



# NW Natural®

PREQUEST FOR PROPOSAL #2025-01

Renewable Natural Gas Resources

250 SW Taylor St.

Portland, OR 97204

[www.nwnatural.com](http://www.nwnatural.com)



# Table of Contents

1	General Information .....	3
1.1	Document Components .....	3
1.2	About NW Natural .....	3
1.3	Regulatory Summary.....	3
1.4	Objectives.....	4
2	Project Overview and Scope of Services .....	5
2.1	Definitions.....	5
2.2	Scope of Services .....	7
2.3	Delivery Date.....	7
3	Bidder Instructions.....	8
3.1	Point of Contact .....	8
3.2	Request for Proposal Timeline .....	8
3.3	Request for Proposal and Bid Procedures .....	8
3.3.1	Questions and Communications .....	8
3.3.2	Submission of Proposal.....	8
3.3.3	Terms and Conditions of Submission.....	9
3.3.4	Renewable Thermal Certificates Requirements.....	9
3.3.5	Errors or Omissions.....	10
3.3.6	Request for Proposal Response Withdrawal .....	10
3.4	Proposal Selection and Award Process .....	10
3.4.1	Proposal Evaluation .....	10
3.4.2	Proposal Scoring .....	10
3.4.3	Right to Reject Proposals and Negotiate Contract Terms.....	11
3.4.4	Awards and Final Offers.....	11
3.4.5	Notification of Intent to Award .....	12
4	Proposal Response Package Components .....	12



## 1 General Information

Northwest Natural Gas Company (“NW Natural”) is soliciting proposals from qualified firms to sell renewable natural gas (as defined in section 2.1). This Request for Proposal (“RFP”) aligns with the company's broader initiative to comply with Oregon's Climate Protection Program and Washington's Climate Commitment Act's carbon reduction requirements, in addition to supporting the goal of reaching carbon neutrality by 2050.

For the latest information on the RFP and other procurement activities related to renewable resources, please check the [RNG page](#) on NW Natural's website.

### 1.1 Document Components

This document is organized in the following manner:

**Section 1** provides **General Information** and outlines NW Natural's objectives in partnering with other organizations to purchase RNG.

**Section 2** outlines the **Project Overview and Scope of Services** expected of Bidder and sets forth certain key defined terms.

**Section 3** provides details on **Bidder Instructions** regarding submitting a response to the RFP including key dates, questions and communications, submission of the proposal as well as a description of the proposal selection process.

**Section 4** provides information on the **Proposal Response Package Components** including format and required information.

Refer to [NW Natural RNG Interconnect](#) to review the requirements for **renewable natural gas quality standards** required for resources connecting to NW Natural's distribution system. Note that NW Natural does not require that acquired RNG resources be interconnected with its distribution system. All RNG resources must meet the interconnection requirements and quality standards of the specific system to which the project connected.

### 1.2 About NW Natural

NW Natural, a part of Northwest Natural Holding Company, (NYSE: NWN), is headquartered in Portland, Oregon, and has been doing business since 1859. Northwest Natural Holding Company owns NW Natural, NW Natural Water Company, NW Natural Renewables Holdings and other business interests. NW Natural is a local distribution company that currently provides natural gas service to approximately two million people in more than 140 communities through 800,000 meters in Oregon and Southwest Washington with one of the most modern pipeline systems in the nation.

### 1.3 Regulatory Summary

Recent state-level policies and regulatory rules give natural gas utilities in the Pacific Northwest the ability and incentive to procure low-carbon gas resources for their customers. Applicable state-level programs include:



The final rules for Oregon Senate Bill 98 (SB98), adopted in 2020, enable gas utilities to invest in carbon reducing infrastructure and/or to acquire RNG or hydrogen for delivery to its customers. The rules implementing this program are established and overseen by the Public Utility Commission of Oregon, including limits on total expenditures for RNG and hydrogen. The program sets voluntary targets for the percentage of RNG or hydrogen in the system that increases over time with targets of 5% by 2024 and 10% by 2029.

The 2025 Climate Protection Program (CPP), administered by the Oregon Department of Environmental Quality, sets a declining limit, or cap, on greenhouse gas emissions from fossil fuels used throughout Oregon, including diesel, gasoline, natural gas, and propane, used in transportation, residential, commercial, and industrial settings. Emissions covered by the CPP's caps will be cut 50% by 2035 and 90% by 2050 from 2017-2019 average baseline emissions.

In 2019, the Washington State legislature passed a bill supporting RNG procurement. House Bill 1257 established the legal framework for natural gas utilities to support a smooth transition to a low carbon energy economy in Washington state. The bill went into effect on July 28, 2019.

