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National Association of Regulatory Utility Commissioners

Long-Term Planning among Regulated Natural Gas Utilities: A Review of State Requirements



A product of the U.S. Department of Energy-NARUC Natural Gas Partnership

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May 2025

Acknowledgments

This report was prepared under cooperative agreement DE-FE0031893. NARUC wishes to thank Christopher Freitas of the U.S. Department of Energy (DOE), Office of Fossil Energy and Carbon Management for his ongoing support of NARUC's educational activities on natural gas regulatory issues. NARUC is grateful to Commissioner Tammy Cordova and Adam Danise of the Nevada Public Utilities Commission for their leadership of the NARUC Committee on Gas and Staff Subcommittee on Gas and contributions to the Natural Gas Partnership through December 2024, followed by Chairman Stephen DeFrank and Stephanie Wimer of the Pennsylvania Public Utility Commission. NARUC acknowledges the work of The Brattle Group in supporting the NARUC Task Force on Natural Gas Resource Planning and conducting initial research on several of the state processes expanded upon in this report. NARUC is also grateful to the many individuals and organizations that provided expertise, knowledge, and important technical information to assist the author in this endeavor. Specifically, the author thanks the following individuals for their review of the draft paper:

- **Hon. Radina Valova**, New York State Public Service Commission
- **Tera Dornfeld**, Minnesota Public Utilities Commission
- **Danielle Sass Byrnett**, NARUC Center for Partnerships & Innovation
- **Jean Spencer**, California Public Utilities Commission
- **Leuwam Tesfai**, California Public Utilities Commission

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Table of Contents

- Introduction. 3
- Washington (2006) 4
- Oregon (2007) 5
- California (2020) 6
- New York (2020) 9
- Georgia (2021). 10
- Nevada (2021) 12
- Colorado (2021). 13
- Minnesota (2023). 14
- Illinois (2023) 15
- Conclusion 17

Introduction

State policymakers generally delegate the evaluation of proposed utility investments in energy resources and infrastructure to appointed or elected public utility commissions. Legislatures and governors reserve the authority to set state-wide energy policy goals, mandates for the use of in-state resources, equity and public engagement goals, economic development priorities, and others.

Across the U.S., state utility regulators are responsible for ensuring that utilities provide safe, affordable, and reliable energy at just and reasonable rates. Regulated utilities are granted the opportunity to earn a rate of return on expenditures on used and useful assets, as determined by state utility regulators (public service commissions, public utility commissions, or similar bodies in every U.S. state, territory, and the District of Columbia) in adjudicated proceedings. State utility regulators specifically examine proposed utility investments in new infrastructure, repair or replacement of existing infrastructure, and procurement of energy sources to determine which costs qualify as prudent and are therefore allowable to be passed along to customers for payment through rates and bills.

As part of their regulation of electric utilities, in the 1970s and 1980s, factors including fuel price volatility, environmental concerns, cost overruns and delays for large generation projects, and reduced growth in demand for electricity led many state utility regulators to develop least-cost planning processes to identify the most cost-effective sets of resources electricity providers could secure to meet customers' needs. As energy efficiency and demand-side management options were incorporated, this process became generally known as integrated resource planning (IRP). The scope and timing of today's IRPs differ by state and can also include a range of distributed energy resource (DER) and distribution system planning.¹

A successful IRP identifies "the lowest practical costs at which a utility can deliver reliable energy services to its customers" through the use of tools to evaluate the costs and benefits of resources on both the demand and supply segments.² Stakeholders can submit information to commissions to aid their decision-making. While some commissions formally approve a proposed IRP, others merely acknowledge that the plan was submitted and accepted by the commission.³

Regulated gas utilities have generally not been required to engage in similar types of planning, albeit with some exceptions. One reason for this difference is the wide array of resources electric utilities can select to provide electricity to their customers. In recent decades, advances in renewable energy technology and the shale gas revolution plus state and corporate clean energy and greenhouse gas (GHG) reduction goals have diversified the electricity generation mix and led to marked regional differences in how electricity is produced. In contrast, in most states, gas local distribution companies (LDCs) purchase a uniform commodity, either directly or via marketers, at least cost to customers.

While growth in customer engagement and technology development has prompted the inclusion of diverse resources in electric IRP, resource options are typically relevant on a much smaller scale on the gas system. However, as supply- and demand-side technologies such as renewable natural gas, hydrogen blending, and energy efficiency and demand response programs have emerged for the gas system, a growing number of state policy bodies are setting GHG reduction goals for gas utilities and customers, introducing options and complexity. Furthermore, as natural gas is increasingly used for electricity production in addition to heating, state

1 Kline, Kathryn, Sam Stephens, and Kiera Zitelman. "Nuclear Generation in Long-Term Utility Resource Planning: A Review of Integrated Resource Plans and Considerations for State Utility Regulators," NARUC, November 2023. <https://pubs.naruc.org/pub/7CE3939B-F659-0270-21D7-7456B16F6F2E>.

2 Wilson, Rachel and Bruce Biewald. "Best Practices in Electric Utility Integrated Resource Planning, Regulatory Assistance Project, p. 4." June 2013. <https://www.raonline.org/knowledge-center/best-practices-in-electric-utility-integrated-resource-planning/>.

3 Kline, Kathryn, Sam Stephens, and Kiera Zitelman. "Nuclear Generation in Long-Term Utility Resource Planning: A Review of Integrated Resource Plans and Considerations for State Utility Regulators," NARUC, November 2023. <https://pubs.naruc.org/pub/7CE3939B-F659-0270-21D7-7456B16F6F2E>.

policymakers are watching for the possibility of supply constraints and attentive to ensuring reliable delivery. Gas integrated resource plans may be a suitable tool to guide gas utilities in achieving these goals.

A handful of public utility commissions, in response to state legislation or under existing authority, have implemented some form of long-term planning for gas utilities under the purview of commission. This report provides an overview of gas utility planning requirements in nine states, some of which were initiated within the last few years: Washington (2006), Oregon (2007), California (January 2020), New York (March 2020), Georgia (April 2021), Nevada (May 2021), Colorado (June 2021), Minnesota (February 2023), and Illinois (2021). Some of these efforts have been driven by state-level decarbonization goals. Constraints in gas supply and volatility in gas prices have also contributed to newer planning requirements. The following sections discuss each commission's planned proceedings, including relevant legislation and events, and the current status of these processes. They are summarized in chronological order.



Washington (2006)

The Washington Utilities and Transportation Commission (UTC) has required LDCs to submit IRPs every other year since 2006. Washington Administrative Code (WAC) 480-90-238 sets out rules for gas IRPs.⁴ IRPs are defined as “describing the mix of natural gas supply and conservation designated to meet current and future needs at the lowest reasonable cost to the utility and its ratepayers.” The UTC defined “lowest reasonable cost” as not simply the cheapest option on a net present value basis but required IRPs to incorporate an analysis of resource costs, market volatility risks, demand-side resource uncertainties, ratepayer risks, operational impacts, public policies from Washington or the federal government, environmental externalities, and security of supply.

Nine elements are required in IRPs:

1. “A range of forecasts of future natural gas demand in firm and interruptible markets for each customer class that examine the effect of economic forces on the consumption of natural gas and that address changes in the number, type and efficiency of natural gas end-uses.
2. “An assessment of commercially available conservation, including load management, as well as an assessment of currently employed and new policies and programs needed to obtain the conservation improvements.
3. “An assessment of conventional and commercially available nonconventional gas supplies.
4. “An assessment of opportunities for using company-owned or contracted storage.
5. “An assessment of pipeline transmission capability and reliability and opportunities for additional pipeline transmission resources.
6. “A comparative evaluation of the cost of natural gas purchasing strategies, storage options, delivery resources, and improvements in conservation using a consistent method to calculate cost-effectiveness.
7. “The integration of the demand forecasts and resource evaluations into a long-range (e.g., at least ten years; longer if appropriate to the life of the resources considered) integrated resource plan describing the mix of resources that is designated to meet current and future needs at the lowest reasonable cost to the utility and its ratepayers.
8. “A short-term plan outlining the specific actions to be taken by the utility in implementing the long-range integrated resource plan during the two years following submission.

