

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of	DOCKET UG-250429
NORTHWEST NATURAL GAS COMPANY d/b/a NW NATURAL,	ORDER 01
Petitioner,	APPROVING NATURAL GAS CONSERVATION POTENTIAL ASSESSMENT SUBJECT TO CONDITIONS
Seeking an Order Approving Natural Gas Potential Conservation Assessment	

BACKGROUND

- 1 RCW 80.28.380 requires gas companies to identify and acquire all conservation measures that are “available and cost effective.” Each utility must establish an acquisition target every two years. The Washington Utilities and Transportation Commission (Commission) must approve the acquisition target by order. These targets must be based on a conservation potential assessment (CPA) prepared by an independent third party and approved by the Commission. The analysis used to identify all cost-effective conservation must include the cost of greenhouse gas emissions established in RCW 80.28.395.
- 2 On June 2, 2025, Northwest Natural Gas Company d/b/a NW Natural (NW Natural or Company) filed its 2025 Conservation Potential Assessment prepared by Lighthouse Energy Consulting, Anchor Blue, and Nauvoo Solutions (Project Team). In the CPA, the Project Team provides an analysis of the available and cost-effective conservation potential for NW Natural from 2026 to 2050. Under the Total Resource Cost test (TRC), the Project Team identified 503,101 therms of potential in core customers (residential, commercial, and industrial) and 68,636 therms of potential in transportation customers for the 2026-2027 biennium. Under the Utility Cost Test (UCT), the Project Team identified 606,913 therms of potential in core customers and 74,755 therms of potential in transportation customers for the 2026-2027 biennium.
- 3 The Commission approved NW Natural’s 2021 CPA subject to Commission staff’s (Staff) condition to file the full CPA model, coordinate structured technical discussions, and work with Staff on timelines and supporting documentation. The Commission also approved the Company’s 2023 CPA with no conditions.

4 In its memorandum to this docket, Staff does not dispute the Company's CPA and recommends that the Commission approve it subject to conditions. Specifically, Staff recommends that the Commission place the following requirements on the Company's subsequent CPA filings:

1. **Public Process and Data Transparency.** For every CPA filing under RCW 80.28.380:
 - a. NW Natural must file applicable input data, assumptions, and outputs in native and spreadsheet formats.
 - b. NW Natural must provide documentation that explains the model's structure, such as a diagram or flowchart, showing major modules, data inputs, and outputs.
 - c. NW Natural must give Staff access to the model environment, either through screen-share sessions, consultant-facilitated workshops, or other secure methods.
2. **Alternative Achievable Economic Potential Scenarios.** For every CPA filing under RCW 80.28.380, NW Natural must provide, at minimum, an additional achievable economic potential based on alternative avoided costs resulting from a scenario aligned with State emissions limits.
3. **Building Codes.** For every CPA filing under RCW 80.28.380, NW Natural must explicitly list the relevant federal, state, and local codes and standards and building stock assessments used to determine the conservation potential baseline.
4. **Accounting for Equity in CPA.** For every CPA filing under RCW 80.28.380, NW Natural must consult with Staff, their energy efficiency advisory group, and equity advisory group on how to appropriately incorporate equity considerations into its analysis.

5 On September 25, 2025, the Commission heard comments from interested persons and parties at its regularly scheduled open meeting.

DISCUSSION

6 We approve the Company's Conservation Potential Assessment, taking effect for the 2026-2027 biennium. We accept all Staff's recommended conditions outlined in paragraph 4.

7 We agree that NW Natural's CPA for the 2026-2027 biennium, subject to the conditions recommended by Staff, meets the requirements of the statute and should be approved.

The CPA was prepared by an independent third party and reasonably reflects all available and cost-effective conservation measures typically considered.

- 8 NW Natural's CPA followed the Northwest Power and Conservation Council (NWPCC) methodology and past standard practice to identify conservation potential. With regards to the specific cost-effectiveness tests, NW Natural notes that it uses both the TRC and UCT. The Company includes the social cost of greenhouse gas as an avoided cost. We find this approach adequate and approve of the CPA. The Commission likewise approves of the CPA's evaluation of transportation customers as one element of the Company's CPA pursuant to RCW 80.28.380.

FINDINGS AND CONCLUSIONS

- 9 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including gas companies.
- 10 (2) NW Natural is a gas company and a public service company subject to Commission jurisdiction.
- 11 (3) NW Natural is subject to RCW 80.28.380, which requires the Company to determine a conservation acquisition target every two years.
- 12 (4) NW Natural's Conservation Potential Assessment was prepared by an independent third party and followed NWPCC methodology.
- 13 (5) NW Natural identifies approximately 503,101 therms of gas energy efficiency achievable potential for core customers in 2026-2027.
- 14 (6) NW Natural identifies approximately 74,755 therms of gas energy efficiency achievable potential for transportation customers in 2026-2027.
- 15 (7) The Commission received no written comments in this docket.
- 16 (8) This matter came before the Commission at its regularly scheduled meeting on September 25, 2025.

- 17 (9) After reviewing NW Natural's Conservation Potential Assessment filed on June 2, 2025, and giving due consideration to all relevant matters, the Commission finds that NW Natural's Conservation Potential Assessment should be approved subject to the Staff's proposed conditions, set forth in paragraph 4 of this Order.

ORDER

THE COMMISSION ORDERS:

- 18 (1) Northwest Natural Gas Company d/b/a NW Natural's Conservation Potential Assessment filed on June 2, 2025, meets the requirements of RCW 80.28.380, and should be approved subject to the Staff's proposed conditions, set forth in paragraphs 4 of this Order.
- 19 (2) The Commission retains jurisdiction over the subject matter and Northwest Natural Gas Company d/b/a NW Natural to effectuate the provisions of this Order.
- 20 The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective September 26, 2025.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

BRIAN J. RYBARIK, Chair

ANN E. RENDAHL, Commissioner

MILTON H. DOUMIT, Commissioner