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September 27, 2021

**VIA ELECTRONIC FILING**

Amanda Maxwell, Executive Director and Secretary  
Washington Utilities and Transportation Commission  
621 Woodland Square Loop S.E.  
Lacey, Washington 98503

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UTIL. AND TRANSP.  
COMMISSION

09/27/21 13:58

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**Re: Dockets UG-210094, UG-210450, UG-210461, and UG-210462—NW Natural Response to Notice of Opportunity to File Written Comments**

Dear Ms. Maxwell:

NW Natural appreciates the opportunity to respond to the Washington Utilities and Transportation Commission's ("Commission") September 14, 2021 Notice of Opportunity to File Written Comments ("Notice") in the above-referenced dockets. NW Natural looks forward to engaging in this process and provides the following responses to the Commission Staff's questions.

- 1. Does the requirement to incorporate the social cost of greenhouse gases under RCW 80.28.380 require the utility to use a total resource cost-effectiveness test in identifying cost-effective conservation measures? Please explain your answer.**

NW Natural Response:

The RCW 80.28.380 requirement does not specify which cost-effectiveness test should be used to identify the conservation economic potential for transportation customers. Regardless of the test used, the social cost of carbon is included in avoided costs and therefore consistent with RCW 80.28.380 requirements for both the utility cost test and the total resource cost test. However, since the social cost of carbon is not an explicit cost to utility customers, but is still included in the avoided costs, it is unclear whether the current evaluation using the utility cost test methodology is best described as a utility cost test.

- 2. An analysis of the availability of conservation is required under RCW 80.28.380. What considerations should be included in this analysis? Please explain your answer.**

NW Natural Response:

Suggested key considerations in developing a conservation potential methodology:

- Market Characterization
  - Identifying sectors, segments, vintage, end uses, etc.
- Capacity value – appropriately valued in determining resource adequacy
- Base-Year Energy – by technology, end use, segment, vintage and sector
- Energy Efficiency Measure Development

- Compiling a robust list of conservation measures for each customer sector
  - Determining the savings, costs and other attributes of energy efficient measures.
- Calculating Conservation Potential
  - Staking measures and interactive effects
  - Estimating customer adoption
  - Screening measures for Cost Effectiveness

**3. *Must utilities include conservation measures from gas transportation customers in their identification of all conservation measures under RCW 80.28.380? Please explain your answer.***

NW Natural Response:

The plain reading of the statute does not indicate a requirement to include transportations customers in conservation measures. In addition, RCW requires gas companies to “identify and acquire all conservation measures that are **available** and **cost-effective**.” [emphasis added] There may be savings available, but it is questionable if any measures would be cost effective and what avoided costs should be applied to transport customers.

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

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NW Natural appreciates the opportunity to provide these comments.

Sincerely,

*/s/ Rebecca T. Brown*

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