



PUC Update: Decarbonization and the Natural Gas Sector

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Senate Interim Committee on Energy and Environment

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PUC at a Glance

Our **mission** is to ensure Oregonians have access to **safe, reliable and fairly priced** utility services that advance **state policy** and promote the **public interest**.

We use an **inclusive process** to evaluate differing viewpoints and visions of the public interest and arrive at **balanced, well-reasoned, independent decisions** supported by fact and law.

- 3 Commissioners, ~120 FTE
- 6 investor-owned energy (gas and electricity) companies serving 2.2 million customers
- Rate regulation, planning oversight; safety

Commissioner

Chair

Commissioner

Executive
Office

Utility Program

Administrative
Hearings

Policy &
Administration

Economic regulator, environmental policy

- **Integrated Resource Plans (IRPs):**
Utility planning for least-cost, least-risk strategy to
 - serve customer needs
 - meet policy requirements
 - prepare for future regulation
- **Natural gas “fact-finding”:**
Foundational understanding of customer implications of decarbonization policy
 - All gas utilities
 - PUC Staff-led, white paper
 - Focus on Climate Protection Program



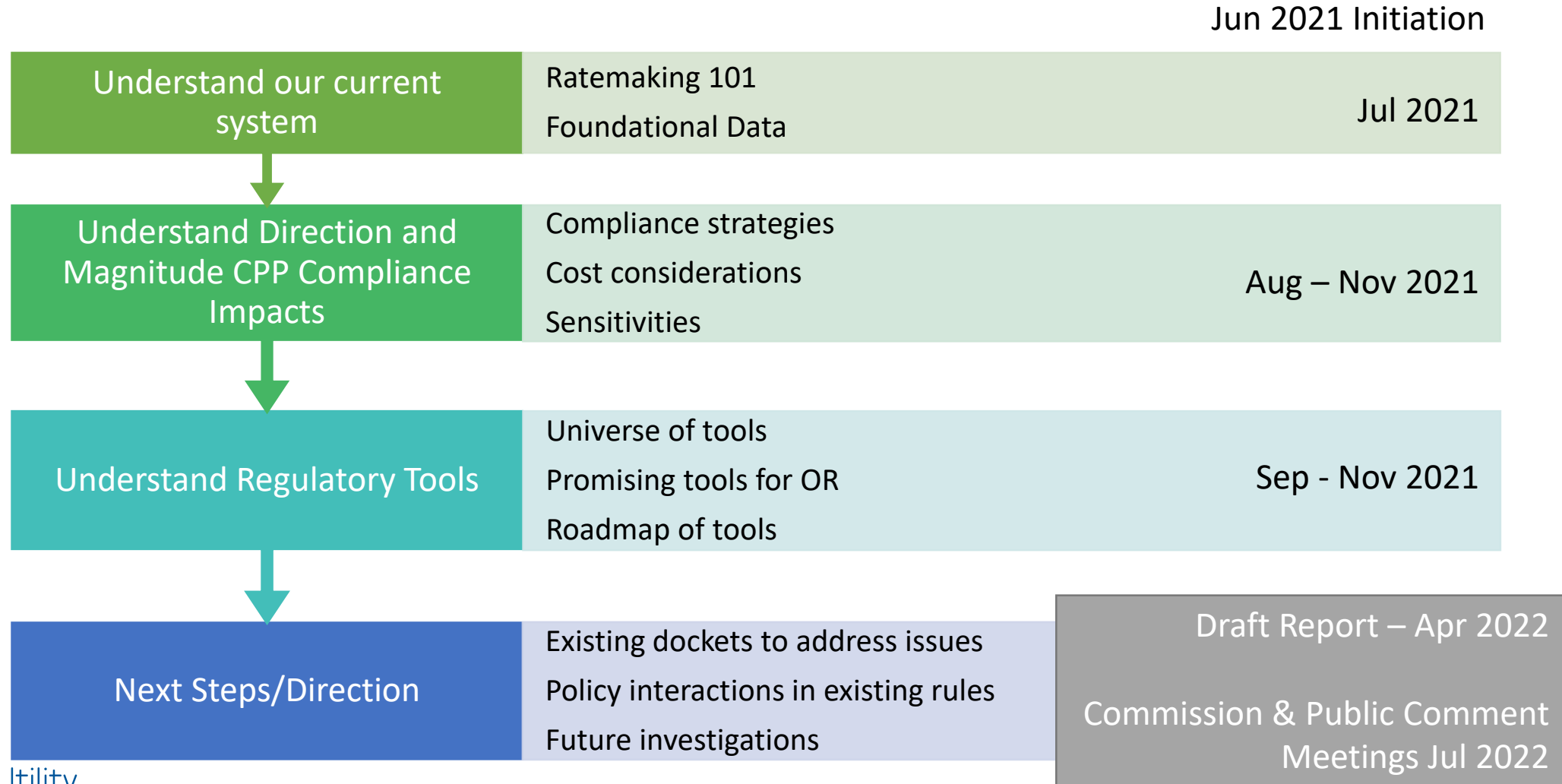
Natural Gas Fact Finding - Goals

An understanding of potential natural gas customer bill impacts associated with compliance with GHG emission targets from DEQs Climate Protection Program.

