



Oregon

Kate Brown, Governor

Public Utility Commission

201 High St SE Suite 100

Salem, OR 97301-3398

Mailing Address: PO Box 1088

Salem, OR 97308-1088

503-373-7394

October 21, 2021



BY EMAIL

Northwest Natural Gas Company

efiling@nwnatural.com

RE: Advice No. 21-15

At the public meeting on October 21, 2021, the Commission adopted Staff's recommendation in this matter docketed as ADV 1312. The Staff Report and a receipted copy of the sheets in your advice filing are attached.

A handwritten signature in blue ink, appearing to read "Nolan Moser".

Nolan Moser

Chief Administrative Law Judge

Public Utility Commission of Oregon

(503) 378-3098

ITEM NO. CA2

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: October 21, 2021**

REGULAR CONSENT EFFECTIVE DATE October 22, 2021

DATE: October 4, 2021

TO: Public Utility Commission

FROM: Kathy Zarate

THROUGH: Bryan Conway, John Crider, and Matt Muldoon **SIGNED**

SUBJECT: NORTHWEST NATURAL:
(Docket No. ADV 1312/Advice No 21-15)
Schedule 320 - Oregon Low-Income Energy Efficiency Program.

STAFF RECOMMENDATION:

Staff recommends the Commission approve the request by Northwest Natural Gas Company (Northwest Natural, NWN or Company) for the revision to its Schedule 320 Advice No 21-15 Oregon Low-Income Energy Efficiency (OLIEE) Program, effective with service on and after October 22, 2021, subject to the following Staff proposed condition (Condition):

1. No later than April 1, 2022, Staff and the Company will initiate a review of the Schedule 320, OLIEE program funding allocation rate.

DISCUSSION:

Issue

Whether the Commission should approve the Northwest Natural's housekeeping amendments to its tariff sheet that reflect Commission-approved changes to clarify the terms and parameters outlined in its OLIEE Program.

Applicable Law

Under ORS 757.205(1):

Every public utility shall file with the Public Utility Commission, within a time to be fixed by the commission, schedules, which shall be open to public inspection, showing all rates, tolls and charges which it has established and which are in force at the time for any service performed by it within the state, or for any service in connection therewith or performed by any public utility controlled or operated by it.

The Commission may approve tariff changes if they are deemed fair, just, and reasonable. ORS 757.210.

Tariff revisions may be made by filing revised sheets with the information required under the Commission's administrative rules, including OAR 860-022-0025.

OAR 860-022-0025(2) specifically requires that each energy utility changing existing tariffs or schedules must include in its filing a statement plainly indicating the increase, decrease, or other change made with the filing, the number of customers affected by the proposed change and the resulting change in annual revenue; and the reasons or grounds relied upon in support of the proposed change.

Filings that propose any change in rates, tolls, charges, rules, or regulations must be filed with the Commission at least 30 days before the effective date of the change. ORS 757.220; OAR 860-022-0015.

Analysis

On September 21, 2021, NW Natural submitted these housekeeping filing revisions to add or remove clarifying language relating to Schedule 320.

In the Energy Efficiency Measures section of Sheet 320-4, NW Natural proposes to remove the outdated language relating to payments based on one energy audit. This language is obsolete because Advice No. 19-19 (ADV 1056) included tariff language changes to remove reference to specific funding amounts for activities such as Audits and inspections. NW Natural has recently become aware of tariff language that was inadvertently left in tariff but is now outdated since the Advice No. 19-19 changes became effective in 2020.

Through its Advice No. 21-15, the Company is proposing to make language changes to schedule 320. The stated goal is to allow for clarification and more efficient administration of the OLIE program.

1. The Company proposes the following change to Sheet 320-4 on Paragraph second under Energy Efficiency Measures, line 5 and 6 respectively.

“to accommodate timing differences between measure installations, the payment may be disbursed through one or more request.”