In 2021, the Washington Legislature passed the Climate Commitment Act (CCA) which established a comprehensive program to reduce carbon pollution and achieve the greenhouse gas limits set in state law. The CCA caps and reduces greenhouse gas emissions from the state's largest emitting sources and industries, allowing businesses to find the most efficient paths to lower carbon emissions. The program went into effect January 1, 2023.

## 1.4 Objectives

NW Natural is a 166-year-old company that has evolved many times since 1859 to meet the essential energy needs of the region. NW Natural is committed to implementing climate solutions that work for the environment, the customers and the community. In 2016 NW Natural established a Low Carbon Pathway as a cornerstone of the company's strategic plan, setting a voluntary goal of 30% carbon savings by 2035 (using a 2015 customer and company operations baseline) and a goal of reaching carbon neutrality by 2050. With a long history of operating as a forward-looking and progressive utility company, NW Natural looks forward to the next chapter, bringing decarbonized resources to customers throughout its service territory.

NW Natural's objective for the 2025 RFP is to secure agreements to purchase RNG for the benefit of its customers, and to do so with the least impact on customer costs, while meeting the CPP and CCA carbon reduction requirements. This RFP seeks pipeline-quality RNG resources and/or associated environmental attributes. The resources may be sourced from around the country as well as Canada, and from a wide variety of feedstocks and sources including green hydrogen and synthetic methane produced from green or biogenic hydrogen and biogenic carbon sources. A portfolio approach, where RNG volumes are sourced from more than one resource, is acceptable.



NW Natural seeks to procure a total of 1,350,000 additional Dth of RNG in the 2025-2026 Price Gas Adjustment (PGA) year, which spans the period November 2025-October 2026. Agreements may be of any term length.

Awards may be made to multiple Bidders offering proposals in accordance with the terms and conditions of this solicitation.

## 2 Project Overview and Scope of Services

### 2.1 Definitions

Environmental Attributes	<p>“Environmental Attributes” means any and all environmental claims, credits, benefits, emissions reductions, offsets, and allowances attributable to the production of renewable natural gas and its avoided emission of pollutants. The environmental attributes of renewable natural gas include, but are not limited to, the avoided greenhouse gas emissions associated with the production, transport, and combustion of a quantity of renewable natural gas compared with the same quantity of geologic natural gas.</p> <p>“Environmental Attributes” do not include:</p> <ul style="list-style-type: none"> <li>(a) The renewable natural gas itself (molecules) or the energy content of that gas;</li> <li>(b) Any tax credits associated with the construction or operation of the renewable natural gas production facility, and any other financial incentives in the form of credits, reductions, or allowances associated with the production of renewable natural gas that are applicable to a state, provincial, or federal income taxation obligation;</li> <li>(c) Fuel- or feedstock-related subsidies or “tipping fees” that may be paid to the seller to accept certain fuels, or local subsidies received by the renewable natural gas production facility for the destruction of particular pre-existing pollutants or the promotion of local environmental benefits; or</li> <li>(d) Emission reduction credits encumbered or used by the renewable natural gas production facility for compliance with local, state, provincial, or federal operating and/or air quality permits.</li> </ul>
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<p>NAESB Base Contract for Sale and Purchase of Natural Gas (“NAESB Base Contract”)</p>	<p>According to its website, “The North American Energy Standards Board (NAESB) serves as an industry forum for the development and promotion of standards which will lead to a seamless marketplace for wholesale and retail natural gas and electricity, as recognized by its customers, business community, participants, and regulatory entities.” NAESB published the NAESB Base Contract for Sale and Purchase of Natural Gas in 2002, and then published an updated version in 2006, which are widely used in the gas industry for physical gas purchase and sale transactions. The NAESB Base Contract consists of the published General Terms and Conditions, published elections pages on which the executing parties make certain elections, and, usually, bespoke amendments to the published form called the “Special Provisions.” The NAESB Base Contract sets forth the legal terms that will govern future physical gas purchase and sale transactions between the executing parties (until the NAESB Base Contract is terminated) and eliminates the need for the negotiation of new legal terms for each new transaction.</p> <p>After execution of a Base Contract, the parties can transact by entering into transaction confirmations specifying the economic terms of each transaction. The Base Contract together with each transaction confirmation entered thereunder form one integrated agreement.</p>
<p>Renewable Natural Gas or RNG</p>	<p>“Renewable Natural Gas” or “RNG” is gas that satisfies the definition of “renewable natural gas” or “renewable hydrogen” in either Oregon or Washington. The definitions have been set forth below for your convenience.</p> <p>Oregon definition per ORS <a href="#">757.392</a>(7):</p> <p>“Renewable natural gas” means any of the following products processed to meet pipeline quality standards or transportation fuel grade requirements:</p> <ul style="list-style-type: none"> <li>(a) Biogas that is upgraded to meet natural gas pipeline quality standards such that it may blend with, or substitute for, geologic natural gas;</li> <li>(b) Hydrogen gas derived from renewable energy sources; or</li> <li>(c) Methane gas derived from any combination of: <ul style="list-style-type: none"> <li>a. Biogas;</li> <li>b. Hydrogen gas or carbon oxides derived from renewable energy sources; or</li> </ul> </li> </ul>





