

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

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-210831

ORDER 02

APPROVING COMPLIANCE WITH  
BIENNIAL CONSERVATION PLAN  
TARGET

**BACKGROUND**

- 1 On January 18, 2022, the Washington Utilities and Transportation Commission (Commission) issued Order 01, Accepting 2022-2023 Biennial Target, Subject to Conditions (Order 01). The Commission accepted Northwest Natural Gas Company d/b/a NW Natural's (NW Natural or Company) biennial targets and required the Company to submit additional reports to the Commission.
- 2 On June 14, 2024, NW Natural filed their 2022-2023 Biennial Energy Efficiency Report (BEER) with the Commission. The BEER is a required reporting element of Order 01 in NW Natural's Biennial Energy Efficiency Plan (BEEP).<sup>1</sup> The Company reports that it acquired savings of 739,694 therms, sufficient savings to meet the biennial target of 620,915 therms.
- 3 On June 24, 2024, the Commission filed a Notice of Opportunity to Comment and Notice of Open Meeting.
- 4 Pursuant to Revised Code of Washington (RCW) 80.28.380,<sup>2</sup> natural gas companies must establish an acquisition target every two years and must demonstrate that the target will result in the acquisition of all resources identified as available and cost-effective.

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<sup>1</sup> *In the Matter of Northwest Natural Gas Co. d/b/a NW Natural's 2022-2023 Biennial Acquisition Target Under RCW 80.28.380*, Docket UG-210831, Order 01 Attachment A at 6 (Jan. 18, 2022). (Order 01 Attachment A).

<sup>2</sup> RCW 80.28.380 requires each gas utility to identify and acquire all conservation measures that are available and cost-effective. Every two years they must demonstrate target acquisitions are available and cost-effective. Additionally, the targets must come a third-party conservation

5 NW Natural’s Washington Low-Income Energy Efficiency (WA-LIEE) is a program  
designed to offer energy efficiency weatherization to income-eligible households. The  
program includes a Health, Safety, and Repair allowance to address safety concerns that  
may impact effectiveness of energy efficiency measures. The Company utilizes  
weatherization to comply with gas conservation requirements.

6 Staff found a significant change between planned and actual expenditures for the WA-  
LIEE program, which spent under budget by \$152,703 in this biennium. Additionally, the  
program achieved only 4,052 therms in savings representing 30 percent of the forecasted  
target. The Company informed Staff that their community action partner has faced  
challenges that have affected the agency’s ability to operate at full capacity.<sup>3</sup>

7 To that end, Staff suggests the Company examine the factors contributing to the shortfall  
in the WA-LIEE program and develop targeted strategies to enhance its effectiveness.<sup>4</sup>  
By addressing these challenges, NW Natural can ensure a more comprehensive and  
inclusive approach to energy conservation that benefits all customers, particularly those  
in low-income households whom this program directly effects.

8 In contrast, the success of the commercial programs caught Staff’s attention. Commercial  
programs accounted for a significant 41 percent of the Company’s entire conservation  
portfolio. This reliance on commercial savings highlights the need to balance  
conservation initiatives to ensure benefits are equitably distributed.

9 The percentage of therms savings targets achieved from 2020 through 2023 is illustrated  
by Table 1 below.

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potential assessment, approved by the Commission and the cost-effectiveness analysis must  
include the social cost of greenhouse gas emissions per RCW 80.28.395.

<sup>3</sup> *Id* at 15.

<sup>4</sup> Staff found an error in reporting on the WA-LIEE program in the Biennial Conservation Report  
Staff memo. Staff would like to point out that in Staff Comments filed in Docket UG-210831,  
there is a typo that was found on page 26. The sentence reads, “On average, they reimbursed  
each home \$7,639.61 for an estimated thermal savings of 101,471 therms.” The correct estimated  
thermal savings is 1,471 therms for the WA-LIEE program overall.

