

March 1, 2024

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
Attention: Filing Center
201 High Street SE, Suite 100
P. O. Box 1088
Salem, Oregon 97308-1088

RE: UM 1158 – 2024 Draft Proposed Performance Measures for Energy Trust – NW Natural Comments

Northwest Natural Gas Company, dba NW Natural (“NW Natural” or the “Company”), files herewith its comments in response to Staff’s questions for stakeholder discussion from the February 7, 2024 Draft Proposed Performance Measures for Energy Trust.

Performance Measures with routine/minimal change

- *Staff has no specific prompts for these routine updates but welcomes all stakeholder feedback.*

NW Natural Comments:

NW Natural is supportive of the cadence of review for the Energy Trust of Oregon (“Energy Trust”) equity metrics. The first set of metrics were a good starting point for benchmarking the equity work and we appreciate the opportunity to continue to discuss and refine them.

1. Gas Efficiency Savings and Costs: consider adding a performance measure for the percent of savings being measured and verified by an independent third party (e.g., 80% of savings are measured and verified by an interdependent M&V vendor other than Energy Trust or its implementation vendor).
2. Renewable Energy: consider whether there should be similar renewable target and budget goals for RNG development and electrification.
3. Benefit/Cost Ratio: consider adding a quantifiable B/C ratio as a performance measure (e.g., 1.2 or higher).
4. All measures – consider collecting demographic information as applicable to the measures and share back to utilities.

Equity Metrics

- *What are your suggestions for measuring meaningful progress toward equity goals?*
- *Do definitions need updating?*
- *Are Staff’s proposed targets appropriate?*

NW Natural Comments:

In general, NW Natural is supportive of continuing to examine how to measure meaningful progress toward equity goals through the adopted equity metrics with an emphasis on the importance of access to, and transparency of, information. This examination should be guided by the procedural

justice principles of 1) being fair in processes, 2) being transparent in actions, 3) providing opportunity for voice, and 4) being impartial in decision making.

Equity Metric 1: Access to Support for Communities – NW Natural recommends expanding the support beyond nonprofit organizations. While the support of non-profits should be continued, there may be room in the budget to include other organizations that are centered in priority communities. In addition, consideration should be given on whether the proposed \$4.5 million in support (including incentives) of nonprofit organizations should be coupled with a specific energy savings goal to be achieved.

Equity Metric 2: Access to Information – NW Natural is supportive of the qualitative approach to measure success with various outreach examples. While the number of staff members enables more outreach, the number as a metric does not directly correlate to success.

Equity Metric 3: Energy Burden – NW Natural is supportive of increasing low or no cost offerings to customers and recommends including a savings target in this metric. Energy savings at the customer level have a direct impact on energy burden and should be considered as a benchmarking metric.

Outcome-based measures for market infrastructure investments

- *What are your suggestions for operationalizing Energy Trusts market infrastructure investments into measurable outcomes?*
- *What are your reactions to Staff's proposal below?*

NW Natural Comments:

Develop and expand the Trade Ally network: in addition to the increase in the number and diversity (women- and minority-owned businesses) of active trade allies, as well as the number of projects completed, Staff may want to consider adding a measure of the percent of savings achieved.

Administrative and Staffing Costs

- *What are the benefits and risk of changing the definition of administrative costs?*
- *How much should administrative costs be allowed to grow year-over-year?*
- *Is capping staffing cost growth a good performance measure given plans to grow?*
- *What are possible alternatives?*

NW Natural Comments:

NW Natural notes that changing the definition of administrative costs would result in a historical reporting discrepancy. From a utility perspective the current accounting practice allows clear insight into what is spent by Energy Trust versus their program management contractors. To ensure transparency of utility-customer-paid funding for the Energy Trust, NW Natural proposes adding the disclosure of the program delivery costs (broken out by Energy Trust and non-Energy Trust costs) to the reporting, alongside the administrative costs. Such access to transparency of these costs enables fully informed and effective review of and advocacy for Energy Trust programs.

NW Natural is supportive of the change to percentage of expenditures so that Energy Trust is not limited by reserves.

Conclusion

NW Natural appreciates the opportunity to provide these comments. Please address correspondence on this matter to me with copies to the following:

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Sincerely,

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