

Southern Oregon Climate Action Now

SOCAN

Confronting Climate Change

<https://socan.eco>

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Reference Northwest Natural Gas Request for a Rate Hike

Chair Decker; Commissioners Tawney and Perkins,

First, thank you for providing the opportunity to offer comments on the NW Natural Rate Hike request.

I write as cofacilitator of Southern Oregon Climate Action Now, an organization of some 2,000 Southern Oregonians who are concerned about the climate crisis and encourage state action to address it. As rural and coastal Southern Oregonians, we live on the frontlines of the warming, reducing snowpack, heatwaves, drought, rising sea level, and the increasing wildfire risk that these trends conspire to produce. Because of this, we pay close attention to what is happening in state agencies in terms of actions that might stimulate emissions reductions or emissions increases.

Throughout SOCAN's existence (established in 2012) we have been collaborating with sympathetic state legislators and the grassroots statewide climate action coalition to encourage through supportive testimony meaningful legislation that would reduce greenhouse gas (GHG) emissions and/or promote GHG (largely carbon dioxide) sequestration. We have similarly been monitoring and testifying before state agencies, particularly as they have responded to Governor Brown's Executive Order 20-04 and developed programs within their authority.

Although we do not live in the Northwest Natural Gas Franchise Territory, we are concerned that if the efforts of NW Natural to raise fees for the reported array of reasons is successful, Avista will soon follow with a parallel request.

In 2007, the Oregon Legislature passed, and the Governor signed HB 3543 identifying a 2050 target of reducing emissions 70% below 1990 levels. Regrettably this was a purely voluntary effort imposing no requirements on Oregon corporations to undertake emissions reductions to meet intermediate targets. Inevitably, this effort failed. The main reason for the state's failure to reduce emissions is that industries and utilities simply made zero effort to reduce their emissions.

When the legislature responded to this failure by proposing a series of comprehensive greenhouse gas emissions reductions bills, the same industries and utilities guilty of evading their voluntary emissions reduction responsibility launched campaigns of lies and misinformation about the proposals to generate public opposition to them. This campaign also persuaded Republican legislators to walk out of the chambers to break the absurd Oregon quorum when it seemed a bill might pass. Finally, when Governor Brown responded to the industry and Republican behavior by drafting and signing Executive Order 20-04, representatives of these same industries and utilities served on the DEQ Rulemaking Advisory

Committee and, while pretending to be committed to lowering their own emissions, consistently undermined efforts to produce a worthwhile program. When the Environmental Quality Commission approved the Climate Protection Program, these opponents filed suit against it. Unfortunately, the courts ruled against the CPP though **NOT** on substance but on a technicality. Now, the same industries and utilities are serving on the new Rulemaking Advisory Committee and trying desperately to undermine the efforts of DEQ to resuscitate a meaningful CPP.

Given this history, those of us who understand both the urgency for climate action across the globe and accept the responsibility of Oregon to contribute our share to addressing the problem are disappointed in the destructive effort of the fossil fuel companies and Oregon Business and Industry to undermine the CPP. We find it hard to take accord credibility to proposals emanating from these same industries and utilities. The disinformation-stoked Integrated Resource Plans that Oregon's gas utilities have recently developed only serve to undermine their credibility further.

According to EPA (2020), for example, Renewable Gas from biogas has substantial barriers notable among which is the reality that the process makes the biogas product more expensive than fracked fossil gas. Meanwhile Cyr and Feldman (2020) calculate that there is only enough biogas in the U.S. to replace 4 – 7% of current fossil gas. They also point out that "...since methane itself is a greenhouse gas 84-86 times more powerful than carbon dioxide (on a 20-year timescale), any methane leaks along the RNG supply chain prior to combustion risks undermining potential climate benefits." In Oregon, ODOE (2018) indicated that only 4.6% of Oregon's fossil gas usage could be replaced by current in-state biogas production, a figure rising to only 17.5% if the energy intensive process of thermal gasification is employed, a process that would defeat the entire benefit of the biogas product. If RNG supplies used in Oregon are transmitted from other states, the process would simply export greenhouse gas emissions out-of-state and not provide genuine emissions reduction benefits. In their critique on Renewable Natural gas, Feinstein and LaPlace (2021a, 2021b) add to the RNG problems of availability and cost identified above, the concerns that an RNG market could increase environmental damage from proliferating feedlots and landfills and a focus on RNG diverts attention from other energy sources that are genuinely clean.