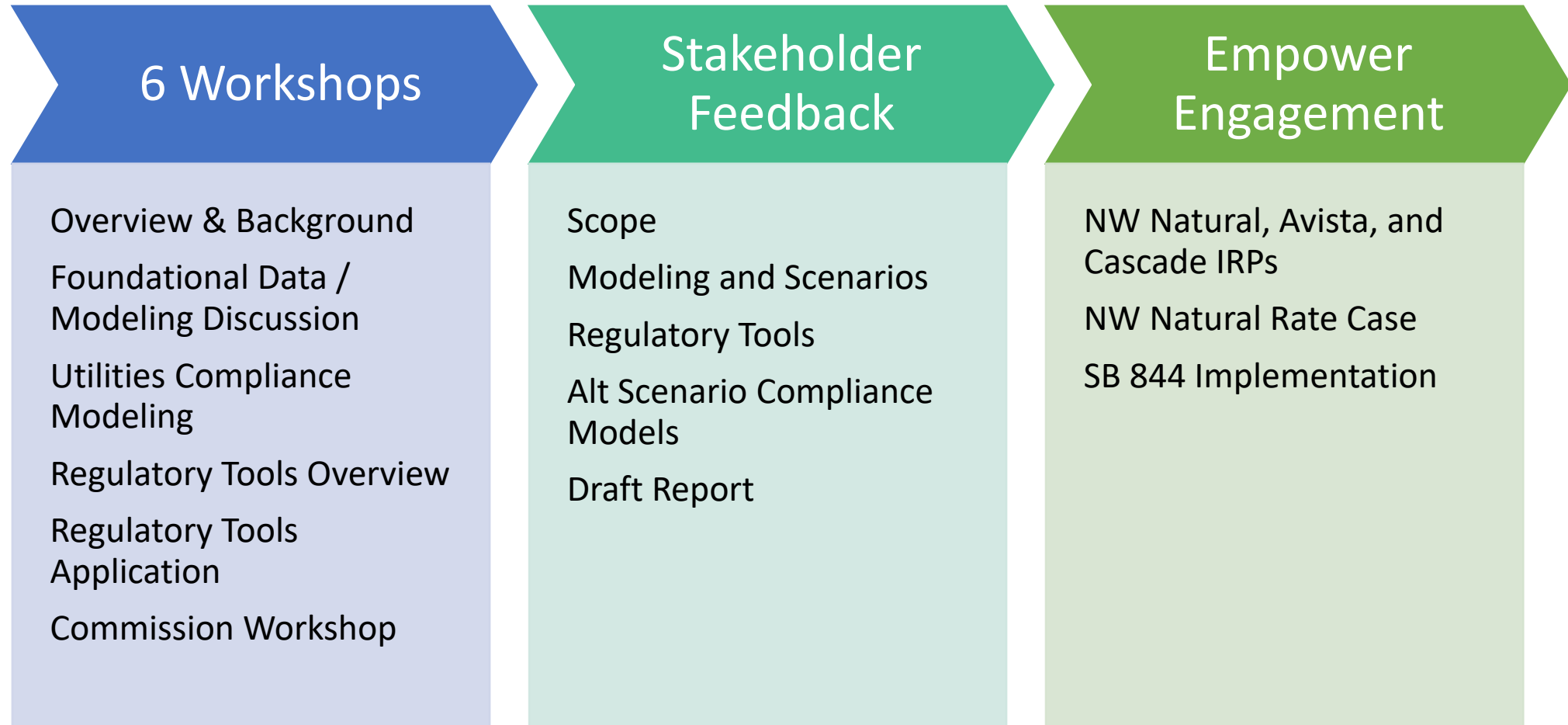


Identification and eventual evaluation of strategies / tools to equitably mitigate potential harm to natural gas customers.

Fact Finding Approach and Process



Fact Finding Engagement



Conclusions from Fact-Finding Process

Categories of Regulatory Tools

Protecting
customers

Assessing full costs

Improving access to
information

Decarbonization
planning and cost-
recovery

Monitoring,
tracking and
reporting

Incentivizing GHG
reduction pathways

- Broad support for PUC taking immediate action to address urgent issues
- Identification of 25 regulatory tools to improve PUC oversight of gas utility decarbonization
- Partners' reactions have been split
 - Grassroots feedback calling for more direct action
 - Consumer groups seeking more regulatory tools and PUC guidance
 - Utility/industry groups concentrated on keeping inquiry narrowly focused

PUC's active engagement on CPP compliance

| Regular Processes | Key Questions | In Process | Upcoming or Contemplated |
|---|---|--|---|
| Integrated Resource Plans (IRP) | Is Company's resource strategy least-cost, least-risk given all factors, including GHG emission mandates and pressures? | Cascade NG IRP Update (Docket LC 76) | NW Natural IRP (Docket LC 79) Gas-electric coordination study |
| General Rate Cases (GRC), other rate processes | Do rates reflect prudent and reasonable costs? Balance risks between customers and company? Proportionately allocate costs and benefits of GHG emission reductions? | NW Natural (Docket UG 435) Purchased gas adjustments (PGAs) | 2023 GRC filings Associated workshops or dockets |
| Energy Trust of Oregon (ETO) | Do ETO's current programs meet the needs and opportunities created by new local, state, and federal policies? | Priorities for 2023 budget year | Metrics for 2023, potential metrics for 2024 budget year 5-year Strategic Plan |

Thank you

The PUC appreciates our talented and dedicated employees, our engaged and supportive stakeholders, and our agency and legislative partners.

Resources

- [Natural Gas Fact Finding](#)
 - [Docket UM 2178](#)
- [Cascade Natural Gas IRP Update \(Docket LC 76\)](#)
- [NW Natural General Rate Case \(Docket UG 435\)](#)