

NW Natural 2022 Integrated Resource Plan Reply Comments

OPUC Public Meeting
February 7, 2023



NW Natural Reply Comments Summary

- Responded to key comments and recommendations from Staff, CUB, AWEC, and Climate Advocates
- The 2022 IRP is comprehensive, responsive to stakeholder feedback, goes above and beyond the IRP guidelines, and recognizes the active policy environment
- While there is substantial uncertainty, resource decisions need to be made to maintain safe and reliable service and comply with climate policy
- Discussion of longer-term future is important and relevant, but review of Action Plan is most critical

Action Plan Context

- Contains actions to meet immediate and near-term needs
- Result of risk-adjusted stochastic Monte Carlo process that does not include large ticket items “doubling down” on any view of the future
- Is not dependent upon long-term assumptions about load, fuel-switching, or resource option cost or availability
- Included Climate Protection Program (CPP) compliance plan represents low regret strategy for first compliance period (2022-2024)
- Wide-range of electrification futures evaluated
- Post-filing developments are well within ranges of outcomes analyzed in support of Action Plan development

Key Action Item Review

Capacity Related Action Items:

- **Forest Grove Feeder uprate**

- Supported by comprehensive alternatives analysis and demonstrated need to serve existing customers
- Risk of losing customer service during cold events should be primary concern

- **Portland LNG cold box**

- Replacement of equipment at the end its useful life at existing facility that is relied upon to serve current customer needs under peak conditions
- Would be most cost-effective alternative even under a future with aggressive electrification

Key Action Item Review

Environmental Policy Compliance Action Items:

- **Acquire renewable natural gas (RNG)**
 - Compliance with SB 98 at conservative estimate of load allows majority of need for first CPP compliance period to be covered
 - Both SB 98 and EO 20-04 support RNG to help meet Oregon’s climate goals and they can work together
- **Acquire energy efficiency**
 - NW Natural worked with Energy Trust of Oregon to increase expected near-term energy efficiency acquisition
- **Develop transportation customer energy efficiency programs**
 - Work with stakeholders to stand up a program for transport customers
- **Acquire Community Climate Investments as necessary**
 - While not direct emissions reduction, CCIs are a flexible tool for compliance and can be used to meet any additional need for the first compliance period (2022-2024)

Other Key Items

- NW Natural is supportive of including energy efficiency in resource planning optimization, but this would be a large change to IRPs in Oregon and cannot be implemented on the timeframe in this IRP
- NW Natural is supportive of learning more about the potential for dual-fuel/hybrid heating in a manner that is sustainable for customers
- All possible levels of electrification were modeled in the 2022 IRP and NW Natural is not using a “business-as-usual” customer forecast for resource decisions
- Considering gas utility customer funded electrification in resource planning would be a transformative change