

January 23, 2026

NWN WUTC Advice No. 26-01

***VIA ELECTRONIC FILING***

Jeff Killip, Executive Director and Secretary  
Washington Utilities and Transportation Commission  
621 Woodland Square Loop SE  
Lacey, Washington 98503

**Re: NEW Schedule 235.1 – Industrial Energy Efficiency Program**

Northwest Natural Gas Company, dba NW Natural (“NW Natural” or “Company”), files herewith the following revision to its Tariff WN U-6, stated to become effective March 15, 2026.

Original Sheet 235.1	Schedule 235	Industrial Energy Efficiency Program
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**Purpose**

The purpose of this filing is to request the Washington Utilities and Transportation Commission (“Commission”) approve a new tariff Schedule 235 Industrial Energy Efficiency Program for Large Commercial and Industrial customers.

**Background**

In 2021, NW Natural conducted its first Conservation Potential Assessment to identify all cost-effective potential in alignment with RCW 80.28.380. The assessment identified cost-effective potential within the industrial sector. From 2022-2024 the Company offered high level facility audits to identify the types of energy efficiency projects within industrial facilities and inform program development.

In NW Natural’s 2025 Integrated Resource Plan (“IRP”), docketed as UG-240312, the Company included an Action Item A.1, that focused on continuing to leverage cost-effective energy efficiency to reduce energy and peak demand requirements. NW Natural has developed an incentive program that will help reduce large commercial and industrial customers’ facilities energy usage to gain better operational performance.

Some of the features of the program may include:

- No cost site assessment – full facility walk-through, opportunities identified, and savings and costs estimates for each opportunity
- Incentives for HVAC and/or industrial processing equipment upgrades (such as economizers, regenerative thermal oxidizers, steam traps, etc.)

- A criteria-based, qualified partner list will be developed to provide technical support for energy studies.

### **Proposed Program**

NW Natural proposes a custom incentive program in which customers will receive project specific assessments and incentive offers for cost-effective projects. To provide outreach to these customers about this program, the Company will leverage its key account managers for customer engagement and recruitment because they have already established a relationship with large commercial and industrial customers.

### ***Program Design***

NW Natural's energy efficiency program for large commercial and industrial customers will provide financial incentives for cost-effective energy efficiency upgrades. NW Natural key account managers will engage customers and coordinate with qualified partners to provide technical support for energy studies at facilities in SW Washington. Projects that meet cost-effectiveness requirements will be provided an incentive to be issued after the completion of the project.

### ***Incentives***

Incentives will be customized based on individual customers. Generally, incentives for capital expenditure projects will be at least \$5 per therm and for operation and maintenance (O&M) projects the incentives will be \$1 per therm. There are also cost caps that will be in place as follows:

#### **Capital Projects**

- Up to \$70K (100% of eligible costs)
- \$70K-\$250K (85% of eligible costs or \$125K)
- Over \$250K (70% of eligible costs or \$1M)

#### **O&M Projects**

- Up to \$125K

### ***Costs***

The costs for this program will primarily be for technical contractor support and incentives paid out to customers. For the first two years, more investment is anticipated for technical support to build out a project pipeline of opportunity. Given the extended timeline for custom projects, savings goals are based on the assumption that two or three projects will be fully completed in the first two years. Expected costs and savings in therms are detailed below:

<b>Industrial EE Program</b>	<b>2026</b>	<b>2027</b>	<b>Biennial Total</b>
Budget	\$ 510,000	\$ 760,000	\$ 1,270,000
Savings Goal (therms)	10,000	25,000	35,000

### ***Marketing, Outreach, and Engagement***

NW Natural will leverage key account managers, site technicians, and any program delivery contractors to reach out to large commercial and industrial customers about this program. For those customers that have already had audits performed on their facilities, we will leverage the information gained from the audit to assist the customer in energy savings opportunities

### ***Reporting***

NW Natural will report results of this program annually including customer participation rates, savings, expenditures, and program cost effectiveness.

### ***Cost Recovery***

NW Natural will defer the costs<sup>1</sup> of the Industrial Energy Efficiency Program and propose later recovery in rates through a filing made concurrent with the PGA or other filing. NW Natural is filing, separately but concurrent with this filing, an accounting petition to defer the costs of this program.

