



SIERRA
CLUB

350PDX

February 26, 2025

Dear Chair Prozanski, Vice-Chair Thatcher, and Members of the Senate Committee on Judiciary,

Re: Support for SB 680

Breach Collective (“Breach”) is a 501(c)(3) nonprofit organization based in Portland and Eugene. Breach’s mission is to build power within the climate and labor movements through organizing, legal advocacy, education, and storytelling. The Oregon Chapter of the Sierra Club is a 501(c)4 nonprofit with close to 58,000 members and supporters statewide and staff in Ashland, Bend, and Portland. Since 1892 the Sierra Club has worked to explore, enjoy, and protect the planet. 350PDX is a 501(c)(3) non-profit based in Portland whose mission is to build a diverse grassroots movement to address the causes of climate disruption.

Our organizations support Senate Bill 680. Greenwashing claims are an increasing concern for our organization, due to their potential to confuse the public and hinder the transition away from fossil fuels. In Oregon, we have noticed an increase in greenwashing claims arising from the tighter regulatory environment on gas utility greenhouse gas (“GHG”) emissions created by the DEQ’s promulgation of the Climate Protection Program.¹

In particular, gas utility NW Natural has heavily marketed itself as being on a pathway to achieving net zero emissions through a suite of so-called “gas decarbonization” technologies.² These claims have continued to be made in spite of mounting real-world evidence indicating that the utility’s gas supply remains almost 100% sourced from

¹ Oregon Department of Environmental Quality, *Climate Protection Program*, <https://www.oregon.gov/deq/ghgp/cpp/pages/default.aspx>.

² See, e.g., NW Natural, *VISION 2050: Destination Zero*, <https://www.nwnatural.com/about-us/the-company/carbon-neutral-future>.

fossil fuels.³ These claims arguably have provided the company with cover to attack climate regulations at multiple levels of government.⁴

NW Natural has also made a number of dubious (if not unambiguously false) assertions regarding specific technologies it intends to rely on, including:

1. **Renewable Natural Gas (“RNG”).** RNG is methane gas from biogenic sources that has been purified to a utility grade. NW Natural has claimed that RNG is zero emissions and specifically “does not add more carbon dioxide into the atmosphere,”⁵ while simultaneously reporting positive GHG emissions intensities to the PUC.⁶ Peer-reviewed studies have shown that some sources of RNG may not exist in the absence of a market for them,⁷ or alternatively that flaring biogas on-site may produce fewer emissions than deploying that gas in a utility's distribution system.⁸ NW Natural has repeatedly obfuscated whether customers are receiving the physical gas from RNG, or whether they are simply receiving the environmental attributes (Renewable Thermal Credits or “RTCs”)

³ Monica Samoya, *NW Natural on slow start toward climate goals using renewable natural gas, new report shows* (OPB, Jul. 14, 2023),

<https://www.opb.org/article/2023/07/14/new-report-nw-natural-slow-start-climate-goals-using-renewable-natural-gas/>; Monica Samoya, *NW Natural once again misses its own targets to offset emissions with renewable natural gas* (OPB, Jul. 10, 2024),

<https://www.opb.org/article/2024/07/10/nw-natural-misses-own-targets-renewable-natural-gas/>; McKenzie Funk, *Oregon's Largest Natural Gas Company Said It Was Going Green. It Sells as Much Fossil Fuel as Before.* (ProPublica, Sep. 13, 2024),

<https://www.propublica.org/article/nw-natural-gas-oregon-fossil-fuel>.

⁴ See, e.g., Nick Cunningham, *Major Gas Utility Is Pouring Money Into Reversing an Oregon City's Electric-only Mandate* (DeSmog, Mar. 7, 2023),

<https://www.desmog.com/2023/03/07/major-gas-utility-is-pouring-money-into-reversing-an-oregon-cities-electric-only-mandate/>; Alex Baumhardt, *Environmental regulators say NW Natural misleading customers about state climate credit program* (Oregon Capital Chronicle, Aug. 13, 2024),

<https://oregoncapitalchronicle.com/2024/08/13/environmental-regulators-say-nw-natural-misleading-customers-about-state-climate-credit-program/>.

