

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

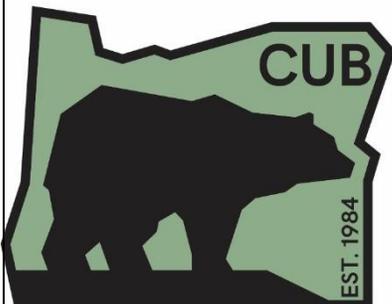
LC 71

In the Matter of)
)
NORTHWEST NATURAL GAS)
COMPANY dba NW NATURAL,)
)
2018 Integrated Resource Plan.)
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OREGON CITIZENS' UTILITY BOARD COMMENTS

ON STAFF'S RECOMMENDATIONS

February 8, 2019



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I. INTRODUCTION

The Oregon Citizens' Utility Board ("CUB") hereby submits its comments on the Staff of the Public Utility Commission of Oregon ("Staff's") recommendations in LC 71 – NW Natural's ("NWN" or "the Company") 2018 Integrated Resource Plan ("IRP"). CUB supports the effort made by NWN to account for climate change and carbon emissions reduction in its IRP. CUB agrees with Staff on the acknowledgement of the Hood River and South Oregon City reinforcement projects as well as Staff's recommendations regarding demand forecasting methodologies, DSM program evaluations, and the consideration of future carbon policies. CUB agrees with Staff that the Happy Valley project, Kuebler reinforcement project, Sandy Feeder reinforcement project, and North Eugene reinforcement project require more rigorous analysis and data collection and should be resubmitted for potential acknowledgement in the next IRP or a subsequent IRP update.

II. DEMAND FORECASTING

CUB is generally supportive of Staff’s recommendations regarding demand and load forecasting. Specifically, CUB supports Staff on the proposed methodology of an automated step-wise regression model for variable selection to compare against a model similar to the 2018 IRP. CUB supports Staff’s recommendation for creation of a customer tracking tool in NWN’s 2020 IRP.

III. DEMAND SIDE RESOURCES

CUB supports Staff’s recommendation that NWN launch a targeted demand side management (“DSM”) pilot in 2019 and looks forward to engaging in that process. A targeted DSM program has the potential to delay gas distribution system reinforcement projects, which are costs to customers that may be avoided. Targeted DSM programs are innovative for the Natural Gas industry and have the potential to avoid additional capital investment and lower customers’ rates.

IV. DISTRIBUTION SYSTEM PLANNING

CUB asks the Commission to direct NW Natural to resubmit acknowledgement requests in the next IRP for the North Eugene Reinforcement. CUB would like to restate the importance of addressing fuel switching and its potential impact on these projects. We addressed the importance of addressing fuel switching in prior comments in this proceeding. CUB also shares similar concerns as Staff regarding additional data and analysis for the North Eugene feeder and recommends that the Company consider the City’s climate plan (the city has a goal of reducing fossil fuel use by 50% by 2030)¹ and Eugene Water & Electric Board’s (“EWEB”) fuel switching incentive offers. For example, EWEB offers an incentive of \$650 for a ductless

¹ <https://eugene-or.gov/3188/Climate-Action-Goals>

heating pump but increases this to \$1500 for natural gas homes that fuel switch.² The estimated load growth for this project may be significantly affected by the City's plans. CUB is supportive of Staff's recommendation to collect more data and resubmit acknowledgement requests for the Happy Valley, Kuebler, Sandy and North Eugene Feeder reinforcement projects in an updated or future IRP.

V. RNG EVALUATION

CUB is generally supportive of Staff's recommendations regarding RNG evaluation. Staff proposes the use of Appendix H methodology to assess and procure cost-effective RNG over the next two years and also greater engagement of stake holders in investigating NWN's proposed avoided cost method in evaluating RNG. Additionally, CUB recommends that the Company should consider designing a RNG pilot program to identify resources, technology and best practice that might be required to incorporate RNG onto NWN's system. CUB believes that the renewable natural gas pilot program should be subject to a prudence review.

VI. CONCLUSION

CUB continues to believe that NWN should provide more information on its methodologies, collect more data and refile several of its distribution system planning proposals including Happy Valley, Kuebler, Sandy and North Eugene feeder projects. For instance, Staff points out that the Company did not collect any actual pressure measurements to confirm low pressures for the Eugene project. Additionally, CUB believes that fuel switching may have an impact on future load as individual customers make investments to reduce their greenhouse gas

² www.eweb.org/residential-customers/rebates-loans-and-conservation/go-fossil-free

emissions and NWN should include potential fuel switching forecasts in their analysis. EWEB, for example, has a program where customers who fuel switch from natural gas to heat pump water heaters receive \$1000 or 150% more in incentives than customers installing these water heaters.³

Signed this 8th Day of February 2019.



Sudeshna Pal, Economist
Oregon Citizens' Utility Board
610 SW Broadway, Ste. 400
Portland, OR 97205
T | 503.227.1984 x 1

³ www.eweb.org/residential-customers/rebates-loans-and-conservation/go-fossil-free