February 25, 2026

Oregon Public Utility Commission
Filing Center
P.O. Box 1088
Salem, OR 97308-1088

RE: For filing in **AR 676** (December 1, 2025 Survey Response in AR 677 for Gas Utilities)

The Climate Solutions is submitting the attached comments completed by:

Climate Solutions
Green Energy Institute at Lewis & Clark Law School
Oregon Environmental Council
Community Energy Project
Oregon Just Transition Alliance
350PDX
Resilient Retrofits
Fossil Free Eugene
Rogue Climate
Rewiring America

We emailed the enclosed comments to Commission staff on December 1, 2025 in response to a scoping survey issued November 13, 2025, in AR 677. To ensure a complete record, and because the enclosed comments address questions posed by staff in their February 6, 2026, Announcement of Comment Period in AR 676, we ask that the enclosed be filed in AR 676.

Thank you.

Sincerely,

/s/ Claire Prihoda
Buildings Policy Manager
Climate Solutions

December 1, 2025

Luz Mondragon
Senior Finance Analyst
Oregon Public Utility Commission

RE: AR 677 RULEMAKING GENERAL RATE REVISIONS HB 3179—Scoping Survey Responses Related to Gas Utilities

Ms. Mondragon,

Climate Solutions, Green Energy Institute at Lewis & Clark Law School, Oregon Environmental Council, 350PDX, Oregon Just Transition Alliance, Community Energy Project, Fossil Free Eugene, Rogue Climate, Resilient Retrofits, and Rewiring America (collectively the Coalition) appreciate the opportunity to participate in the AR 677 Multi-Year Ratemaking Scoping Survey. While some of these organizations also submitted other survey responses, we appreciate your permission to file a second set of responses related to the opportunities of Multi-Year Ratemaking and Performance Based Ratemaking for Oregon's gas utilities. While many of these goals can be achieved by applying the same rules to electric and gas companies, our gas utility system requires some unique thinking and approaches to multi-year ratemaking and performance based rates.

GENERAL RATE CASE SCHEDULE:

Please list, by importance, the top factors your organization thinks should be considered in determining such a schedule (ie, utility size, customers served).
Generally, the Coalition supports similar factors for determining the rate schedule for gas utilities as were described in the comments by Joint Advocates. However, there are some unique dynamics in gas utility rate cases that may merit different approaches to scheduling. For the last few years, gas utility rate cases have been serving a broader regulatory purpose than electric utility rate cases. GRCs have been one of the only means of incentivising gas utilities to consider new approaches to customer programs like low-income energy efficiency or gas assistance. It has also been the most successful venue for pushing gas utilities to take more forward looking approaches to their emissions and capital expenditures. Customers cannot afford for our gas companies to simply conduct "business as usual" with multiple years between rate cases.

For these reasons, the Commission should consider the following when assessing the rate schedule for gas utilities.

1. **Recent/Forecasted Capital Investments**

In the gas utility context, capital projects like pipe replacement can be both large and ongoing, but the long term customer benefits are increasingly questionable. Furthermore, gas utility obligations under the Climate Protection Program will begin soon, and will require our utilities

to think differently about their costs and investments. The Commission should prioritize aligning gas utility rate cases with these investment and compliance timelines.

2. **Administrative Workload**

Similar to Joint Advocates comments, there are important administrative workload considerations here. To preserve capacity for Staff and interested parties, it is important that our largest utilities do not initiate rate cases at the same time of year. NW Natural and PGE, in particular, should not have rate cases in the same year, due to the large size of each utility and their shared customer base. While there are serious pitfalls with large and overlapping rate cases running too closely together, there could be benefits to gas rate cases having some overlap or quick succession. This year, all three gas utilities initiated rate cases, and there are many overlapping issues among them; having gas rate cases in close proximity was helpful to intervenors and interested parties.

3. **Frequency and Performance Incentives**

Given the inherently volatile nature of fuel costs, the upcoming compliance obligations under the CPP, and the need for gas utilities to reconsider their traditional approaches to growth and capital expenditure, it is not in the customers interest for gas utilities to go several years operating as usual without coming in for a rate case. Gas utilities may therefore need to come in for rate cases more frequently than electric utilities, and with no more than three (3) years between rate cases. However, this situation may be different if there were performance incentives that were driving gas utilities towards more proactive and forward looking approaches to their infrastructure, customer relationships, and emissions.

EXCEPTION PROCESS

What factors must be present for a utility to come in prior to their scheduled GRC year to conduct a general rate case?

The Coalition supports Joint Advocates comments on this question, but adds the following additional considerations for gas utilities.

The burden must be on utilities to demonstrate that the change of circumstances is unusual and extreme enough to warrant deviation from the multi-year rate schedule. The Commission should exercise discretion and set clear and high standards for deviations from the schedule which align utility incentives with the goals of HB 3179 and SB 688. Material forecast deviations could include major natural disasters or extreme weather, unexpected state or federal regulatory changes and large, unforeseen capital additions not contemplated in the last rate case planning process. The volatility of commodity gas prices requires gas utilities to thoughtfully plan and forecast, and should not be an excuse for utilities to break from their multi-year schedule absent highly unusual and extreme circumstances.

What factors must be present for a utility to bring forward alternative cost recovery and ratemaking mechanisms, including deferrals and trackers, during or outside of the General Rate Case schedule?
The Coalition supports the Joint Advocates comments on this question.

