

**BEFORE THE
STATE OF WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

In the Matter of

CASCADE NATURAL GAS COMPANY dba
CASCADE NATURAL GAS, 2021

Examination of Energy Decarbonization Impacts
per Docket U-210553

Cascade Natural Gas Comments

CASCADE NATURAL GAS CORPORATION

August 13, 2021

Cascade Natural Gas Corporation (Cascade) appreciates the opportunity to submit comments relating to Docket U-210553, the Washington Utilities and Transportation Commission (WUTC's) examination of decarbonization pathways, and associated impacts for electric and gas ratepayers. This docket begins an important conversation regarding ratepayer impacts associated with decarbonization, and the role natural gas distribution companies can play in achieving greenhouse gas emissions reductions. We look forward to participating in this conversation and helping to address the questions raised in this docket.

As part of its first workshop, the WUTC has raised three questions, which the Company addresses below:

Subject to budget and data constraints, what, if any, additional considerations should the Commission include as part of its examination?

Cascade appreciates the considerations outlined in Section 143(4) of the Appropriation Act, which jointly considers both the electric and gas systems as a whole, and the ways natural gas utilities can decarbonize.

We believe that a fuel and technology neutral approach to decarbonization is essential to reducing GHG emissions and addressing climate change. A successful and results-driven study begins by examining the costs and impacts associated with a range of decarbonization pathways in support of continued resource adequacy and resilience. The Commission should therefore consider how regulatory policy can help maximize the application of a broad suite of decarbonized fuels and technologies including hydrogen and biogas in support of resource adequacy and sustainable GHG reductions.

The examination should include rigorous analysis and modeling, with the transparent presentation of data and assumptions, and the inclusion of broad stakeholder perspectives. Each decarbonization pathway examined under this docket should consider the full range of costs and benefits to ratepayers including the ability to maintain essential natural gas and electric services during severe weather events.

Equity considerations should include impacts to low income and highly vulnerable communities, as well as rural and agricultural energy users, traditionally underserved populations, and small business owners for whom economic impacts associated with changes in fuel source and heating and cooling technologies may have significant consequences.

Besides any additional considerations provided above, what else do you think the Commission should consider during the development of the study and consultant engagement?

Cascade appreciates the Commission's commitment to a rigorous, transparent, and data-driven examination of decarbonization pathways and impacts.

The Company looks forward to participating alongside the other stakeholders to this examination in reviewing procedures for the selection of a qualified and independent consultant to assist the Commission with examination and analysis.

We believe the examination process would also benefit from stakeholder comment on the scope of the consultant's work, as well as how the consultant plans to solicit and use stakeholder feedback. Having access to work products developed by the consultant/s will help build faith in outcomes and allow a stronger end product based on tested assumptions and verified inputs.

Finally, the Commission should consider the types of regulatory instruments that should be available to utilities in support of compliance with cap-and-trade law SB 5126.

Please provide references that may be relevant to the Commission's examination of practical and feasible decarbonization strategies, including resources evaluating the impacts of the strategies. Examples of relevant resources may include, but are not limited to, publicly available studies and reports as well as documentation of community listening sessions and equity analysis frameworks.

We appreciate the Commission's approach to reviewing a broad range of literature and materials pertaining to decarbonization strategies and pathways.

The following resources may be relevant to the Commission's examination of viable decarbonization strategies. Additional resources may be identified by the Company as this examination continues.

- **Cost and Other Implications of Electrification Policies on Residential Construction**, Home Innovation Research Labs, Prepared for National Association of Home Builders, Report No. CR1328-3-02242021, February 2021
- **Building a Resilient Energy Future: How the Gas System Contributes to US Energy System Resilience**, American Gas Foundation Study Prepared by Guidehouse, January 2021
- **Electrifying the Columbus, Ohio Metro Area's Building Stock- Economic and Power Market Impacts**, Nystrom, DeRubis, Ditzel, FTI Consulting, August 2020
- **Resource Assessment for Hydrogen Production**, National Renewable Energy Laboratory, Connelly, Penev, Milbrandt, Roberts, Gilroy, Melania, July 2020
- **Pacific Northwest Pathways to 2050: Achieving an 80% Reduction in Economy-Wide Greenhouse Gases by 2050**, Energy + Environmental Economics (E3), November 2018
- **The Feasibility of Renewable Natural Gas as a Large-Scale, Low Carbon Substitute**, Contract No. 13-307, Prepared for the California Air Resources Board and the California Environmental Protection Agency, Jaffe, Principal Investigator, UC Davis Sustainable Transportation Energy Pathways, February 2016

This concludes Cascade's comments. We again appreciate the time and opportunity to engage on this important topic, and look forward to participating in this effort.

Dated at Kennewick, Washington, this 13th day of August 2021.

/s/ Michael Parvinen

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