

Environment & Energy

# Oregon Regulator Stymies Rate Hike From State's Top Gas Utility

By Zach Bright

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- Oregon utility authority limits a rate increase
  - Commission also weakened gas hookup subsidies
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Oregon's largest gas utility won't raise consumer rates to advertise natural gas and expand its infrastructure after a decision from the state's utility authority, an instance of state regulators taking a role in the clean energy transition.

The Oregon Public Utility Commission rejected a significant portion of Northwest Natural's suggested rate hike in an order filed Monday. The commission's decision also reduced subsidies for new gas hookups over the next three years and expanded a low-income energy efficiency program to give households up to \$4,000 each for energy-saving home improvements.

The rate hike sought by NW Natural in part would have paid to expand its gas system, lobby local governments in favor of natural gas, and advertise the energy source in a positive light.

It was a win for environmental and community advocates, including attorneys from the Green Energy Institute from Lewis & Clark Law School and Earthjustice and the groups they represented.

"Oregon utility customers should not have to pay higher utility bills to bankroll a fossil-fuel expansion that is not in their best interest—it's just that simple," said Carra Sahler, staff attorney with Green Energy Institute, who intervened on behalf of state environmental advocates. "The regulator's decision to reduce NW Natural's proposed rate hike is a first step towards protecting customers."

NW Natural didn't immediately respond to a request for comment.

Oregon's PUC called NW Natural's communications with local lawmakers in opposition of gas bans "particularly problematic."

The commission also warned that in NW Natural's advertising attempts to showcase gas in a positive light, the utility should "carefully track its advertising costs" and ensure "expected expenses do not include promotional elements."

## State Regulators' Role

Public utility commissions in a number of states are using their power to regulate utilities in ways to lower greenhouse gas emissions to combat climate change and prepare for its impacts.

It's "very important" that "consumer advocates and environmental advocates that are intervening to make sure that these decisions are actually benefiting both the environment and the ratepayer, rather than mechanisms for utilities to further increase their profits," said Joshua Basseches, assistant professor of public policy and environmental studies at Tulane University.

In an East Coast case, Maine's PUC last month ordered the state's largest utilities to reduce electric rates for those who tap into clean energy.

Maine has led on PUC regulations with L.D. 1959, a law passed in May that boosts renewable energy connections to the grid and requires utilities to file plans that prepare for climate impacts every five years. Plans must support the state's goal of reducing greenhouse gas emissions 80% by 2050 compared to 1990 levels.

Clara Summers, climate and energy manager for the National Caucus of Environmental Legislators, said she hopes the Maine law "becomes a model for other states that create better accountability and transparency."

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