



In the Community to Serve®

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May 29, 2026

Oregon Public Utility Commission
Attn: Filing Center
P.O. Box 1088
Salem, OR 97308-1088

RE: LC 83 – Cascade Natural Gas Corporation's 2023 Integrated Resource Plan (“IRP”)

Attention: Filing Center
Enclosed for filing is Cascade Natural Gas Corporation’s (Cascade or Company) 2023 Integrated Resource Plan Second Update.

Cascade thanks OPUC Staff and the other stakeholders for the feedback, suggestions, and guidance we received that greatly assisted Cascade’s 2023 IRP and the 2023IRP Update in meeting today's milestone. Cascade looks forward to working with OPUC Staff and other stakeholders in the next IRP process.

If there are any questions regarding this request, please contact me at (509) 221-9808 or via email at Brian.Robertson@cngc.com.

Sincerely,
CASCADE NATURAL GAS CORPORATION

Brian Robertson

Brian Roberson
Manager, Supply Resource Planning

Enclosed



In the Community to Serve®

2023 OR IRP Second Update

May 29, 2026

Introduction

Cascade Natural Gas Corporation (Cascade or the Company) is a public utility serving more than 320,500 customers, with approximately 85,600 in Oregon and 234,900 in Washington. The Company's customers are located in 96 communities, 28 of which are in Oregon and 68 in Washington. Cascade's service territory is concentrated in central and eastern Oregon, and in western and central Washington. Cascade is subject to the jurisdictions of the Public Utility Commission of Oregon (OPUC or Commission) and the Washington Utilities and Transportation Commission (WUTC) regarding rates, terms, and conditions of service.

Consistent with the requirements in Oregon and Washington, Cascade prepares and files an Integrated Resource Plan (IRP or Plan) which is a long-term plan for acquiring the necessary resources to deliver a sufficient supply of natural gas to its firm service customers over a twenty-year timeframe. The IRP presents a forecast of customer growth and customer usage, as well as an analysis of the supply and demand side resources that could most reliably, and cost effectively be used to meet future core customers' gas requirements.

Cascade filed its most current IRP on June 2, 2023, in Docket No. LC 83. By Commission Order No. 24-158, the Plan was acknowledged in part effective May 31, 2024. During reply comments, Cascade's revised Action Plan was seeking acknowledgment on acquiring CCI, RNG, and energy efficiency savings. However, between the reply comments and Cascade's public meeting, the Oregon Court of Appeals ruled that the Oregon Department of Environmental Quality's (DEQ) Climate Protection Plan (CPP) rules were invalid.¹ Due to the invalidation of the CPP, Cascade removed seeking acknowledgement on CCI and RNG. On May 30, 2025, Cascade filed for an extension to the next IRP, extending the filing date to May 21, 2027. In this extension, Cascade agreed to file a second IRP update to the 2023 IRP. In this second IRP update, Cascade will address actions taken since Cascade's 2023 OR IRP and Cascade's 2023 OR IRP first update.

Overview of Requirements

The requirements for an IRP were established in OAR 860-027-0400 and Order Nos. 07-002, 07-047, and 08-339. Acknowledgement of an IRP is the Commission's action to represent these requirements have been met with a focus on the utility's two- to four-year action plan.

A year after an IRP is acknowledged, a utility is required to file an update to its IRP that describes the actions it has taken to implement its acknowledged action plan,

¹ *Northwest Natural Gas Co. v. Env't Quality Comm'n*, 329 Ore. App. 648, 652, 542 P.3d 71 (2023).

to provide an assessment of significant changes since the plan was filed, and to discuss any deviations from the action plan.

On October 2, 2024, Oregon Public Utility Commission opened an investigation into Integrated Resource Plans and Request for Proposal Modernization. On March 24, 2025, Commissioners signed Order No. 25-111, kicking off a rulemaking docket for integrated resource plan requirements and the competitive bidding rules consistent with Staff's Final Proposal. Cascade is taking into consideration Staff's Draft IRP Update Template when developing these updates.

