Ms. Kim Herb Oregon Public Utility Commission 201 High Street SE, Suite 100 Salem, OR 97301-3398

Re: UM 2178 – Natural Gas Fact-Finding per EO 20-04 PUC Year One Work Plan Joint Letter on Staff's Natural Gas Fact-Finding Draft Report

June 9, 2022

Dear Oregon Public Utility Commission Staff,

The undersigned mayors and local government official write to thank you for the opportunity to weigh in on Staff's Draft Report in the Natural Gas Fact-Finding Investigation (UM 2178, also known as the "Future of Gas" study), and to express our strong support for climate and energy justice advocates' request that the Final Report be strengthened. Specifically, we hope the report will include recommendations for immediate action, including 1) eliminating subsidies for gas system expansion and 2) expanding incentive programs to ensure low- and moderate-income Oregonians can benefit from high-efficiency electric heating and cooling technologies. We urge you to use your role as public utility regulators and experts to provide the state with urgently-needed direction for this critical clean energy transition.

The climate-fueled extreme heat, wildfires, and drought that threaten the lives and livelihoods of Oregonians across the state have only underscored the need to use every tool in our toolbox to reduce greenhouse gas emissions and advance the transition to a clean energy future – and to do so in a way that prioritizes those communities disproportionately impacted by climate impacts. As city leaders, we rely on state agencies to help guide our state in this transition. We expect that you do so with the urgency of the climate crisis in mind.

At a minimum, it is crucial that the OPUC eliminates subsidies to expand methane gas infrastructure (e.g., line extension allowances, gas appliances, and the gas promotional materials). The IPCC makes clear that to effectively combat the climate emergency and improve public health, we must pursue "strong, rapid and sustained reductions" in methane emissions.¹ Importantly, methane is a climate pollutant approximately 86 times more potent over a .20-year timeframe than carbon dioxide. Rather than doubling down on polluting infrastructure, all public subsidies and ratepayer funds should go to climate solutions, particularly those that benefit frontline, environmental justice, and low-income communities.

Expanding access and affordability programs for efficiency and high-efficiency electric heat pumps and water heaters can provide cost savings, reduce harmful indoor and outdoor air pollution, and significantly cut climate-harming methane emissions. Heat pumps also provide

¹ See, e.g., <u>Climate change widespread, rapid, and intensifying – IPCC – IPCC</u>

essential cooling with less energy use than traditional air conditioners. As Oregon summer temperatures continue to spike – and as we see future 100+ degree heat waves like we did in 2021 – access to climate-resilient cooling technologies, like electric heat pumps, will save lives. It is urgent and necessary that the state provide payment assistance to low- and moderate-income Oregonians so that it is not just wealthier families who have access to these solutions.

Thank you again for your work to address this important topic and we look forward to reading a strengthened Final Report as well as supporting you in this transition at the city level.

Sincerely,

Mark Gamba Mayor City of Milwaukie

Biff Traber Mayor City of Corvallis

Joe Buck Mayor City of Lake Oswego

Lucy Vinis Mayor City of Eugene

Kathy Hyzy Council President City of Milwaukie