### ***Stakeholder Engagement***

NW Natural has engaged with NW Natural's Energy Efficiency Advisory Group ("EEAG") on program design and budgets.

Discussions about the industrial program began at the Q1 EEAG meeting on March 25, 2025. General program design, outreach plan, and high-level timing for the program was presented at the Q3 meeting on August 19, 2025. An interim meeting was held on December 4<sup>th</sup> to discuss details of the proposed industrial program including project requirements, incentive levels, and reporting requirements. In the interim meeting the Company asked for specific feedback on equity considerations and incentive issuance. While there were some clarifying questions, the group did not raise concerns with the proposed approach. No further questions or comments were received after the meeting. The proposed tariff and this explanatory cover letter were provided via email to EEAG members on December 18, 2025. No comments were received.

### **Conclusion**

NW Natural respectfully requests that the Commission approve this tariff change to become effective March 15, 2026.

In accordance with WAC 480-90-193 and WAC 480-90-195(3), copies of this letter and the attached filing are available in the Company's main office in Portland, Oregon, and on its website at [www.nwnatural.com](http://www.nwnatural.com).

As requested by WAC 480-80-103(4)(a), I certify that I have authority to issue tariff revisions on behalf of NW Natural.

For the purposes of establishing a service list for this docket, and for any questions, please address correspondence on this matter to me with copies to the following:

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<sup>1</sup> Program costs that NW Natural may experience include but are not limited to, set-up fees, portal access, incentives, customer support, program implementation, administrative, outreach, and communication costs.

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Respectfully submitted,

*/s/ Rebecca Trujillo*

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Attachment:  
NEW-NWN-WUTC-Advice-26-01-Trf-Sheet-235-1-01-23-26

## **SCHEDULE 235 INDUSTRIAL ENERGY EFFICIENCY PROGRAM**

(N)

**PURPOSE:**

To describe and set forth the terms and conditions for NW Natural's Industrial Energy Efficiency (EE) Program, to provide an economical and effective means of conserving natural gas through custom analysis in large commercial and industrial buildings.

**APPLICABLE:**

To all Large Commercial and Industrial customers, including Sales and Transportation customers not defined as emissions-intensive, trade exposed industries under the Climate Commitment Act, and served under the following Rate Schedules:

Rate Schedule 41	Rate Schedule 42	Rate Schedule 43
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## **ENERGY EFFICIENCY PROGRAMS:**

NW Natural's energy efficiency program for large commercial and industrial customers provides financial incentives for cost-effective energy efficiency upgrades. NW Natural account managers will engage customers and coordinate with qualified partners to provide technical support for energy studies at facilities in SW Washington. Projects that meet cost-effectiveness requirements will be provided an incentive, which will be issued after the completion of the project.

## QUALIFIED PARTNER LIST

NW Natural will create and maintain a qualified partner list of engineering consultants to perform energy studies.

## INCENTIVES:

The incentives will be calculated based on project type, estimated savings, and adhere to program caps.

- Improvements that are capital expenditures will be offered an incentive of at least \$5 per therm
  - Up to \$70K (100% of eligible costs)
  - \$70K-\$250K (85% of eligible costs or \$125K)
  - Over \$250K (70% of eligible costs or \$1M)
- Improvements that are operating expenditures will be offered at least \$1 per them with a cap of \$125,000.

## **PROGRAM COSTS AND TERMS:**

Program Costs will be deferred and amortized for recovery in a tariff advice filing made concurrent with the Company's annual Purchased Gas Adjustment filings or other filing approved by the Commission.

## **REPORTING:**

NW Natural will report measure savings and all expenditures associated with the program annually within the Company's Annual and Biennial Energy Efficiency Reports.

## **GENERAL TERMS:**

Service under this Schedule is governed by the terms of this Schedule, the General Rules and Regulations contained in this, any other Schedules that by their terms or by the terms of this Schedule apply to service under this Schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

(N)

Issued January 23, 2026  
NWN WUTC Advice No. 26-01

Effective with service on  
and after March 15, 2026