1. Describe the Company's resource actions and enabling actions taken since the most recent IRP or IRP Update. For each resource acquisition:

- a. Provide the resource type, size, configuration (if the resource combines multiple technologies), and length of term in a non-confidential attachment, and;*
- b. Provide the final executed contract with price terms to the Commission*

In the Company's 2023 IRP, Cascade stated a need of approximately 561,152 mtCO₂e of CCIs and 396,236 mtCO₂e of RNG to meet CPP carbon reduction requirements. In the Company's 2023 IRP Update, the Company stated that Cascade has contracted for approximately 53,060 mtCO₂e of 2025 vintage environmental attributes, and 192,917 mtCO₂e of environmental attributes eligible for use in CPP compliance period one.

As stated in the IRP Update, Cascade took actions to evaluate banking no-cost allowances vs selling attributes in an effort to mitigate impacts to customers. Rather than requiring customers to absorb costs, the Company evaluated opportunities to sell excess RTCs from these projects back into the market. Despite challenges due to an opaque and decentralized market, Cascade actively pursued transactions and successfully sold excess 2024-vintage RTCs from its Pasco and Lamb Weston facilities, resulting in a net benefit to customers. The Company has continued this approach in 2025 and onwards, improving market engagement and conducting broader outreach to counterparties in order to secure favorable outcomes for ratepayers.

As of this filing, Cascade is still contracted for 171,580 mtCO₂e for the first compliance period, however, the Company anticipates the total that will be utilized for the CPP's first compliance period to be approximately 30,000 mtCO₂e. Cascade has not contracted for more RNG since the first IRP Update.

2. Briefly describe any material changes to conditions or future expectations since the last IRP or IRP Update. Include updated Reference Case forecasts for peak and annual energy demand, fuel prices, wholesale market prices, resource costs, and any other input assumption reflecting a key planning uncertainty in the utility's

most recently filed IRP. Quantitatively compare the updated Reference Case forecasts to the range of forecasts considered in the Company's most recently filed IRP.

While Cascade is still experiencing growth, the Company anticipates growth will slow due to changes that impact growth such as line extension allowance or the nine states memo.² Additionally, since the first IRP update, Oregon's Building Codes Division is planning rulemaking to update the residential energy code in summer and fall 2026. If approved, the updated code will require energy-efficient heat pumps in newly constructed homes if the home plans to have air conditioning.³ Also, Bend is developing a "climate pollution fee" for gas appliances in new residential construction to discourage gas in new buildings and fund electrification incentives.⁴ In the 2023 IRP, Cascade anticipated 0.86% annual growth in usage after DSM throughout the planning horizon and in the IRP update, Cascade anticipates growth will be relatively flat at 0.03% growth. Cascade's second IRP update was updated on May 8, 2026, and resulted in the same growth rate, 0.03%, as the 2023 IRP update.

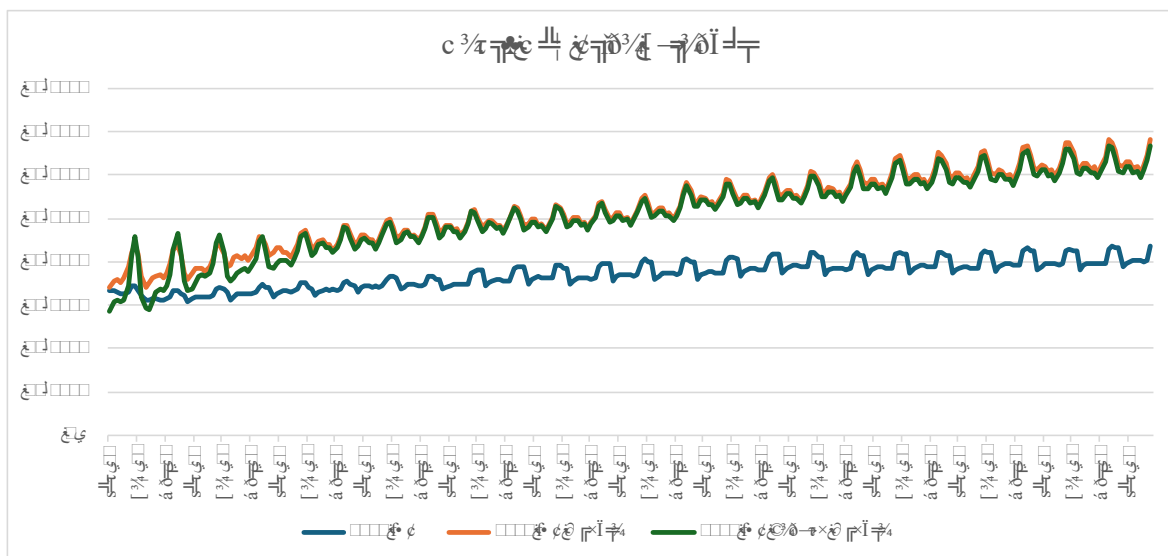
As for fuel prices, Cascade's updated forecast shows pricing remaining relatively the same from the IRP update filed in May of 2025. As indicated in that IRP update, future pricing increased more than the 2023 IRP anticipated. The main cause for this is demand outpacing supply. Surging LNG export demand, such as Plaquemines LNG and Golden Pass LNG, beginning in 2025, are the largest contributors. Another contributing factor is geopolitical turmoil such as the Russia-Ukraine conflict, rising US-China trade tensions, and middle east instability. Figure 1 shows the comparison between price forecasts from the 2023 IRP, 2023 IRP update, and this 2023 IRP Second update.

