

Provided to NW Energy Coalition Board on Tuesday, April 18, 2023

Then: Provide to membership two weeks before May 18th full membership meeting

Resolution of the NW Energy Coalition Regarding Gas Utility Decarbonization

Background

The NW Energy Coalition is a leading regional expert in clean energy and utility planning. Increasingly, policy discussions in the region have turned to how to decarbonize the buildings sector, particularly regarding the direct use of fossil fuels such as fossil natural gas in buildings. NW Energy Coalition staff have requested a workgroup and a member resolution to help define the organization's advocacy and work in evaluating the various aspects of decarbonizing gas utility services, and the needed regulatory and policy changes to support utility customers, workers, and a financially sound and reliable energy system. Both the Oregon and Washington utility regulatory commissions have ongoing open dockets investigating gas utility decarbonization.

Resolution

Whereas there is scientific consensus that the climate is changing due to human caused greenhouse gas emissions;

Whereas there is a growing body of scientific research that finds reducing use of fossil natural gas¹ is both a climate and public health imperative;

Whereas climate change has and will have disproportionate impacts on low-income, Black, Indigenous and People of Color communities, and otherwise historically underserved groups;

Whereas the NW Energy Coalition has adopted [an anti-racism and accountability statement](#) that commits the organization to advocate for policies, programs, and investments that create tangible and near-term benefits in the lives of communities most impacted by pollution, climate, and energy issues and ensure policy and advocacy amplifies the voices and leadership of Black, Indigenous and People of Color;

Whereas the Biden administration has climate and environmental justice goals and Congress has approved historic levels of federal support for clean energy projects, including direct interventions in buildings to reduce emissions and energy use;

¹ This resolution is specifically regarding the use of the fossil fuel commonly referred to as "natural gas" that is distributed by natural gas utilities.

Whereas, the Northwest states are seeing the impacts of a changing climate including more extreme weather events;

Whereas some Northwest states have adopted policy to reduce emissions economy-wide, including from the buildings sector, and some local jurisdictions and states are taking specific action to move away from gas infrastructure in new construction;

Whereas direct use of fossil natural gas makes up approximately 12%² of greenhouse gas emissions in Northwest states;

Whereas nearly complete decarbonization of the energy sector by 2050 is critical to meet climate laws and targets which also have nearer term emissions reduction goals;

Whereas the technologies and tools to mostly decarbonize the electric grid are commercially available, affordable, and well understood;

Whereas the Northwest has some of the cleanest electricity in the nation and some states have clean energy policies in place to reduce statewide greenhouse gas emissions further;

Whereas numerous studies have found that shifting residential and commercial energy use to clean electric service is the most cost-effective and least risk way to decarbonize residential and commercial heating;

Whereas alternative fuels like electrolytic hydrogen produced with renewable energy and renewable fuels show long-term promise for use in some aspects of manufacturing, heavy industry, medium- and heavy-duty transportation, and agriculture;

Whereas utilities are an important energy service provider in our communities and the decarbonization investments must maintain affordable and reliable service and an adequate and efficient system;

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Be it resolved the NW Energy Coalition adopts the following principles and recommendations for gas utility decarbonization efforts:

Guiding Principle: The NW Energy Coalition supports the orderly transition away from direct use of fossil natural gas, toward decarbonized energy resources utilizing strategies including

² Calculated by the Clean Energy Transition Institute using 2019 data using data from the U.S. Energy Information Administration and the U.S. Environmental Protection Agency.

electrification, particularly for residential and commercial buildings, and use of renewable fuel alternatives for hard-to-electrify sectors. This transition must be done with careful and intentional consideration of the impacts on all consumers, including low-income consumers, communities of color, small businesses, and renters, and assuring safety, reliability, and continuity of service for all energy consumers. This transition must effectively manage and avoid both potential utility and customer stranded assets in order to maintain affordable energy services and financially sound utility services.

- Gas utilities should incorporate decarbonization pathways into all planning, with the goal of identifying the lowest reasonable cost pathways to decarbonize the overall energy system including the gas system, in accordance with the timelines required by science, which IPCC assessments currently require by 2050.
- Gas utilities should consider a wide variety of decarbonization programs and measures that are available to customers and that maintain affordable energy services, and compare them on a level playing field, supporting fair competition and without bias, to develop a lowest reasonable cost and risk approach to decarbonization.
- Gas utilities, when making investment and capital planning decisions, should balance needs for safety and reliability with risks of developing or maintaining assets that may become fully or partially stranded.
- Gas utilities and regulators should support the use of alternative zero-carbon and renewable fuels for use in hard-to-electrify applications, such as manufacturing, maritime, aviation, and heavy industrial processes.
- Decarbonizing the energy system should continue to generate good-paying and rewarding work for existing workers in the skilled trades, as well as create new jobs and opportunities for expanding and diversifying our region's workforce.
- Decarbonizing the energy system should protect low-income customers, Black, Indigenous and People of Color, and households experiencing high energy burden. Decarbonization programs should prioritize benefits to overburdened and environmental justice communities and vulnerable populations.
- State regulators should develop new tools and expertise to facilitate gas utility decarbonization and address potentially stranded assets while continuing to protect customers from imprudent investments.

- Gas utilities should continually examine their business model, and proactively propose and adopt business model reforms to adapt to the changing regulatory environment. Regulators should investigate, propose, and enact regulatory reforms to achieve decarbonization goals.
- Electric and gas utilities and their regulators and governing bodies should engage in and support cross utility planning to ensure the most efficient and cost-effective investments for decarbonizing the energy system.
- Utilities that are both electric and gas utilities should integrate electric and gas planning to fully capture decarbonization options and optimize resources to achieve the lowest reasonable cost and risk.
- Legislation may be needed to fully enable an orderly transition for gas utilities. Policymakers should ensure that comprehensive natural gas decarbonization legislation is informed by a robust stakeholder process that ensures the inclusion of underrepresented groups, including especially representatives of residential, commercial, and low-income customers; impacted workers; overburdened and environmental justice communities and vulnerable populations.

The Coalition Executive Director is hereby requested to develop a gas utility decarbonization work plan for presentation to the membership at a future meeting.

Resolution Sponsors

Let Kat Plimpton know if you or your organization want your name listed here as one of the Resolution Sponsors. You can still vote in favor of the resolution even if you don't want to be listed as one of the Resolution Sponsors.