

Annual (2019\$) Cost of Cap and Trade on Natural Gas Utility Sales Customers*

YEAR	LOW INCOME RESIDENTIAL		RESIDENTIAL				SMALL COMMERCIAL				INDUSTRIAL SALES**			
	HB 2020 (Introduced)/ LC 19		HB 2020 (Introduced)		LC 19		HB 2020 (Introduced)		LC 19		HB 2020 (Introduced)		LC 19	
	%	Cost	%	Cost	%	Cost	%	Cost	%	Cost	%	Cost	%	Cost
2022	0%	\$0	12%	\$78	7%	\$50	14%	\$343	6%	\$168	30%	N/A	14%	N/A
2025	0%	\$0	15%	\$98	9%	\$59	17%	\$459	8%	\$202	37%	N/A	16%	N/A
2030	0%	\$0	23%	\$166	13%	\$89	27%	\$806	11%	\$316	54%	N/A	22%	N/A
2035	0%	\$0	38%	\$279	15%	\$108	44%	\$1,403	17%	\$516	89%	N/A	33%	N/A

*Assumes linkage with the Western Climate Initiative allowance trading market and the medium allowance price forecasts from the California Energy Commission and half of the proceeds from natural gas utility allowance sales are allocated to emissions reduction activities.

**Cost not included due to variation in usage by industrials.

- NW Natural supported HB 2020B and continues to support LC 19 because it drives real reductions in greenhouse gas emissions while minimizing cost impact to natural gas customers.
- The cost impact chart above assumes the Oregon Cap and Trade program will be able to link with the existing California program. If linkage is not possible, costs to customers are very hard to estimate but could be much higher.
- NW Natural believes state climate policy must be implemented in a way that leaves no one behind. The bill continues to protect low income natural gas customers from increasing compliance costs by providing free allowances for their emissions.
- NW Natural believes the natural gas system will continue to have a substantial role in driving down statewide greenhouse gas emissions. The bill provides a portion of revenue from consigned allowances to reduce emissions from the sector by decarbonizing gas and efficiently using our product.
- The new bill (LC 19) makes changes in the treatment of larger transport customers – who do not buy gas through the local gas utility. These provisions are designed in a way that balances the needs of various classes of customers.