² See: [2.7.24-nescaum-mou-press-release.pdf](#)

³ [Building Codes Division : Oregon Residential Specialty Code Adoption : Codes and standards : State of Oregon, BCD - Technical Summary](#)

⁴ [Electrification Policy - City of Bend](#)

Figure 1: Henry Hub Price Forecast Comparison



In the 2023 IRP update filed in May of 2025, Cascade hired ICF to provide the Company with low carbon alternative fuel supply and price projections, deterministically as well as stochastically. This expanded Cascade’s analysis of low carbon alternative fuels to include synthetic methane and carbon capture, which were not considered in the 2023 IRP. The ICF models showed a much more robust approach, which included projections for different sources and sizing of low carbon alternative fuel projections. Since the last IRP update, Cascade reached out to ICF and through various conversations, it was determined that these models would not produce materially different results if updated, so Cascade is utilizing the same projections for the low carbon alternative fuels that were mentioned in the 2023 IRP update.

In the 2023 IRP update, Cascade stated “In the 2023 IRP, Cascade modeled a low growth scenario and an electrification scenario. The low growth scenario assumed a 0.12% growth in usage after DSM while the electrification scenario assumed only 10% of cascades residential and commercial customers would still remain on the system by 2050. Cascade’s reference case for the IRP update, at 0.03%, is relatively close to the low growth from the 2023 IRP.” As for the second IRP update, Cascade’s load growth is near the low growth scenario modeled in the 2023 IRP.

Cascade’s natural gas forecast is done at the basin level for AECO, Rockies, and Sumas. In the 2023 IRP, Cascade performed 200 Monte Carlo simulations on each basin. When comparing Cascade’s updated reference case forecast to the Monte Carlo simulations of the 2023 IRP, AECO is at the 47th percentile while Rockies and Sumas are at the 65th percentile. Cascade finds that the Monte Carlo simulations were reasonable in finding potential future pricing.

Since the current commodity forecast, low carbon alternative fuels projections, and the customer/load forecast does not deviate significantly from what was provided in the 2023 IRP update, Cascade does not anticipate a change to the needs assessment based on changes in the customer forecast. Ultimately, the reference case forecast is not materially different from the reference case forecast provided in the first 2023 IRP Update.⁵

3. Provide the Company's updated Needs Assessment based on changes to conditions, future expectations, and utility actions since the most recent IRP or IRP Update. Provide the date on which assumptions were last updated to inform the needs assessment.

Cascade's current view of resource needs and supply strategy remains consistent with the findings presented in its 2023 IRP Update. Under the updated reference case, Cascade does not anticipate a need for additional upstream transportation capacity and continues to evaluate potential capacity releases in light of lower-than-expected customer growth. The Company also continues to plan for incremental storage additions beginning in 2029 to enhance operational flexibility and mitigate exposure to price volatility, while recognizing existing constraints related to recallable capacity at Mist. The Kelso-Beaver Reliability Project continues to be evaluated primarily for its ability to provide operational flexibility and price arbitrage benefits, rather than to expand delivery capacity to the distribution system. As these conditions and assumptions remain unchanged, Cascade does not have additional updates to this analysis.

