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March 2, 2019

To: Joint Committee on Carbon Reduction
From: Alyn Spector, Cascade Natural Gas Corporation
Re: Testimony on HB 2020

Co-Chairs Dembrow and Power, and Members of the Committee,

My name is Alyn Spector. I'm Manager of Energy Conservation Policy for Cascade Natural Gas Corporation, and hold an expert seat on the City of Bend's Climate Action Steering Committee (CASC).

Cascade delivers natural gas to about 75,000 customers in Oregon. Nearly half reside in Bend. We are decoupled, meaning that Cascade has a regulatory mechanism in place that ensures profits are not based from how much gas our customers use. We work with Energy Trust of Oregon to maximize gas efficiency. Our focus is on maintaining safety, comfort, affordable rates, and reliability for our customers.

I believe an effective carbon reduction policy should offer consistent treatment of all emissions regardless of fuel source. As drafted, HB 2020 provides minimal allowances for natural gas emissions, but allows the same emissions to go ignored in the electric sector. The bill offers electric IOUs free allowances until 2050, and the number does not decline until 2030.

Under HB 2020, Cascade's residential customers will see a 12% increase to their bills by 2021; spiking to a 46% increase by 2035. That increase is higher for our commercial and industrial customers.

These expenses may not even result in intended carbon reduction because today's electric grid is not run exclusively on renewables. The Greenhouse Gas Inventory commissioned by the CASC shows that market based electric emissions are relatively high because the generation mix for Bend is not carbon free. This may not always be the case, but it is today.

This means HB 2020 could end up encouraging migration from natural gas, a less carbon intensive fossil fuel, to electricity produced with more carbon intensive sources.

Cascade will continue to meet the demand resulting from Bend's Urban Growth Plan and winter peak as effectively as possible. To do so, we need a bill that considers today's fuel mix and offers a fair approach to emissions reductions while clearly allowing renewable natural gas as a compliance pathway.



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Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink that reads "Alyn Spector". The signature is written in a cursive style with a large, looped initial "A".

Alyn Spector
Manager, Energy Conservation Policy, Cascade Natural Gas Corporation