Rather than:

“to accommodate timing differences between measure installations, the payment may be disbursed through one or more request provided all of the work is based on the same audit. Only one energy efficiency audit per home will be eligible for payment under the OLIEE Program”

Based on Staff’s review of the proposal modifications, and conversations with the Company regarding said modifications, Staff has no issues with the changes to the program or tariff sheet language. As noted earlier, the changes will help clarify confusing language in the sheet, helping to clarify program eligibility and increasing the number of cost effective energy efficiency projects able to be completed. Staff believes the changes are reasonable and will result in clearer and more robust tariff sheets.

Conclusion

Staff recommends the proposed language modifications to sheet 320, Oregon Low Income Energy Efficiency Program go into effect. By their housekeeping nature, none of the revisions affects customers’ eligibilities. Staff has reviewed the application and finds the Company has met the requirements of statute and administrative rule and the proposed revisions are fair and reasonable.

Staff’s recommendation is predicated upon a Condition requiring that no later than April 1, 2022, Staff and the Company will initiate a review of the Schedule 320, OLIEE program funding allocation rate. Staff feels that this will update the OLIEE rate and where necessary or appropriate process to reflect changes in best practices and legislation¹. Further, given this timing, representatives of affected and energy burdened communities may qualify for intervenor funding to fully participate in this update.

¹ HB 2475 allows the Commission incremental authority to address energy burden issues and also allows for consideration of intervenor funding for new participants representative of affected communities.

NWN Docket No. ADV 1312/Advice No. 21-15
October 7, 2021
Page 4

PROPOSED COMMISSION MOTION:

Approve Northwest Natural's Advice No 21-15, effective for service on or after October 22, 2021, subject to Staff's recommended Condition.

ADV 1312 / Advice No. 21-15

SCHEDULE 320
OREGON LOW-INCOME ENERGY EFFICIENCY (OLIEE) PROGRAMS
(continued)

CAP Administration and Delivery Costs

Each Agency will be reimbursed from the OLIEE Account for administrative costs and direct program costs incurred by them in their administration and delivery of the OLIEE program up to \$1,600 per dwelling. The Agency fee will be paid to each Agency along with the measure rebate payments. The Company will process measure rebate payments and Agency payments within thirty (30) days from the date the Company receives all completed documentation in support of such rebate request(s).

Annual Program Year Targets (households)

At the beginning of each Program Year, each participating Agency will be assigned a home completion target that supports the achievement of an annual program target. Agency targets may be adjusted from time to time throughout a Program Year, as necessary. Nothing precludes Agencies from serving more than the annual target of homes in any program year provided sufficient funds are available and approved by the Company. The Company will include the expected targets for the following year, by Agency, in the Annual Report.

Energy Efficiency Measures

Qualifying energy efficiency measures are, 1) energy efficiency measures recommended when the dwelling is modeled in the Energy Analyzer Software. All measures prescribed by the Energy Analyzer Software for the whole house must meet or exceed a Savings to Investment Ratio (SIR) of 1.0 or better unless identified through number 2 or 3 below. The SIR calculation will use the Energy Information Administration's Oregon residential natural gas price as the cost against which the benefits are measured 2) The replacement of non-functioning or red-tagged heating equipment with a high efficiency gas furnace. Heating equipment is considered red-tagged when a representative from the Company or an Agency has deemed the appliance unsafe to operate, 3) Measures identified as cost effective by third party organizations (Regional Technical Forum, Energy Trust of Oregon, etc.).

The energy efficiency measure payment may not exceed \$15,000 per dwelling. When only heating equipment measures are performed, the payment may be up to \$5,000 per dwelling. When no heating equipment measures are installed, energy efficiency measure(s) paid per dwelling shall not exceed \$10,000. When both heating equipment and non heating equipment measures are included the payment may not exceed \$15,000 per dwelling. To accommodate timing differences between measure installations, the payment may be disbursed through one or more requests. Under no circumstances will the payment exceed the actual installed cost of the measure(s). The Company may coordinate with other funders (eg Energy Trust of Oregon) to facilitate payments and appropriate reporting of measures.

(D)

(continue to Sheet 320-5)

Issued September 21, 2021
NWN OPUC Advice No. 21-15

Received
Filing Center
SEP 21 2021

Effective with service on
and after October 22, 2021