⁴ Washington State Legislature. “Washington Administrative Code (WAC) 480-90-238: Integrated Resource Planning.” June 3, 2001. <https://apps.leg.wa.gov/wac/default.aspx?cite=480-90-238&pdf=true>.

9. "A report on the utility's progress towards implementing the recommendations contained in its previously filed plan."⁵

Puget Sound Energy (PSE), Washington's largest combined gas and electric utility, last submitted an IRP in March 2023. In March 2024, House Bill 1589, "Washington Decarbonization Act for Large Utilities," was enacted to enable the UTC to consider electric and gas plans holistically rather than in separate dockets. The statute also created a path for joint gas-electric utilities to obtain regulatory approval of new clean energy resources and propose accelerated depreciation of gas assets by 2050, with flexibility for the UTC to adjust depreciation schedules to accommodate affordability as the gas rate base shrinks. Revised Code of Washington (RCW) Section 80.86.020 requires the UTC to complete a rulemaking by July 1, 2025, implementing consolidated planning requirements for gas and electric utilities.⁶

In June 2024, PSE submitted a planning transition work plan proposing to consolidate the 2025 IRP and Clean Energy Implementation Plan into a single Integrated System Plan (ISP).⁷ PSE noted that this consolidated approach would enable more inclusive stakeholder engagement, a priority of UTC staff and other stakeholders.⁸ The UTC approved the request in July 2024, requiring PSE to file an ISP in Docket No. U-240281 by January 2027.



Oregon (2007)

The Oregon Public Utility Commission (PUC) has required gas LDCs to submit IRPs every two years, covering a minimum 20-year planning period, since 2007. In a 2007 order, the PUC set forth key principles for its preferred approach of least-cost utility planning.⁹ IRPs include six core elements:

1. "Identification of capacity and energy needs to bridge the gap between expected loads and resources;
2. "Identification and estimated costs of all supply-side and demand-side resource options;
3. "Construction of a representative set of resource portfolios;
4. "Evaluation of the performance of the candidate portfolios over the range of identified risks and uncertainties;
5. "Selection of a portfolio that represents the best combination of cost and risk for the utility and its customers; and
6. "Creation of an action plan that is consistent with the long-run public interest as expressed in Oregon and federal energy policies."¹⁰

The 2007 order discussed adopted IRP guidelines for both gas and electric utilities. The PUC can choose whether or not to acknowledge specific action items of an IRP. Acknowledgment does not equate to ratemaking; utilities still file rate cases with the PUC periodically. During rate cases, the PUC will look favorably on elements consistent with those acknowledged in the current IRP.

In 2022, Northwest Natural (NWN) filed an IRP including RNG investments that the PUC decided not to acknowledge, stating: "Without an analysis that demonstrates that the level of RNG procurement proposed

5 Washington State Legislature. "Washington Administrative Code (WAC) 480-90-238: Integrated Resource Planning." June 3, 2001. <https://apps.leg.wa.gov/wac/default.aspx?cite=480-90-238&pdf=true>.

6 Washington State Legislature. "RCW 80.86.020: Consolidated planning requirements for gas and electric services—Integrated system plan requirements." 2024. <https://app.leg.wa.gov/RCW/default.aspx?cite=80.86.020>

7 Washington Utilities and Transportation Commission. "Docket Number 240433." July 11, 2024. <https://www.utc.wa.gov/casedocket/2024/240433.electric>; Washington Utilities and Transportation Commission. "Docket Number 240434." July 11, 2024. <https://www.utc.wa.gov/casedocket/2024/240434>. (gas)

8 Puget Sound Energy. "Past-IRPs." Accessed May 5, 2025. <https://www.pse.com/en/IRP/Past-IRPs>.

9 Oregon Public Utility Commission. "ORDERNO.07-002." January 8, 2007. <https://apps.puc.state.or.us/orders/2007ords/07-002.pdf>

10 Oregon Public Utility Commission. "ORDERNO.23-281." August 2, 2023. <https://apps.puc.state.or.us/orders/2023ords/23-281.pdf>

is the least-cost, least-risk way to meet the company's compliance needs, we cannot acknowledge [the RNG procurements]."¹¹



California (2020)

In 2015, Senate Bill (SB) 350, "Clean Energy and Pollution Reduction Act," established greenhouse reduction goals of 40 percent below 1990 levels by 2030 and 80 percent below 1990 levels by 2050 through collaboration among the California Public Utilities Commission (CPUC), California Energy Commission (CEC), California Air Resources Board (CARB), California Independent System Operator (CAISO), and other state agencies. The CPUC was required to undertake work across five areas, including integrated resource planning.¹²

In January 2020, the CPUC issued an Order Instituting Rulemaking R-20-01-007 to review reliability and compliance standards for regulated gas utilities,¹³ anticipating reduced demand for natural gas as the state and its municipalities progressed towards GHG reduction goals¹⁴ and responding to operational issues and gas pipeline and storage safety-related incidents¹⁵ in Southern California.¹⁶ The commission cited municipal legislation impacting building decarbonization as another factor in its decision to open the rulemaking, noting that while no state law mandated building decarbonization, multiple cities had enacted legislation prohibiting gas connections in certain buildings.

The CPUC's goals in the proceeding were threefold:

1. "Develop and adopt updated reliability standards that reflect the current and prospective operational challenges to gas system operators;
2. "Determine the regulatory changes necessary to improve the coordination between gas utilities and gas-fired electric generators; and
3. "Implement a long-term planning strategy to manage the state's transition away from natural gas-fueled technologies to meet California's decarbonization goals."

Objectives (1) and (2) were to be addressed in the first phase of the rulemaking via Tracks 1A and 1B, respectively. Track 2 was initiated to implement a long-term planning strategy. Long-term planning was intended to reduce the risk of stranded gas assets falling on a shrinking pool of largely lower-income ratepayers. The CPUC planned to evaluate the impacts of state and local GHG statutes on gas demand and requested that gas utilities submit data to the CPUC on how demand scenarios would impact gas operations. The CPUC left the door open to

11 Oregon Public Utility Commission. "ORDERNO.23-281." August 2, 2023. <https://apps.puc.state.or.us/orders/2023ords/23-281.pdf>

12 De Leon, Kevin. "Clean Energy and Pollution Reduction Act of 2015, SB 350 § (n.d.)." 2015. [https://www.cpuc.ca.gov/sb350/#:~:text=Senate%20Bill%20\(SB\)%20350%20\(,efficiency%2C%20and%20promoting%20transportation%20electrification.](https://www.cpuc.ca.gov/sb350/#:~:text=Senate%20Bill%20(SB)%20350%20(,efficiency%2C%20and%20promoting%20transportation%20electrification.)

13 Regulated gas utilities in California include Pacific Gas and Electric Company (PG&E), Southern California Gas Company (SoCalGas), San Diego Gas & Electric Company (SDG&E), and Southwest Gas Company (SGC). SoCalGas and SDG&E fall under the same parent company, Sempra Utilities, and thus file reports jointly.

14 California Public Utilities Commission. "Long-Term Gas Planning Rulemaking." Accessed May 5, 2025. <https://www.cpuc.ca.gov/industries-and-topics/natural-gas/long-term-gas-planning-rulemaking.>

15 Operational issues and constraints noted by the CPUC in its OIR include operational issues with two SoCalGas connections to critical interstate transmission pipelines that experienced operational issues in 2017. Pipeline and storage safety-related incidents include PG&E's San Bruno natural gas pipeline rupture in September 2010, the leak in SoCalGas's Aliso Canyon natural gas storage field in October 2015, and the SoCalGas transmission pipeline rupture in 2017. As a result of the 2017 pipeline rupture and the restrictions put in place after the Aliso Canyon leak, SoCalGas depleted its gas storage inventory and ordered mandatory curtailments for noncore customers, including electric generators, during the winter of 2019. Costs spiked from an average of \$3 per MMBtu to as high as \$40 per MMBtu in July 2018 and accompanying increases in wholesale electricity prices, ultimately costing electric ratepayers more than \$800 million.

