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March 16, 2026

Columbia County Planning Commission
230 Strand Street
St. Helens, OR 97051

Submitted via email at planning@columbiacountyor.gov

RE: CU 25-169, Northwest Natural's Proposal for an Expansion of the Mist Underground Natural Gas Storage Facility

Northwest Environmental Defense Center ("NEDC") submits these supplemental comments in opposition to Northwest Natural's ("NWN") application CU 25-169 to install four well pads to construct and operate twelve new gas storage wells as a significant expansion of their Mist Underground Natural Gas Storage Facility ("the Storage Expansion"). We appreciate the Planning Commission's thoughtful consideration of our initial comments and the opportunity to submit additional testimony. We write to highlight 1) that the County cannot give NWN ongoing, open authority to construct roads for the Storage Expansion as proposed, and 2) that statements from NWN's Integrated Resource Plan (IRP) appear to contradict some of NWN's testimony at the hearing.

The County must decide now whether new roads are necessary for this development or not. The Staff Report suggested that "no new road accesses are necessary or proposed."[1] However, staff at the hearing were more ambiguous about whether or not the facility will lead to new roads, explaining that they were placing conditions of approval requiring compliance with CCZO 1193(C) because NWN would still have ongoing authority to build roads for the Storage Expansion. This is not permissible. CCZO 1193(C) limits road development "to that which is necessary to support the proposed use." If the County is finding that the facility does not need any new roads, CCZO 1193(C) then explicitly prohibits any roads for this facility. If new roads are needed for this facility, then the County must analyze the impacts of those roads now with respect to necessary criteria, including the farm impacts test and CCZO 1193(C). Doing otherwise would be an improper deferral of compliance with approval criteria.

This discrepancy is also incongruous with the County's handling of fire risk impacts. The EFSC final order contends that "[f]acility access roads will be sufficiently sized for emergency vehicle access[.]"[2] The Findings, however, contain no substantive analysis regarding the well

[1] Staff Report at 11.
[2] Oregon Energy Facility Siting Council, in the Matter of Request for Amendment 13 of the Site Certificate for the Mist Underground Natural Gas Storage Facility, Final Order Denying Requests for Contested Case and Approving Requested Amendment (Jan. 17, 2025) at 180.

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pad's increase to fire threats and if the existing roadway infrastructure is sufficient to accommodate for that risk. The County must directly analyze if the existing road will be sufficient to proportionately account for the increased fire risk and response actions. Conversely, if the existing roads are not sufficient to accommodate for an emergency response, the report must analyze what new road infrastructure will be necessary *and* the impacts associated with those upgrades. In other words, if the fire safety analysis depends on upgrades to existing roadways in the event of an emergency, the latter must be analyzed. Conversely, if roadway upgrades are not pursued, it undermines a conclusion that there are no changes to fire risks, as it is unclear how the roadways are sufficient to accommodate for the increased fire risk presented by these new wells.

Finally, Statements in NWN's 2025 Integrated Resource Plan (IRP) appear to contradict testimony from NWN at the hearing in response to questions from Commissioner Lesowske regarding whether the Storage Expansion is necessary for local or regional energy needs.[3] At the hearing, NWN suggested the Storage Expansion would be used primarily for such needs. However, NWN's IRP explains that existing capacity at Mist exceeds the needs of "core utility sales customers" and excess capacity already goes to "serv[ing] the interstate/intrastate storage market."[4] NWN's IRP also explains that it expects the existing Mist facility to meet its core utility needs through 2050, even under their highest demand projections.[5] If NWN expects existing storage to meet its core utility delivery needs through 2050 and if excess storage simply serves other markets, it seems that the capacity added by the Storage Expansion can only go to serving those other markets.

For the reasons explained in this letter and in our previous testimony to the Planning Commission, NWN's application for the Storage Expansion must be denied.

Sincerely,

Mary Stites
Staff Attorney
Northwest Environmental Defense Center

[3] The relevant excerpts are attached to this letter.
[4] Northwest Natural, 2025 NW Natural Integrated Resource Plan (Aug. 2025) at 8-11, included in Attachment A.
[5] *Id.* at 9-50.

ATTACHMENT A

NW Natural®

2025 NW Natural Integrated Resource Plan

August 2025

nwnatural.com

ATTACHMENT A

Forward Looking Statement

This plan contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as "anticipates," "assumes," “continues,” “could,” "intends," "plans," "seeks," "believes," "estimates," "expects," "will" and similar references to future periods. See "Risk Factors” in our most recent Annual Report on Form 10-K and our subsequent quarterly reports for examples of forward-looking statements and for important factors that could cause actual results to differ materially from those in the forward-looking statements, including legal, regulatory and legislative risks, financial, macroeconomic and geopolitical risks, and business, environmental and technology risks.

You are cautioned against relying on any forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law. New factors emerge from time to time and it is not possible to predict all such factors, nor can we assess the impact of each such factor or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statements.

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ATTACHMENT A

A Message from NW Natural President

NW Natural provides an essential service to our customers and the communities that depend on us. In light of this responsibility, the company's IRP is guided by three objectives: (1) reliability and safety, (2) affordability, and (3) achieving Pacific Northwest carbon emission reduction goals. NW Natural believes we must succeed at all three objectives simultaneously because failure on any single objective will jeopardize the ability to accomplish the others.

To do so in an increasingly challenging and complex energy landscape requires comprehensive, evidence-based energy system planning. This 2025 IRP contains a significant amount of analysis based on input from a wide variety of voices. While a multitude of scenarios and sensitivities were assessed in this Plan, a key element is the evaluation of building electrification as a carbon compliance tool.

