

Draft Work Plan for NW Natural's Next
WASHINGTON
Integrated Resource Plan
September 21, 2023

Purpose

The purpose of this document is to communicate with WUTC staff a timeline of NW Natural's next Integrated Resources Plan (IRP). This document also outlines the timing of the 2023 Conservation Potential Assessment (CPA), which inform energy efficiency targets beginning in 2025, as required by HB 1257 legislation. This plan is a draft work plan and reflects NW Natural's current expectation for the content of the next IRP and CPA filings. However, NW Natural plans to seek an extension and will include anticipated dates and topics for technical working groups, and timing of the IRP and CPA filings with the WUTC no later than September 23, 2024.

Extension Request

NW Natural plans to request a delay in the IRP due to a number of factors including the ability to fully incorporate WUTC Staff feedback especially as it relates to equity considerations, incorporation of Commission guidance regarding the Climate Commitment Act, and time needed to improve stakeholder engagement.

Methodology

The purpose of the Integrated Resource Plan (IRP) is to develop strategies for purchasing gas, improving efficiencies of gas usage, and addressing carbon compliance requirements to meet current and future needs consistent with a lowest reasonable cost approach. To do this, NW Natural will develop and integrate demand forecasts, weather patterns (inclusive of impacts from climate change), natural gas price forecasts, carbon allowance forecasts, and demand side and supply side resources into Gas Supply and Planning Optimization software. The CPA is an input into the IRP process and can be done separately with the results feeding into the IRP process. The results of the IRP process will act as a guide to steer the Company toward the least cost resource planning portfolio.

Conservation Potential Assessment

NW Natural plans to file the 2024-2025 Biennial Energy Efficiency Plan (BEEP) on or before November 15, 2023. The 2024-2025 BEEP will be informed by the 2023 Conservation Potential Assessment (CPA) that was filed on June 1, 2023. In accordance with staff conditions filed in UG-210831, NW Natural plans to file the next CPA on or before June 1, 2025.

Public Engagement

As NW Natural intends on requesting an extension, NW Natural will also file an updated workplan no later than September 23, 2024, with the dates and topics for Technical Working Group meetings as well as publication of both a draft IRP and the final IRP. NW Natural also plans on providing the WUTC with a courtesy copy of its 2022 IRP Update that will be filed on or before August 2, 2024.

For planning purposes, NW Natural's extension request will share that it is intending on filing the workplan no later than September 23, 2024, begin technical working groups in the fourth quarter of 2024 and file the final IRP no later than September 23, 2025. We anticipate that the number of technical working groups will be similar to prior IRPs and will be supplemented with additional meetings as needed.

Equity Considerations

As can be seen in the Expected Contents section below, NW Natural is elevating the discussion on equity considerations during the planning process. While NW Natural formed its Community Equity Advisory Group during the last IRP, the Company recognizes the need to do more in this area. The Company is seeking the extension request to better integrate equity considerations into its planning process, including improving accessibility, exploring equity metrics, and considering distributional equity analysis. Assuming our request for an extension is approved, the Company plans to engage with the public and will be in a position to better articulate the expected contents of this section in the next IRP when it files a revised workplan.

Expected Contents of the next Integrated Resource Plan

1. **Executive Summary**
 - Overview of Company and Resource Plan
 - Principal Conclusions from this Plan
 - IRP Multi-Year Action Plan

2. **Planning Environment**
 - Economic/Demographic Factors
 - Gas Price Forecast
 - RNG Markets
 - New Technologies

3. **Equity Considerations and Public Participation**
 - Equity Considerations
 - Community Engagement
 - Accessibility

- Additional Considerations such as Equity Metrics and Distributional Equity Analyses
 - Technical Working Groups
4. Environmental Policy
 - Environmental Policy– Federal
 - Environmental Policy & Codes – State
 - Environmental Policy & Codes– Local
 - Carbon Price Forecast
 5. Load Forecast
 - Customer Forecast
 - Climate Impacts
 - Residential & Commercial Forecasts
 - Industrial Forecast
 - Emerging Markets
 - Annual Load
 - Daily System Load Model
 - Planning Standard
 - Peak Day Forecast
 - Scenario Comparison
 6. Avoided Costs
 - Components
 - Demand Side & Supply Side Applications
 - Results
 7. Demand-Side Resources
 - Energy Efficiency Overview
 - Energy Efficiency Methodology
 - Demand-Side Management Forecasts
 - Demand Response
 - Low Income Programs
 - Demand-Side Scenario Comparisons
 8. Emissions Compliance Resources and Electrification
 - Offsets, Allowances, Community Climate Investments
 - Renewable Thermal Credits, Low/Zero carbon fuels
 - Electrification Overview
 - Electrification Methodology
 - Electrification Forecast

9. Supply Side Resources

- Investments in Current Resources
- Future Resource Alternatives (On-system)
- Supply-Side Scenario Comparison

10. Portfolio Results

- Resource Planning Model
- Integration Resource Planning Model Results
- Emissions Forecast
- Monte Carlo Simulation
- Scenario Analysis

11. Distribution System

- Peak Hour Forecasting
- Distribution System Planning Criteria
- Non-pipeline Solutions
 - GeoTEE
 - GeoDR
 - Electrification
- Supply Side Resources
- Projects
- Alternatives Analysis
- Equity Considerations
- Preferred Option