250 SW Taylor Street Portland, OR 97204 503-226-4211 nwnatural.com

November 1, 2022

## VIA ELECTRONIC FILING

Public Utility Commission of Oregon Attn: Filing Center 201 High Street SE, Suite 100 Post Office Box 1088 Salem, Oregon 97308-1088

## Re: UM 2251 - NW Natural's Application for Approval of Eugene Hydrogen Project

Northwest Natural Gas Company, dba NW Natural ("NW Natural" or the "Company"), files herewith a withdrawal of its application for approval of an emission reduction program located in Eugene, Oregon ("Eugene Hydrogen Project").

Please address correspondence on this matter to me with copies to the following:

eFiling NW Natural 250 SW Taylor Street Portland, Oregon 97204 Telephone: (503) 610-7330 eFiling@nwnatural.com

Respectfully submitted,

## **NW Natural**

/s/ Ryan Sigurdson
Ryan Sigurdson
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## BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UM 2251

In the Matter of

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NORTHWEST NATURAL GAS COMPANY, dba NW Natural,

Application for Approval of Eugene Hydrogen Project.

NW NATURAL'S NOTICE OF WITHDRAWAL OF APPLICATION

Northwest Natural Gas Company, dba NW Natural ("NW Natural" or the "Company"), respectfully submits this notice of withdrawal of its application seeking authorization to construct the Eugene Hydrogen Pilot Project ("Project") under ORS 757.539. The Project is a proposed power-to-gas project that will produce low-carbon intensity hydrogen gas that will be blended into NW Natural's distribution system to serve its customers.

Since NW Natural filed its application on August 12, 2022, it has become increasingly aware of questions and concerns raised by some members of the west Eugene community where the Project would be sited and that would utilize the hydrogen the Project produces. While prior to its application, NW Natural held two stakeholder meetings, including one held on May 24, 2022, to give the community of Eugene an opportunity to learn more about the Project and provide feedback, the Company agrees that more stakeholder outreach and engagement is necessary prior to advancing the Project any further.

<sup>&</sup>lt;sup>1</sup> See NW Natural/102-105, Kroeker. Several stakeholders, including the NW Alliance for Clean Transportation, Oregon Hearth Patio Barbecue Association, and six representatives of different labor unions all explicitly supported the Project during the second stakeholder meeting held on July 8, 2022.

<sup>1 –</sup> UM 2251 NW Natural's Withdrawal of Application for Eugene Hydrogen Project

Although NW Natural considered filing a motion seeking to suspend the procedural schedule so that it could conduct further stakeholder and community outreach, it ultimately decided to withdraw its application for several reasons. First, and perhaps most importantly, the Company was concerned that seeking to suspend or pause the procedural schedule would create the erroneous impression that this additional outreach is merely a "check-the-box" exercise, and that NW Natural is unwilling to actually incorporate community input into the Project. By withdrawing its application, NW Natural is seeking to convey that it is willing to engage in stakeholder outreach without a predefined time limit that would have been included as part of a motion to suspend the procedural schedule, and that it is willing to consider changes to the Project in light of such outreach, as well as potentially other factors, such as the Inflation Reduction Act, which was not passed when the Project application was submitted.

Second, NW Natural continues to believe that hydrogen is an essential component of its decarbonization strategy, that hydrogen blends have been safely and reliably demonstrated in similar pilot projects in North America and Europe, and that it can be successfully used on NW Natural's system, which operates one of the tightest, most modern distribution systems in the nation. However, by withdrawing its application, the Company is demonstrating how seriously it takes stakeholder outreach, particularly for environmental justice communities, and that community input is central to such efforts. Ultimately, the Company believes that hydrogen can be used safely and reliably to directly lower the greenhouse gas emissions and that increased stakeholder outreach can help clear up misconceptions regarding the Project and hydrogen in general.

1	NW Natural appreciates the time and engagement of the Commission and the
2	parties to date, and looks forward to working on additional efforts to decarbonize NW
3	Natural's system in the future. Given the withdrawal of its application, however, NW
4	Natural believes that the procedural conference scheduled for Wednesday, November 2
5	should be canceled.
6	For the reasons stated above, the Company respectfully withdraws its application
7	in this docket without prejudice in order to conduct additional stakeholder outreach. After
8	such outreach is concluded, the Company may seek to file a new application for this
9	Project or a revised project that incorporates such outreach. <sup>2</sup>
10	Dated this 1 <sup>st</sup> day of November 2022.
11	Respectfully Submitted,
12	NW NATURAL
13	/s/ Ryan Sigurdson
14	Ryan Sigurdson (OSB #201722)
15	Regulatory Attorney
16	250 SW Taylor Street
17	Portland, Oregon 97204
18	Phone: (503) 610-7570
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<sup>&</sup>lt;sup>2</sup> NW Natural notes that this is consistent with Commission precedent. See In the Matter of the Revised Tariff Schedules for Electric Service in Oregon Filed by Portland Gen. Elec. Co., UE 79, Order No. 96-055 (1996) ("It is in the interest of all parties, and in the public interest, to encourage parties to withdraw from a case when they determine that they should not proceed. To impose a sanction on a party wishing to withdraw might discourage such actions and would ultimately increase the burden on the other parties and on our Staff."). Per that order, a party may withdraw an application without prejudice if the notice of withdrawal is submitted five days prior to the hearing. The hearing in this docket is scheduled for April 10-11, 2023. See also In the Matters of Bottlenose Solar, LLC et al. v. Portland Gen. Elec. Co., UM 1877-UM 1882, UM 1884-1886, UM 1888-1890, Order No. 19-001 (2019) ("conclud[ing] that complainants have permissibly withdrawn their complaints against PGE without prejudice" after the docket had been open for 16 months); Columbia Basin Elec. Coop. v. Umatilla Elec. Coop., UM 1823, Order No. 17-309 (2017) ("The courts have liberally construed a plaintiff's right to voluntary dismissal [without prejudice], examining the legislative history and allowing a plaintiff to unilaterally dismiss even when a defendant's motion for summary judgement is pending or has been granted," and that "[t]his dismissal is effective without any Commission order.").