16 California Public Utilities Commission. "Rulemaking 20-01-007: Order Instituting Rulemaking to Establish Policies, Processes, and Rules to Ensure Safe and Reliable Gas Systems in California and Perform Long-Term Gas System Planning." January 27, 2020. <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M325/K641/325641802.PDF>

regulatory changes such as accelerated depreciation to reduce the risk of stranded costs and ensure just and reasonable rates during the transition away from gas.

As the CPUC proceeded through Tracks 1A and 1B, assigned CPUC Commissioner Clifford Rechtschaffen issued an amended Track 2 scoping memo in January 2022. The scoping memo set up three sub-tracks within Track 2: 2a focusing on gas infrastructure; 2b on equity, rate design, gas revenues, safety, and workforce issues; and 2c on data and process.¹⁷ The CPUC held a series of workshops to gather stakeholder input on each.

In March 2022, an order was issued requiring data from regulated gas utilities on gas distribution systems and consumption.¹⁸ Utilities submitted data in late fall 2022.¹⁹

In July 2022, the CPUC released final workshop reports on gas infrastructure and equity under Track 2 based on multiple remote workshops held in January and March 2022.²⁰

In December 2022, the CPUC issued a decision adopting a gas infrastructure general order, General Order (GO) 177.²¹ GO 177 required regulated gas utilities to file an application for a certificate of public convenience and necessity (CPCN) for any gas infrastructure project either (a) costing \$75 million or more OR both (b) within 1,000 feet of a “sensitive receptor” (e.g., housing, educational institutions, healthcare facilities) and (c) requiring an air quality permit for an increase in levels of a toxic and contaminant or criteria air pollutant. Applications for CPCNs would need to demonstrate the need for the project, project financial impacts on customers, and summarize engagement with impacted communities. The decision also directed regulated gas utilities to convene workshops and file annual reports on planned gas investments exceeding \$50 million over the next 10 years, beginning in March 2023. The CPUC modeled these requirements on electric infrastructure requirements, noting that GO 177 provided a framework for holistic evaluation versus the previous process of isolated, project-by-project consideration.²²

Planned gas investment reports were most recently submitted by PG&E²³ and SoCalGas / SDG&E²⁴ in March 2024. The former identified six projects meeting the criteria under GO 177; the latter identified 12 projects. Southwest Gas submitted a filing stating that it did not have any planned gas infrastructure projects meeting the criteria.²⁵

The CPUC’s anticipation of decreasing gas demand necessarily leads to the question of how to proceed with the retirement of gas distribution infrastructure in a just and reasonable manner. Toward this end, in December

17 California Public Utilities Commission. “Rulemaking 20-01-007: Amended Scoping Memo and Ruling.” January 5, 2022. <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M436/K692/436692151.PDF>

18 California Public Utilities Commission. “Rulemaking 20-01-007: Revised Administrative Law Judges’ Ruling Seeking Data from California’ Gas Utilities.” March 1, 2022. <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/natural-gas/long-term-gas-planning-oir/rulings/gassystemdataruling03012022.pdf>.

19 California Public Utilities Commission. “Long-Term Gas Planning Rulemaking.” Accessed May 5, 2025. <https://www.cpuc.ca.gov/industries-and-topics/natural-gas/long-term-gas-planning-rulemaking>.

20 California Public Utilities Commission. “R.20-01-007 Track 2 – Gas Infrastructure Final Workshop Report.” July 7, 2022. <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/natural-gas/long-term-gas-planning-oir/final-track-2-january-workshop-report--20220707.pdf>.

21 California Public Utilities Commission. “Rulemaking 20-01-007: Decision Adopting Gas Infrastructure General Order.” December 1, 2022. <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M499/K396/499396103.PDF>

22 California Public Utilities Commission. “CPUC Creates New Framework to Advance California’s Transition Away From Natural Gas.” Accessed May 5, 2025. <https://www.cpuc.ca.gov/news-and-updates/all-news/cpuc-creates-new-framework-to-advance-california-transition-away-from-natural-gas>.

23 California Public Utilities Commission. “R.20-01-007: Pacific Gas and Electric Company’s (U 39 G) Annual Report of Planned Gas Investments in Compliance with General Order 177.” March 1, 2024. <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M526/K505/526505746.PDF>.

24 California Public Utilities Commission. “R.20-01-007: Joint Annual Report of Southern California Gas Company (U 904 G) and San Diego Gas & Electric Company (U 902 G) for Planned Gas Investments Pursuant to General Order 177.” March 1, 2024. <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M526/K856/526856907.PDF>.

25 California Public Utilities Commission. “R.20-01-007: Southwest Gas Corporation (U 905 G) Report in Compliance with Ordering Paragraph 7 in Decision 22-12-021.” March 1, 2024. <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M527/K221/527221340.PDF>.

2022, CPUC staff issued a proposal on a gas distribution infrastructure decommissioning framework in support of climate goals.²⁶ This proposal responded to two questions posed in the January 2022 scoping memo:

- “What criteria should the Commission use to determine whether aging distribution infrastructure should be repaired or replaced when a gas utility requests ratepayer funds?”
- “What criteria should be used to determine which distribution lines should have the highest priority for proactive decommissioning?”

Staff recommended that decommissioning be prioritized for areas with the highest expected long-term benefits, defined as those with higher pipeline risk, environmental health burden, gas infrastructure cost savings, and gas demand and/or lower energy and community affordability. These criteria were proposed to classify gas distribution infrastructure into five tranches for decommissioning priority. While CPUC staff noted maintaining infrastructure safety and reliability as two key goals of distribution repair, replacement, and decommissioning activities, staff also listed other goals: reducing gas demand and distribution infrastructure towards California’s climate goals, maximizing community benefits, and smoothing the transition toward a lower-gas-use society by delaying locations that would be costly or technically difficult to decarbonize.

Following Commissioner Rechtschaffen’s departure from the CPUC in December 2022, Commissioner Karen Douglas was assigned to the proceeding in January 2023. In February 2024, Commissioner Douglas issued a ruling proposing topics for Phase 3 of Rulemaking R-20-01-007. The CPUC’s intent with opening Phase 3 was to “identify short-, medium-, and long-term mechanisms for managing the gas transition while supporting the CPUC’s statutory obligations to safeguard the environment and assure Californians’ access to safe, reliable, and affordable energy.”²⁷ The same month, CPUC, CEC, and CARB staff jointly released a paper in the proceeding framing key issues and guiding principles for equity and transparency.²⁸ The paper summarized options for reducing gas demand and several gas decarbonization pathways the three agencies were considering: building electrification, networked geothermal, low-carbon fuels, and carbon capture, utilization, and storage. The agencies also discussed the importance of addressing risks of over- or under-investment in natural gas infrastructure during the transition and considerations for low-income customers.

In September 2024, the CPUC voted to launch a new proceeding to reduce the state’s reliance on natural gas, recognizing the importance of comprehensive planning.²⁹ Commissioners cited a number of new issues that had been raised by stakeholders that were outside the scope of the initial R-20-01-007 rulemaking but relevant to decarbonizing natural gas use. The CPUC set out goals for comprehensive planning: “to facilitate decarbonization activities over time in a way that supports equity, safety and affordability, and mitigates reliability challenges, commodity price spikes and other potential adverse outcomes.”³⁰ The order included a preliminary scope of issues relating to long-term planning and opportunities for interim action.

