



The League of Women Voters of Oregon is a 100-year-old grassroots nonpartisan political organization that encourages informed and active participation in government. We envision informed Oregonians participating in a fully accessible, responsive, and transparent government to achieve the common good. LWVOR Legislative Action is based on advocacy positions formed through studies and member consensus. The League never supports or opposes any candidate or political party.

June 14, 2021

To: Joint Ways & Means Subcommittee on Transportation & Economic Development:
Senator Lee Beyer, Co-Chair, sen.LeeBeyer@oregonlegislature.gov
Representative David Gomberg, Co-Chair, rep.DavidGomberg@oregonlegislature.gov

Re: **HB 3055 -18 Amendment** - clarifies purpose of natural gas infrastructure investments—**Support**

The League believes that climate change is an emergency facing our nation and planet. We support climate goals and policies that are consistent with the best available climate science and that will ensure a stable climate system for future generations.

Explaining his “No” vote on HB 3055 in the Joint Transportation Committee (5/27/21), Co-Vice Chair Noble said that he opposed the inclusion of controversial policy entered into this “omnibus” bill. We agree. As written, the sections covering tolling and the expansion of the natural gas (NG) infrastructure have not been vetted for consistency with previously adopted policy or for best climate practices.

HB 3055, Section 23, does not provide adequate protections for NG utility rate payers for the investments in NG infrastructure. The -18 amendment addresses many of our concerns, by making it clear that **for utilities to recover costs for infrastructure expansion, its uses must be limited to providing renewable fuels for alternative vehicles:**

Oregon lacks sufficient “feedstocks” to support increased production of renewable natural gas (RNG) for use as a transportation fuel. According to the Oregon Department of Energy 2020 Biennial Report, with our current technology, we could potentially produce 5% of our current NG use. If we deploy thermal gasification technologies (not in use in the US), we could increase our RNG production to 20% of our current NG uses. These figures do not include this proposed expansion for its use as a transportation fuel. As all states expand their applications for renewable NG, we will need to evaluate our priorities for the uses of this limited resource.

In addition, there are financial implications for supplying hydrogen through NG pipelines. Hydrogen “embrittles” the metal of traditional pipelines, leading to perforations. NG pipelines would require costly modifications to transport hydrogen. Alternatively, hydrogen could be injected upstream at a low ratio to NG and extracted downstream - again, incurring significant costs. If we develop renewable hydrogen through an overabundance of clean electricity, the fuel-appropriate ways to deliver it to customers are yet to be determined.

In testimony (2/2/2021), the Citizen’s Utility Board expressed concern that allowing regulated NG utilities to recover infrastructure costs in customer rates for the purpose of light-duty transportation could result in the imposition of significant stranded costs onto NG utility customers.

The -18 amendment would repeal Section 23 in 2025, allowing a legislative review and evaluation of the infrastructure investments provided by the funding mechanism. The landscape of renewable fuels for transportation can be reassessed at that time.

We urge your support for the -18 amendment, as a meaningful improvement to HB 3055.

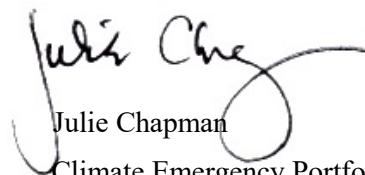
Thank you for the opportunity to discuss this legislation.



Rebecca Gladstone
LWVOR President



Claudia Keith
Climate Emergency Coordinator



Julie Chapman
Climate Emergency Portfolio

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