

September 27, 2023

VIA ELECTRONIC FILING

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

RE: UM 1631 - NW Natural's Petition for Partial Waiver of OAR 860-086-0040(2)(j)

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), encloses for filing with the Public Utility Commission of Oregon (Commission) its Petition for Partial Waiver of OAR 860-086-0040(2)(j).

The purpose of this filing is to enable the Energy Trust of Oregon (ETO) to receive the same customer information allowable under OAR 860-0860-0040(1)(b), which is applicable to its industrial customers. This will allow ETO to offer voluntary energy efficiency programs to NW Natural's natural gas transportation customers.

Please address correspondence on this matter to me with copies to the following:

eFiling
NW Natural
Rates & Regulatory Affairs
250 SW Taylor Street
Portland, OR 97204
Phone: (503) 610-7330
eFiling@nwnatural.com

Respectfully submitted,

/s/ Rebecca Trujillo

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Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 1631**

In the Matter of

NORTHWEST NATURAL GAS
COMPANY, dba NW NATURAL,

Petition for Partial Waiver of OAR 860-
086-0400(2)(j)

PETITION OF NORTHWEST NATURAL
GAS COMPANY dba
NW NATURAL

1 **I. INTRODUCTION**

2 Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), files
3 this petition under the provisions of ORS 756.040 and in accordance with OAR 860-086-
4 000(2). NW Natural respectfully petitions the Public Utility Commission of Oregon
5 (Commission) to issue an order granting a waiver of OAR 860-086-0040, Gas Utility
6 Customer Information and Transfer of Data, which sets forth the requirements for data
7 sharing with the Administrator. OAR 860-086-0040(2)(j) specifically provides that a gas
8 utility may not transfer to the Administrator any proprietary customer information, including
9 usage data, for the gas utility’s transportation customers.

10 NW Natural provides natural gas service in Oregon and is a public utility subject to
11 the Commission’s jurisdiction under ORS 757.005(1)(a)(A). This Petition is filed pursuant
12 to OAR 860-086-000(2), which authorizes the Commission to waive any of the Division
13 086 rules for good cause shown. As further explained below, good cause exists to waive
14 OAR 860-086-0040(2)(j), as it allows the Company to offer an energy efficiency programs
15 to its natural gas transportation customers (“transport customers”), potentially furthering
16 carbon reduction efforts.

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II. COMMUNICATIONS

Communications regarding this petition should be addressed to:

NW Natural
e-Filing for Rates & Regulatory Affairs
250 SW Taylor Street
Portland, Oregon 97204
Telephone: (503) 610-7330
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III. BACKGROUND

On December 16, 2021, the Oregon Department of Environmental Quality (ODEQ) adopted the Climate Protection Program (CPP), codified as OAR Chapter 340, Division 271, which established rules and requirements intended to “reduce greenhouse gas emissions from sources in Oregon, achieve co-benefits from reduced emissions of other air contaminants, and enhance public welfare for Oregon communities, particularly environmental justice communities disproportionately burdened by the effects of climate change and air contamination.” To accomplish this, the CPP, among other actions, sets a declining limit, or cap, on greenhouse gas (GHG) emissions from fossil fuels used throughout the state - including diesel, gasoline, natural gas and propane – used in transportation, residential, commercial and industrial settings. The CPP baseline is set at average GHG emissions from covered entities from the years 2017-2019, with required reductions from this baseline set at 50 percent by 2035 and 90 percent by 2050.

1 Under the CPP, NW Natural is a “covered fuel supplier” and is the point of regulation
2 for the emissions associated with natural gas used by both its sales and transport customers.
3 Transport customers purchase their natural gas commodity directly from marketers and
4 suppliers and have historically only paid NW Natural for delivery via the Company’s
5 natural gas distribution system. Covered entities’ GHG emissions are reported annually
6 through the existing ODEQ GHG reporting program, pursuant to OAR 340-215, and
7 compliance will be demonstrated by each covered entity at the end of each three-year
8 compliance period beginning with calendar year 2022. To comply with these requirements,
9 NW Natural can work to reduce natural gas usage through efficiency measures, introduce
10 renewable and low-carbon alternative fuels, trade for additional compliance instruments
11 with other covered entities, or purchase a limited amount of Community Climate
12 Investments (CCIs).

13 **IV. DISCUSSION**

14 As NW Natural explored the opportunities for compliance with the CPP, and the
15 possibility of reducing carbon via efficiency measures, the Energy Trust of Oregon (ETO)
16 was able to confirm its ability to begin offering programs to transport customers by mid-
17 2024. Measures such as shell measures, equipment upgrades, strategic energy management,
18 and custom projects would be available to these customers. Transport customers’ energy
19 savings potential, as provided by NW Natural’s most recent Integrated Resource Plan (IRP),
20 is shown in the table below. The Company will continue to work with interested parties to
21 further determine appropriate programs for transport customers.

22 The Table below summarizes the energy conservation savings in terms of annual
23 energy use for all measures for four levels of potential relative to the baseline projection.

1 Savings are represented in cumulative terms, reflecting the effects of persistent savings in
 2 prior years in addition to new savings.

Table 5.15: Summary Potential Results – Reference Case: Oregon Transportation

Scenario	2022	2023	2024	2026	2031	2040	2050
Baseline Load Projection Absent Future Savings (mTherms)	357,025	357,418	355,616	350,191	340,047	323,605	304,190
Cumulative Savings (mTherms)							
TRC Achievable Economic Potential	1,531	2,883	4,155	6,721	13,424	18,166	17,481
UCT Achievable Economic Potential	1,537	2,894	4,170	6,746	13,480	18,287	17,655
Achievable Technical Potential	1,844	3,448	4,929	7,867	15,346	20,220	19,392
Technical Potential	2,291	4,298	6,158	9,842	19,167	25,882	25,622
Cumulative Savings (% of Baseline)							
TRC Achievable Economic Potential	0.43%	0.81%	1.17%	1.92%	3.95%	5.61%	5.75%
UCT Achievable Economic Potential	0.43%	0.81%	1.17%	1.93%	3.96%	5.65%	5.80%
Achievable Technical Potential	0.52%	0.96%	1.39%	2.25%	4.51%	6.25%	6.37%
Technical Potential	0.64%	1.20%	1.73%	2.81%	5.64%	8.00%	8.42%

3 NW Natural has not offered energy efficiency programs for its natural gas transport
 4 customers in previous years. With the restrictions of OAR 860-086-0040(2)(j) in place, the
 5 Company does not have the necessary permissions to share any transport customer
 6 information with its Administrator, as it would for its residential and commercial customers
 7 per OAR 860-086-0040(1)(a) or its industrial customers per (1)(b). Without access to similar
 8 information through which it could advise transport customers of the availability of a carbon
 9 compliance energy efficiency program, or even themselves plan/confirm what types of
 10 program offerings could even benefit these customers, the Administrator is unable to provide
 11 NW Natural’s transport customers with any such offerings. Therefore, without approval of
 12 this Petition, the Company and the Administrator would be unable to move forward with the
 13 possibility of allowing transport customers to participate in existing energy efficiency
 14 programs.