26 California Public Utilities Commission Staff. “Staff Proposal on Gas Distribution Infrastructure Decommissioning Framework in Support of Climate Goals.” December 21, 2022. <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/natural-gas/long-term-gas-planning-oir/framework-staff-proposal.pdf>

27 California Public Utilities Commission. “Long-Term Gas Planning Rulemaking Issues Joint Agency White Paper and Draft Scope and Schedule for Comment.” February 22, 2024. <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/natural-gas/long-term-gas-planning-oir/acr-and-white-paper-one-pager.pdf>.

28 California Air Resources Board Staff, California Energy Commission Staff, and California Public Utilities Commission Staff. “2024 Joint Agency Staff Paper: Progress Towards a Gas Transition: A White Paper Supporting the CPUC’s Long-Term Gas Planning Rulemaking R.20-01-007.” February 22, 2024. <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M525/K660/525660391.PDF>.

29 California Public Utilities Commission. “CPUC Launches New Rulemaking to Advance Long-Term Natural Gas Planning.” September 26, 2024. <https://www.cpuc.ca.gov/news-and-updates/all-news/cpuc-launches-new-rulemaking-to-advance-long-term-natural-gas-planning>.

30 California Public Utilities Commission. “Rulemaking 24-09-012: Order Instituting Rulemaking to Establish Policies, Processes, and Rules to Ensure Safe and Reliable Gas Systems in California and Perform Long-Term Gas System Planning.” September 26, 2024. <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M539/K683/539683149.PDF>.

Also in September 2024, Governor Gavin Newsom signed SB 1221 into law.³¹ The statute authorized up to thirty neighborhood decarbonization pilot projects as alternatives to gas pipeline replacement. The legislation gives the CPUC authority to relieve a gas company of its obligation to serve if the commission finds that new energy service is “reasonably available to support the energy end uses” of affected customers and requires the CPUC to establish “criteria and methodology for determining the cost-effectiveness of a zero-emission alternative as compared to replacement, repair, or continued operation of the affected asset of the gas system.” Two-thirds of affected property owners would need to consent to a project.³² The CPUC held a public workshop to gather input on SB 1221 implementation in November 2024, specifically examining how gas utilities would comply with a section of the law requiring them to submit maps to the CPUC by July 2025 identifying all potential gas distribution line replacement projects.³³ In April 2025, Commissioner Douglas issued an amendment to the R-24-09-012 scoping memo and requested comment on cost recovery for SB 1221 mapping activities.³⁴



New York (2020)

The 2019 Climate Leadership and Community Protection Act (CLCPA) set goals for 100 percent zero-emission electricity by 2040 and emissions reductions of 85 percent below 1990 levels by 2050.³⁵ Although the law did not mandate requirements on New York’s gas distribution system, the Draft Scoping Plan released by the New York State Climate Action Council in December 2021 called for emissions reductions from all sectors,³⁶ and the final plan set a goal of electrifying 85 percent of home and commercial building space by 2050.³⁷ In March 2020, the New York Public Service Commission (PSC) issued an order calling for LDCs to file locational supply and demand analyses, proposals to manage moratorium issues, and proposals to address areas of supply or demand imbalance. Commission staff were requested to file a proposal for modernizing gas system planning processes in alignment with the CLCPA and other state policies. The PSC encouraged consideration of non-pipe alternatives (NPAs) such as temporary supply, energy efficiency, electrification, and demand response in LDC planning processes.³⁸

Commission staff submitted their planning proposal in February 2021. Staff recommended that LDCs file long-term plans with a 20-year horizon on a three-year cycle, with opportunities for stakeholder engagement and revisions. Plans would be evaluated by an independent third-party consultant, unique among state gas planning rules. Substantively, plans would include four elements:

1. A demand forecast
2. A supply forecast including demand response programs
3. Reliability standards

31 California Legislative Information. “SB-1221 Gas corporations: ceasing service: priority neighborhood decarbonization zones.” September 25, 2024. https://leginfo.ca.gov/faces/billStatusClient.xhtml?bill_id=202320240SB1221.

32 Kempe, Ysabelle. *Utility Dive*. “30 neighborhood decarbonization pilots allowed under bill passed in California.” September 27, 2024. <https://www.utilitydive.com/news/neighborhood-scale-decarbonization-california-bill-passes-gas-pipelines/726082/>.

33 California Public Utilities Commission. “Senate Bill (SB) 1221 Workshop.” November 8, 2024. <https://www.cpuc.ca.gov/events-and-meetings/senate-bill-1221-workshop>.

34 California Public Utilities Commission. “Rulemaking 24-09-012: Assigned Commissioner’s Amendment to Scoping Memo and Ruling and Requesting Comment on Cost Recovery Issue.” April 21, 2025. <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M564/K385/564385365.PDF>.

35 NYSERDA. “New York’s Climate Leadership & Community Protection Act - New York’s Climate Leadership & Community Protection Act.” Accessed May 6, 2025. <https://climate.ny.gov>.

36 NYSERDA. “Draft Scoping Plan - New York’s Climate Leadership & Community Protection Act.” Accessed May 6, 2025. <https://climate.ny.gov/Resources/Draft-Scoping-Plan>.

37 NYSERDA. “Scoping Plan - New York’s Climate Leadership & Community Protection Act.” Accessed May 6, 2025. <https://climate.ny.gov/Resources/Scoping-Plan>.

38 New York State Department of Public Service. “Case 20-G-0131: Order Instituting Proceeding.” March 19, 2020, <https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={2BE6F1CE-5F37-4A1A-A2C0-C01740962B3C}>

4. Proposed solutions to reliability and meeting demand including npas

In May 2022, the PSC issued an order largely accepting the staff proposal. The order discussed extensive stakeholder comments on NPAs and required LDCs to develop a framework to assess NPAs. The commission encouraged LDCs to assess the potential to pair leak-prone pipe replacement efforts with weatherization, demand response, and electrification to ultimately reduce demand. In addition to forecasting bill impacts, equity impacts on disadvantaged communities, and emissions reductions, LDCs were directed to file depreciation studies under three scenarios: all new gas infrastructure is fully depreciated by 2050, all gas infrastructure is fully depreciated by 2050, and 50 percent of gas customers exit the system by 2040 and 90 percent exit by 2050. The commission can adopt, reject, or modify the LDCs' revised long-term plans.



Georgia (2021)

As part of the decision rendered by the Commission ("GPSC") in Atlanta Gas Light Company's ("AGL") 2019 Rate Case,³⁹ the Company was directed to propose a long-term planning tool. The Commission approved the framework for the long-range planning tool for AGL.

Atlanta Gas Light Company worked with PSC staff to develop what would be known as the Integrated Capacity Distribution Plan (i-CDP), shown in detail in **Figure 1**. The stated purpose of the i-CDP is "to help ensure that the connectivity of AGL's interstate, intrastate, and distribution systems is optimized."⁴⁰ Plans provide a 10-year forecast of capacity asset requirements with a three-year detailed spending plan. Proposed three-year spending is recovered through subsequent annual Georgia Rate Adjustment Mechanism (GRAM) filings or through the newly established System Reinforcement Rider (SRR) covering large pressure improvement and system reliability projects.⁴¹ Additionally, an liquefied natural gas (LNG) Tracker was created to recover costs associated with expanding AGL's LNG peaking capabilities.

The Georgia PSC opened Docket No. 43820 to consider AGL's i-CDP filings. Atlanta Gas Light's first i-CDP, covering 2022 – 2031 (2022 – 2024 in detail), was filed in April 2021⁴² and approved in November 2021.⁴³ The second plan, covering 2025 – 2034 (2025 – 2027 in detail), was filed in February 2024⁴⁴ and approved in July.⁴⁵ Specific proposals in the 2025 – 2034 plan included:

- A Department of Transportation rider to recover revenue requirements associated with compliance with municipal, county, and Georgia Department of Transportation directions
- Shifting capital between the Georgia Rate Adjustment Mechanism Safety and Compliance and Other Budget Categories

39 Georgia Public Service Commission. "Docket 42315, Document Filing #179967: Atlanta Gas Light Company's Petition for Approval of Adjustment of Its Rates and Revised Tariff." December 9, 2019. <https://psc.ga.gov/search/facts-document/?documentId=179967>

40 Georgia Public Service Commission. "Docket 43820, Document Filing #219236: Order Adopting Stipulation." July 2, 2024. <https://psc.ga.gov/search/facts-document/?documentId=179967>.

