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May 5, 2023

Re: **NW Natural 2022 Integrated Resource Plan, bp Comments on Staff's Final Comments, Docket No. LC 79**

Dear Oregon Public Utility Commission:

On behalf of bp America Inc., thank you for the opportunity to comment on NW Natural's 2022 Integrated Resource Plan (IRP). bp's ambition is to become a net zero company by 2050 or sooner, and to help the world reach net zero. Consistent with bp's ambition, we are dramatically increasing capital investment in low carbon energy projects and actively advocating for policies supporting net zero, including carbon pricing. Accordingly, we participated in the rulemaking of the Oregon Climate Protection Program (CPP).

bp also advocated in support of Oregon Senate Bill (SB) 98 through its membership in the Coalition for Renewable Natural Gas (RNG Coalition). SB 98 encourages the development of renewable natural gas (RNG) and allows utilities voluntarily to procure RNG at set percentage targets and in a cost-effective manner (with a rising percentage from 5% to 30% over the next 25 years). It includes a limitation that a utility may not be allowed to continue to pursue additional RNG qualified investments if the incremental cost of RNG exceeds 5% of total revenue requirements in a given year.

bp continues to support SB 98 and believes RNG represents an important investment compliance option to help Oregon reach its emissions reduction targets under the CPP. As a proponent of giving utilities additional options to reduce their carbon emissions, bp does not agree with the Oregon Public Utility Commission (OPUC) Staff's Recommendation 7 -- "non-acknowledgement of the SB 98 RNG acquisition under Action Item 5." bp believes OPUC Staff should refrain from using their authority over the IRP approval process to override express legislative intent to encourage growth of RNG and its usage in Oregon to help lower emissions.

Consistent with bp's net zero ambition, bp has grown our RNG portfolio to support bp's aim to reduce the carbon intensity of energy products we sell. RNG can have the potential to be a negative emission energy source if it is derived from captured methane that otherwise would have been released into the atmosphere and can be used as a direct substitute for natural gas across all sectors of the economy driving emissions reductions even further. In 2022, bp added to its already sizable RNG portfolio (around 11,000 barrels of oil equivalent per day (boed)), by acquiring Archaea Energy Inc., a leading RNG producer operating 50 RNG and landfill gas-to-energy facilities across the US and producing around 6,000 boed of RNG. Archaea also has identified 80 new projects across the country that underpin the potential for around five-fold growth in methane capture and RNG production by 2030.

Further, a robust RNG market exists today and is expected to grow rapidly to meet increasing demand. In bp's Energy Outlook 2022,¹ we estimate that biogas grows more than 25-fold from 2019 to 2050. Based on a 2019 study conducted by ICF which outlines the supply potential for RNG in the United States,² it is estimated that RNG from Anaerobic Digester feedstocks will be able to supply at least 1,425.3 tBtu/year by 2040. Based on U.S. natural gas consumption in 2021, this would cover approximately 30.6% of residential demand, 43.7% of commercial demand, or 17.4% of industrial demand nationally.³ RNG represents a reliable market solution that will ensure energy security while NW Natural meets its decarbonization goals.

Staff's current position to block NW Natural from making RNG a portion of its portfolio of investments to reduce emissions under the CPP seems to be based entirely on Staff's view of the costs of RNG versus CCI credits, as CCIs currently are priced lower than most RNG resources. bp believes Staff's analysis of costs is based on speculative information, and Staff has failed to recognize RNG's benefits towards lowering emissions and ensuring energy security as NW Natural reduces GHGs to meet Oregon's ambitious emission reduction targets. We encourage OPUC to consider the merits of NW Natural's IRP and its focus on RNG. By supporting their efforts, we can collectively work toward a more sustainable and resilient energy future in Oregon.

¹ <https://www.bp.com/en/global/corporate/energy-economics/energy-outlook.html>

² CF, Renewable Sources of Natural Gas: Supply and Emissions Reduction Assessment. <https://gasfoundation.org/wp-content/uploads/2019/12/AGF-2019-RNG-Study-Full-Report-FINAL-12-18-19.pdf>

³ https://www.eia.gov/dnav/ng/ng_cons_sum_dcu_nus_a.htm

Thank you again for the opportunity and please feel free to contact me at thomas.wolf@bp.com or 360-483-7438 if you would like to discuss further.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tom Wolf', with a long horizontal flourish extending to the left.

Tom Wolf