**TAG #4 –WUTC TAG Meeting**

**Date & time:** 08/12/2020, 09:00 AM – 11:20 AM

**Location:** Microsoft Teams Meeting

**Presenters:** Brian Robertson, Ashton Davis, Devin McGreal, Abbie Krebsbach, Monica Cowlishaw, and Phillip Hensyel

**In attendance**: Mark Sellers-Vaughn, Brian Robertson, Devin McGreal, Ashton Davis, Bruce Folsom, Chris Robbins, Eric Wood, Carolyn Stone, Sheila McElhinney, Andrew Rector (WUTC), Jon Storvik, Corey Dahl, Shawna Nieraeth, Dan Kirschner (NWGA), Abbie Krebsbach, Philip Hensel, Monica Cowlishaw, Alyn Spector, Kary Burin, Linda Offerdahl, Brian Cunnington, JP Cordaro (Ruby) and Tom Pardee (AVA)

**Minutes:** Carolyn Stone

**Presentation #1 – IRP CARBON UPDATE & ASSUMPTIONS** (Devin McGreal & Abbie Krebsbach)

**Slide #13 – GHG Emissions from NG (Cont’d)**

**QUESTION:** Andrew asked if these were from Energy Efficiency programs, the per year 33K tons?

**ANSWER:** Abbie said that when we add up accumulation every year and emissions savings, this year decreased an estimated 33K metric tons, depending on how we discount the emissions – levelized number. 1st year – more success with wear and tear on the equipment. I could be being more conservative. Cost savings of the program – only looking back to 2008.

**QUESTION**: Andrew asked if this is the life cycle savings of all Energy Efficiency measures since 2008?

**ANSWER**: Abbie said “Yes!”

**Slide #18** **– Reducing Company Emissions**

**QUESTION**: Andrew asked, 100 total miles of steel pipeline, how much more is needed to be replaced?

**ANSWER**: Abbie answered she is not sure. She said we are still replacing some – not sure of the number. She asked if anyone on the phone could answer this? We can get that answer for you. This has been ongoing for a number of years!

**Slide #29 thru #32 - Local Focus – Bellingham** (Alyn Spector)

**QUESTION**: Andrew asked, on Slide #29, of the targets listed, are these currently in place or proposed?

**ANSWER**: Alyn said these are currently in place but aiming to be more aggressive targets 2030 – 2035 for electrification.

**QUESTION**: What is it in the triple bottom line?

**ANSWER**: People, profits, planet – Social, and economic benefits. Is the technology feasible and market ready?

**Slide #34 & #35 – Local Focus – City of Bend**

**QUESTION**: Andrew asked if Bend was the only one CNG directly involved with?

**ANSWER**: Alyn answered saying “Yes, it is in our service territory”.

**QUESTION**: Andrew asked if these initiatives modeled in the IRP process and if so, how?

**ANSWER**: Alyn said this is a question for Brian R and Devin...Brian said they are included in the IRP as reported, not modeled at present but have discussed modeling. Goal is to model but still need to do that actual modeling. Mark added that if there are insights Staff have on this, let him know.

**QUESTION**: Will it be in this IRP or next?

**ANSWER**: Mark answered, “That’s a tough question”, he said it depends on the timing. Expect to see it mentioned in our action plan. There won’t be specific modeling in the September draft.

* Andrew said he didn’t have input right now but will put thought into it!

**Slide #40 – Next Steps & Conclusion**

* Tag #5 – brief Update

**QUESTION**: Mark asked, back on the “Local impacts of Modeling” slides - how we model Bend and Whatcom discussion... Would Staff want us to explain in the narrative how we are considering doing that modeling?

**ANSWER**: Yes, should share what you’re considering and add to Tag #5

 Andrew added “Sounds good”. Tag #5 and add to narrative. I will queue up email to the IRP leads to see what NWP and PSE are doing on this front and point you in a direction.

**Presentation #2 - DSM Forecast, 2020 IRP** (Monica Cowlishaw & Philip Hensyel)

**Slide #46 -2020 Forecast Updates** (Phillip Hensyel)

**QUESTION**: Andrew asked...remind me is the discount rate in the most recent GRC?

**ANSWER**: Phillip asked Devin...Devin said for CNGC it is tied to the 30-year fixed price, mortgage rate between 4.43 and 4.3%

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**QUESTION**: Andrew asked when you have a baseline forecast, is it a “baseline” usage?

**ANSWER**: Phillip said, it is based on the last CPA and last IRP assumptions. Based on the calculation for the new Avoided Cost, to be updated later this month, based on 2019 usage.

**Slide #58 - Additional EE Topics for the IRP (**Alyn Spector)

**QUESTION**: Corey asked about the impact of COVID 19 – economic recession... What has Commission done historically when something out of their control happens in meeting targets?

**ANSWER**: Andrew said in 2020 we meet targets or set 2021 targets.

**QUESTION**: Corey asked what would happen if a utility falls short of meeting their goals?

**ANSWER**: Specific answer – I don’t know what happened in the past, 2008/2009 neighborhood similar situation. No target obligation at that time. In 2020 recommended keep shooting for goals – adaptive management. If company does fall short, more leeway with gas than electricity. Not a lot to say on this.

 Corey said a lot is unknown right now...that is expected...how Commission is to handle this

 Andrew said, “A lot is up in the air”. Glad I meet your expectations.

 Corey further stated that the 2008 requirements were very different, EIA, in place then.

