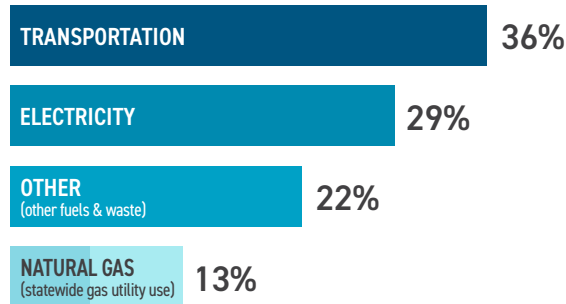


## WE ARE PROUD OF THE ESSENTIAL SERVICE WE PROVIDE

- We serve 2.5 million people in Oregon and Southwest Washington, meeting about 90% of the energy needs for our residential space and water heat customers on the coldest winter days.
- Emissions from our residential and commercial customers account for about 6% of Oregon's total greenhouse gas emissions:

### OREGON GREENHOUSE GAS EMISSIONS BY SECTOR



Does the 6% include fugitive emissions from NW Natural's system?

**YES.** It also includes emissions associated with our pipelines and storage facilities.<sup>2</sup>

**6%** NW Natural Residential and Commercial Customer Use

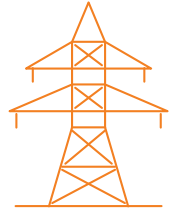
Source 1: Oregon DEQ In-Boundary GHG Inventory 2019 data.

- Our distribution system is one of the tightest, newest pipeline networks in the country.<sup>3</sup>
- We are pursuing renewable natural gas<sup>4</sup> and clean hydrogen gas<sup>5</sup> to drive toward a carbon neutral future.
- We delivered an Integrated Resource Plan<sup>6</sup> to the Public Utility Commission that provides paths to comply with the Climate Protection Program requiring GHG emission reductions of 90% below the established baseline by 2050.

Emissions from our residential and commercial customers account for about 6% of Oregon's total greenhouse gas emissions.

## ELECTRICITY DEPENDS ON FOSSIL FUELS

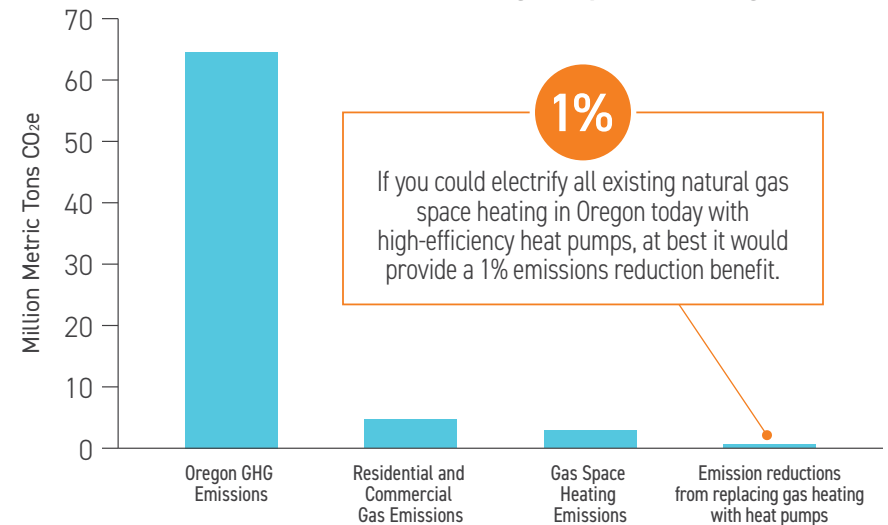
- Oregon electric utilities rely on about as much natural gas for power generation as all the natural gas utilities in the state deliver to customers.<sup>7</sup>
- Coal is also still used to generate Oregon electricity.<sup>8</sup> As the electric system transitions off coal in the years ahead to make progress toward the 100% clean electricity by 2040 law,<sup>9</sup> how much natural gas will be needed to generate power is unknown.
- For example, this past summer, in the face of yet another series of outages, California passed emergency grid reliability legislation that allows for **\$2 billion in funding for gas-fired power generation** to meet electric demand, despite California's renewable electricity mandates.<sup>10</sup>



## WHAT IF OREGON REPLACED FURNACES WITH HEAT PUMPS?

NW Natural analysis for its 2022 General Rate Case showed if you electrified **all existing gas space heating** in Oregon today with high-efficiency electric heat pumps, at best it would provide a **1% emissions reduction benefit**:

### Emissions Reduction Potential for Electrification of Oregon Space Heating



Source 11: 2022 NW Natural General Rate Case, CUB Data Request Response 73