

March 12, 2023

Written Comments to the Oregon Public Utilities Commission on the NWN Integrated Resource Plan - Docket LC 79

To: Chair Decker and Commissioners Tawney and Thompson

Thank you for the opportunity to provide comments on the important decisions before you on this IRP. As Chair Decker noted during the last work session, this IRP sets the tone for future proceedings regarding oversight of the gas utilities. This is the first IRP which requires a balance between ensuring the safe and cost effective provision of energy services to ratepayers and the need to comply with state climate goals and specifically the requirements of the CPP.

The proposed Action Plan is inconsistent with long term compliance needs and system demands.

NWN has positioned the near term action plan investments as necessary system upgrades based on current customer demand and separate from long term plans for system decarbonization and long term load forecasts. This is a false framing of the situation and relegates CPP compliance actions to sometime in the future while justifying short term investments that do not align with long term system needs. Any near term investments should be evaluated in light of their ability to achieve long term goals and requirements for decarbonization and in light of projected future demands of the system. NWN's Action Plan recommended investments may have been straightforward in a prior time when systems growth and customer demand were guaranteed to expand, but this is no longer the case. NWN's own modelling projects demand to decrease. How does it make sense to uprate pipes to increase capacity when future demand is projected to decline?

We agree with staff that non-pipe solutions should be examined more closely for the Forest Grove project. Demand response, targeted energy efficiency programs and other temporary measures to deal with potential peak capacity issues should be explored before expensive new pipes are commissioned at ratepayer expense. Incentives to shift heating load to the electric grid in Forest Grove should also be explored.

Uncertainty versus known solutions

The term "uncertainty" was frequently used during the IRP work session by the commissioners, staff and NWN. It is not surprising given that every dimension of NWN's long term CPP compliance plans are uncertain. The plan is predicated on technologies that do not exist or which are in very early stages of development. It attempts to assign costs to resources that are not available and may not ever be available to the company – such as sufficient quantities of RNG, Green Hydrogen and Synthetic Methane. It relies on yet to be developed heating technologies that may use less fossil gas, and which may or may not be attractive to homeowners and businesses. It projects the adoption of these non-existent technologies to scale more rapidly than other recent energy innovations. NWN's compliance scenarios labor to maintain a robust customer base despite inevitable and significant cost increases to ratepayers for their product and ever increasing customer awareness about the negative health and climate impacts of that product. This creates uncertainty about the willingness of new and existing customers to choose fossil gas energy.

We urge the commissioners to emphasize known solutions in face of these myriad uncertainties. For example, investments in energy efficiency and demand response are known solutions to reduce costs for ratepayers, reduce throughput, reduce emissions, reduce the need for system expansions and help NWN to meet its compliance with the CPP.

Additionally, electrification is another known and certain action which could be brought to bear to avoid costly system investments which are not justified in the long term.

Energy efficiency investments, demand response and electrification all have the below benefits which should be requirements for any system investments passed on to ratepayers:

1. Reduce gas system throughput which is the most effective and only currently available method to reduce gas system greenhouse gas emissions necessary for CPP compliance.
2. Reduce the need for gas system infrastructure investments that will become unnecessary as the annual demand for gas decreases and peak demands decrease as NWN predicts with their all their compliance scenario models.

The decisions before you about whether to approve the requested investments in system infrastructure are exactly the issues that we should be scrutinizing in the short term with a new understanding of likely long term system demands and requirements for decarbonization.

We are very supportive of staff recommendations in general and urge you not to acknowledge the Forest Grove uprate project and instead require NWN to implement energy efficiency, demand response and electrification measures to deal with short term peak load issues.

Respectfully,

Brian Stewart
Electrify Now

