

August 4, 2026

Washington State Building Code Council
P.O. Box 41449
Olympia, WA 98504

DELIVERED VIA: sbcc@des.wa.gov

Re: Comments of the Northwest Gas Association Opposing the Proposed Commercial and Residential Energy Code CR102 Rulemaking

Dear Chair Beyreuther and Members of the Washington State Building Code Council:

The Northwest Gas Association ("NWGA") appreciates the opportunity to comment on the proposed 2024 Commercial and Residential Washington State Energy Codes. NWGA represents the natural gas utilities and interstate pipeline companies that deliver energy to approximately 3.7 million homes, nearly 350,000 businesses, and numerous electric generating facilities throughout the Pacific Northwest. Our members operate one-half of the Northwest's integrated energy system and work daily with electric utilities to maintain safe, reliable, and affordable energy service.

NWGA supports improving building energy efficiency and reducing greenhouse gas emissions. However, the proposed CR-102 does not adequately account for the increasingly important relationship between building energy policy and regional electric reliability.

The Council's proposed rules would significantly accelerate electrification of building heating and water heating while discouraging technologies that utilize both electricity and natural gas. Those decisions will increase winter electric demand precisely when regional planners warn that the Pacific Northwest faces growing resource adequacy risks.

The Legislature did not direct the Council to maximize energy efficiency in isolation. Washington law requires the Council to balance energy efficiency with affordability, technological flexibility, economic impacts, innovation, regional conditions, and the avoidance of unnecessary regulatory burdens. RCW 19.27.020, RCW 19.27A.020, RCW 19.27.074, RCW 19.27A.160, and RCW 34.05.328 collectively establish a multi-factor statutory framework.

Because the proposed CR-102 largely evaluates annual building energy use without meaningfully evaluating the consequences for regional electric resource adequacy, winter peak demand, or electric infrastructure requirements, the rulemaking remains incomplete.

Resource Adequacy Is No Longer an Electric Utility Issue Alone

Historically, building codes could reasonably evaluate energy efficiency primarily through the lens of annual building energy consumption. That is no longer sufficient.

The Pacific Northwest is entering an unprecedented period of electricity demand growth driven simultaneously by:

- transportation electrification;
- industrial electrification;
- building electrification;
- artificial intelligence and data centers;
- semiconductor manufacturing;
- population growth.

Regional planners now consistently identify resource adequacy—not annual energy production—as the principal challenge facing the electric system. Recent studies sponsored by more than twenty Northwest utilities conclude that the region faces an effective capacity shortfall approaching **9 GW by 2030 and between 14 and 18 GW by 2035** absent significant new investment. Those same studies conclude that current resource development is not occurring rapidly enough to close that gap because of permitting delays, transmission constraints, supply-chain limitations, and interconnection challenges.

These findings fundamentally change the context in which the Council must evaluate building energy policy.

Every major electrification decision made through the Energy Code now directly affects regional resource adequacy.

Winter Reliability—Not Annual Energy Use—Is Becoming the Northwest's Greatest Challenge

The Council's proposed code improvements are evaluated primarily through annual energy modeling. Regional reliability planning uses a different metric. Electric systems are planned to meet the few hours each year when demand reaches its maximum.

The Energy + Environmental Economics (E3) Phase II Resource Adequacy Study concludes that the Pacific Northwest's greatest reliability risk is a prolonged winter cold event occurring during a low-hydro year.

Unlike summer peak conditions experienced elsewhere in the United States, Northwest reliability events may persist for 50 to more than 100 consecutive hours during periods of extremely cold weather when hydroelectric production is constrained and renewable output is reduced. These are precisely the conditions under which building heating becomes most important.

Unlike annual energy efficiency metrics, winter peak demand determines:

- whether sufficient generating resources exist;
- whether transmission systems remain adequate;
- whether utilities maintain reserve margins;

- whether emergency imports are required;
- whether customers experience rotating outages.

The proposed CR-102 gives comparatively little consideration to these system-wide consequences.

The Proposed Code Increases Dependence on the Electric System While Discouraging Technologies That Reduce Peak Demand

Many of the proposed Residential and Commercial code provisions encourage replacement of direct-use natural gas equipment with electric technologies while imposing additional compliance burdens on buildings that retain efficient natural gas systems. Viewed individually, these provisions appear modest. Viewed collectively, they shift additional heating demand onto the electric system during winter peak conditions.

This is particularly significant because space heating is among the largest contributors to winter peak electric demand. Every additional electric heating system installed through building code requirements increases future demand that must ultimately be served by generation, transmission, substations, transformers, and distribution facilities.

The cumulative effect of these incremental code decisions is rarely evaluated.

Yet from a regional planning perspective, thousands of additional electric heating systems produce measurable increases in winter peak demand that utilities must serve for decades.