**Table 1: Comparison of Targets by year 2020-2023 (therms)**

	2020 <sup>5</sup>	2021 <sup>6</sup>	2022 <sup>7</sup>	2023 <sup>8</sup>
Budget Goal	\$2,579,667	\$3,069,312	\$3,236,040	\$3,627,968
Budget Actual	\$2,363,539	\$3,322,803	\$3,487,654	\$3,521,350
Target	339,331	399,957	324,147	287,333
Achieved	320,170	360,313	430,470	306,399
Percent achieved	94%	90%	133%	107%

10 The comparison shows a steady progression in savings achieved from the last biennium. Staff notes that overall the trend shows a substantial increase in 2022 after a minor decline in 2021. However, the high achievement rate in 2022 dipped slightly in 2023, although the rate remained above 100 percent, showing the Company’s targets were still exceeded. This pattern highlights a period of recovery and improvement post-2021, followed by a slight regression in 2023. Staff applauds NW Natural for successfully meeting its biennial acquisition target for cost-effective conservation under RCW 80.28.380.

11 No party other than Staff has filed comments in this docket.

**DISCUSSION AND DECISION**

12 We agree with Staff’s recommendation and find that NW Natural has complied with its 2022-2023 biennial conservation target and the requirements of Order 01. The Company has achieved this target despite some difficult challenges, as noted by Staff. We find that the Company has complied with the reporting requirements in Order 01, Docket UG-210831; achieved 739,694 therms of savings during the 2022-2023 biennium;

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<sup>5</sup> *In re Northwest Natural Gas Co.’s 2020 Annual Conservation Report*, Docket UG-190987, 2020 Annual Energy Efficiency Report at 6, (June 01, 2021).

<sup>6</sup> *In re Northwest Natural Gas Co.’s 2021 Annual Energy Efficiency Report*, Docket UG-200964, 2020 Annual Energy Efficiency Report at 7, (June 1, 2022).

<sup>7</sup> 2022 BEER at page 7.

<sup>8</sup> *Id.* at 8.

and complied with its biennial gas conservation target of 650,915 therms accepted in Order 01.<sup>9</sup>

### FINDINGS AND CONCLUSIONS

- 13 (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 natural gas companies.
- 14 (2) NW Natural is a natural gas company and a public service company subject to Commission jurisdiction.
- 15 (3) RCW 80.28.380 requires natural gas companies to establish an acquisition target every two years and must demonstrate that the target will result in the acquisition of all resources identified as available and cost-effective.
- 16 (4) On November 15, 2023, NW Natural filed its 2024-2025 BCP identifying a 2024-2025 Acquisition Target and 2024-2025 Total Utility Conservation Goal.
- 17 (5) This matter came before the Commission at a specially scheduled recessed open meeting on August 22, 2024.
- 18 (6) NW Natural has complied with the reporting requirements in Order 01, Docket UG-210831.
- 19 (7) NW Natural achieved 739,694 therms of savings during the 2022-2023 biennium.
- 20 (8) The Commission should find that NW Natural is in compliance with its biennial gas conservation target of 650,915 therms accepted in Order 01.

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<sup>9</sup> The Commission notes that this matter came before the Commission during a Recessed Open Meeting on August 22, 2024. Chair Dave Danner was present and voted in favor of approving this Order, but at the time of issuance, Chair Danner has since retired.

**ORDER**

**THE COMMISSION ORDERS:**

- 21 (1) The Commission finds that Northwest Natural Gas Company d/b/a NW Natural  
is in compliance with its biennial gas conservation target of 650,915 therms  
accepted in Order 01.
- 22 (2) The Commission finds that Northwest Natural Gas Company d/b/a NW Natural  
has complied with the reporting requirements in Order 01.
- 23 (3) The Commission retains jurisdiction over this matter for purposes of effectuating  
this Order.

DATED at Lacey, Washington, and effective January 31, 2025.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



ANN E. RENDAHL, Commissioner



MILTON H. DOUMIT, Commissioner