In terms of meeting carbon compliance, Cascade anticipates meeting CPP compliance targets with Community Climate Investments (CCIs) and RTCs from RNG projects as those proved to be the most cost effective from ICFs low carbon alternative fuel projections. Cascade's Plexos results also resulted in the model taking RNG earlier than needed in order to bank allowances for future years, when compliance options are more costly. This is consistent with the balanced approach between banking allowances and selling RTCs, as discussed earlier. Figure 10 provides a snapshot of Cascade's preferred portfolio to meet CPP Compliance goals at this time.

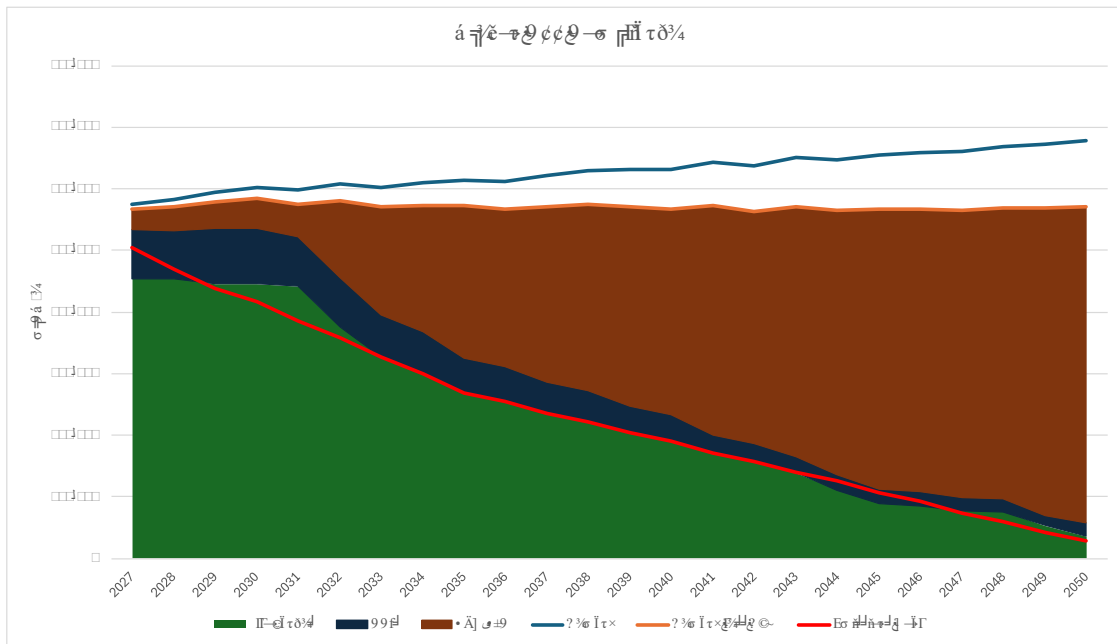
4. Provide the Company's updated Preferred Portfolio, taking into account actions taken since the most recent IRP or IRP Update, updates to the Company's needs assessment, and updates to the Reference Case.

As mentioned in section 3, Cascade's preferred portfolio is to include incremental storage for additional operational flexibility and utilizing CCIs and RTCs from RNG projects to meet the CPP emissions targets. Cascade does not include any

⁵ See Cascade's OR 2023 IRP Update, page 17, Figure 10.

distribution system plans in this IRP second update but anticipates distribution system plans to be included in the 2027 IRP. Figure 2 outlines the needs assessment to meet the CPP emissions targets.