41 Georgia Public Service Commission. "Docket 42315, Document Filing #184179: Joint Motion of Atlanta Gas Light Company and Public Service Commission Staff for Approval of Stipulation." January 28, 2021. <https://psc.ga.gov/search/facts-document/?documentId=184179>.

42 Atlanta Gas Light. "Docket No. 43820: Integrated Capacity and Delivery Plan 2022-2031." April 28, 2021. <https://www.atlantagaslight.com/content/dam/southern-co-gas/agl/pdfs/agls-integrated-capacity-and-delivery-plan-public-disclosure.pdf>.

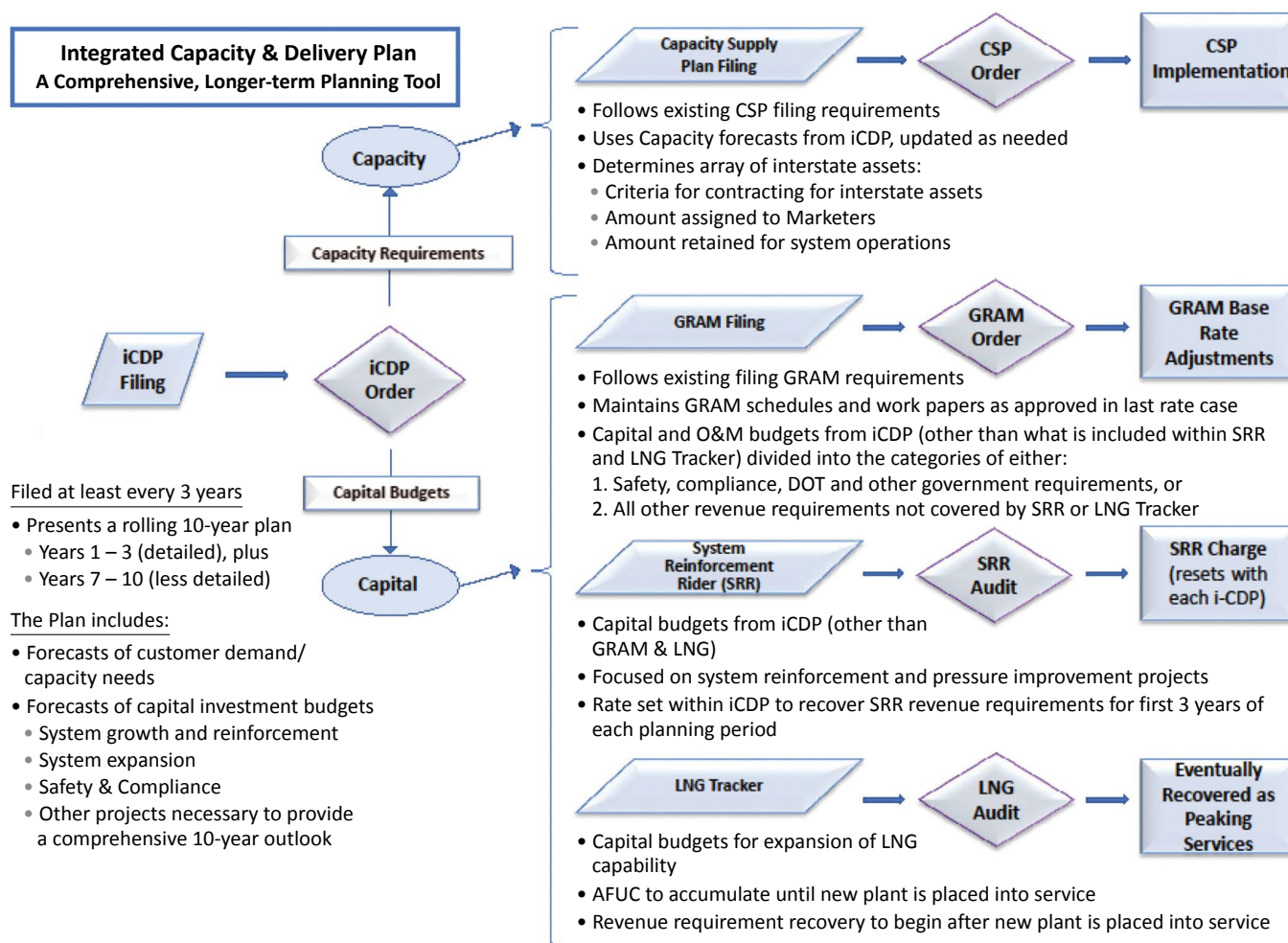
43 Atlanta Gas Light. "Georgia Public Service Commission Approves First-Ever Integrated Capacity and Delivery Plan for Atlanta Gas Light." Accessed May 6, 2025. <https://www.atlantagaslight.com/news/press-releases/georgia-public-service-commission-approves-first-ever-integrated-capacity-and-delivery-plan-for-atlanta-gas-light.html>.

44 Georgia Public Service Commission. "Docket 43820, Document Filing #219236: Order Adopting Stipulation." July 2, 2024. <https://psc.ga.gov/search/facts-document/?documentId=179967>.

45 Atlanta Gas Light. "Georgia Public Service Commission Approves Atlanta Gas Light's Integrated Capacity and Delivery Plan." Accessed May 6, 2025. <https://www.atlantagaslight.com/news/press-releases/georgia-public-service-commission-approves-atlanta-gas-lights-integrated-capacity-and-delivery-plan.html>.

- Inclusion of construction work in progress (CWIP) in allowance for funds used during construction (AFUDC)
- Starting in April 2026, filing an annual capital budget report providing explanations of variances in budget categories between planned spending and actual spending for the previous calendar year
- Granting PSC staff authority to audit AGL records
- Creation of an online tool for real-time scheduling of appointments for natural gas marketers to schedule appointment orders⁴⁶

Figure 1: Exhibit A to Joint Stipulation of PSC Staff and AGL



The PSC's approval of an i-CDP acts as a determination that capital projects "should be deemed reasonable and prudent to undertake."⁴⁷ In its approval, the PSC requires AGL to adhere to the capital budgets within the approved i-CDP as its maximum capital budgets for 2025 – 2027 rate case, and calls on AGL to seek PSC approval for any excess of the approved budgets due to "unforeseen or extraordinary circumstances, such as newly enacted laws or regulations." In the most recent i-CDP, the PSC approved capital budgets of \$602.9 million, \$623.7 million, and \$643.3 million in 2025, 2026, and 2027, respectively.

46 Atlanta Gas Light. "Docket No. 43820: Amended Integrated Capacity and Delivery Plan 2025-2034." May 8, 2024. <https://services.psc.ga.gov/api/v1/External/Public/Get/Document/DownloadFile/218614/99692>.

47 Georgia Public Service Commission. "Docket 43820, Document Filing #219236: Order Adopting Stipulation." July 2, 2024. <https://psc.ga.gov/search/facts-document/?documentId=179967>.



