

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

NORTHWEST NATURAL GAS
COMPANY, d/b/a NW NATURAL,

Seeking Extension for the 2022 Integrated
Resource Plan

DOCKET UG-190711

NW NATURAL COMPANY

PETITION TO AMEND ORDER
NOS. 02 & 03

I. INTRODUCTION

I Pursuant to WAC 480-07-875, Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), respectfully petitions the Washington Utilities and Transportation Commission (Commission) to amend Orders 02 and 03 in the above-captioned docket. Orders 02 and 03 establish a June 30, 2022 deadline to file the Company’s draft Integrated Resource Plan (IRP) and a July 29, 2022 deadline to file the final IRP. Based on recently changed conditions that have materially impacted the Company’s ability to complete its draft and final IRPs on this schedule,¹ NW Natural respectfully requests that the Commission issue an amended order that requires the Company: 1) to file a draft IRP as soon as practicable after resolving the issues subsequently described in section III of this petition – no later than July 29, 2022, and 2) to file a final IRP no later than September 23, 2022. NW Natural also commits to working to resolve the issues that are preventing it from completing its draft IRP as expeditiously as possible.

¹ See WAC 480-07-875 (“Any such petition must comply with the requirements in WAC 480-07-870 for a petition for rehearing.”); and WAC 480-07-870 (“A petition for rehearing must set forth sufficient grounds . . . Sufficient grounds for rehearing consist of . . . [c]hanged conditions since the commission entered the order.”).

II. BACKGROUND

2 NW Natural is a natural gas utility and public service company doing business in the State of Washington and is subject to the jurisdiction of the Commission regarding rates and terms of natural gas service in Washington. The Company's principal place of business is 250 SW Taylor Street, Portland, Oregon 97204. Communications regarding this petition should be addressed to:

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III. DISCUSSION

A. Procedural History

3 On September 22, 2020, NW Natural filed a petition with the Commission requesting a temporary exemption from WAC 480-90-238(4), Integrated Resource Planning Timing. After discussing more specific due dates with Commission Staff, NW Natural amended its petition on October 13, 2020, which, among other things, proposed that NW Natural would file its draft IRP on June 30, 2022 and its final IRP on July 29, 2022. On November 13, 2020, the Commission issued Order 02, granting an exemption from WAC 480-90-238(4) subject to

certain conditions, including filing a draft IRP no later than June 30, 2022, and a final IRP on July 29, 2022. On April 8, 2021, the Commission issued Order 03, granting NW Natural's petition to revise to the conservation planning assessment and conservation plan due dates while retaining the June 30, 2022 and July 29, 2022 filing dates for the draft and final IRPs.

B. Changed Conditions Since the Commission Issued Orders 02 & 03

4 In recent weeks, the Company has been unable to resolve modeling software issues that are preventing it from completing analysis that is necessary to finalize a comprehensive draft IRP inclusive of a thoroughly described resource action plan by June 30, 2022. These issues concern the PLEXOS model, which is the new IRP modeling software that the Company has acquired from Energy Exemplar, the organization that also owns AURORA. NW Natural needed to acquire new IRP modeling software because the previous standard model for conducting analysis in gas IRPs – SENDOUT – is no longer being supported by updates or comprehensive technical support. Furthermore, SENDOUT does not have capability to model emissions planning in a manner that is needed for long-term resource planning under transformative legislation and administrative rulemakings that haven't been adopted since NW Natural filed its last IRP, such as Washington's Climate Commitment Act and Oregon's Climate Protection Program.

5 Due to these transformative policies, NW Natural has developed a new model in PLEXOS that can conduct detailed and technically challenging emissions modeling, along with the more traditional functions of gas supply and storage that have been conducted in natural gas IRPs for quite some time. This is the first gas utility IRP that has this level of complexity that is being modeled in the PLEXOS software, and NW Natural has been able to construct a model that works for the reference case (the pre-policy trend) case and has results for this case.

- 6 However, given the current uncertainty around a number of issues, risk analysis is an even more critical component of planning in this IRP than in the past. To conduct this risk analysis, NW Natural uses stochastic simulation of multiple draws to test the robustness of decisions under different key input assumptions. Unfortunately, the PLEXOS software is currently unable to solve the approximately 500 simulations through a batching and queuing process, which automates the solver and can run several simulations simultaneously (a capability that is intended to be part of the service). Sequentially running the simulations would take roughly 80 minutes per simulation or approximately one month for all 500 simulations, plus a significant amount of manual replacement of data. If simultaneous model runs can be performed, NW Natural anticipates that results can be obtained in roughly two days of run time, after which interpretation and results compilation can begin.
- 7 Since the batching and queuing simulation process is not currently solving, NW Natural is unable to complete its draft IRP by June 30, 2022. Furthermore, NW Natural recognizes the value of a draft IRP to stakeholders and values stakeholder feedback on the draft in advance of the final IRP filing, and thus the Company is also seeking to delay the filing of its final IRP as well. NW Natural only recently determined that this would be a barrier to completing its IRP and has been working to resolve the issue as quickly as possible. The Company has escalated this problem to PLEXOS developers and is currently seeking a diagnosis and timeline. While these issues were unanticipated and are delaying the results of the IRP, the Company is still convinced that moving to the PLEXOS model is both appropriate and necessary in order to analyze how to best serve customers in this fast-changing landscape.

8 Due to this unanticipated software modeling issue, NW Natural believes that there is good and sufficient cause for the Commission to issue an amended order that requires the Company: 1) to file a draft IRP as soon as practicable after resolving the issues described above – no later than July 29th, 2022, and 2) to file a final IRP no later than September 23rd, 2022. NW Natural notes that this delay should not impact timing of major decisions or impact its ability to plan for the first compliance year of Washington’s cap-and-trade program under the Climate Commitment Act. NW Natural also commits to continue working to resolve these software issues as expeditiously as possible.

IV. CONCLUSION

9 NW Natural greatly appreciates the flexibility shown by the Commission, Staff, and stakeholders in the IRP process to date, which has prioritized the best work product **along** as fast a timeline as possible. Given the software modeling issues that the Company has recently encountered, the Company believes that it is ultimately in the best interest of customers to not compromise the robustness of its IRP work and to delay the draft and final IRPs per the timeline above.

Respectfully submitted this 30th day of June 2022.

NW NATURAL

/s/ Ryan Sigurdson

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