**TAG #3 –WUTC TAG Meeting**

**Date & time:** 06/24/2020, 09:00 AM – 11:20 AM

**Location:** Microsoft Teams Meeting

**Presenters:** Brian Robertson, Ashton Davis & Devin McGreal

**In attendance**: Mark Sellers-Vaughn, Brian Robertson, Devin McGreal, Ashton Davis, Bruce Folsom, Chris Robbins, Eric Wood, Carolyn Stone, Taylor Mead, Sheila McElhinney, Kary Burin, Garret Senger, Carolyn Stone, Philip Hensyel, Monica Cowlishaw, Linda Offerdahl, Christopher Mickelson, Brian Cunnington, Patrick Darras, Jon Storvick, Andrew Rector – WUTC, Bradley Cebulko – WUTC, Corey Dahl – Public Counsel, Mark Iverson – Ruby, Kyle Depew – WUTC, and Tom Pardee – Avista,

**Minutes:** Carolyn Stone

Brian began the meeting with a “Safety Moment” reminding all of us to stay hydrated in the neat and lay off the “sugary” drinks. Temperatures are rising! Brian asked Mark if he had any beginning comments. Mark thanked everyone and encouraged questions and comments. He said he you want his team to “dive into” more, let the group know and he hopes everyone stays safe and healthy!

Brian then went through the Agenda and introductions of attendees.

Brian started Tag #3 by updating the group on a Tag #2 “Action Item”, the back-cast work. Brian said they have done a lot of work on this but have no results to share yet. They will present this information at Tag #4 or Tag #5.

**Presentation #1 – DISTRIBUTION SYSTEM PLANNING** – *Linda Offerdahl*

**QUESTION:** Andrew asked for a quick reminder on the difference between a regulator and compressor?

**ANSWER**: Linda said compressors use turbines to produce pressure, regulator reduces that pressure.

**QUESTION:** Andrew also asked what is the “set point”?

**ANSWER**: Linda answered that a set point lowers the pressure – gives the option of including a set point if the MAOP is not higher.

**QUESTION:** Andrew asked if they are modeling “continuously” and this feed into the IRP?

**ANSWER**: Linda said, “Yes, it does!” Using tools and programming potential growth to feed shortfalls on our system. The IRP is the beginning point. We want to identify shortfalls ASAP and include them in the IRP.

Devin added that it is an iterative process. We do work with projects engineering identifies. Analysis they do impacts another department’s work.

**Presentation #2 – Cascade Gas Supply Overview** – *Eric Wood*

**QUESTION**: Andrew noted on Slide #43, labels do not show who the suppliers are, are these companies?

**ANSWER** Eric answered stating they are specific companies. Gives an example of how many suppliers we have here. Eric stated here are lots of options and resources to meet Peak day. He went on to say, we can enter into a peaking deal for 20K, for example or do daily spot transactions for 10K and storage as well.

**Presentation #3 – PLANNED SCENARIOS & SENSITIVITIES** – *Brian Robertson*

**QUESTION**: Andrew asked if the program’s recommended price is higher than what you can get out of storage?

**ANSWER**: Brian answered that when the model fills storage with purchased gas, if prices higher in summer than winter it decides to purchase that gas rather than use storage.

**QUESTION**: Andrew asked if about a new “software”. He was curious if this was able to solve problems that Sendout® has issues with now?

**ANSWER**: Brian said the model is very experienced in electricity, but preliminary with natural gas. It does have functionality that has piqued our interest – granularity of detail in optimization. We can definitely discuss this later! It is very preliminary.

Carolyn asked what the name of this software is, but Mark replied that the group does not want to have a full-blown discussion of this software right now.

**QUESTION**: Andrew asked if the group could talk more about the transport agreements entered years ago...he asks are these relevant to our current load?

**ANSWER**: Mark answered stating that back in the “dark ages” we entered into #100002. This was entered under open access. Essential for Long-term demand. Some capacity needs to be turned back. We do look at the termination dates of our contracts and occasionally we do terminate them. Overall no material changes needed to 100002 and thanks for this context!