Nevada (2021)

During Nevada's 2021 legislative session, state policymakers debated natural gas planning. While a bill did not ultimately advance to the governor's desk, the governor called on the Nevada Public Utilities Commission (PUC) to review regulatory options to reduce gas use and achieve Nevada's net-zero goal by 2050.⁴⁸ In May 2021, the PUC opened Docket No. 21-05002 to investigate long-term planning for natural gas utility service in the state. Four months later, the PUC issued a procedural order describing three phases of the docket: (1) an inventory of natural gas use in Nevada and consideration of equity issues in decarbonization, (2) impacts of decarbonization on the electric system, and (3) costs, planning, and mitigation measures.⁴⁹

During the 2023 legislative session, SB 281 was enacted, requiring gas utilities to file triennial plans with the PUC to meet current and future gas demand at least cost to customers.⁵⁰ In September 2023, the PUC opened Docket No. 23-07024 to bring regulations in line with SB 281. Following three workshops and multiple rounds of public comments, Procedural Order No. 5 was introduced in September 2024 containing draft regulations.⁵¹ Based on comments, the draft regulations were modified and submitted as proposed regulations to the Legislative Counsel Bureau in November 2024. These regulations required gas utilities to file three-year resource plans by October 2025 and every three years thereafter.⁵² Plans should include:

- A. Introduction describing utility, its facilities, and key points of the plan
- B. Maps of existing and planned major facilities for natural gas supply
- C. Anticipated demand for natural gas
- D. Cost of supplying natural gas and how the utility is minimizing cost
- E. Sources of planned acquisitions of natural gas
- F. Information on existing and planned long-term arrangements
- G. Significant operational or capital requirements for the utility
- H. A demand-side management plan to promote energy efficiency and conservation
- I. Renewable natural gas activities
- J. Analysis of supply, storage, transmission system reliability, avoided emissions, cost evaluation, information on operational and capital investments, rate impacts, and curtailment procedures
- K. Proposed cost recovery mechanisms if utility proposes to recover costs of the resource plan in a method other than a general rate application

Commission staff were asked to investigate the impacts of the proposed regulation on small businesses and found no immediate or long-term adverse or beneficial effects.⁵³ Staff's report was filed in January 2025 and no further actions have yet been taken in the docket.

48 State of Nevada. "Nevada Leadership Calls For Continued Discussion on the Future of Natural Gas." Accessed May 6, 2025. https://gov.nv.gov/layouts/full_page.aspx?id=329115.

49 Nevada Public Utilities Commission. "Docket No. 21-05002, Procedural Order: Investigation regarding long-term planning for natural gas utility service in Nevada." September 24, 2021. <https://ob.nv.gov/puc/>.

50 Nevada Legislature. "SB281 Text." Accessed May 6, 2025. <https://www.leg.state.nv.us/App/NELIS/REL/82nd2023/Bill/10136/Text>

51 Nevada Public Utilities Commission. "Docket No. 23-07024, Procedural Order No. 5: Rulemaking to amend, adopt, and/or repeal regulations in accordance with Senate Bill 281 (2023)." September 30, 2024. <https://ob.nv.gov/puc/>.

52 Nevada Public Utilities Commission. "Docket No. 23-07024, Regulation: Resource Planning and Energy Conservation for Certain Natural Gas Utilities." November 25, 2024. <https://ob.nv.gov/puc/>.

53 Nevada Public Utilities Commission. "Docket No. 23-07024, Order: Small Business Report." January 27, 2025. <https://ob.nv.gov/puc/>.

Colorado (2021)

Colorado SB 21-264 required gas LDCs in the state to file clean heat plans with the Public Utilities Commission (PUC) outlining how each utility intends to use clean heat resources to meet a 4 percent reduction below 2015 GHG emissions by 2025 and a 22 percent reduction by 2030. Clean heat resources were defined as demand-side management (DSM), recovered methane, green hydrogen, beneficial electrification (BE), pyrolysis of tires, thermal energy, and wastewater thermal energy. The PUC was directed to initiate a rulemaking by October 2021 (Proceeding No. 21R-0449G, resulting in Decision No. C22-0760) to outline requirements for clean heat plans and establish a cost cap of 2.5 percent of annual gas bills for clean heat resources.⁵⁴ The PUC further decided to require gas infrastructure plans (GIPs) from LDCs on a biennial basis. According to the PUC, “the Gas Infrastructure Planning Rules are intended to work in conjunction with the Clean Heat Plan Rules to achieve the substantial reductions in statewide GHG emissions required by §25-7-102(2)(g), C.R.S., and we determined that GIPs are a necessary component of the Commission’s regulatory structure to ensure appropriate oversight of long-term and costly investments in gas system infrastructure.”⁵⁵ Rules for DSM measures were also adopted in accordance with Colorado House Bill (HB) 21-1238. The initial plans are being reviewed in non-adjudicated proceedings to allow flexibility in determining the contents of future plans, which are expected to be considered in adjudicatory proceedings.

As the state’s largest utility, Xcel filed the first GIP in May 2023 in Proceeding No. 23M-0234G.⁵⁶ The PUC issued a decision on Xcel’s GIP and guidance for Xcel’s 2025 GIP in February 2024.⁵⁷ The decision reiterated the fact that GIP is a novel construct for the PUC, gas utilities, and stakeholders, but found Xcel’s approach to infrastructure planning inadequate to meet Colorado’s statutory objectives. The PUC called for significant changes to Xcel’s method of forecasting and planning upcoming projects and investments in the gas system to improve transparency by illuminating a broader portfolio of Xcel’s prospective capital projects and aligning with the complexities of the clean energy transition. The PUC responded favorably to two proposed NPAs, noting significant benefits and cost savings, and directed Xcel to run a competitive solicitation for future NPAs.⁵⁸

Xcel was also the first regulated utility to file a clean heat plan for the 2024 – 2028 time period. The plan was submitted to the PUC in August 2023 in Proceeding No. 23A-0392EG.⁵⁹ Clean heat plans from Atmos Energy and Black Hills followed in December 2023 (Proceeding Nos. 23A-0632G and 23A-0633G, respectively).⁶⁰

In its clean heat plan, Xcel developed four scenarios for the PUC to consider: one meeting the statutory 2.5 percent cost cap, a second using clean heat resources to meeting statutory emissions targets, a third consisting of only DSM and BE, and a fourth using clean heat resources, differentiated gas,⁶¹ and carbon offsets to

54 Bennett, Tracey, Alex Valdez, and Chris Hansen. “Adopt Programs Reduce Greenhouse Gas Emissions Utilities, Pub. L. No. SB21-264 (n.d.).” 2021. <https://leg.colorado.gov/bills/sb21-264>.

55 Colorado Public Utilities Commission. “Decision No. C22-0760.” December 1, 2022. <https://www.coloradosos.gov/CCR/Upload/AGORRequest/BasisAndPurposeAttachment2021-00643.pdf>.

56 Xcel Energy. “Initial 2023-2028 Gas Infrastructure Plan: Proceeding No. 23M-0234G.” May 18, 2023. https://www.dora.state.co.us/pls/efi/efi_p2_v2_demo.show_document?p_dms_document_id=997521&p_session_id=

57 Colorado Public Utilities Commission. “Decision No. C24-0092: Commission Decision Addressing Adequacy of Gas Infrastructure Plan and Providing Guidance for Future Gas Infrastructure Plan Filings.” February 23, 2024. https://www.dora.state.co.us/pls/efi/EFI_Search_UI.Show_Decision?p_session_id=&p_dec=30670.

58 Steinberg, Sarah. “What Colorado’s First-Ever Gas Infrastructure Plan Teaches Us About Gas Planning.” Accessed May 6, 2025. <https://blog.advancedenergyunited.org/what-colorados-first-ever-gas-infrastructure-plan-teaches-us-about-gas-planning>.

59 Colorado Public Utilities Commission. “Proceeding No. 23A-0392EG: Clean Heat Plan Application.” August 1, 2023. https://www.dora.state.co.us/pls/efi/EFI.Show_Filing?p_session_id=&p_fil=G_807088.

60 Colorado Public Utilities Commission. “Proceeding No. 23A-0632G: Atmos Energy Corporation’s Initial Clean Heat Plan Application.” December 29, 2023. https://www.dora.state.co.us/pls/efi/EFI.Show_Filing?p_session_id=&p_fil=G_812846; Colorado Public Utilities Commission. “Proceeding No. 23A-0633G: Black Hills Colorado Gas Clean Heat Plan Application.” December 29, 2023. https://www.dora.state.co.us/pls/efi/EFI.Show_Filing?p_session_id=&p_fil=G_812851.

