



Integrated Resource Plan (IRP) Stakeholder Meeting Hot Sheet

Meeting Name: Integrated Resource Plan (IRP) Stakeholder Meeting on 2023 Gas Utility Assumptions

Meeting Date and Time: March 31, 2022 from 1 p.m. to 4 p.m.

Agenda Topic	The Least You Should Know...
<p>Carbon Prices and the Social Cost of Greenhouse Gases</p> <p>(The Climate Change Commitment Act was covered in detail at Mar. 22 meeting with IRP Stakeholders)</p>	<ul style="list-style-type: none"> • The Climate Commitment Act (CCA) is a new state law and rules are being written now to implement. • The law creates a cap-and-invest program that sets an overall limit on greenhouse gas (GHG) emissions in the state that declines over time. Utilities must comply by covering their emissions under the cap – either through emissions allowances and/or emissions reductions. • Washington Department of Ecology is responsible for drafting the rules and compliance. Rules will be final Oct. 2022 and program will start on Jan. 1, 2023. • As a market-based program, the CCA will put a price on carbon that will affect IRP price forecasting. PSE will use California pricing as carbon cost. • In addition, gas utilities are now required to apply social cost of greenhouse gas emissions to conservation planning. However, there's uncertainty as to what "conservation" may include beyond conservation and hybrid heat pumps.
<p>Gas Utility resource alternatives</p>	<ul style="list-style-type: none"> • As one of the first steps in the energy planning process, PSE is considering different resource alternatives for the gas utility. PSE is considering alternatives that help with decarbonization. • Gas utility supply-side resource alternatives include natural gas, pipeline and storage contract options, and renewable fuel options. • The demand-side resources alternatives include energy efficiency and electrification (e.g., hybrid heat pumps).
<p>Gas Utility IRP scenarios</p>	<ul style="list-style-type: none"> • PSE uses scenarios to create a 20-year portfolio. The scenarios test a specific picture of the future using economic factors. PSE also applies sensitivities to scenarios to test different assumptions related to changes in resources, environmental regulations or other conditions. • The Gas Utility IRP is going to incorporate decarbonization factors, which have not been included in the past. These factors will be used to develop scenarios. • The rules for the CCA will not be developed in time for this analysis; therefore, we are proposing several scenarios which we believe encompass the range of potential outcomes.

Slide deck is available on the [IRP website](#)

Additional questions or concerns? Please reach out to irp@pse.com.