

# UM 2178 Natural Gas Fact Finding Draft Report



July 12, 2022 Special Public Meeting

# Staff Agenda

UM 2178 PROCESS

DRAFT REPORT OVERVIEW


DRAFT REPORT FEEDBACK

APPROACH TO FEEDBACK  
& ISSUES

# Desired output(s)

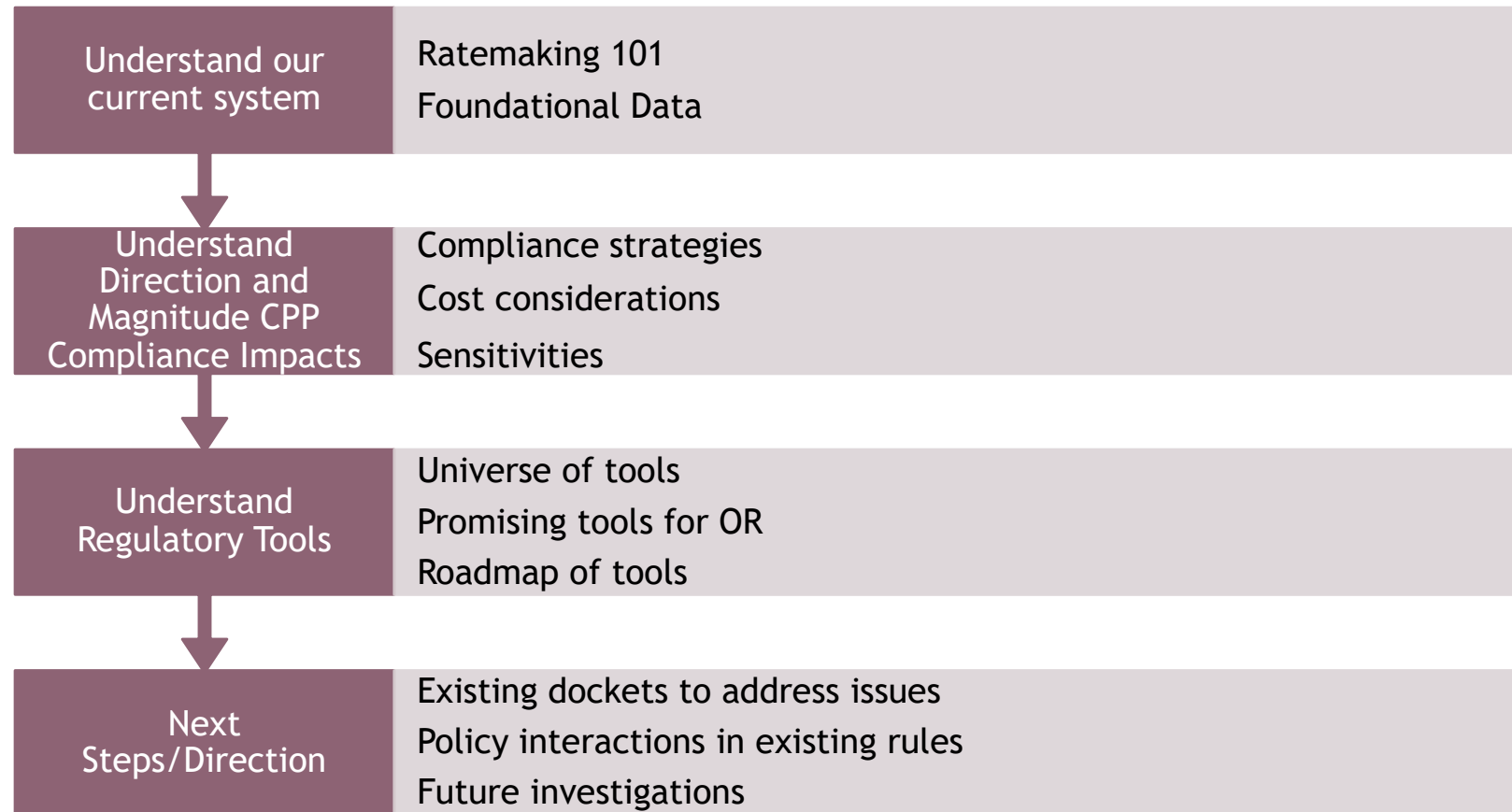
EO 20-04 → PUC EO-20-04 Workplan → UM 2178

An understanding of potential natural gas customer bill impacts associated with compliance with GHG emission targets from DEQs Climate Protection Program.



Identification and eventual evaluation of strategies / tools to equitably mitigate potential harm to natural gas customers.

# UM 2178 Plan: Approach and Process



# Stakeholder Engagement



# Report High Level Summary

*"Identify CPP compliance pathways, associated costs, implementation issues, and potential regulatory tools capable of mitigating customer impacts, increasing intergenerational equity, and incentivizing actions to meet CPP targets."*

Momentum	For both limiting gas expansion and for gas supply innovations, is accelerating.
Costs	Utility modeled costs and risks of CPP compliance actions range from manageable to rather substantial by 2029, depending on the customer and their existing level of energy burden.
Understanding of Issues	Stakeholders gained a heightened understanding CPP compliance and decarbonization issues that PUC will need to address.
Authority	PUC likely has sufficient authority to implement many planning, program and rate making regulatory tools available to manage the risks of various compliance pathways for gas utility decarbonization; others are out of reach without additional rulemaking, regulatory authority, or legislation.
Coordination	Some high-impact regulatory tools required to optimize across the energy system would require an unprecedented degree of internal and external coordination, additional resources, and work across a variety of dockets and utilities over the next decade.