61 For more information on differentiated gas, see Zitelman, Kiera. “Certified Natural Gas: Primer, Regulatory Landscape, and Contributions Toward a Low-Carbon Future,” NARUC, February 2024. <https://pubs.naruc.org/pub/D42D84E6-FC2A-CA17-6E4D-A82BD8EB2BB8>.

meet statutory emissions targets.⁶² These proposals were adjusted in response to stakeholder comments. The PUC issued Decision No. C24-0397 approving Xcel’s plan with modifications. The commission found broad agreement from stakeholders that DSM and BE should be prioritized and are currently “represent the best path forward for emission reductions aligned with SB21-264.” The order recommended changes to how Xcel modeled costs of various DSM and BE resources. Further, the PUC asked for the use of a ratepayer impact measure (RIM) cost-effectiveness test and a broader examination of societal benefits of emissions reduction measures in future filings.



Minnesota (2023)

In February 2023, the Minnesota Public Utilities Commission (PUC) issued a ruling⁶³ requiring the state’s three regulated gas utilities⁶⁴ to file IRPs in the future. This initiative was largely driven by Minnesota’s experience during Winter Storm Uri in February 2021, when soaring natural gas prices led to an extra \$660 million in costs to customers,⁶⁵ a portion of which (\$58.5 million) was disallowed by the PUC.⁶⁶ Additionally, the 2021 Energy Conservation and Optimization Act, the 2021 Natural Gas Innovation Act, and a 2023 expansion of GHG reduction goals to net-zero emissions across all sectors by 2050 spurred the need for new planning processes.⁶⁷ The 2021 statutes grew the state’s Conservation Improvement Program and allowed natural gas utilities to use innovative resources such as biogas, renewable natural gas, electrification, and energy efficiency to meet Minnesota’s GHG reduction goals.

In March 2024, the PUC formally established initial planning requirements for Minnesota’s regulated gas utilities in Dockets No. G-008,G-002,G-011/CI-23-117 and G-999/CI-21-565.⁶⁸ The order requires utilities to “evaluate different ways to ensure they have enough gas to serve customers at a reasonable cost” and evaluate “whether there are opportunities to use new technologies to avoid some capacity expansion infrastructure projects.”⁶⁹ During the process, utilities are required to forecast over a 10-year period and are also required to consider Minnesota’s 2050 economy-wide net-zero GHG emissions goal.⁷⁰ Plans must be filed every three years and include at least one public comment period. The PUC can approve, modify, or reject plans. Existing Commission proceedings covering procurement and cost recovery of natural gas supply, transportation, and storage will continue independently from the gas IRP proceedings. Gas plan components will include:

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- 62 Colorado Public Utilities Commission. “Decision No. C24-0397: Commission Decision Granting Application with Modifications, Requiring Filings, and Issuing Certain Directives to Guide Next Clean Heat Plan Filing.” June 10, 2024. https://www.dora.state.co.us/pls/efi/EFI_Search_UI.Show_Decision?p_session_id=&p_dec=30982.
- 63 Minnesota Public Utilities Commission. “Docket # 21-135 (CI): Order Requiring Actions to Mitigate Impacts from Future Natural Gas Price Spikes, Setting Filing Requirements, and Initiating a Proceeding to Establish Gas Resource Planning Requirements.” February 17, 2023. <https://www.edockets.state.mn.us/documents/%7B40F96086-0000-CB75-82AC-700F34BFFCEE%7D/download?contentSequence=0&rowIndex=1283>.
- 64 Xcel Energy, CenterPoint Energy, and Minnesota Energy Resources Corporation (MERC).
- 65 Citizens Utility Board. “Minnesota Customers Will No Longer Be Charged Nearly \$60 Million in Winter Storm Uri Related Costs.” Accessed May 6, 2025. <https://cubminnesota.org/minnesota-customers-will-no-longer-be-charged-nearly-60-million-in-winter-storm-uri-related-costs>.
- 66 Minnesota Public Utilities Commission. “PUC Reduces Costs to Consumers by \$58.5 Million from Winter Storm Uri.” Accessed May 6, 2025. <https://content.govdelivery.com/accounts/MNPUBUC/bulletins/327b20b>.
- 67 Minnesota Public Utilities Commission. “Docket # 23-117 (CI): Order Establishing Framework for Natural Gas Utility Integrated Resource Planning.” March 27, 2024. <https://www.edockets.state.mn.us/documents/%7B70B4808E-0000-C216-B523-3BC24CC5B5E9%7D/download?contentSequence=0&rowIndex=1>.
- 68 Minnesota Public Utilities Commission. “Docket # 23-117 (CI): Order Establishing Framework for Natural Gas Utility Integrated Resource Planning.” March 27, 2024. <https://www.edockets.state.mn.us/documents/%7B70B4808E-0000-C216-B523-3BC24CC5B5E9%7D/download?contentSequence=0&rowIndex=1>.
- 69 Minnesota Public Utilities Commission. “Gas resource planning.” Accessed May 6, 2025. <https://mn.gov/puc/activities/economic-analysis/planning/gas-irp/>.
- 70 Minnesota Public Utilities Commission. “Docket # 23-117 (CI): Order Establishing Framework for Natural Gas Utility Integrated Resource Planning.” March 27, 2024. <https://www.edockets.state.mn.us/documents/%7B70B4808E-0000-C216-B523-3BC24CC5B5E9%7D/download?contentSequence=0&rowIndex=1>.

- A full list of resources considered including costs, environmental impacts, and service lifetimes
- An examination of all commercially available demand- and supply-side resources
- Treatment of energy efficiency as an energy resource, alongside all other energy resources
- Load forecasts, including high, medium, and low forecasts with assumptions
- A discussion of risks and uncertainties in the planning context
- A review of the utility's past plan
- High, medium, and low gas price sensitivity analyses
- Selection of a preferred resource portfolio and a five-year action plan of steps detailing the steps the utility expects to take to implement the plan⁷¹

In September 2024 the PUC clarified and established essential components of gas resource plans including the processes to prioritize equity, consider costs, and analyze infrastructure capacity expansion projects. The Commission also required utilities to collaborate. First, Xcel, CenterPoint Energy, and Minnesota Energy Resources Corporation (MERC) are required to work with electric utilities in their service territories to understand, to the extent possible, the electric system impacts on resource options in the natural gas IRPs. Second, utilities were required to consider local climate goals in resource plans and provide a narrative discussion of how resource plans impact those goals. Last, in its September 2024 meeting, the Commission set filing schedules. Xcel Energy will file its gas IRP first, in July 2026, followed by CenterPoint Energy and MERC on a 12-month cadence.⁷²



Illinois (2023)

Illinois enacted the Climate and Equitable Jobs Act (CEJA) in 2021, setting the state on a path to phase coal and natural gas out of the electricity generation mix.⁷³ CEJA did not address reducing GHG emissions from buildings.⁷⁴

In November 2023, during regular gas rate cases for Peoples Gas, North Shore Gas, Nicor Gas, and Ameren, the ICC disallowed a collective \$240 million in requested rate increases. These decisions initiated a statewide future-of-gas proceeding consisting of two steps: public workshops leading to a gas infrastructure investment action plan, and a requirement for gas utilities to file long-term gas infrastructure plans every other year beginning in mid-2025.⁷⁵ The long-term plans are required to include:

- "List of proposed system expenditures and investments, including analysis of infrastructure needs and detailed information on all planned projects within the action plan;
- "Demonstration that each project or program plan complies with all applicable Commission rules and jurisdiction requirements, such as safety and reliability, among others;
- "5-year action plan of investments with a longer-term planning horizon analysis where applicable;
- "Estimated total cost and annual incremental revenue requirement of the proposed action plan;

71 Minnesota Public Utilities Commission. "Docket # 23-117 (CI): Order Establishing Framework for Natural Gas Utility Integrated Resource Planning." March 27, 2024. <https://www.edockets.state.mn.us/documents/%7B70B4808E-0000-C216-B523-3BC24CC5B5E9%7D/download?contentSequence=0&rowIndex=1>.