Brian added that a theoretically, use supply between two transport agreements, then maybe don’t need as much - distribute transport...but we just stay on top of supplies and make sure they are liquid and that transport agreements tie together as well as what Mark stated.

**QUESTION**: Andrew asked if there were any changes made to these 8 steps since the last IRP?

**ANSWER**: Brian said he doesn’t thing any of the steps changed, but only details within those steps. Devin added that the only thing they did change from 2018 Washington IRP was the stochastic analysis (when done and on what). Brian said he will go back and look and get back to Andrew. Andrew said Devin may have hit on the only change but asked to check. Brian said he will definitely check and confirm!

**QUESTION**: Andrew asked what the reason is for doing 2 separate IRPS for WASH & OR?

**ANSWER**: Brian said for both, timing one reason, plus some rules are different in both IRP’s. Brian said they are not against combining them in the future!

Mark added that they tried to combine them in 2014, but there are different sets of rules between WA and OR, for example one has a 4-year action plan vs a 2-year action plan. Washington files 2 years based on the date of filing; Oregon’s date was 2 years from the acknowledgement. Also, there are concerns on operational documents on carbon - no clarity between the 2 states. We have kept the two filings separate for the last couple of years. It is a continuing evolution between the 2 states. It is a timing issue for us!

Andrew said he was just curious to understand it.

Brian added that for the next IRP, OR & WA are both on the same timeline. Might be a discussion for 2022!

**QUESTION**: Andrew asked if any 1 scenario/sensitivity does not meet criteria, then do you discard that portfolio – in terms of serving load?

**ANSWER:** If one portfolio doesn’t get gas to the customer...we ask if that is a “likely scenario”. We look at how like it is to happen. More goes into it then just discarding it.

Devin added that more that goes into it if doing a Monte Carlo simulation. Dramatic increase at a 99 percentile, sensitive costs, shortfalls, etc. May be changes in that portfolio made only...tweaks might be more appropriate!

Mark reminded that Sendout® has perfect knowledge, for 20 years. We bring subjectivity to this...operational considerations. We partner with gas supply and other teams. For example, if all gas was recommended to be purchased at AECO, we don’t have enough capacity there to do that!

Andrew said this is helpful in getting a peek into this process!

**Presentation #4 – ALTERNATIVE RESOURCES** – *Ashton Davis*

**QUESTION:** When is the lockdown for the price forecast?

**ANSWER:** Devin said late to mid-June. Ideally most current info possible but have deadlines for Energy Efficiency group, so they can start building Avoided Cost calculation.

**Presentation #5 – AVOIDED COST METHODOLOGY & CALCULATION** (Devin McGreal)

**QUESTION**: Andrew asked about the previous slide, comparing 100% hedging to 100% open market prices?

**ANSWER**: Devin answered “Yes”.

**QUESTION**: Andrew asked on the next slide, does this mean that formula on Slide 79, your value, Risk Premium = to 0 for all IRP?

**ANSWER**: Devin said “Yes”, the level ends up at 0 Risk Premium value for this iteration (latest) is 0. The conclusion for us is the way market prices are, there is not necessarily a premium associated with floating prices. No benefit to locking prices.

**QUESTION**: Andrew asked if there are changes to the method in the IRP?

**ANSWER**: Devin said Resource Planning reached out to CNGC’s AMA partner for a 20-year quote of 20-year hedged prices for the first time – more realistic. For distribution cost we would have to look at what we did in the past – in the 2018 IRP. We’d have to look at this before we see what is different. I will get you that answer.

**Slide #87 – 2020 IRP Remaining Schedule - Brian Robertson**

* The 4th TAGE meeting moved to Wednesday, August 12. Currently scheduled for Bellingham but it is not likely to be there – but things change quickly!
* TAG #5 is on Sep 23
* Draft to be filed on Nov 17
* Comments on draft Dec 23
* TAG #6 on Jan 27 if needed
* Final Version on Feb 26

Brian showed the group their contact information. He stated they appreciates stakeholder feedback and today’s feedback and thanked everyone for coming!

**The meeting was adjourned.**