

August 13, 2021

Filed Via UTC e-filing center

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08/13/21 16:33
State Of WASH.
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COMMISSION

Re: NWGA Comments on Docket U-210553

Dear Mark,

The Northwest Gas Association (NWGA) represents the distribution companies and transmission pipelines that serve warmth and comfort to 3.5 million residential consumers in Washington State. Our members also deliver heat and productive energy to more than 100,000 commercial businesses and almost 3,500 industrial facilities that employ hundreds of thousands of Washingtonians.

We appreciate the opportunity to respond to the Washington Utilities and Transportation Commission's (UTC) July 26, 2021, Notice of Opportunity to File Written Comments in Docket U-210553. We support an open, transparent and collaborative study process that comprehensively considers Washington's complete energy system (both natural gas and electric) in determining the most efficient, practical and fair pathways to decarbonization – which will evaluate the impact to energy consumers, ratepayers, the economy, utilities, and disadvantaged communities.

An open, transparent and collaborative study process **does not** rely on assumptions that result in a preferred or predetermined outcome. Rather, such a process focuses on an objective, rigorous, data driven method that carefully considers different decarbonization pathways. It is our expectation that stakeholders will be given full and complete access to all data, assumption, inputs, and results used in the examination.

We agree with the UTC's intention to review a broad array of research and materials pertaining to decarbonization strategies. It is crucial to examine a range of data and perspectives to provide the fullest view of challenges, opportunities, and next steps in support of meeting the needs of ratepayers and the environment. To that end, we encourage the Commission to leverage the extensive experience and expertise of NWGA member companies at delivering energy to families and businesses day in and day out.

Here are some other resources the Commission may wish to consider in its examination:

- **Columbia University Center on Global Energy Policy**
[Investing in the US Natural Gas Pipeline System to Support Net-Zero Targets](#), April 2021
- **City and County of San Francisco Board of Supervisors Budget and Legislative Analyst**
[Decarbonizing Residential Buildings by Eliminating Natural Gas Usage](#), April 2021
- **Shared Comments of 1/3 of the State Energy Strategy Advisory Committee**, December 2020
- **Comments of the NWGA re: the State Energy Strategy**, November 2020
- **Pacific Northwest Utility Conference Committee**

- [2021 Northwest Regional Forecast](#), April 2021
- **University of California Los Angeles**
[California Needs Policies to Protect Communities Moving to Renewable Energy](#), November 2020
- **Guidehouse (Navigant) for FortisBC**
[Pathways for British Columbia to Achieve its GHG Reduction Goals](#), August 2020
- **University of California Los Angeles**
[Clean Energy Revolution May Leave Disadvantaged Communities Behind](#), July 2020
- **Northwest Gas Association**
[2020 Pacific Northwest Gas Market Outlook](#), March 2020
- **Northwest Power and Conservation Council**
[Pacific Northwest Power Supply Adequacy Assessment for 2024](#), October 2019
- **Northwest Power Pool**
[Exploring a Resource Adequacy Program for the Pacific Northwest](#), October 2019
- **Randy Hardy and Larry Kitchen**
[Future Northwest Capacity Shortages](#), May 2019 (revised)
- **Black & Veatch for the Interstate Natural Gas Association of America Foundation**
[The Role of Natural Gas in the Transition to a Lower-Carbon Economy](#), May 2019
- **Energy+Environmental Economics (Public Generating Pool)**
[Resource Adequacy in the Northwest](#), March 2019
- **Navigant**
[The Optimal Role for Gas in a Net Zero Emissions Energy System](#), March 2019
- **Energy+Environmental Economics**
[Pacific Northwest Pathways to 2050](#), November 2018
- **American Gas Association**
[Implications of Policy Driven Residential Electrification](#), July 2018
- **Enovation Partners and the American Gas Association**
[GHG Emission Reduction Pathways](#), May 2018
- **American Gas Association**
[A Thoughtful Pathway to Reducing U.S. GHG Reductions](#), October 2018

As the Commission thinks about an outside consultant to assist in the examination, it is essential that stakeholders play a meaningful role in defining the consultant's work. Consequently, we request the opportunity to comment on the consultant's scope of work, as well as how the consultant plans to solicit and use stakeholder feedback.

Again, to further transparency and collaboration, we would ask the Commission to consider making additional details about its proposed workplan, procedural approach and timelines publicly available as soon as practicable, allowing stakeholders the ability to plan accordingly and better participate with specific data and informed analysis.

Each decarbonization approach examined under this docket must fully consider the effects of decarbonization on the ability of consumers to count on the energy they need when they need it. This goes to adequacy – there is enough energy at any point in time to meet demand; to reliability – the system is robust and can withstand natural and man-made disruptions; and to resilience – if disrupted, the system can bounce back quickly.

Regulatory policy changes facilitating the decarbonization of gaseous fuel companies can help maximize the application of hydrogen, biogas, and other low-and-no carbon intensity pathways.

Such options are essential to encouraging innovation and ensuring that the state maintains a diverse portfolio of options in support of resource adequacy and fuel choice.

It will therefore be important that a broad suite of fuels and technologies are considered as part of this examination, and that pathways that incentivize innovation in both the gas and electric sectors are encouraged. This will ensure that business and industry that depend on the use of gaseous fuels have decarbonized options available, emissions migration to other states is avoided, and that no sector is left behind.

It is extremely important that the Commission's research properly assesses the impacts of energy decarbonization on low-income customers, highly impacted communities, and vulnerable populations. When considering the rate impacts for utility customers, the Commission must consider all the cost impacts faced by utility customers, not just from rates, which includes cost impacts on:

- Transportation
- Home rental costs
- Home appliance upgrades
- Home maintenance
- Upgrades to home electric service, and
- Other fuel costs.

A proper cost analysis, for example, would show annual bill impacts for each climate zone within the state, including seasonal monthly impacts for each housing type (i.e., apartment, duplexes, manufactured home, new/older homes). The analysis would also show the impacts to all customer types including the effects of different users of the electric and natural gas systems (i.e., those that use heat and/or electric for space and water heating, those that use other fuel sources, etc.).

Further, the analysis should factor loss of home and business resiliency from electrical distribution outages. Natural gas customers retain the ability to heat water, run fireplaces, and heat their home with small generators during electrical outages. The cost to replicate this resiliency and the convenience of this resiliency with electrical systems must be considered.

Many customers prefer natural gas for cooking, fireplace ambiance, and the comfort and speed of space and water heating. That's why natural gas is one of the top home features requested by people purchasing homes. Therefore, we also hope that personal energy choice and convenience under different decarbonization scenarios will be considered.

I very much appreciate the opportunity to make comments to the Commission as it looks at all of the potential strategies meeting state emissions targets. I look forward to working with the Commission and other stakeholders to do our part to serve all Washingtonians.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dan S. Kirschner". The signature is fluid and cursive, with a long horizontal stroke at the end.

DAN S. KIRSCHNER
Executive Director