The NW Natural focus on Hydrogen as a solution is no less fraught with hazard than its RNG promotion. The first problem is that gas pipelines can only accommodate a very low percentage of Hydrogen before they become compromised. Melaina et al. (2013) suggested the limit should be 5 - 15% while a more recent report from Erdener et al. (2023) suggested 5% is the limit while Jones and Yen (2023) placed the limit at 20%, a conclusion echoing that of Esposito (2022) and Baldwin et al. (2022). Considering a different issue, DiChristopher (2023) calculated that a 30% blend of Hydrogen into gas pipelines would only produce a 6% decrease in lifecycle emissions because this blending doubles the leakage of the methane gas. This conclusion is essentially endorsed by Esposito (2022) reporting that "...using hydrogen in homes and buildings is fraught with economic, logistical, and safety challenges, capable of reducing GHG emissions less than 7% before encountering potentially insurmountable roadblocks." The evidence seems strongly to suggest that Hydrogen cannot contribute much to reducing emissions from the activities of gas utilities. Another key question concerns how Hydrogen is generated. Howarth and Jacobson (2021) for example, calculated that "the greenhouse gas footprint of blue hydrogen is more than 20% greater than burning natural gas or coal for heat and some 60% greater than burning diesel oil for heat." Thus, the energy intensive process of generating Hydrogen means that it is only valuable in terms of reducing emissions if it's produced using renewable energy as the source of the needed energy

(green Hydrogen). In addition, as Fogler (2022) reasonably suggests, in arguing a Sierra Club position: “Green hydrogen is a promising solution only for uses that cannot otherwise directly rely on clean electricity, which is much more efficient” and “Green hydrogen should not be used to justify a buildout of facilities that otherwise increase pollution or fossil fuel use.” The first point is endorsed by Baldwin et al. (2022). It appears that through the rate hike request, the gas utility is campaigning to undermine further Oregon’s efforts to reduce greenhouse gas emissions and consign our children to an unlivable planet.

While NW Natural representatives on the DEQ RACs consistently claimed and still claim their sensitivity to the climate issue and the need to lower emissions, the behavior of the companies they represent denies this claim. For example, NW Natural continues to claim their product is “the cleanest burning fossil fuel” and that “Safe and non-toxic, natural gas emits less harmful carbon emissions than oil or coal.” (NW Natural 2024). Although the former statement may be true, the company consistently refuses to acknowledge that the fugitive emissions of methane upstream resulting from gas fracking and transmission negate the claim that gas is clean in terms of greenhouse gas emissions. For example, Gordon and Hughes (2023) and Gordon et al. (2023) point out that the methane emissions make natural gas as bad as coal when a full lifecycle analysis of emissions is undertaken. Indeed, Gordon and Hughes (2023) argued: “minimizing US methane leakage would be equivalent to taking all US cars off the road for a year.” Furthermore, the evidence that natural gas is toxic and its use results in many health risks is well-documented (e.g., Gottlieb and Dyrzka 2017; Bushkin-Bedient et al. 2019; O’Rourke et al. 2022). The gas companies, meanwhile, simply deny or ignore the evidence and continue efforts to expand the marketing of gases that are compromising the health of users and compromising life on the planet that is necessary to support future generations.

As Cuningham (2022) succinctly states: “NW Natural, a gas utility based in Oregon, is seeking to raise gas bills on its customers in order to pay for millions in executive bonuses, higher returns to shareholders, and a larger advertising budget. It is also hoping to saddle ratepayers with costs associated with the utility’s political activities, in which the company engaged in “misleading” marketing to perpetuate the use of gas at a time when the state is attempting to electrify homes and businesses, a coalition of environmental organizations led by Earthjustice argue in a formal proceeding.” He also points out that this 12% rate hike request follows a hike of 13% granted the previous year meaning NW Natural seeks to raise rates 25% over a 12-month period. This appears obscene on face value and suggests egregious price-gouging.

Meanwhile, Shuff 2024 reports from the Citizens Utility Board analysis that “We are also troubled to see that NW Natural is once again attempting to expand subsidies for growing its system (and its profits) at the expense of customers.” She also identifies the reasons for the proposed raise as:

- Higher profit margins
- Expanding subsidies for growing the gas system
- Higher bills for customers in new gas buildings
- Changing accounting for how customers pay for large investments
- Infrastructure upgrades.

The problem is that the gas utilities simply ignore the reality that their product and business model are unhealthy for users and are among the greatest contributors to the climate crisis. They insist on promoting disinformation and deception to continue generating profits at the expense of the health of

users and the livability of our planet. It's time for the PUC to push back against the ongoing threat to our health and our planet that gas utilities such as Northwest Natural pose. Instead of promoting scams such as biogas and Hydrogen as ways to reduce emissions when they know these products are, at best, of questionable value, the gas utilities should engage in actions that genuinely reduce emissions by promoting clean energy; promoting electrification in Oregon where retail electricity is required to be clean by 2040, would be a fine first step. The PUC can stimulate such a move by refusing NW Natural's request to charge customers a rate hike so they can reap greater profits, expand their gas distribution system, and undertake upgrades. This constitutes an insult to the residents of Oregon and would contribute to defeating the state's efforts to reduce greenhouse gas emissions.

Please reject this proposal!

Respectfully Submitted

A handwritten signature in black ink that reads "Alan Journet". The signature is written in a cursive, flowing style.

Alan Journet

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