

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 2030

In the Matter of

PUBLIC UTILITY COMMISSION OF
OREGON,

Investigation Into the Use of Northwest
Natural's Renewable Natural Gas
Evaluation Methodology.

OREGON CITIZENS' UTILITY
BOARD'S AND ALLIANCE OF
WESTERN ENERGY CONSUMER'S
JOINT MOTION TO DESIGNATE
DOCKET AS ELIGIBLE
PROCEEDING FOR ISSUE FUNDS

Pursuant to Section 1(c)(v) of the Fourth Amended Intervenor Funding Agreement (“IFA”), approved on January 17, 2018 by the Public Utility Commission of Oregon (“Commission”) in Order No. 18-017, the Oregon Citizens’ Utility Board (“CUB”) and Alliance of Western Energy Consumers (“AWEC”) file this motion to designate the above-referenced docket as eligible for an Issue Fund Grant.

This docket will directly affect Northwest Natural Gas Company (“NW Natural”), a Participating Public Utility under Section 1(n) of the Restated IFA and which is participating in this docket. This docket will also likely affect Avista Corporation (“Avista”) and Cascade Natural Gas Corporation (“Cascade”), which are Participating Public Utilities under Section 1(n) of the Restated IFA because the methodology developed in this proceeding will likely be used to measure the cost effectiveness of renewable natural gas (“RNG”) acquisitions for those companies as well as for NW Natural.

Section 1(c)(iii) of the IFA defines “Eligible Proceeding for Issue Funds” as, among other things “an Integrated Resource Plan” and Section 1(c)(v) of the IFA defines “Eligible Proceeding for Issue Funds” as, among other things, a proceeding “so designated by the Commission that

directly affects one or more of the Participating Utilities and is anticipated to have a substantial impact on utility rates or service, a significant impact on utility customers or the operations of the utility, is likely to result in a significant change in regulatory policy, or raises novel questions of fact or law.”

While Docket UM 2030 is not an integrated resource planning (“IRP”) proceeding, this proceeding initially arose out of NW Natural’s 2018 IRP, where the company requested acknowledgment of its methodology for determining the cost effectiveness for bringing RNG resources to customers. Instead of acknowledging the RNG evaluation methodology, however, based on Staff’s recommendation, the Commission opened Docket UM 2030 to investigate and refine the RNG evaluation methodology.¹ Therefore, like an IRP, the outcome of this proceeding will have a significant impact on how the gas utilities plan to acquire RNG since this proceeding will set the bounds for how RNG is evaluated.

NW Natural’s inclusion of the RNG evaluation methodology in its 2018 IRP was timely with the passage of Senate Bill 98, which allows Oregon gas utilities to voluntarily pursue purchases of RNG for their core customers as an alternative to traditional natural gas that is produced either from wells or from shale. It also allows gas utilities to make capital investments to connect RNG resources to the gas distribution system.

On January 10, 2020, NW Natural submitted an updated Appendix H to its IRP in Docket UM 2030 to address the investigation into the appropriate methodology for determining the cost effectiveness of RNG resources for NW Natural customers. The RNG evaluation methodology developed in this proceeding will be novel and will be a departure from least-cost

¹ Order 19-073

planning, which otherwise may have prevented the purchase of RNG and investments in favor of less expensive resources.

As Senate Bill 98 is one of the first programs of its kind, and this companion docket will develop the methodology used to measure the cost effectiveness of RNG projects, this proceeding is likely to result in a significant change in regulatory policy, and will raise both novel issues of fact and law for Oregon gas utilities and their customers. As described above, this proceeding will address how to measure the cost effectiveness of RNG projects within the traditional least cost and least risk resource planning framework. Further, the evaluation methodology developed through this docket may have a significant impact on utility rates and service, as it will determine the methodology used by utilities when securing RNG resources.

Therefore, for the foregoing reasons, CUB and AWEC respectfully move the Commission to designate this proceeding as an “Eligible Proceeding for Issue Funds” under the IFA.

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Dated this 6th day of February 2020.

Respectfully submitted,



Chad M. Stokes, OSB No. 004007
Tommy A. Brooks, OSB No. 076071
Cable Huston LLP
1455 SW Broadway, Suite 1500
Portland, OR 97201-3412
Telephone: (503) 224-3092
Facsimile: (503) 224-3176
E-Mail: cstokes@cablehuston.com
 tbrooks@cablehuston.com

Attorneys for
Alliance of Western Energy Consumers



Michael Goetz, General Counsel
Oregon Citizens' Utility Board
610 SW Broadway, Ste. 400
Portland, OR 97205
Telephone: (503) 227-1984 x 16
Facsimile: (503) 224-2596
E-Mail: mike@oregoncub.org