Figure 2: Oregon CPP Compliance Results



Cascade included electrification modeling in its most recent Washington IRP and included results of the analysis in the first IRP update. Cascade found that when including the marginal abatement of replacing a furnace, along with the incentives and rebates from the IRA, it could be cost effective for low- to moderate-income customers to electrify along the GTN pipeline zone (Pacific Power electric customers), mainly due to the low electric costs compared to the rest of Cascade’s electric-shared service territory. Much of the electrification cost-effectiveness assumes the IRA incentives will be available, which has come to question since Trump has become president.⁶

Cascade has continued to monitor electrification incentives and their potential impacts on customers in future IRPs. The One Big Beautiful Bill Act resulted in an earlier sunset on the tax credit to the end of 2025, but left other electrification incentives intact, such as the HEEHRA portion, which was a significant portion of the incentives. Cascade plans to update this analysis, as well as include other types of electrification analysis in the 2027 IRP.

⁶ Cascade’s modeling assumes IRA funding in the period of the two-year Action Plan. However, this is in question as of the time of this writing due to the IRA funds being temporarily paused with Trump’s executive order “Unleashing American Energy”. See: [Unleashing American Energy – The White House](#). The two-year cycle for IRPs allows for this to be addressed in the next IRP rendition. As data accumulates in the coming cycle(s), then the 20-year time horizon with related risks and mitigation may be better modeled.

5. Provide updated scoring metrics for the Preferred Portfolio, using the same metrics and units used in the most recent IRP.

In the 2023 IRP, Cascade included a ranking of final portfolios in the 2023 IRP that showed Cascade's All-In portfolio as the least cost portfolio while having no unserved. In this update, Cascade's total system cost for the All-In portfolio increased to \$17.4 billion over the next 25 years, mainly due to the increase in commodity price projections, but has maintained no unserved.

Figure 3: Final Ranking of Portfolios in 2023 IRP

Portfolio	Deterministic		Stochastic			Risk Adjusted Results
	Year of First Shortfall	Total System Cost (\$000)	Long-Term Success Probability	First Compliance Period Failure	99th Percentile Total System Cost	Risk Adjusted Total System Cost
All-In	N/A	12,928,647	98.50%	2049-2051	13,071,203	12,964,285.63
All-In Less DSM	N/A	14,132,960	82%	2049-2051	14,311,565	14,177,611.45
Offsets Only	2027	9,474,555	0%	2023-2026	9,645,876	9,517,384.90
Incremental Transport	2023	3,728,934	0%	2023-2026	3,778,886	3,741,422.09
Hydrogen Only	2023	4,839,885	0%	2023-2026	4,866,004	4,846,414.49
RNG Only	2023	8,434,560	0%	2023-2026	8,502,091	8,451,442.41
Renewables Only	2023	8,940,046	0%	2023-2026	9,011,442	8,957,895.21

6. Describe any changes to the Action Plan, including changes to acquisition targets, that the Company has made in response to changes in conditions, future expectations, and utility actions since the most recent IRP or IRP Update.

Action Item 1:

Acquire 772,570, 816,866, 831,951, and 848,951 therms of energy efficiency in 2024, 2025, 2026, and 2027, respectively.

Update: As mentioned in first IRP Update, the 2023 IRP target was developed back in 2022 and was based on Energy Trust's perception of what they thought was achievable a few years into the future. However, this proved to be difficult due to a combination of factors, including market and business cycle headwinds, inflationary pressures, and a shift in customer preferences that led to fewer gas savings opportunities. The 2023 IRP forecast proved to be optimistic and Energy Trust ended 2024 with achievements coming in under the annual savings goal for Cascade. Consequently, Energy Trust adjusted 2025 annual savings goals downwards, to approximately 500,000 therms for 2025, to reflect this updated understanding of market conditions. Cascade acquired 600,993 therms or 117% of IRP energy efficiency savings in 2025, therefore exceeding goal after the 2024 adjustment of Energy Efficiency projections. Cascade's new savings projections provided by ETO during the 2025 WA IRP for 2026 and 2027 are 618,075 and 653,165, respectively.

Action Item 2:

Cascade will investigate incorporating a separate avoided cost for non-core customers.

Update: Cascade has run into delays with the transport energy assessments, so discussions with ETO have ramped up. Cascade held initial conversation with Energy Trust early September 2025 and late October 2025 on the possibility of offering energy efficiency programs to transport customers. These conversations stalled due to competing work requirements for both the Company and Energy Trust. Cascade plans to resume these conversations with Energy Trust and work towards the development of Energy Efficiency offers for Transport customers to be included in the 2027 IRP.

