

Natural Gas Fact Finding

Workshop #4b: Regulatory Tools - Application

October 12, 2021



Introductions

- PUC Staff
 - Kim Herb - Utility Planning and Strategy Manager
 - JP Batmale - Administrator: Energy Resources & Planning Division
 - Ezell Watson - DEI Program Director
 - Zach Baker - Senior Energy Policy Analyst
 - John Crider - Administrator: Energy Rates, Finance & Audit Division
- Regulatory Assistance Project
 - Megan Anderson, Associate
 - Elaine Prause, Senior Associate
 - Max Dupuy, Principal

Participation Tips

- ❑ Please join audio by either phone or computer, not both
- ❑ Today's Zoom will be a "meeting" which will allow for direct interaction with presenters and participants
- ❑ For discussion and comments, use "Raise Hand" button to get in the queue; if joined by phone press *9
- ❑ **Rename yourself with your name and affiliation**
- ❑ Say your name and affiliation before speaking

Chat Availability



Chat is available during the interactive sessions and will be moderated by Staff. You may also raise your hand to verbally engage.

Natural Gas Fact Finding Goal

Gain a better understanding of the natural gas customer dimensions and impacts of different decarbonization scenarios to help inform future decision making

Desired outputs from NGFF

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

Identification of strategies / tools to equitably mitigate potential harm to natural gas customers and/or incentivize action.



Check-in Question

What customer impacts related to Oregon's natural gas decarbonization efforts do you think are most important for the Commission to address?

Meeting Objectives



Further explore existing and nascent regulatory tools



Identify potential immediate, near-term, and longer-term actions

October 12, 2021

Regulatory Tools - Application

UM 2178 Natural Gas Fact Finding – Public Workshop #4b

Megan Anderson
Associate

Elaine Prause
Senior Associate

Max Dupuy
Principal

The Regulatory Assistance Project (RAP)®

Agenda

- 9:15 - 9:35 Summary of tools discussed in Workshop 4a, discussion of existing OR ratemaking tools
- 9:35 - 10:20 Plenary discussion on planning tools
- 10:20 - 10:30 Break
- 10:30 - 10:40 Recap, breakout group introduction
- 10:40 - 11:15 Breakout Groups on program tools, discussion
- 11:15 - 12:00 Breakout Group on ratemaking tools. discussion
- 11:00 - 12:30 Wrap-up and next steps

Discussion/Comments Ground Rules



Honor the agenda and strive to stay on topic



Provide a balance of speaking time



Listen to understand and ask questions to clarify



Stay engaged and be open about your perspective and experience



Address issues and questions - focus on substance of comments without attacking others



Bring concerns and ideas up for discussion at the earliest point in the process

Quick summary of tools

* Not comprehensive!!



Planning tools



- Set a solid foundation with a robust and inclusive stakeholder process
- Set context withing relevant goals and policies, and coordination with other planning efforts.
- Develop a layered system map to identify new opportunities to meet end uses
- Develop an array of alternative scenarios to met end uses
- Create decarbonization plans

Program and policies



- Revisit underlying policies to unlock compliance options
- Coordinate of electrification programs
- Target programs for locational impact
- Expand programs to transport customers
- Explore pilots to test key uncertainties
- Prioritize solutions that address equity considerations

Ratemaking Tools



- Consider how to lower rate base and decrease risks of long-term rate impacts
- Update customer contributions to line extensions
- Consider new approaches to utility capital investment repayment - accelerated depreciation
- Develop efficient rate design
- Consider low-income rate structures
- Change utility gas incentives

More Ratemaking Tools Oregon-Focus

Q&A

Session 1:

Plenary Discussion on Planning Tools

- How can existing planning processes be utilized or expanded to incorporate changing circumstances?
- What can be done within the existing framework to integrate with electric utility planning (e.g., timing of planning efforts, information exchange, requirements to cross-reference information, requirement for input from gas/electric utilities)?
- What needs to be changed or added to develop a more integrated planning approach?

Break!!



Session 2:

Breakout Groups on Program Tools

- What programmatic tools would you recommend that Commission implement immediately, near-term, and long-term to facilitate meeting climate goals with least risk to customers?
- Why would you prioritize these tools over others?

Session 3:

Breakout Groups on Ratemaking Tools

- What ratemaking tools would you recommend that Commission implement immediately, near-term, and long-term to facilitate meeting climate goals with least risk to customers ?
- Why would you prioritize these tools over others?