⁵ NW Natural, *Renewable Natural Gas*,

<https://www.nwnatural.com/about-us/environment/renewable-natural-gas>.

⁶ See, e.g., NW Natural, *OAR 860-150-0600(1) – Annual Renewable Natural Gas Compliance Report* (PUC Docket No. RG 99, Jun. 30, 2022), 3, <https://edocs.puc.state.or.us/efdocs/HAA/haa181512.pdf>.

⁷ See Adam Kotin et al., *Diversified Strategies for Reducing Methane Emissions from Dairy Operations* (California Climate & Agricultural Network, Oct. 2015),

<https://calclimateag.org/wp-content/uploads/2015/11/Diversified-Strategies-for-Methane-in-Dairies-Oct-2015.pdf> (finding that switching from liquid to dry waste management strategies in dairy farms would reduce methane production); Markus Lauer et al., *Making money from waste: The economic viability of producing biogas and biomethane in the Idaho dairy industry*, 222 *Applied Energy* 621 (2018),

<https://www.sciencedirect.com/science/article/pii/S0306261918305695> (finding that economically producing biogas and biomethane from dairy farms requires >3,000 cows per farm).

⁸ See Emily Grubert, *At scale, renewable natural gas systems could be climate intensive: the influence of methane feedstock and leakage rates*, 15 *Environmental Research Letters* 084041(2020),

<https://iopscience.iop.org/article/10.1088/1748-9326/ab9335>.

of gas utilized elsewhere in the country;⁹ in virtually every instance it has been the latter. Finally, there are concerns that the utility RNG market is incentivizing the most environmentally-damaging agricultural operations,¹⁰ and – as a recent class action lawsuit has alleged – in some instances producing a net *increase* in emissions by incentivizing more emissions-intensive waste management practices on dairy farms.¹¹

2. **Hydrogen.** Hydrogen blending in gas utility distribution systems faces hard technical and economic limits to the amount of greenhouse gas reductions it can achieve, due to the physical properties of hydrogen gas, and the cost and lifecycle emissions associated with different forms of industrial hydrogen production.¹² As one example, NW Natural is presently partnering with the start-up company Modern Hydrogen on a pilot “turquoise hydrogen”¹³ blending project in Southeast Portland.¹⁴ The project’s proponents have claimed that the hydrogen project “removes carbon from methane” – implying something akin to Direct Air Carbon Capture.¹⁵ In reality, the process of producing turquoise

⁹ NW Natural, *Renewable Natural Gas Is On Its Way Home* (Jun. 7, 2021), <https://www.youtube.com/watch?v=TVyFGexOYey>. Cf. Greg Mason, *NW Natural Renewable Natural Gas Interest Agreement Approved by Oregon PUC* (Newsdata, Aug. 25, 2023), https://www.newsdata.com/clearing_up/briefs/nw-natural-renewable-natural-gas-interest-agreement-approved-by-oregon-puc/article_2decb354-435a-11ee-b91b-bb9bc3be5786.html (“The Oregon Public Utility Commission on Aug. 22 approved an affiliated-interest agreement allowing NW Natural to purchase renewable natural gas and renewable thermal certificates produced through an RNG project in Dakota City, Nebraska.”).

¹⁰ Environmental Integrity Project, *Water Pollution from Slaughterhouses* (Oct. 11, 2018), <https://environmentalintegrity.org/wp-content/uploads/2018/10/Slaughterhouse-report-2.14.2019.pdf> (finding that the Lexington and Dakota City slaughterhouses that are the sites of NW Natural’s first two RNG investments were the first- and fifth-largest polluting slaughterhouses in the United States in terms of nitrogen discharges).

¹¹ FarmSTAND, *Northwest Natural Gas Customers Sue Over ‘Greenwashing’ in Smart Energy Program* (Oct. 10, 2024), <https://farmstand.org/northwest-natural-gas-customers-sue-over-greenwashing-in-smart-energy-program/>.

¹² See, e.g., Physicians for Social Responsibility, *Hydrogen pipe dreams* (Jun. 22, 2022), <https://psr.org/resources/hydrogen-pipe-dreams-why-burning-hydrogen-in-buildings-is-bad-for-climate-and-health/hydrogen-pipe-dreams/>.