	<p>c. Waste carbon dioxide.</p> <p>Washington definitions per <a href="#">RCW 54.04.190</a>(6):</p> <p>"Renewable natural gas" means a gas consisting largely of methane and other hydrocarbons derived from the decomposition of organic material in landfills, wastewater treatment facilities, and anaerobic digesters.</p> <p>"Renewable hydrogen" means hydrogen produced using renewable resources both as the source for the hydrogen and the source for the energy input into the production process.</p>
Renewable Thermal Certificate (RTC)	"Renewable Thermal Certificate" means a unique representation of the Environmental Attributes associated with the production, transport, and use of one dekatherm of renewable natural gas.
Midwest Renewable Energy Tracking System (M-RETS)	The energy certificate system for tracking the purchase and sale of RTCs.

## 2.2 Scope of Services

NW Natural will consider the purchase of bundled or unbundled RNG and will require the transfer of RNG attributes as RTCs. Bidder may propose one of the following services regarding RNG as defined in Section 2.1:

- Bidder would sell and deliver to NW Natural, and NW Natural would purchase and receive from Bidder, RNG, as a bundled product consisting of *both* the RTCs as well as the gas commodity. NW Natural would enter into a gas purchase agreement with Bidder and receive the RNG at a specific location.
- Bidder would sell and deliver to NW Natural, and NW Natural would purchase and receive from Bidder, all the RTCs from an RNG product. In this situation, Bidder would separately sell or otherwise market the gas commodity.

The second scenario, an unbundled product, is preferred. In either of the above scenarios, the RTCs that are purchased by NW Natural must satisfy the requirements of the definition of Environmental Attributes as noted in section 2.1. Commercial terms considered will vary, ranging from spot transfers to agreements lasting up to 20 years.

## 2.3 Delivery Date

Delivery of the resource to NW Natural may be initiated immediately upon the execution of definitive agreements and must commence no later than October 31, 2026.



## 3 Bidder Instructions

### 3.1 Point of Contact

All correspondence, including but not limited to, questions and submissions shall be directed to: [renewables@nwnatural.com](mailto:renewables@nwnatural.com).

Please visit the [RNG page](#) on our website for RFP materials: Materials provided include:

- 2025 RFP Response Template – Proposal
- 2025 RFP Response Template – Certification
- Exhibit A: Non-disclosure Agreement
- Exhibit B: Transaction Confirmation for a Fixed Quantity
- Exhibit C: Transaction Confirmation for a Variable Quantity
- Exhibit D: Renewable Natural Gas Attributes Purchase and Sale Agreement
- Exhibit E: Hydrogen Attributes Purchase and Sale Agreement

### 3.2 Request for Proposal Timeline

Date	Event
5/15/2025	Request for proposal issue date
5/29/2025	Questions due on RFP
6/5/2025	Question responses posted on website
6/26/2025 23:59 (PST)	Proposal submissions due
7/25/2025	Initial notification to responders

### 3.3 Request for Proposal and Bid Procedures

#### 3.3.1 Questions and Communications

For RFP issues and information requests, please direct question(s) to the email address noted above in Section 3.1.

#### 3.3.2 Submission of Proposal

- Each Bidder shall submit its proposal adhering to the requirements outlined in this Section and in Section 4.
- Proposals shall be submitted via email to the above address with the subject line “RFP 2025-01 Submission”.
- Multiple proposals from a vendor will be permissible, however, each proposal must conform fully to the requirements for proposal submission. Each such proposal must be separately submitted and labeled as Proposal #1, Proposal #2, etc.
- Proposed projects with alternatives, such as contract length, pricing, and volume combinations, should be treated as separate proposals.