Regional Studies Recommend a Balanced Portfolio—Not Exclusive Electrification

One of the most important findings from recent regional planning efforts is that achieving deep decarbonization does **not** require exclusive reliance upon electricity. Rather, nearly every major regional resource adequacy study concludes that reliability and affordability are best maintained through a diversified portfolio.

The E3 Phase II study concludes:

- deep carbon reductions remain achievable while maintaining affordability and reliability;
- future portfolios include energy efficiency, wind, solar, geothermal, **and natural gas**;
- new natural gas peaking capacity remains a robust long-term reliability strategy across numerous future scenarios;
- additional delivery capability into Washington and Oregon will be required regardless of future generation mix.

Similarly, the NWGA/PNUCC Gas-Electric Coordination Initiative concludes that increasing interdependence between the electric and natural gas systems requires coordinated planning, continued investment in both systems, and policies that balance reliability, affordability, and decarbonization rather than favoring one energy delivery system over another.

These findings are particularly significant because they represent the conclusions of utilities responsible for maintaining reliable electric service—not merely organizations representing natural gas interests.

Building Codes Must Be Consistent with Regional Resource Planning

Washington agencies increasingly recognize that energy planning must become integrated. Electric reliability can no longer be evaluated independently of building policy. Likewise, building policy cannot be developed independently of electric reliability. The Council's proposed Energy Code largely evaluates individual buildings. Regional planners evaluate the cumulative effect of millions of buildings operating simultaneously during extreme weather.

Those are fundamentally different analyses.

The Council should incorporate regional resource adequacy into future code development by evaluating:

- incremental winter peak demand;
- cumulative electric infrastructure costs;
- effects on reserve margins;
- impacts on transmission requirements;
- resilience during prolonged cold weather events;
- interaction between natural gas and electric delivery systems.

Without these evaluations, the Council cannot fully understand the broader public consequences of its regulatory decisions.

Washington Law Requires the Council to Balance Competing Public Interests

The Legislature deliberately established a balanced statutory framework. RCW 19.27.020 and RCW 19.27A.020 require that building regulations promote public safety, affordability, innovation, and practical construction while improving energy efficiency. RCW 19.27.074 establishes long-term predictability for code development rather than continual policy experimentation. RCW 19.27A.160 recognizes that cost-effectiveness remains an essential component of Washington's Energy Code. Finally, RCW 34.05.328 requires agencies to evaluate probable benefits and costs, consider reasonable alternatives, and adopt the least burdensome alternative capable of achieving statutory objectives.

Collectively, these statutes make clear that the Legislature did not authorize the Council to maximize one objective while disregarding competing statutory considerations.

Resource adequacy is now one of those considerations.

Where credible regional planning organizations conclude that electrification significantly increases future capacity requirements, affects electric reliability, and necessitates billions of dollars of additional infrastructure investment, those consequences should become part of the Council's decision-making process. Failure to meaningfully evaluate those impacts raises significant questions regarding whether the Council has fully complied with its statutory obligations.

NWGA Recommendations

NWGA respectfully requests that the Council:

1. Evaluate the cumulative resource adequacy impacts of proposed electrification requirements before adopting the CR-102.
2. Expand future cost-benefit analyses to include winter peak demand, generation requirements, transmission investment, and distribution system costs.
3. Preserve technology-neutral pathways that allow efficient natural gas, hybrid, and dual-fuel systems to contribute to regional reliability.
4. Coordinate future code development with regional resource adequacy planning conducted by utilities, PNUCC, WECC, BPA, and the Northwest Power and Conservation Council.
5. Ensure future code revisions balance energy efficiency with affordability, reliability, consumer choice, innovation, and long-term electric system resilience consistent with Washington law.

Conclusion

The question before the Council is no longer whether buildings should become more energy efficient. NWGA fully supports that objective. The question is whether building energy policy should proceed without fully considering its cumulative effects on the electric system that must support it. **The answer should be no.**

Recent regional analyses demonstrate that the Pacific Northwest faces an unprecedented convergence of accelerating electric demand, resource adequacy challenges, transmission constraints, and increasing winter reliability risks. Those same studies conclude that maintaining affordability and reliability will require a balanced portfolio of energy efficiency, renewable resources, storage, and firm natural gas resources—not reliance on a single technology pathway.

Washington's Energy Code should reflect this regional reality.

Accordingly, NWGA respectfully requests that the Council revise the proposed CR-102 to better account for regional resource adequacy, preserve technology-neutral compliance pathways, and ensure that the final Energy Code advances the Legislature's full range of statutory objectives—not energy efficiency in isolation.

Respectfully submitted,



Kelly Fukai

Chief Executive Officer

Northwest Gas Association