Check-out Question

What information is missing from the discussion so far?


Next Steps

Post Workshop Materials

Presentation shared by email by 10/12



Raw notes compiled and shared - targeting 10/15

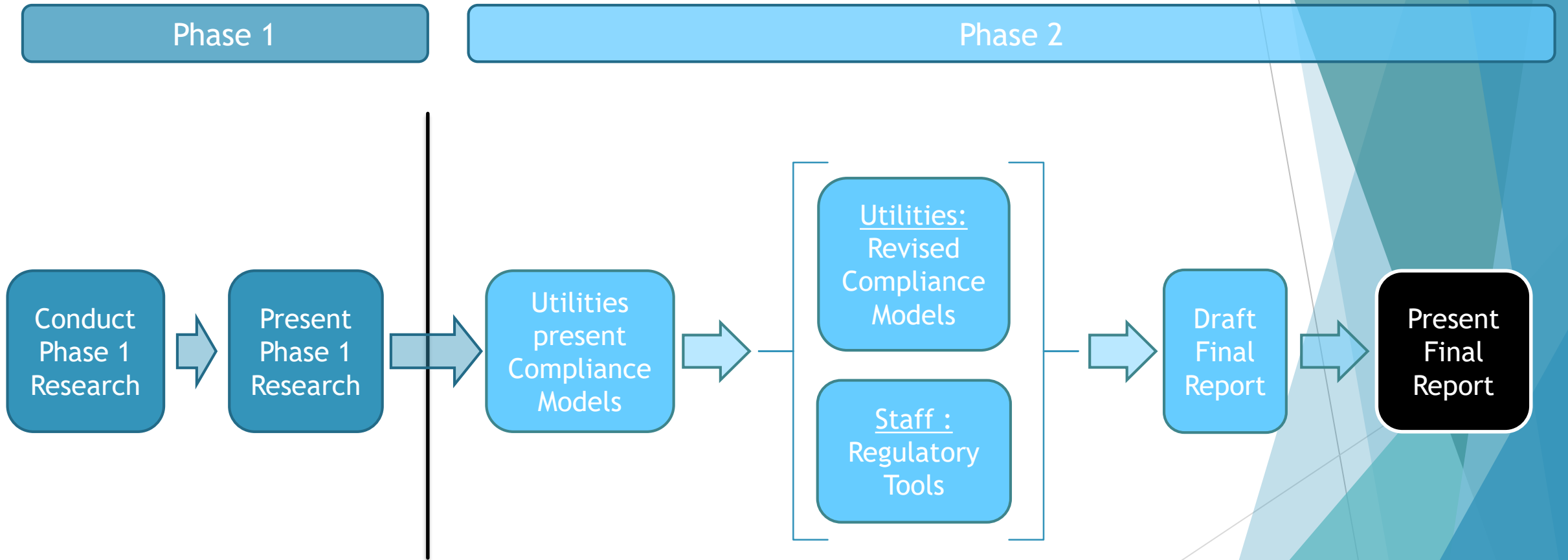


Recording and materials posted by 10/15



Written comments - 'formal' response to questions - due 10/26

Phases & Engagement



Key Dates

Date	Event
Tuesday, October 26, 2021	Stakeholder Comments on Regulatory Tools - NEW
Wednesday, November 17, 2021	Alternative Scenario Compliance Models posted and associated data posted
Friday, December 3, 2021	Stakeholder Comments on Alternative Scenario Compliance Models - NEW
Friday, December 10, 2021	Report Draft Posted
Monday, January 3, 2022	Stakeholder Comments on Draft Report - NEW
Monday, January 10, 2022	Workshop #5: Report Feedback
Monday, February 7, 2022	Final Report Posted
Thursday, February 17, 2022	Stakeholder Comments on Final Report - NEW
Thursday, February 24, 2022	SPM

Closing Remarks and Feedback

Thank you!

EO 20-04 Website

<https://www.oregon.gov/puc/utilities/Pages/ExecutiveOrder20-04.aspx>

Comments or Questions

Email Staff with questions at one of the addresses below. Comments can be emailed to staff or directly to PUC.PUBLICCOMMENTS@puc.oregon.gov. Comments will be posted in the docket.

Contacts:

- Kim Herb: 503.428.3057 kim.herb@puc.oregon.gov
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- Zach Baker: 503.881.4072 zachariah.baker@puc.oregon.gov