### 3.3.3 Terms and Conditions of Submission

- Bidder shall comply with all state and federal laws in regard to formulation and submittal of proposals. Bidder should note that this is a competitive process, and that conferring with other Bidders about pricing or other specific details of a proposal may violate antitrust law and is prohibited.
- Bidder represents that to the Bidder's knowledge it has satisfied all the requirements and that everything in its proposal is true and correct.
- Bidder shall under no circumstances use NW Natural's name or logos in advertising, marketing materials, printed materials, reference lists, or in any other way that could be construed as advertising (e.g., memo pads, tee shirts, binders, reference lists, etc.) without NW Natural's prior written consent.
- Any non-public information provided by NW Natural in connection with this RFP is confidential and proprietary to NW Natural. Such materials are to be used solely for the purpose of responding to this RFP. By requesting further information or submitting a proposal, Bidder agrees not to disclose any such information to any third party without the prior written consent of NW Natural (which consent shall be conditioned upon the written agreement of the intended recipient to treat the same as confidential), except as may be required by law. NW Natural may request at any time that any or all NW Natural material be returned or destroyed.
- Notwithstanding any non-disclosure or confidentiality agreement by and between NW Natural (or any affiliates) and Bidder (or any affiliates), Bidder acknowledges and agrees that any information set forth in a proposal submitted by Bidder may be subject to review by regulating bodies, including the Oregon Public Utility Commission and/or the Washington Utilities and Transportation Commission, and Bidder hereby waives any objection it may have to NW Natural sharing such information and hereby waives any objection to such review.
- Each Bidder is required to enter into a Non-disclosure Agreement with submittal of its proposal. NW Natural will countersign and return the fully executed Non-disclosure Agreement to Bidder. Given the timeframe of this RFP process, NW Natural is unable to entertain modifications to the language contained in the Non-disclosure Confidentiality Agreement. This requirement does not apply to those Bidders who have an unexpired Non-disclosure Agreement with NW Natural.
- NW Natural requires that the effectiveness of any proposed project or contract be conditioned on acknowledgement of such project or contract from the Oregon Public Utility Commission, pursuant to NW Natural's annual Purchase Gas Adjustment process, by November 1, 2025.

### 3.3.4 Renewable Thermal Certificates Requirements

- If the proposed project entails the sale or transfer of RTCs, the RTCs that would be purchased by NW Natural must satisfy the requirements of the definition of Environmental Attributes per Section 2.1 above.
- By definition, RTCs may not also be claimed by any other party, such as anyone selling the attributes into programs such as the California Low-Carbon Fuel Standard or the Oregon Clean Fuels Program. Additionally, the environmental attributes cannot be claimed by any party also generating Renewable Identification Numbers (RINs) from the same gas for satisfaction of obligations within the Renewable Fuel Standard.



- NW Natural will only purchase RNG if the Environmental Attributes would satisfy all requirements for listing on the M-RETS system, and NW Natural may request further documentation in support of this criteria if a Bidder is invited to move on to the next stage of NW Natural's selection process. Winning Bidders will be responsible for ensuring that RTCs are established in M-RETS.

### **3.3.5 Errors or Omissions**

A Bidder that discovers an error and/or omission in its proposal response package may withdraw that package and resubmit, provided it does so before the deadline for submission of proposal responses.

### **3.3.6 Request for Proposal Response Withdrawal**

A Bidder that wishes to withdraw its proposal response package may do so at any time by submitting notice to the email address noted in Section 3.1.

## **3.4 Proposal Selection and Award Process**

### **3.4.1 Proposal Evaluation**

NW Natural will evaluate and rank the proposal submitted by each Bidder against the proposals submitted by other Bidders in response to this RFP. The evaluation and ranking of the provided information will focus on conformance of each Bidder's submittal with the requirements of this RFP as well as the proposed pricing and other factors of each proposed opportunity. Such evaluation and ranking shall be performed in a fair and consistent manner. All Bidders should be prepared to discuss their proposals and be available for questions either via email or phone after each detailed proposal is received by NW Natural.

Failure to meet the requirements of this RFP may result in the rejection of the proposal. In the event that a Bidder's proposal does not meet all of the RFP requirements, NW Natural reserves the right to continue the evaluation of the non-conforming proposal and to select the proposals that provide the best opportunities for NW Natural to secure RNG resources in accordance with its strategy.

### **3.4.2 Proposal Scoring**

Proposals will be scored based on a range of criteria including, but not limited to, the following:

1. The overall cost of the product.
2. Proposed terms of the purchase contract, including duration and renewal options.
3. Commercial terms including contractual remedies for a resource's failure to deliver.
4. The volume of RNG or RTCs available for purchase.
5. The RNG site information/history.
6. The experience and proven performance of the firm making the proposal.
7. Overall ability of the project to successfully deliver qualifying RNG within the terms of the contract.
8. Certification as a minority owned, women-owned, disadvantaged or emerging small business.
9. The existence of a demonstrated Environmental, Social, and Governance (ESG) plan.



