



# Oregon Citizens' Utility Board

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*via electronic filing*

January 12, 2024

Public Utility Commission  
Attn: Filing Center  
P.O. Box 1088  
Salem, OR 97308-1088

**RE: LC 81 In the Matter of AVISTA CORPORATION, dba AVISTA UTILITIES, 2023 Natural Gas Integrated Resource Plan. Oregon Citizens' Utility Board Comments on Staff's Final Comments.**

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After reviewing the Public Utility Commission of Oregon (Commission) Staff's (Staff) Final Comments, CUB would like to applaud Staff for their diligent work and thoughtful recommendations to the Commission as it considers whether to acknowledge Avista Corporation's (Avista or the Company) 2023 Natural Gas Integrated Resource Plan (IRP). CUB found that Staff's consideration of the concerns raised in CUB's Opening Comments filed on August 29, 2023 was fair and reasonable and that generally Staff and CUB's positions were aligned. Thus, our final comments are brief. The analysis and positions stated in CUB's Opening Comments haven't changed substantively and rather than reiterate our prior comments, CUB incorporates them here by reference.

Like Staff, CUB recognizes the interrelatedness of near-term and long-term resource planning, yet still assesses the IRP Action Plan items and long-term plans individually here, following the Commission's precedent in Docket No LC 79.<sup>1</sup> CUB is largely unopposed to the near-term Action Plan items, although in accordance with Staff, CUB recommends that the Commission "not acknowledge the acquisition of 8.64 million therms of [renewable natural gas] RNG in 2023... because these procurement efforts are underway and... may be too substantially complete."<sup>2</sup>

Furthermore, CUB agrees with Staff that "RNG and [community climate incentives] CCIs [should be] pursued in the most economical way possible to minimize compliance costs."<sup>3</sup> The Company states:

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<sup>1</sup> See Docket No. LC 79, Order No. 23-281 at 8, <https://apps.puc.state.or.us/orders/2023ords/23-281.pdf>.

<sup>2</sup> LC 81- Staff Final Comments at 2.

<sup>3</sup> *Id* at 10.

Renewable Natural Gas (RNG) has proven to be a valid method to reduce emissions, and per Climate Protection Program (CPP) rules, should be considered a viable option for CPP compliance, rather [than] relying on procuring the maximum amount of Community Climate Investments (CCI) credits. When considering least cost and least risk, CCI credits are not a long-term solution, so compliance risk remains and drives the need to acquire RNG or other alternative clean fuels.<sup>4</sup>

However, CUB contends that without an evidence-based and cost-effective long-term decarbonization plan for the gas system— or a clear sense of how this conundrum will affect future loads, emissions reduction needs, and costs to customers— CCIs present a more flexible and lower risk pathway than excessive commitments to expensive RNG in the long-term. Ergo, RNG should not be granted undue priority over CCIs for near-term compliance when it is not the most economic solution, especially given Staff’s, CUB’s and other intervenors’ concerns over Avista’s RNG price and availability modeling.<sup>5</sup>

It should be noted that despite the ruling on *N.W. Natural Gas Co. v. Environ. Quality Comm.*,<sup>6</sup> with EO 20-04 in place directing the Oregon Department of Environmental Quality (DEQ) to set up a cap and reduce program, and our knowledge of how the DEQ would design such a program, we are operating by the assumption that the Climate Protection Program (CPP) is the best model of what an emissions reductions program will look like. Thus, barring revelations indicating otherwise, our analysis and recommendations regarding RNG and CCIs hold.

Regarding Avista’s long-term planning, CUB joins Staff in recommending non-acknowledgement based on the concerns raised in CUB’s Opening Comments and Staff’s Final Comments, particularly regarding Avista’s “[u]nrealistic assumptions about costly decarbonized fuels.”<sup>7</sup> CUB is generally supportive of Staff’s recommendations regarding Avista’s next IRP and updating IRP guidelines as well.

CUB will continue to engage in this IRP process and anticipates presenting oral comments at the forthcoming February 22, 2024, special public meeting in this matter.

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<sup>4</sup> LC 81- Avista Reply Comments at 2.

<sup>5</sup> LC 81- Staff Final Comments at 10 - 13.

<sup>6</sup> See *N.W. Natural Gas Co. v. Environ. Quality Comm.*, Case No. A178216 (Dec 20, 2023) <https://cdm17027.contentdm.oclc.org/digital/collection/p17027coll5/id/35371/rec/1>

<sup>7</sup> LC 81- Staff Final Comments at 1.

Respectfully submitted,

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