around April 1, 2022 and obtain all such Approvals by December 1, 2022. In the event that National Grid does not obtain such Approvals by December 1, 2022, National Grid reserves the right to rescind any award or terminate any agreement resulting from this RFP **without** liability. Successful Bidder(s) agree to take all reasonable steps to support National Grid in obtaining the Approvals.

D. Gas Supply Requirements and Locational Need

The table below sets forth the unserved forecasted Gas Supply Requirements of the Company for each Delivery Period covered by December through March through 2039. On any day during each of the contracted for delivery period(s), the Company shall have the right, but not the obligation, to call on a maximum daily quantity (“MDQ”) set forth below. Depending on the nature of service proposed by Bidder, the Company will require access to a maximum seasonal quantity (“MSQ”) as set forth in this section:

Delivery Period	MDQ (dth)	MSQ (dth)
<i>December 1, 2024-March 31, 2025</i>	<i>192,000</i>	<i>5,549,000</i>
<i>December 1, 2025-March 31, 2026</i>	<i>216,000</i>	<i>6,569,000</i>
<i>December 1, 2026-March 31, 2027</i>	<i>241,000</i>	<i>7,750,000</i>
<i>December 1, 2027-March 31, 2028</i>	<i>270,000</i>	<i>9,397,000</i>
<i>December 1, 2028-March 31, 2029</i>	<i>297,000</i>	<i>10,030,000</i>
<i>December 1, 2029-March 31, 2030</i>	<i>322,000</i>	<i>11,674,000</i>
<i>December 1, 2030-March 31, 2031</i>	<i>349,000</i>	<i>13,099,000</i>
<i>December 1, 2031-March 31, 2032</i>	<i>379,000</i>	<i>15,052,000</i>
<i>December 1, 2032-March 31, 2033</i>	<i>406,000</i>	<i>16,158,000</i>
<i>December 1, 2033-March 31, 2034</i>	<i>429,000</i>	<i>17,497,000</i>
<i>December 1, 2034-March 31, 2035</i>	<i>455,000</i>	<i>19,043,000</i>
<i>December 1, 2035-March 31, 2036</i>	<i>483,000</i>	<i>21,177,000</i>
<i>December 1, 2036-March 31, 2037</i>	<i>507,000</i>	<i>22,228,000</i>
<i>December 1, 2037-March 31, 2038</i>	<i>528,000</i>	<i>23,511,000</i>
<i>December 1, 2038-March 31, 2039</i>	<i>551,000</i>	<i>24,996,000</i>

Allocation of the MDQ can occur i) through distribution of projects proposed by Bidders within the Company’s service territory including biomethane facilities that can interconnect directly to the Company’s distribution system, CNG and LNG; and ii) at existing points of interconnect between the Company’s distribution system and interstate pipelines at the following delivery points on Maritimes & Northeast Pipeline, L.L.C. (“Maritimes”), Tennessee Gas Pipeline LLC (“Tennessee”) in Zone 6 or at Algonquin Gas Transmission Pipeline (“Algonquin”)² Citygates:

² Buyer’s ability to accept offers and nominations up to the full MDQ at specific Delivery Points on both Tennessee and Algonquin may be limited by operationally available capacity and Buyer’s requirements at a specific meter.

Maritimes: Haverhill [30027].

Tennessee: Oxford [21023]; Southbridge [20108]; Spencer [20191]; Acton [20611]; Clinton [20110]; Leominster [20111]; Lunenburg [20949]; Arlington [20115]; Salem/Beverly [20118]; Burlington [20341]; Gloucester [20119]; Lexington [20192]; Lynn [20117]; Lynnfield [20343]; Danvers [20935]; West Peabody [20389]; Revere [20116]; Essex [20323]; Haverhill [20122]; Wenham [20138]; Camp Curtis [20808]; Tewksbury [20139]; Wilmington [20532].

Algonquin: Weymouth [827]; East Braintree [23]; Norwood [21]; Ponkapoag [52]; Potter St [81]; Everett [27]; Medford [89]; Polaroid [80]; Trapelo Road [32]; Wellesley [74]; Weston [57]; Bourne [18]; Rochester [813]; Sandwich [14].

In addition to such points of interconnection with Maritimes, Tennessee and Algonquin, National Grid may consider deliveries through the point of interconnection between Buyer's facilities and Constellation LNG LLC at Everett, MA.

For purposes of this RFP, the Company will not be providing requirements at specific meter stations. To assist the Company in determining any on-system infrastructure that may be required in order to consider offers at specific locations, the Company is requesting that proposals specify Bidder's upstream limitations for deliveries at each take station. As part of their bid, Bidder(s) must demonstrate they have *primary* firm capacity to each of National Grid's Delivery Point(s) for which they are submitting and/or an explanation of the priority of service to be used in meeting National Grid's Gas Supply Requirements if selected. Only offers that are able to facilitate physical deliveries at the meter stations identified in this section will be considered; for avoidance of doubt, upstream services or sources of supply must be accompanied by firm transportation able to provide deliveries to the Company's delivery points.

