

July 27, 2021

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
Attention: Filing Center
201 High Street SE, Suite 100
Salem, Oregon 97301-3398

**RE: UM 2178, Natural Gas Fact-Finding Per Executive Order 20-04
NW Natural's Comments**

NW Natural has long supported the development of programs that effectively and equitably address the existential crisis of climate change, and looks forward to working with stakeholders to do our part to help Oregon achieve deep decarbonization through examination of relevant issues in this process and others.

NW Natural, however, does not view this forum as an attempt to establish policy, or as a forum that will provide an appropriate factual foundation supporting any specific steps, for Oregon's decarbonization pathway. Rather, a focused scope analyzing potential cost impacts of natural gas utilities' compliance with the forthcoming Oregon Department of Environmental Quality (ODEQ) Climate Protection Program (CPP) and a general review of potential regulatory tools for addressing those costs is appropriate for this Fact-Finding. The CPP, which is still in development, could be a transformational program that requires natural gas utilities to achieve deep decarbonization in support of Executive Order 20-04. NW Natural intends to meet any lawful emissions reductions requirements consistent with state law, and has a vision for how it will accomplish those reductions. Requests to expand the scope of this Fact-Finding beyond examination of possible impacts of the CPP and potential approaches for addressing them are outside the scope of the Executive Order, and, potentially, outside the statutory authority of the Commission.

In addition to its concerns about expanding the scope of this proceeding beyond its intended or meaningful purpose, NW Natural cautions stakeholders that there are significant limits to what can be accomplished in this process given CPP rulemaking development and the compressed schedule of the Fact-Finding. The full set of draft CPP rules have not yet been issued, but are expected to be distributed by ODEQ while NW Natural is performing modeling for this Fact-Finding. Due to this timing, NW Natural will not likely be able to capture any changes or additions to the current set of publicly

distributed, albeit incomplete, CPP rules, and the modeling will not be based on a full set of draft rules. Given this, the results of the modeling are likely to be of limited use in understanding the full implications of the CPP to natural gas utility customers.

Additionally, the modeling work being requested is on a very tight timeline and is stretching the limits of what can be completed in the three weeks being provided to the utilities to complete this analysis. The modeling work being requested is very similar to that which is completed in an IRP process, which is guided by the Commission's rules and IRP Guidelines, and usually involves a full year of planning and workshops, followed by Commission public process. As a practical matter, many of the requested sensitivities and scenarios requested by stakeholders in the second workshop may not be feasible to complete, and we request flexibility through this process as we attempt to accommodate many interests.

We look forward to reviewing stakeholders' comments, and we will respond to those comments, as necessary.

Sincerely,

/s/ Zachary Kravitz

Zachary Kravitz
NW Natural
Director, Rates and Regulatory Affairs