72 Minnesota Public Utilities Commission. "Gas resource planning." Accessed May 6, 2025. <https://mn.gov/puc/activities/economic-analysis/planning/gas-irp/>.

73 Illinois Legislature. "S2408 Text." Accessed May 6, 2025. <https://www.ilga.gov/legislation/publicacts/102/PDF/102-0662.pdf>.

74 Tomich, Jeffrey. "Labor Fumes as Illinois Looks beyond Natural Gas." E&E News by POLITICO, April 15, 2024. <https://www.eenews.net/articles/labor-fumes-as-illinois-looks-beyond-natural-gas/>.

75 Illinois Commerce Commission. "The Wire," Issue 5. January 2024. <https://icc.illinois.gov/api/web-management/documents/downloads/public-press-release/Issue%205-%20The%20Wire.pdf>.

- “Explanation for the pace of each project or program, including reasoning as to why the project or program cannot be deferred to future years;
- “Comparative evaluations of resource procurements and major capital investments;
- “Distribution mapping that identifies areas of constraint and risk, location of planned projects, pressure districts served by each project, and locations of environmental justice communities;
- “Description of lowest societal cost gas distribution system investments necessary to meet customer demand and comply with public policy objectives;
- “Demonstration that the program or project will minimize rate impacts on customers, particularly low-income and equity investment eligible communities;
- “Scenario and sensitivity analysis to test robustness of utility’s portfolio and investments under various parameters;
- “Publicly filed workpaper documenting all inputs and assumptions with limited use of confidentiality; and
- “Summary of stakeholder participation and input and an explanation of how the Company incorporated stakeholder engagement.”⁷⁶

In its rate case decision for Peoples Gas (Dockets 23-0068 and 23-0069), the ICC paused \$265 million in spending related to the company’s Safety Modernization Program (SMP) while it investigated the initiative in Docket No. 24-0081.⁷⁷ The order initiating an investigation called for Peoples Gas to “reconsider its priorities and provide more detailed, disaggregated cost information in the SMP investigation proceeding to enable the Commission to determine the reasonableness and prudence of the Company’s next steps for its SMP.”

In March 2024, the ICC kicked off the Future of Gas proceeding to develop an action plan for gas utility infrastructure investments, evaluating the impacts of the state’s decarbonization and electrification goals on the gas system.⁷⁸ In its order initiating the proceeding, the ICC emphasized that while CEJA did not explicitly grant the ICC the authority to pursue decarbonization in the gas sector, “the gas distribution system must change” in order to reach statutory goals.⁷⁹ In Phase 1, a facilitator was brought on to work with ICC staff to hold seven workshops in April and May 2024 to identify relevant topics to the proceeding’s scope. A report was produced in July 2024 summarizing the Phase 1 workshops.⁸⁰

The ICC voted in September 2024 to extend the proceeding’s schedule to February 2026, based on ICC staff’s recommendation after concluding the Phase 1 workshops.⁸¹ Phase 2 was divided into three phases: (1) a second series of workshops to explore decarbonization pathways between September 2024 and February

76 Illinois Commerce Commission. “Docket 23-0068 & 23-0069: Final Order.” November 16, 2023. <https://icc.illinois.gov/docket/P2023-0068/documents/344306/files/601245.pdf>.

77 BOMA / CHICAGO. “Illinois Commerce Commission Slashes Proposed Rate Increases from ComEd, Peoples Gas,” January 24, 2024. <https://www.bomachicago.org/2024/01/24/illinois-commerce-commission-slashes-proposed-rate-increases-from-comed-peoples-gas/>.

78 Illinois Commerce Commission. “Future of Gas Proceedings.” Accessed May 6, 2025. <https://www.icc.illinois.gov/programs/Future-of-Gas-Workshop>.

79 Illinois Commerce Commission. “Docket 24-0158: Order- Initiation of proceeding to examine the Future of Natural Gas and issues associated with decarbonization of the gas distribution system.” March 7, 2024. <https://www.icc.illinois.gov/docket/P2024-0158/documents/347887/files/607586.pdf>

80 Celia Johnson Consulting LLC and Illinois Commerce Commission Staff. “Illinois Commerce Commission Future of Gas Phase 1 Workshops Facilitator Report to the Commission.” July 29, 2024. https://icc.illinois.gov/api/web-management/documents/downloads/public/future-of-gas/ICC%20Future%20of%20Gas%20Workshops%20Facilitator%20and%20ICC%20Staff%20Report_Final_7-29-2024.pdf.

81 Illinois Commerce Commission. “Docket 24-0158: Order on Reopening- Initiation of proceeding to examine the Future of Natural Gas and issues associated with decarbonization of the gas distribution system.” September 26, 2024. <https://icc.illinois.gov/docket/P2024-0158/documents/355931/files/623556.pdf>.

2025; (2) a set of working group⁸² meetings between March and June 2025; and (3) an exploration of legislative and regulatory options to achieve decarbonization of the gas distribution system from July to October 2025.⁸³ An external consultant was hired to facilitate Phase 2 workshops, with continued involvement from ICC staff. A report summarizing findings and recommendations from Phase 2 is scheduled to be drafted and available for public comment by November 2025 with the goal of finalizing by February 2026.

Conclusion

The states discussed above have implemented varying forms of gas planning, from initial to extensive. While some processes have been through multiple iterations and have demonstrated effectiveness in meeting the commission's objectives, others are being adjusted to provide more relevant information to state utility regulators. As current states continue to fine-tune their approaches and additional states consider instituting rules of their own, this paper concludes with emerging issues that may evolve further with the maturation of gas planning processes.

A couple of states have considered the benefits of hiring experts to assist in plan review, which New York PSC has elected to do.⁸⁴ Although consultant costs are paid by ratepayers, constraints in commission staff availability and expertise, particularly on emerging technologies, may justify these costs. Inclusion of a third party may also condense the timeline between initial plan filings and commission approvals or acknowledgements, while still providing opportunities for stakeholder input.

Another evolving area is coordination between gas and electric planning. The states discussed above have a variety of utilities serving customers, from joint gas-electric utilities to numerous LDCs and electric utilities. Improved coordination among gas and electric utilities is important to understand the impacts of electrification on both gas and electric infrastructure, customers, and bills. In establishing gas planning processes, commissions have generally not required coordinated gas-electric planning, particularly not across multiple LDCs and electric utilities. With expanding electrification and goals for GHG reductions, Washington State appears to be the first to work on a concerted effort to analyze both gas and electric systems more holistically.

Long-term gas planning is a nascent issue in utility regulation, and the commissions discussed above are likely to modify planning rules in response to initial utility filings and stakeholder comments. As policies and technologies impacting the electricity and/or natural gas sectors continue to evolve, commissions in additional states are also likely to consider exploratory dockets, data requests, or the establishment of complete planning processes for regulated gas utilities.

82 The outline established three working groups: one to explore feasibility of decarbonization technologies, a second to look at economic impacts of deploying those technologies, and a third focusing on implementation considerations.

83 Illinois Commerce Commission. "ICC Future of Gas Workshops Phase 2 Outline Final Draft (9/20/2024)." September 20, 2024. https://icc.illinois.gov/api/web-management/documents/downloads/public/future-of-gas/Phase%202%20Outline_Revised_Final_9-23-24.pdf.

84 Advanced Energy United, Strategen. "A Regulator's Blueprint for 21st Century Gas Utility Planning." December 2023. <https://advancedenergyunited.org/hubfs/2023%20Reports/A%20Regulator's%20Blueprint%20for%2021st%20Century%20Gas%20Utility%20Planning.pdf>.



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