

November 6, 2020

***VIA ELECTRONIC FILING***

Chair Megan Decker, Commissioner Letha Tawney, and  
Commissioner Mark Thompson  
Public Utility Commission of Oregon  
Attention: Filing Center  
201 High Street SE, Suite 100  
Salem, Oregon 97308-1088

**RE: ADV 1130/Advice No. 20-14—PGE Schedule 300 Line Extension Allowance**

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), appreciates the opportunity to comment on Portland General Electric Company's (PGE) proposed revisions to Schedule 300, Line Extension Allowance (LEA). Under PGE's proposal, a builder of a home that uses electricity for space heating would receive a LEA that is \$670 more than a home that uses a competing heating source. To support its advice filing, PGE makes several unsupported assertions on how it would further the goals of Executive Order No. 20-04 (EO 20-04), which calls for a reduction in Oregon's greenhouse gas emissions. NW Natural contacted PGE directly regarding these assertions, but could not determine PGE's basis for them or what analysis, if any, PGE performed prior to making them. Consequently, NW Natural is compelled to respectfully request that the Commission not rely on PGE's characterization of EO 20-04 in determining whether to approve its proposal. If the Commission decides to consider the merits of PGE's EO 20-04 argument, it should require PGE to support its claims with further analysis and provide an opportunity for interested stakeholders to review, seek discovery, and provide comment.

**Electrification is Not Necessarily Decarbonization.**

PGE's proposal equates electrification of space heating with decarbonization without including any supporting analysis showing emissions reductions. While it depends on the equipment used for both electricity and gas, the majority of electric space heating in the Northwest is resistance heating. With PGE's emissions profile, increasing the use of resistance heating would result in increased emissions now and, likely, far into the future. If the Commission decides to consider PGE's arguments regarding EO 20-04, it should, at a minimum, require PGE to analyze the significance of any emissions reductions, and carefully scrutinize PGE's methodology, including its assumptions about space heating equipment efficiency.

### **PGE Fails to Analyze Affordability and Resource Adequacy.**

In addition to not analyzing emissions reductions, PGE's proposal fails to analyze affordability and resource adequacy in its proposal. Without such an analysis, the Commission has no basis to conclude that PGE's LEA proposal will actually further the goals of EO 20-04 or Oregon's energy policy more generally.

Affordability: Although PGE proposes to increase the LEA that home builders will receive, it has not analyzed the additional costs associated with its proposal, such as the cost of equipment and the operating cost of electricity relative to other fuel sources. EO 20-04 states that the Commission should use its broad statutory authority to "mitigate the energy burden experienced by utility customers." Since PGE has not performed this analysis, there is no basis to conclude that its proposal somehow "supports" EO 20-04 or is even consistent with it.

Resource Adequacy: By seeking to electrify space heating, PGE would, by definition, increase its winter peak. However, recent analysis performed by the Northwest Power Pool concludes that the Pacific Northwest may soon face a capacity deficit of thousands of megawatts, and that the need for additional firm generation "becomes particularly acute in winter peak load events that occur during a region-wide period of low wind and solar output in a drought year."<sup>1</sup> Since EO 20-04 states that the Commission should "ensure system reliability and resource adequacy," it should require additional analysis before deciding whether PGE's proposal is consistent with EO 20-04.

In conclusion, NW Natural believes that PGE has not supported its assertions regarding EO 20-04, and respectfully requests that the Commission not rely on them in determining whether to approve the LEA. If the Commission decides to consider PGE's EO 20-04 arguments, it should require PGE to provide further analysis and an opportunity for interested stakeholders to review, seek discovery, and provide comment.

Sincerely,

*/s/ Zachary Kravitz*

Zachary Kravitz  
NW Natural

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<sup>1</sup> Northwest Power Pool, Exploring a Resource Adequacy Program for the Pacific Northwest, at 25, available at: [https://www.nwpp.org/private-media/documents/2019.11.12\\_NWPP\\_RA\\_Assessment\\_Review\\_Final\\_10-23.2019.pdf](https://www.nwpp.org/private-media/documents/2019.11.12_NWPP_RA_Assessment_Review_Final_10-23.2019.pdf)