MULTI-YEAR RATE PLANS (MYP/MRP) AND PERFORMANCE BASED REGULATION (PBR)

Please list the top three (3) outcomes from the energy system that a Multi-Year Rate Plan framework should provide.[1]
Gas utilities have legal obligations for emissions reductions under the Climate Protection Program, among other statutory and Commission ordered obligations. This framework should not undermine those obligations, nor should it reward utilities for doing what they are required by law to do. Multi-Year Ratemaking and Performance Based Rates offer opportunities to provide both carrots and sticks to achieve the energy future that our state is striving for. The Commission should consider the use of sticks where our gas utilities fail to meet their obligations under existing programs, but carrots may be appropriate for reaching non obligated policy outcomes like our State Energy Strategy pathways.

1. Minimized environmental impacts and greenhouse gas emissions
A well designed Multi-Year Rate Plan framework should enable and encourage gas utilities to minimize their emissions across their system. Gas utilities should prioritize emissions reducing programs like maximizing energy efficiency, methane leakage monitoring and response efforts, and voluntary electrification offerings for customers. The framework should also push utilities to align their investments and infrastructure with emissions reductions, through non-pipeline alternatives, system pruning, and investment in alternative non-emitting resources like Thermal Energy Networks.[2]

2. Prioritizing low-income customers
MYRP should enable and encourage gas utilities to plan for and mitigate long term impacts on customers, but particularly low-income and energy-burdened customers. Without careful and proactive planning, low-income customers will bear the brunt of transition, while experiencing

[1] Per the survey instructions, the Coalition identified its outcome priorities from the listed public interest goals identified in SB 688.
[2] Regulatory Assistance Project (RAP), Under Pressure: Gas Utility Regulation For A Time Of Transition, https://www.raponline.org/wp-content/uploads/2023/09/rap-anderson-lebel-dupuy-under-pressure-gas-utility-regulation-time-transition-2021-may.pdf

few of the benefits.[3] Gas utilities should include stable and long term funding for weatherization, energy efficiency and beneficial electrification in their MYRPs, consistent with the State Energy Strategy and UM 2178. Additionally, MYRPs allow the Commission to incorporate explicit metrics for low-income customer services and goals such as the number of disconnections, payment plans, and service quality in low-income and under-served communities. Including such metrics better ensures utilities maintain or improve service levels across all customer classes.

3. Improving the efficiency of utility operations to reduce costs to ratepayers.
A well-designed multi-year rate system framework creates greater year-to-year predictability and lowers total customer costs by reinforcing cost-control incentives for utilities.

Please list the top three (3) <u>utility actions</u> and priorities that multi-year ratemaking framework should encourage.

1. Proactive, least-cost long-term investment strategies that reduce emissions while maintaining affordability.
MYRP in conjunction with PBR must sever the link between gas utility profit, and building new gas (for methane or alternative fuels) combustion infrastructure. A multi-year structure should motivate utilities to plan and execute least-cost portfolios, including modernization and resilience investments, in ways that keep long-term revenue requirements and customer bills stable. This includes prioritizing non-pipeline alternatives where cost-effective.

2. Integrated System Planning Across Utilities, Customer Types, and Programs
MYRP and PBR could encourage gas and electric utilities to do better shared planning in their overlapping territories, including better management of peak load and load growth, better targeted and strategic electrification as encouraged by the State Energy Strategy, and shared development of creative solutions.

This longer term and less siloed planning could also lead to creative investments that cross customer types, like district energy systems or thermal energy networks that take waste heat from commercial and industrial customers to provide lower cost heating for residential customers. This kind of cross cutting solution can have benefits for both the electric and gas systems, and for multiple customer classes.

Less siloing of planning within each utility is also possible with longer term strategic thinking. For example, better coordination within a gas utility could allow for more thoughtful approaches to pipeline repair/replacements, where information is shared about energy consumption and

[3] UM 2178, Natural Gas Fact Finding Report, page 19.
https://edocs.puc.state.or.us/efdocs/HAU/um2178hau111621.pdf

burdens of customers along that stretch of pipe, and the relative costs and benefits of non-pipeline alternatives can be properly assessed.

3. Prioritize Community Benefits

Multi-year ratemaking and performance based ratemaking should align with existing requirements for utilities to track and improve community benefits. This may include ensuring accessibility and stable funding for customer assistance, efficiency and electrification programs. But it may go further to tracking environmental health impacts like indoor air quality, or funding for community resilience projects and programs.

Please list the top three (3) ways you would like to see the ratemaking process change through the implementation of multi-year rate cases and the improvement you expect from those changes.

The Coalition generally supports the comments submitted by Joint Advocates on this question, but offers the following addition.

True Decoupling

To achieve the pathways laid out in the Oregon Energy Strategy and comply with the Climate Protection Program that benefits customers, our gas utilities must shift their growth paradigm. Investments in new gas combustion infrastructure (whether for methane or alternative fuels) are high risk and uneconomic (at least as used for residential customers) as Oregon makes its transition to clean energy.

MYRP and PBR have the potential to unlock new ways of thinking about the future of our gas utilities. Where they provide clean, affordable and healthy services to their customers, while systematically retiring polluting infrastructure.

Respectfully submitted,

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