E. Proposal Requirements

All proposals submitted in response to this RFP must clearly identify the following:

- 1. Delivery and Receipt Locations:** Pursuant to Section D of this RFP, all proposals must clearly identify and provide physical locations where natural gas will be delivered to the Company and transported from, including but not limited to a description of the upstream supplies that would support the proposed resource. For pipeline project proposals, Bidders should discuss the liquidity at proposed receipt points as well as any known pipeline constraints upstream of such receipt points. For LNG proposals, Bidders should discuss the source of LNG supply including the country(ies) of origin and mode of transportation. Bidders are encouraged to demonstrate as part of their offer any delivery point, intraday and non-ratable flexibility.
- 2. MDQs:** Bidders must provide any volume limitations including a minimum or maximum quantity, as well as any must-take obligations that the Company must be aware of as part of its bid evaluation process. All MDQs specified must be clearly attributed to a Delivery Location within the Company's service territory.
- 3. Service Type and Operational Flexibility:** Bidder should indicate the type of service that will be provided, and a detailed explanation of the operational flexibility afforded by the respective resource.
- 4. Contract Term and Renewal Rights:** Bidders are required to identify the expected in-service date of all proposals as well as a guaranteed in-service date (i.e. the date by which National Grid may terminate without liability if the project is unable to commence deliveries). Bidders are also required to specify the **minimum** required contract term, the **maximum** primary contract term they are willing to consider, as well as corresponding renewal or extension rights and must clearly indicate whether a contractual right of first refusal will not be available as part of Bidder's offer for service.

5. **Cost:** Each Bidder is required to provide the price of the resource, including but not limited to any fixed or variable charges that Company would incur by executing a contract with Bidder. All Bids must specify the maximum rate to be charged for the services offered if such service is offered pursuant to a regulated tariff. Any bids based on cost of service must also specify a cap (maximum rate). Proposals for development costs and expenses associated with the proposed project, including engineering and siting analysis must be included as part of this section. Proposals for Cost and a detailed schedule of payments under a contract resulting from this RFP should correspond with Contract Term(s) identified in response to Section E4 of this RFP.
6. **Damages and Force Majeure:** The Company is issuing this RFP in order to meet the gas supply requirements of its firm gas customers during the winter heating seasons. Reliability for customers is paramount and proposals are therefore required to include a clear mechanism to ensure that the proposed service is indeed reliable and that the Company would be adequately compensated for the loss of supply and replacement asset in the event services under a contract resulting from this RFP should be unavailable to the Company and its customers during the Contract Term.
7. **Pro-forma Contract/Precedent Agreements:** Each Bidder is required to submit a contract or precedent agreement applicable and appropriate to the type of resource offered. For service provided pursuant to a tariff, Bidders must also submit any existing and proposed tariffs and pro-forma service agreements that would apply and/or be incorporated into the resulting contract.
8. **Most Favored Nations Provision:** The Company expects that it will be considered an anchor customer for any project or agreement resulting from this RFP. All proposals must include a detailed explanation of what concession or privilege the Company will receive should the successful bidder be able to further optimize the asset available to serve the Company for other customers during the term of an agreement resulting from this RFP.
9. **Regulatory/Siting Approvals/Timing:** Bidders are required to list all regulatory/siting approvals necessary from agencies at the Federal, State and Municipal levels that will be required for the proposed resource. Bidders are required to itemize all of the physical assets and/or facilities that are required to provide the services proposed in response to this RFP, including a list of all permits required (to the extent not already obtained).
10. **Furtherance of Net-Zero Objectives:** Bidders should clearly indicate as part of their offer whether the proposed project may assist the Company in meeting the goal of reducing greenhouse gas emissions by 2050. Bidders may also wish to provide an explanation with their offer whether the proposed project or service leverages existing infrastructure in order to meet the Company's forecasted requirements identified in this RFP or whether the proposed infrastructure may be utilized in future years to respond to the Company's developing strategy of meeting Customer needs.
11. **Business Condition and Financial Reports:** Bidders shall provide an overview of their firm, including corporate profile, ownership structure, and financial condition. Bidders should include how the project or service will be financed or supported, including but not limited to the financial instruments and structures the company will utilize in both development and operation of its resource proposal. Bidders should also be prepared to provide other relevant information relating to their qualifications, business and operations.
12. **Documentation of Experience with Development and Management of Natural Gas Resources:** Bidders are required to document their experience in developing and managing natural gas resources, identifying the scope of the activities for which they were responsible, the companies they served, and the periods in which the services were provided. Bidders are requested to highlight their experience in the northeastern US market.

We thank you for your interest in our RFP process and look forward to receiving your proposals.