



In the Community to Serve®

TAG #3 WA – TAG Meeting

Date & time: 06/29/2022, 9:00 AM to 12:15 PM

Location: Microsoft Teams Meeting

Presenters: Eric Wood, Brian Robertson, Devin McGreal, & Ashton Davis

In attendance: Abe Abdallah, Ashton Davis, Brian Cunnington, Brian Hoyle, Brian Robertson, Bruce Folsom, Byron Harmon, Caleb Reimer, Carolyn Stone, Corey Dahl, Devin McGreal, Eric Wood, Garret Senger, Jon Storvick, Kary Burin, Kathleen Campbell, Kevin Connell, Kim Herb, Mark Chiles, Mark Sellers-Vaughn, Michael Brutocao, Michael Parvinen, Monica Cowlshaw, Pamela Archer, Stokes Chad, Tom Pardee, & Vincent Morales

Brian Robertson, Supervisor of Resource Planning, opened the meeting by welcoming and thanking stakeholders for participating in Cascade’s IRP Process. Brian then proceeded with introductions, the agenda, a safety moment, and a reminder of the stakeholder engagement commitments.

Presentation #1 – Cascade Gas Supply Overview (Eric Wood)

- Eric Wood presented Cascade’s current portfolio design along with charts and maps that outline how Cascade currently purchases gas and utilizes storage.
- Eric also provided information on Cascade’s current hedge plans.
- Eric gave an update on the RNG project in Bend that Cascade was a successful bidder on.

Question: Byron Harmon asked about the size of the contract.

Answer: Cascade is still working through those details and will share once a contract is finalized.

Question: Kim Herb asked if Cascade would be owning this or purchasing from it.

Answer: At this time, Cascade is looking at owning and operating the facility but that has yet to be finalized.

- Eric then wrapped up his presentation with information on Cascade’s winter and peak day supply stacks.

Presentation #2 – Base Case Plexos Modeling (Brian Robertson)

- Brian discussed the change Cascade made from SENDOUT to Plexos as well as the modeling challenges the Company must consider and work through.
- Brian then went into depth about the inputs to Cascade’s base model which included: Demand, Supply, Price Forecast, Storage, Transportation, Constraints, and Emissions.

Question: Byron asked if base supply is the cheapest, would it be possible to have an annual sinusoidal base supply that more closely matches the demand curve? Would that be too complicated to contract?

Answer: Cascade explained that it would be difficult to contract but it also may not make sense to contract. The demand curve shown in the TAG slides was smoothed based on normal weather. In reality, the curve is very dependent on weather and varies quite a bit. Contracting at the sinusoidal level may put us in a position where we're oversupplied with warmer than normal weather. Day gas gives the Company flexibility to purchase gas on an as-needed basis.

Presentation #3 – Planned Scenarios and Sensitivities (Brian Robertson and Devin McGreal)

- Brian went through the step-by-step process of Cascade's Supply Resource Optimization Process Flow Chart. This process allows the Company to fully vet multiple portfolios and stress test them with scenarios and sensitivities to come up with a preferred portfolio.
- Devin then went through Cascade's six scenarios and the different aspects of each scenario.

Question: Kim asked about new technologies and if there will be any leveraging any kind of standardization around determining readiness level.

Answer: Devin discussed our scenario modeling where we'll test multiple ranges around the availability of new technologies. These will essentially stress test the readiness levels of new technologies and will allow Cascade do provide qualitative and quantitative analysis on both the assumptions and the potential impacts of these scenarios.

Question: Kim asked about conversations with Energy Trust of Oregon and how anticipated costs with the Climate Protection Program may impact avoided cost.

Answer: Devin mentioned that we follow the guidelines of UM-1893 and does think that it would be a good topic to discuss within that docket. At the moment, Cascade is utilizing the social cost of carbon which is essentially capturing compliance as part of the regulation.

Presentation #4 – Alternative Resources (Ashton Davis)

- Ashton provided insight on alternative resources as well as reasons for needing alternative resources.
- Cascade's alternative resources included incremental transportation, incremental storage, and incremental supply.

Presentation #5 – Price Forecast Results (Devin McGreal)

- Devin provided Cascade price forecast results and touched on recent movement on prices as well as the importance of locking down the price forecast.

Presentation #6 – Avoided Cost (Devin McGreal)

- Devin gave a brief introduction to the purpose of the avoided cost calculation.
- Devin discussed the different aspects of the avoided cost formula.
- He then provided a reminder on the parts of the avoided cost formula that remain unchanged from the previous IRP.
- Devin then dove into the two items that saw significant changes to the avoided cost formula; the distribution system cost and the risk premium.

Presentation #7 – 2023 IRP Schedule (Brian Robertson)

- Brian went through the remaining TAG schedules for both WA and OR.
- Brian noted that the next TAG meeting will be Oregon focused and take place on July 14.

The Meeting was Adjourned

Per Cascade Commitment #8 (Stakeholder Engagement Design Document, 2/22,2022: “Provide TAG minutes that include the action items from bullet #7 as well as any upcoming deadlines for feedback on the IRP”), here are additional action items to track, coming out of the TAG 3 meeting:

1. For the Oregon TAG 3 meeting, Cascade will provide information on gas bans related to the Oregon service territory. More specifically, the Bend Community Climate Action Plan.