 Andrew commented that there was no Renewable requirement but probably conservation requirements. Trying to compare now to then, probably shouldn’t do that.

 Monica said she appreciates the question. How do we plan for the unknown?

 Phillip added that in reducing targets based on the economy, how do we reduce that goal without being arbitrary? Utilities making their best efforts to meet goals is very different than saying we “Can’t do it”.

**QUESTION**: Andrew asked, is the current situation, recession and not getting as much conservation as expected showing up in the LoadMap model?

**ANSWER**: Monica said she doesn’t believe it shows up. Phillip said it does not show up currently but will bring up this to AEG. Andrew appreciated this and Phillip said he would have a better answer at TAG #5.

**Presentation #3 – RENEWABLE NATURAL GAS** (Brian Cunnington)

**Slide #64 – Carbon Intensity**

**QUESTION**: Andrew asked if this is “subjective” and if there is a lot of uncertainty?

**ANSWER**: Devin answered “yes”, about carbon intensity (CI) and how to apply CI to RNG values. How good is the carbon reduction value...demand side management, purchasing RNG and REC’s? Do you look at a project based on what type of project it is? Call RNG, RNG and take a simple average of all the RNG projects. We follow rulemaking and prescriptive values for treatment. This is the best we have. If you have any input or opinions, let us know. This is all still very dynamic and up in the air. The type of project “moves the needle”. Some may argue it moves it positively! We are following this closely.

**Slide #66 – Regulatory Matters regarding RNG (cont’d)**

**QUESTION:** Brian R asked Andrew – Should we be following anything else?

**ANSWER**: Andrew answered, “I can’t think of anything right now.”

**QUESTION**: Andrew asked was the state study done 2 to 3 years ago, or was this new?

**ANSWER**: Brian said it was done 2 to 3 years ago.

**Slide #70 – CNGC’s RNG Goals**

**QUESTION**: Andrew asked if currently CNGC has any RNG?

**ANSWER**: Brian C said none currently signed up for it flowing on our system.

**Presentation #4 – Discussion of RNG Cost Effectiveness Evaluation Tool** (Devin McGreal)

**Slide #73 – Top Level Discussion**

**QUESTION**: Internally... should we do this project or not?

**ANSWER**: Devin said it depends if OR wants this in their IRP (for 2020 we talk about RNG).

Cost effectiveness rationale finalized is good for IRP

Andrew added that ultimately, it is good for the IRP

Devin said “Exactly”, 2022-2024 might be more solidified. Not in this IRP but say this is what we are doing.

Mark added that this has not been vetted by the corporation.

**Slide #78 – Cost of Gas**

**QUESTION**: Andrew asked how this is done, proposing the same thing with fossil gas price forecast?

**ANSWER**: Devin said, “Yes”, we forecast at all our basins, then put those prices in. But with RNG, the need is 1 price vs. 3. I don’t know which basin would be offset from. 50% of blend of basin price, using 3 basins.

**Slide #79 – Carbon Intensity Factor**

**QUESTION**: Andrew asked, your methodology advantages RNG a bit more? Do you think that would always happen algebraically?

**ANSWER**: Devin answered that it is the same #, but hey would have their own difference in conventional and RNG. We just calculate the ratio – how much better is the RNG and we subtract that from the total. Ultimately it does the same thing!

 Andrew said ultimately you end up in the same place

 Devin said that NWN inspired their calculation on this.

**Slide #88 – Model Challenges**

**QUESTION**: Andrew asked if operational Dth’s are greater than contracted, is there room to grow?

**ANSWER**: Brian said “Yes, in some areas”. With the Walla Walla lateral, there is a contracted amount at that location but operationally we can get more gas in there. But in SENDOUT® we put the contracted value in.

 Mark said that there is a received amount but operationally could receive more. We put in the IRP what we are guaranteed for. Contract #100002 came in because of “open access”. NWP/GTN had to allocate capacity at that time, so we have more delivery rights than receipt rights. NWP looks at capacity at a “zonal” level – we can have more gas within the zone.

 Andrew said, “I’m with you!”

**Slide #89** – **Supply Resource Optimization Process**

**QUESTION**: After going over the flow chart on Slide #91 Brian asked Staff what else they would like to see...?

**ANSWER**: Andrew did not have anything to add at this time.

**Slide #95 – Supply Base & Fixed**

**QUESTION**: Andrew asked if the base contracts price rates fluctuate...do they follow Nymex?

**ANSWER**: Base supply contracts use our price forecast. We input this into SENDOUT® as the base price.

**Slide #98, #99 #100 & #101 – Winter Base Supply, Winter Day Supply, Summer Day Supply**

**QUESTION**: Andrew asked what “R-Mix” meant?

**ANSWER**: Brian stated that is “Resource Mix” = SENDOUT® gives us an optimization of supply – but no more than asked. SENDOUT® decides the daily MDQ.

**Presentation #6 – Preliminary Resource Integration Results** (Devin McGreal)

**Slide #130 – Preliminary Results**

**Slide #131 – Next Steps**

**Slide #132 – Remaining Schedule**

1. Sep 23 - TAG #5
2. Nov 17 - Draft of 2020, WA IRP distributed
3. Dec 23 - Comments back from stakeholders
4. Jan 27 - Tag #6, if necessary
5. Feb 26 - IRP filed in Washington

**Slide #133 – Questions? Contact information**

**The meeting was adjourned**