¹³ Turquoise hydrogen is hydrogen produced via methane pyrolysis, which involves heating methane in an oxygen-free environment to produce hydrogen and solid carbon. See, e.g., Laurent Fulcheri, *Turquoise hydrogen takes a step towards the next level* (Polytechnique Insights, Sep. 27, 2022), <https://www.polytechnique-insights.com/en/columns/energy/turquoise-hydrogen-takes-a-step-towards-the-next-level/>.

¹⁴ NW Natural, *NW Natural and Modern Hydrogen Unveil Clean Hydrogen Production, Carbon Capture Project in Portland* (May 16, 2024), <https://ir.nwnaturalholdings.com/news/news-details/2024/NW-Natural-and-Modern-Hydrogen-Unveil-Clean-Hydrogen-Production-Carbon-Capture-Project-in-Portland/default.aspx>.

¹⁵ *Id.* See also Michael Jung, *Testimony of Modern Hydrogen in Opposition to Oregon Senate Bill 685* (Modern Hydrogen, Feb. 11, 2025), 1 (“We note that DNG [distributed natural gas] pyrolysis does not involve

hydrogen uses approximately *three* times more methane than using methane directly, such that – assuming standard methane leakage rates – this pilot may be adding GHG emissions to the atmosphere rather than reducing them.¹⁶ Despite this, NW Natural has touted the project as an “excellent” climate solution achieving “significant” GHG emissions reductions.¹⁷

Our organizations have argued in the past that the scope of Oregon’s Unlawful Trade Practice Act (UTPA), O.R.S. 646.605-646.656, already applies to at least some of NW Natural’s communications, and particularly those communications denying the impact of gas use on respiratory health.¹⁸ And, as mentioned above, NW Natural also has been sued recently in relation to claims specific to their Smart Energy voluntary GHG emissions offsets program.¹⁹ What SB 680 would achieve is to bring the broader swath of greenwashing claims made by NW Natural and other companies – such as those exaggerating the purported climate benefits of RNG and hydrogen – explicitly within the scope of Oregon’s UTPA. These companies should be held accountable for misinformation about whether and how they are upholding their environmental and climate commitments. We therefore urge you to move SB 680 out of this Committee with a do-pass recommendation.

Sincerely,

Danny Noonan, Climate and Energy Strategist, Breach Collective

Emily Bowes, Oregon Chapter Policy Strategist, Sierra Club

Dineen Crowe, Campaign Manager, 350PDX

adding new hydrogen to existing pipeline gas, but rather removes carbon from methane at or near the point of use.”).

¹⁶ See Arjun Makhijani, *Northwest Gas proposal on mixing pyrolytic hydrogen with natural gas* (Institute for Energy and Environmental Research, Dec. 10, 2024) <https://olis.oregonlegislature.gov/liz/2025R1/Downloads/PublicTestimonyDocument/123661>; Danny Noonan, *Supplemental Testimony in Support of SB 685* (Breach Collective, Feb. 12, 2025), <https://olis.oregonlegislature.gov/liz/2025R1/Downloads/PublicTestimonyDocument/128052>.

¹⁷ See Nels Johnson, *RE: Opposition to SB 685* (NW Natural, Feb. 14, 2025), 2, <https://olis.oregonlegislature.gov/liz/2025R1/Downloads/PublicTestimonyDocument/129079> (describing hydrogen blending as “an excellent tool to help decarbonize the natural gas system,” while also stating that the 7% emissions reductions achievable with a 20% hydrogen to 80% methane blend – the acknowledged technical limit for hydrogen blending in NW Natural’s system and a 100-times greater blend than the 0.2% blend in their pilot project – is somehow considered to amount to a “significant” GHG emissions reduction.).

¹⁸ See Alex Baumhardt, *Lawmakers, advocates ask Oregon to investigate NW Natural for misleading claims about natural gas* (OPB, Dec. 13, 2023), <https://www.opb.org/article/2023/12/13/oregon-lawmakers-advocates-ask-investigation-nw-natural-misleading-claims-gas/>.

¹⁹ FarmSTAND, *supra* note 11.