# 25 Planning, Program and Ratemaking Regulatory Tools to Address

Protecting  
customers

Assessing full costs

Improving access to  
information

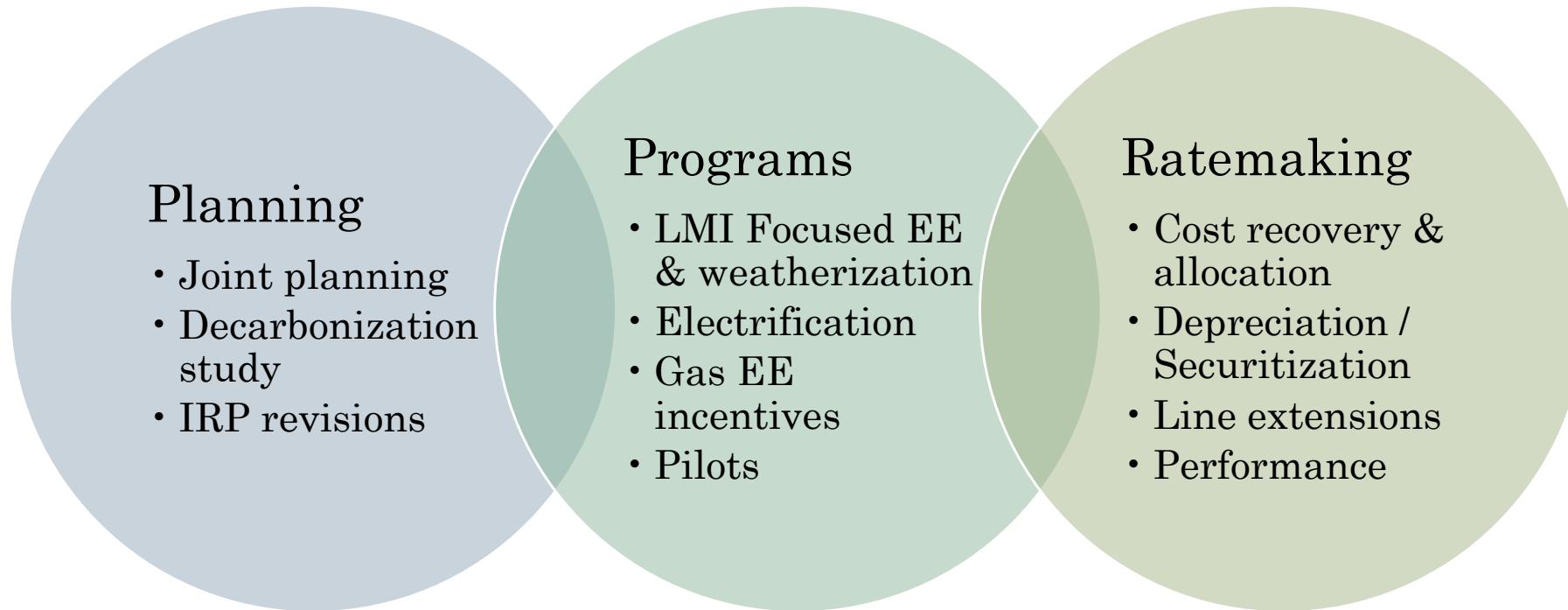
Decarbonization  
planning and cost-  
recovery

Monitoring,  
tracking and  
reporting

Incentivizing GHG  
reduction pathways

Draft report identified tools for Commission consideration and  
discussion.

# Regulatory Tools Feedback



# Public Comment & Docket Feedback

*The majority of the commenters request a stronger report, the removal of gas infrastructure going forward, and the impact of natural gas on climate change.*

Mitigate Bill  
Impacts

Need to Protecting  
Customers

Do Not Expand  
Gas Infrastructure

Consider Climate  
and Health Risks

High Costs of  
Replacing  
RNG with electric

Immediate Action  
Needed

GHG Emission  
Reductions

Use Available  
Technology to  
Retain Natural  
Gas

Broad Commission  
Authorities  
/ Responsibilities

Focus on  
Decarbonizing  
Natural Gas – not  
full electrification

Push ETO Electric  
Heat Pump

Eliminate Natural  
Gas in Oregon

# Types of Stakeholder Feedback

*via service list*

## 1 Report - General

- Add stakeholder feedback
- Corrections
- Clarifications
- Analyze and opine on assumptions

## 2 Regulatory Tools

- Explain better
- Add / remove tools
- Add stakeholder positions
- Prioritization
- Implementation

## 3 Direction to / Role of PUC

- Docket scope
- Commission authority
- Prioritization criteria
- Recommended next steps
- Commission direction

## 4 Decarbonization Approach

- Positions
- Suggested approaches

# Report Response Approach

## 1 Report - General

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Focus on 1 and 2 to Finalize Report.

\*Additional analysis and opinions on assumptions will primarily be directed to relevant dockets.

# Final Report Improvements





# Questions