10. Resources in Oregon and Washington are particularly welcome.

Note that NW Natural does not consider the carbon intensity score as part of its evaluation; however, it is required for regulatory reporting purposes.

### **3.4.3 Right to Reject Proposals and Negotiate Contract Terms**

NW Natural has no obligation to reveal the basis for contract award or to provide any information to Bidders relative to the evaluation or decision-making process. All participating Bidders will be notified of proposal acceptance or rejection in accordance with the schedule outlined in section 3.2.

This is a best-value bidding process. NW Natural reserves all rights regarding the review and evaluation of proposals, selection of a firm, and award of a contract. NW Natural expressly reserves the rights to (a) select a firm and award a contract to that firm, with or without prior negotiations, (b) select one or more firms and then negotiate with them jointly or collectively before making an award decision, (c) select no firm and award no contract, with or without prior negotiations, (d) proceed with another RFP or other selection process, after selecting no firm or awarding no contract, and (e) waive and disregard any defects, irregularities, omissions, discrepancies, inconsistencies, lack of “responsiveness,” absence of “responsibility” and any other shortcomings in or of any proposal. In exercising these rights, NW Natural also reserves the right to make selection and award decisions based, in whole or in part, on any factors and considerations that it chooses in its discretion. This RFP gives rise to no contractual obligations, implied or otherwise. Bidder waives any right to claim damages of any nature whatsoever based on the selection process, final selection, and any communications associated with the selection.

### **3.4.4 Awards and Final Offers**

Awards may be granted to multiple Bidders. Should Bidder and NW Natural jointly decide to move into the negotiation phase, NW Natural may request additional documentation to support Bidder’s ability to satisfy the terms of its bid and NW Natural’s requirements.

NW Natural expects that the legal terms of a bundled RNG purchase transaction would be documented in a NAESB Base Contract, and that transaction-specific details, such as volume, price, delivery location, quality specifications, and regulatory requirements related to Environmental Attributes, would be set forth in a Transaction Confirmation (Exhibits B or C) entered into pursuant to the NAESB Base Contract. The terms of an unbundled purchase of RTCs would be set forth in an agreement (Exhibit D or E), containing legal terms that are standard for the purchase of RTCs or similar products, to be negotiated between the parties.

State regulatory programs require the disclosure of information related to NW Natural’s renewable resources. Successful Bidders will be expected to provide the following information about their contracted resources:

- The type and quality of the gas, including the high heating value of the gas;
- Name and address of all intermediary and direct vendor(s) from which the fuel is purchased;



- Name, address, and facility type from which the fuel was produced;
- Fuel feedstock;
- Method(s) used to produce the gas;
- Method of delivery (Interstate or Intrastate);
- The lifecycle carbon intensity, as defined in [OAR chapter 340, division 253](#) of the pathway for the contractually delivered biomethane or hydrogen. Lifecycle carbon intensity values must be estimated using the methodology and tools described in OAR chapter 340, division 253;
- Name and air permit source identification number for the final end user of the gas in Oregon, if applicable.

### 3.4.5 Notification of Intent to Award

As a courtesy, NW Natural will send a notification of award to responding Bidders upon the conclusion of the RFP process and will inform all Bidders of their status.

## 4 Proposal Response Package Components

The proposal response package should be composed of the documents outlined below.

Please do not utilize zip files.

### Required

#### 1. 2025 RFP Response Template – Proposal

Using the template provided by NW Natural, provide details about the proposed opportunity. See the instructions provided on the first tab. Please provide the file in Excel format.

#### 2. Non-disclosure Agreement

As noted in Section 3.3.3, submittal of a Non-disclosure Agreement is required. The template is available as Exhibit A. The file may be provided in Word or .PDF format. NW Natural is unable to entertain modifications to the language contained in the Non-disclosure Confidentiality Agreement.

This requirement does not apply to those Bidders who have previously executed a Non-disclosure Agreement with NW Natural.

#### 3. 2025 RFP Response Template – Certification

Using the template provided by NW Natural, certify and sign the proposal. The file may be provided in Word or .PDF format.

### Optional

#### 4. Purchase Agreements

Section 3.4.4 outlines the agreements that are expected by NW Natural for finalization of a purchase transaction. Utilizing the templates, Bidder may elect to submit draft



agreements as part of its RFP response to expedite the evaluation of their proposal. Files may be provided in Word or .PDF format.

## **5. Additional Information**

Provide any information, outside of the required data, that may aid NW Natural in making its selection.

