



April 12th, 2024

Public Utility Commission of Oregon
cc: Charles Lockwood, PUC Staff
201 High St. SE #100
Salem, OR 97301

RE: OPUC Consideration of LEA General Rate Case Filing (UG490) to Support Decarbonization

Dear Oregon Public Utility Commissioners,

My name is Preston Korst and I'm the Director of Government Affairs at the Home Building Association of Greater Portland. The HBA is dedicated to maximizing housing choice for all who reside in our region by shaping an environment in which industry professionals can effectively meet the diversified needs of all communities. Together, our 1,200 members work across the Portland region in 6 counties, 40 cities, and in many more service and utility districts.

We are writing in support of a collaborative proposal filed by NW Natural to create the country's first residential Line Extension Allowance (LEA) program supporting both housing production objectives and energy grid decarbonization.

This reasonable LEA proposal will:

- **Lower severe swings to existing LEA requirements**, ensuring that homebuilders have a more stable development environment in a regulatory and capital market that is volatile enough.
- **Allow for the installation of important residential infrastructure** that can deliver reliable natural gas now, and could be used to transport important amounts of clean energy sources, such as Renewable Natural Gas (RNG) and blended hydrogen.
- **Retain customer choice and energy resiliency** while positioning NWN customers and the utility systems for a low carbon compliance environment.
- **Provide incentives for new technologies** that are emerging from the market that previous models did not account for, including hybrid space heating solutions.

HBA members have deep experience in bringing energy efficiency and sustainable designs to the homes they build. Given the dual crises of climate change and a housing supply shortage, we urge policy makers to nurture cost-effective and diverse energy programs that help bring new homes to market while making older homes healthier and more efficient. Together, we should search for innovative policy strategies that generate affordably for working families and create valid tools to decarbonize our energy grid. Therefore, we appreciate when public policy is carefully developed to achieve both of these worthy

objectives—especially when Oregon is staring down an existing housing deficit of 140,000+ units, and will need 443,000 new homes built over the next 20 years.

Homebuilders are often encouraged to think not just about the first family that moves into a newly built home, but for the next 5 families. Today's modern building standards and high-performance building codes mean that products built today will exist for at least the next 100 years. As a society, we should ensure that homes built today have the basic infrastructure installed to accommodate for a future energy market we can't even imagine today. New technologies and energy solutions will emerge and we should not rush to eliminate infrastructure that may be essential in solving our climate crisis or housing affordability crisis, while simultaneously protecting our resiliency during extreme weather events.

We encourage you to approve this proposal from NW Natural that prioritizes housing affordability and bends towards a cleaner and more efficient energy grid. We are certain that this policy change will result in a more sustainable future, reliable energy supply, and reduced impacts on our environment.

Thank you for your consideration,

A handwritten signature in black ink, appearing to read "Preston Korst". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Preston Korst

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