Cascade along with Energy Trust has continued to collaborate on energy efficiency program development for non-transport customers as part of the Utility Specific Action Plan. Current discussions include program development for income-qualified customers in collaboration with Community Action Partnership of Oregon (CAPO) and Energy Trust.

Cascade has also continued conversations with Energy Trust to incorporate more targeted load management projects in the 2027 IRP.

Action Item 3 and 4: Cascade does not have additional updates to provide that vary from what was provided for Action items 3 and 4 in the first IRP update.

As part of Staff's final comments and Order 24-158, Staff had expectations for the IRP Update and future IRPs. The following is an update to those Expectations

Staff Expectation 1: *Cascade should provide the marginal cost of RNG procurement for the avoided cost in UM 1893.*

Update: See response to Action Item 3.

Staff Expectation 2: *Cascade should model all known demand-side measures endogenously and procure them after the IRP.*

Update: Staff stated Cascade's modeling for energy efficiency is too narrow in scope of resource selection for planning purposes.⁷ In the first 2023 IRP Update, Cascade stated that the Company has increased the scope of demand side

⁷ See: Docket No. LC 83, OPUC Staff, Final Comments, December 22, 2023, p 5.

options. Cascade has continued to look at energy efficiency for transportation customers, modeled whole home electrification in the 2025 WA IRP, and has a pilot program on hybrid heating systems.⁸

Cascade's pilot program has been extended through the 2026/2027 winter as the 2025/2026 winter did not produce cold data, not allowing the consultants to gather sufficient information regarding performance under cold weather conditions.

Staff Expectation 3-5: At this time, Cascade has no further updates regarding Staff Expectations 3 through 5 beyond those previously provided. As part of its 2025 Washington IRP process, the Company presented a whole-home electrification framework during a TAG meeting, with Oregon stakeholders invited to participate. That analysis indicated that electrification may be cost-effective on a marginal basis for certain low-income customers when incorporating available federal and state incentives, including those under the Inflation Reduction Act. Cascade also evaluated the role of incentives more broadly, including existing state-funded programs and the potential for Community Climate Investments, although sufficient detail on the latter is not yet available to support inclusion in base modeling assumptions.

Cascade intends to continue evaluating electrification as a potential resource strategy and anticipates utilizing a combination of these considerations in its next IRP. The Company plans to further refine and discuss these approaches with the Technical Advisory Group (TAG) and stakeholders during the 2027 IRP process, including how electrification assumptions may be integrated into its forecasting framework in a manner consistent with its established methodologies.

Staff Expectation 6: *Cascade should work with the TAG to identify a PacifiCorp IRP scenario reflecting electrification that Cascade might use to generate a load forecast for its next IRP.*

Update: Cascade continues to make progress toward addressing Staff Expectation 6 and incorporating insights from external electrification modeling approaches into its own forecasting framework. The Company has reviewed publicly available information from PacifiCorp's 2025 IRP, including its building electrification methodology based on equipment turnover, new construction fuel shares, and adoption curves calibrated to Conservation Potential Assessment assumptions.

Cascade is actively engaging with the Technical Advisory Group (TAG), Energy Trust of Oregon, and other stakeholders to further evaluate how these components may be appropriately integrated into the Company's existing modeling approach.

⁸ See: [Sch-810-Hybrid-System-Pilot.pdf](#)

This work is ongoing, and Cascade continues to assess both the applicability of these inputs to its service territory and the feasibility of incorporating them in a manner that is consistent with the Company's established, Commission-reviewed forecasting framework.

In parallel, Cascade is developing internal tools and data structures intended to support improved coordination with electric utilities on electrification-related assumptions. These efforts are designed to facilitate more consistent evaluation of customer adoption trends and to enhance transparency around cross-utility planning inputs, consistent with broader regional discussions regarding joint system planning.

Cascade anticipates providing additional detail in the upcoming IRP regarding:

- insights from TAG and stakeholder engagement,
- evaluation of specific components of PacifiCorp's electrification framework, and
- any resulting impacts to Cascade's customer and usage forecasts.

