



VIA ELECTRONIC FILING

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December 20, 2024

Mr. Jeff Killip
Executive Director and Secretary
Washington Utilities & Transportation Commission
621 Woodland Square Loop SE
Lacey, Washington 98503

RE: UG-230944 – 2025 Annual Energy Efficiency Plan

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), encloses for filing its 2025 Annual Energy Efficiency Plan (Annual Plan) at the request of Washington Utilities and Transportation Commission (Commission) Staff. NW Natural provides the Annual Plan in deference to a request from Commission Staff, but respectfully requests clarification on the requirement for future Annual Plans. The Company provides additional background information and context relating to this request.

NW Natural submitted its 2024-2025 Biennial Energy Efficiency Plan (BEEP) on November 15, 2023 in this UG-230944 docket in compliance with conditions set forth in Order 01 in docket UG-210831. The 2024-2025 BEEP was accepted by the Commission in Order 01 subject to conditions that were similar to the conditions in Order 01 in UG-210831 (the Company's 2022-2023 BEEP), which included, among other things, conservation planning and reporting through a biennial conservation plan, an annual conservation report and a biennial conservation report, with the noted addition of the following:

- “5) Conservation Planning and Reporting
 - a) Biennial energy efficiency plan
 - i) On or before November 15 of every odd-numbered year, NW Natural must file with the Commission a biennial energy efficiency plan. *This replaces the prior requirement for an annual conservation plan (Order 06, docket UG-181053).”*¹

The requirement for an annual conservation plan was agreed to in a joint stipulation approved by the Commission in Order 06 of the Company's general rate case in docket UG-181053.² However the passage of HB 1257, which requires biennial conversation plans, as well as Order 01 in docket UG-210831, should have effectively eliminated the annual conservation plan requirement in favor of the comprehensive conservation and reporting requirements in the BEEP and in Order 01 of docket UG-210831. Moreover, the terms concerning conservation in the UG-181053 general rate case stipulation, themselves, recognize that they would be superseded by subsequent legislation (HB 1257) that requires biennial conservation plans:

“The Parties understand that new laws, such as those enacted by the passage of House Bill (“HB”) 1257 (An Act Relating to Energy Efficiency), which the Governor signed into law (Chapter 285, 2019 Laws) effective July 28,

¹ *In the Matter of Northwest Natural Gas Company d/b/a NW Natural's 2024-2025 Biennial Acquisition Target Under RCW.80.28.380*, Docket UG-230944, Order 01, Errata to Order 01, Appendix A Revised January 17, 2024, at page 5 (Jan. 17, 2024), emphasis added.

² *Washington Utilities and Transportation Commission v. Northwest Natural Gas Company, d/b/a NW Natural*, Docket UG-181053, Order 06 at ¶ 74 (Oct. 21, 2019).

2019, or new or amended Commission rules with respect to natural gas energy efficiency, *may supersede* the terms of this Agreement and may require the Company to modify its energy conservation plan and compliance with the terms listed below.”³

NW Natural also filed a 2023 Annual Plan in docket UG-210831 in deference to a request from Commission Staff despite the Company’s position that the Commission’s acceptance of the 2022-2023 BEEP with conditions effectively eliminated the need for an annual conservation plan for 2023. In October 2024, NW Natural reached out to Commission Staff to confirm there was no need for a 2025 Annual Plan. However, despite the addition of Condition 5(a)(i) in the BEEP Conditions included in Appendix A to Order 01 in UG-230944, Commission Staff requested the Company file this 2025 Annual Plan.

The Company respectfully requests clarification on whether the Biennial EE Plan replaces the Annual EE Plan as indicated in Condition 5(a)(i) of the BEEP Conditions included in Appendix A to Order 01 in UG-230944. In addition, it is NW Natural’s understanding that Cascade Natural Gas Company is not filing an annual plan after their discussions with Commission Staff. NW Natural makes this request for clarification due to the language included in the UG-230944 Order 01 BEEP Condition 5(a)(i), the administrative burden of developing an annual plan, and the apparent disparate treatment of different natural gas utilities.

NW Natural shared this 2025 Annual Plan with its Energy Efficiency Advisory Group on November 20, 2024, in advance of this filing and there were no questions or comments received.

Please address correspondence on this matter to me with copies to the following:

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Sincerely,

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Attachment:
230944-NWN-2025-AnnualEEPlan-12-20-2024

cc: EEAG

³ Docket UG-181053, Settlement at ¶ 20.