



2027 IRP Targeted TAG #3 Meeting

Date & time: 6/10/2026, 9:00 AM to 10:00 PM

Location: Microsoft Teams Meeting

Presenters: Brian Robertson, Kirten Brewer

In attendance: Adam Shick, Alondra Regalado, Brian Robertson, Bruce Folsom, Byron Harmon, Caleb Reimer, Carolyn Stone, Chad Stokes, Chris Robbins, Debra Campbell, Eric Shierman, Jennifer Snyder, Jenny De Boer, Jodie Albert, Kai Hiatt, Karen Magana, Kathleen Campbell, Kirten Brewer, Kyle McCauley, Lucas Hamilton, Mark Sellers-Vaughn, Megan Koelzer, Michael Meyers, Renie Sorensen, Ryan Denton, Shawna Nieraeth, Steven Nevels, Vigilija Klima, Zachary Harris, Zachary Sowards

Brian Robertson, Supervisor of Resource Planning, opened the meeting by welcoming and thanking stakeholders for participating in Cascade's IRP Process. Brian then proceeds to the presentation.

Presentation #1 – Safety Moment (Brian Robertson)

- Brian presented a safety moment, covering food grilling safety such as keeping the grill away from the side of buildings and to be mindful of potential fires occurring outside the grill while being properly prepared in the event an uncontained fire does occur.

Presentation #2 – Avoided Cost Methodology and Calculation (Brian Robertson)

- Brian provide an overview of what avoided costs are, explaining how it is an estimated cost to serve the next unit of demand with a supply side resource option at a point in time.
- He explains how this can be used to help guide Company decisions.
- This methodology has taken in feedback over the years from previous IRPs.
- Brian presents the avoided cost formula used and explains the components.
- He then covers the variables transportation costs part of the formula to provide more insight and detail. These costs are pulled directly from the major pipelines that Cascade utilizes (NWP, GTN, Enbridge, Ruby, Nova Gas Transmission (NGTL), and Foothills).
- He then covers storage costs, explaining how these are only captured if there is an avoidable future storage.

- He then covers commodity costs, explaining how this element is intended to represent the marginal cost of procuring physical gas supply. He also clarifies how, in the context of RNG, the physical gas and the environmental pieces are separated (with part of that being captured by the environmental compliance costs part of the calculation). Which then leads to the explanation of the environmental compliance costs part of the calculation.

Presentation #3 – Methodology, Distribution System Costs (Kirten Brewer)

- Kirten explains the distribution system costs and how this looks at the forecasted capital expenses related only to growth and uses the Company’s load growth forecast to convert those into a cost per therm basis. He also covers how peak days are incorporated into this analysis.
- He then presented various graphs to help explain capacity modeling done by the Company and how there are multiple ways to help ease the burden from peak day load demand (including increasing capacity and/or reduce peak load demand through things such as energy efficiency).
- He presents further graphs to help explain the cost of capacity enhancement, the deferral valuation analysis, and how the time value of money is incorporated.

Presentation #4 – Methodology, Risk Premium (Brian Robertson)

- Brian covers how the Company defines risk premium as the difference between the impacts of a potential extreme upward price movement versus that of an extreme downward price movement.
- Brian then presents a graph to show how a normal distribution differs from a log-normal distribution as well as a histogram showing the results of a stochastic pricing analysis to get a “stochastic risk premium”.
- He then goes over the risk-adjusted risk premium final calculation and the formula used and results from the 2025 IRP to highlight the outcomes from the process.
- Brian explains the environmental adder that is applied during this process before covering the Company’s upstream emission rate methodology and the associated equation used for that in the state of Washington.

Presentation #5 – Scenarios (Brian Robertson)

- Brian covers the approach the Company uses to model the different scenarios and the impacts they can have on the avoided costs. He also mentions how the Company does plan to include an avoided cost scenario that aligns with the emission goals within the states of service.

Presentation #6 – Avoided Cost Conclusion (Brian Robertson)

- Brian expresses appreciation for any feedback and welcomes it, before giving overview of the current process approach going forward.

Presentation #7 – 2027 IRP Schedule (Brian Robertson)

- Brian provides the schedule for the 2027 IRP and discusses various aspects of it.

Post Presentations –

Brian again welcomes all feedback and invites anyone to reach out for discussion if they are interested in any particular parts of the IRP process. He opens it up for questions before closing the meeting.

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 meeting:

- 1.