At this time, implementation of these enhancements remains in progress, and no changes to the Company's base forecasting approach have been made as a result of this work.

Staff Expectation 7: *Cascade should model non-renewal or retirement of pipeline capacity contracts and the costs and benefits of doing so.*

Update: The Commission, through Staff comments provided to the Company on May 20, 2026, has emphasized the importance of evaluating the potential non-renewal or retirement of upstream pipeline capacity within Cascade's IRP, including consideration of associated costs, benefits, and implications for both upstream and distribution system planning. While Cascade has explained that changes to upstream capacity do not inherently result in an overbuilt distribution system and often reflect strategic adjustments due to the discrete nature of pipeline contracting, Staff has encouraged further analysis and stakeholder engagement on this topic. Cascade will continue to work with the Commission, the Technical Advisory Group (TAG), and other IRP stakeholders to advance these discussions and to further evaluate how pipeline contract renewal and retirement decisions can be appropriately reflected in its modeling and planning framework.

Staff Expectation 8-11: Cascade does not have additional updates on Staff Expectations 8-11 as the Company will work with Staff through those expectations in the current IRP that Cascade plans to file in 2027.

In addition to the updates already provided, Order No. 25-370 directed Cascade to include the following:

- *A description of what the utility has done to implement the action plan. This should also include an assessment of what has changed since the acknowledgement order that affects the action plan. Staff further requests that special attention be paid to changes in the strategy and volumes of resources needed to achieve CPP compliance, as well as changes to the IRP and RFP modernization and competitive bidding rules, as a result of the current rulemaking Docket No. AR 669.*
- *A CPP compliance strategy update detailing anticipated costs, risks, and the Company's emissions trajectory based on sales to date and current growth rates.*

Cascade believes this second IRP update addresses the Commission's first two requested items.

- *A section detailing how the new AR 669 rules will impact the planning strategies being developed for the 2027 IRP filing.*

The rulemaking in AR 669 (implementing UM 2348 IRP modernization) will shift utilities from a flexible, guideline-based planning approach to a more structured, rule-driven framework. Staff's proposal formalizes IRP expectations into administrative rules, including clearer documentation, system planning requirements, and integration with procurement processes. As a result, future IRPs will need to be more standardized, transparent, and defensible, with clearer support for assumptions and modeling choices and less reliance on implicit or judgment-based inputs.

The rules will also drive greater integration between planning and procurement, linking IRP outputs more directly to competitive bidding and regulatory review processes. Utilities will need to ensure IRP results can translate into actionable acquisition strategies and withstand potential increased scrutiny from IRP stakeholders, requiring tighter coordination across forecasting, modeling, and procurement functions.

Finally, AR 669 is expected to increase emphasis on stakeholder engagement and scenario-based planning, requiring utilities to reflect policy uncertainty, customer impacts, and evolving technologies. This will push IRPs toward more adaptive, scenario-driven approaches, rather than reliance on a single forecast, resulting in planning strategies that are more iterative, transparent, and responsive to changing regulatory expectations.

- *An update on the formation of the equity advisory group, including meeting dates, items discussed, and attendees.*

While Cascade has not formally formed an EAG in Oregon, Cascade has taken several meaningful steps to address equity considerations, particularly through its work in Washington. Most notably, the Company successfully established an Equity Advisory Group (EAG) in Washington in late 2023, using the Washington Department of Health's rankings to identify and engage highly impacted communities along with the Department of Ecology's Economically Disadvantaged Cities, Towns, and Counties report. This provided Cascade with a functioning forum for outreach, stakeholder engagement, and collaboration on equity-related issues.

In Oregon, Cascade has initiated efforts to develop a similar EAG, although progress has been delayed due to the loss of readily available federal and state tools for identifying vulnerable communities. In response, the Company is actively exploring alternative approaches, including engaging a third-party data provider to help identify communities experiencing higher vulnerability. While this tool is still being evaluated and has not yet been fully implemented, it reflects Cascade's continued effort to move forward despite external constraints.

Importantly, Cascade is leveraging its experience from Washington to inform its Oregon efforts. Lessons learned from outreach, recruitment, and engagement through the Washington EAG are expected to improve the effectiveness of the Oregon group once established. In the interim, collaboration with the Washington EAG has already provided some insights and benefits for Cascade's broader customer base, including those in Oregon. Further information is described in the Company's UG 525 filing, under Noemi Ortiz's witness testimony.

- *A progress report on the geothermal study and the hybrid heat pump analysis, including any results to date.*

In Oregon, Cascade has monitored legislative developments related to thermal energy networks (TENs). During the 2025 legislative session, Senate Bill 1143 proposed establishing a Public Utility Commission-directed pilot program that would allow natural gas utilities to develop TEN projects. However, the bill did not pass and was left in committee at the close of the session. While this effort demonstrates emerging policy interest in alternative utility-scale heating and cooling infrastructure, no statutory framework currently exists in Oregon to support utility deployment of TENs.

In contrast, Washington has enacted legislation enabling thermal energy network development. In 2024, House Bill 2131 modified the definition of a gas company to allow utilities to own and operate TEN infrastructure and established a pilot program prioritizing gas utility participation. Following passage of this legislation, Cascade initiated efforts to identify and evaluate potential pilot locations and

ultimately selected Bellingham Technical College in Bellingham, Washington as a candidate site. The proposed project is designed as a district energy system that would provide space heating, domestic hot water, and cooling to existing campus buildings using an open-loop geo-exchange system, with heat recovery chillers supplying hot and chilled water.

Cascade advanced early-stage project development, including completion of a preliminary engineering assessment (approximately 30% design) and engagement of a geotechnical consultant to evaluate the feasibility of utilizing an underground water reservoir associated with a historic coal mine as the thermal resource. In June 2025, Cascade filed notice of its intent to deploy the TEN pilot in Washington Docket UG-250456 and subsequently filed a petition to utilize an alternative regulatory process for cost validation. The Washington Utilities and Transportation Commission issued an order in January 2026 acknowledging compliance with pilot program requirements and authorizing the proposed approach. Cascade is currently progressing through procurement of a design-build partner, with design activities anticipated to begin in late 2026, construction in 2027, and projected operation beginning in mid-2028.

If legislation is enacted in Oregon or local jurisdictions pursue TEN development, Cascade expects to leverage lessons learned from its Washington pilot.

As mentioned in Staff Expectation 2, Cascade's pilot program has been extended through the 2026/2027 winter as the 2025/2026 winter did not produce cold data, not allowing the consultants to gather sufficient information regarding performance under cold weather conditions. Cascade does not have any results to share at this time.

- *An analysis of the Line Extension Allowance (LEA) in the Oregon service territory. This must include the number of LEAs in Oregon per year since 2019, the estimated annual cost to ratepayers, and an analysis of how a phase-out of ratepayer-funded LEAs in Oregon may impact customer growth rates.*

Cascade has analyzed historical Line Extension Allowance (LEA) data in Oregon and finds that the structure and level of the LEA have remained unchanged over the full period for which the Company has data available. Because there has been no observable variation in the LEA policy during this time, there is no natural experiment or empirical basis to isolate and measure its impact on customer growth. In other words, customer growth has occurred under a single, consistent LEA framework, making it impossible to determine how much of that growth—if any—can be directly attributed to the presence or magnitude of the LEA.

As a result, Cascade cannot reliably infer how changes to the LEA would affect customer growth rates. Any attempt to project the impacts of a phase-out would require assumptions about customer behavior that are not supported by historical

data, and would therefore risk overstating precision or introducing bias into the analysis. Without observed variation in the LEA over time, there is no statistically robust way to estimate elasticity or quantify how customers would respond to changes in upfront connection costs.

Conclusion

Cascade has provided a second update to Staff on action items from the 2023 Oregon IRP as well as Staff recommendations from the LC 83 acknowledgement decision letter. In addition to those updates, Cascade provided an update that follows the new IRP guidelines for an IRP update from AR 669 Updates To IRP Requirements And Competitive Bidding Rules. Cascade thanks Staff and stakeholders for their feedback and look forward to working collaboratively with all stakeholders during the 2027 IRP cycle.