NW Natural commissioned the firm ICF to conduct an assessment of various electrification scenarios and their cost impacts. In addition to a reference case that utilizes a mix of gas system technologies and low carbon gas resources, two electrification scenarios were analyzed: 1) an aggressive deployment of hybrid systems to reduce electric system peak challenges, and 2) a strategy that relies solely on adoption of electrification of gas use in homes and commercial buildings.

The results are illuminating. While all three scenarios necessitate a marked increase in consumer energy costs to achieve Oregon and Washington's carbon emission reduction program requirements, there were substantial differences in costs, risks, and levels of uncertainty.

The Reference Case reduces emissions at the lowest cost but is still projected to increase energy costs by $6.7 billion on a net present value basis from 2025 to 2050. In comparison to the Reference Case, the Hybrid Electrification scenario would increase consumer costs by an additional $7.7 billion (net present value), while the All-Electric scenario would increase consumer costs by an additional $12 billion (net present value). These total costs are ultimately borne by natural gas and electric utility customers, either directly in the form of equipment conversion costs or in the form of increased utility rates.

An independent Advisory Group of electric industry leaders reviewed the ICF analysis and found the electrification scenarios depend too heavily on optimistic assumptions. They believe the electric system will struggle to meet current policy goals and load growth even before the electrification of natural gas end-uses is considered. These challenges to meet state climate targets have only been compounded since the Advisory Group's review due to recent policy changes removing clean energy funding and tax credits at the federal level. If the Advisory Group's perspective proves accurate, affordability and reliability—particularly during extreme cold when public health is at stake—would be at greater risk.

The choices before us to achieve all our collective goals are difficult and NW Natural has made considerable effort to better understand and respond to public input. As a result, we firmly believe a fundamental aspect to addressing social equity is a thoughtful consideration of energy security and costs—for low-income customers, but also moderate income and middle-class customers, and the businesses our communities rely on for economic viability.

A successful energy transition involves a balanced, integrated approach which informs our Action Plan summarized in Section 1.10. Our Action Plan provides flexibility and optionality, while exploring and investing in a variety of solutions, and encouraging stakeholder collaboration and joint electric and gas system planning. Through this approach, the Pacific Northwest and NW Natural can achieve decarbonization goals while maintaining safe, reliable, and affordable energy for our communities.

Thank you for your participation in this process. We look forward to a productive discussion.

Kim Rush
President

8.2.9 On-system Production

RNG projects owned by third parties are interconnected to the NW Natural distribution system. Currently, NW Natural only purchases the underlying commodity from these projects and does not have rights to the environmental attributes associated with this RNG. Expected volumes from these projects are included as gas supplies in the IRP as they do provide a capacity benefit, but not a compliance benefit.

8.2.10 Industrial Recall Options

NW Natural has contracts with two industrial companies located on or near our distribution system wherein we can call on natural gas supplies if needed in the winter. The price of these contracts is either fixed or tied to an alternate fuel source that the industrial company could use if we were to call on their flowing natural gas supplies. If called upon, these supplies would be delivered to NW Natural at our citygate on the industrial customers' capacity with NWP. Each contract has specific terms outlining when we can call on the capacity and at what volume. Contract volumes range from 1,000 Dth/day to 30,000 Dth/day.

8.3 Future Supply-side Capacity and Energy Resource Options

NW Natural considers additional gas supply resource options including Mist recall and increases to Newport take-away. Additionally, if less resources are needed in the future, we evaluate non-renewal of our existing pipeline capacity. These alternatives are described in more detail below.

8.3.1 Mist Recall

In addition to the existing Mist storage capacity currently reserved for the core utility sales customers (see Table 8.1), NW Natural has developed additional capacity in advance of core customer needs. This capacity currently serves the interstate/intrastate storage (ISS) market but could be recalled for service to NW Natural's utility customers as those third-party firm storage agreements expire.

Mist is ideally located in NW Natural's service territory, eliminating the need for upstream interstate pipeline transportation service to deliver the gas during the heating season. Due to its location, Mist is particularly well suited to meet load requirements in the Portland area, which can then free up other capacity resources to meet incremental system requirements.

There are three practical considerations that apply to Mist recall:

1. Recall decisions to transition capacity to the utility portfolio are made roughly a year prior to the core utility's forecasted capacity need. On or about May 1, NW Natural

- Deliverability from Mist Recall is sufficient and the least cost resource to meet peak day capacity requirements after segmented capacity drops from the resource stack and any incremental peak day growth throughout the planning horizon.
- NW Natural will continue to rely on demand response from our interruptible sales customers to provide peak day savings.
- Continued growth in peak day savings from cost-effective energy efficiency is a significant resource by 2050 in mitigating growth in peak day requirements.
- The model selects Newport Takeaway 1 as least cost resources as in 2047, as a decline in peak day requirements in combination with a decline in annual demand allows the Newport Takeaway 1 to replace a small amount of more expensive upstream pipeline capacity.
- On-system RNG from the local water resource recovery facility is selected for compliance purposes but does provide trivial capacity.

9.5.2 S4: Growth Recovery S4: Growth Recovery

The growth recovery shows a future where customer counts are higher than expected in the Reference Case and peak day requirements (net of energy efficiency) continue to growth through 2050. Mist Recall is the least cost resource available to meet these peak day requirements. Despite higher customer growth, the amount of available deliverability from Mist Recall is still sufficient to meet peak day requirements over the planning horizon. The model does select Newport Takeaway 1, earlier in the planning horizon (2033) to replace a small amount of upstream pipeline capacity. Further analysis will be required to determine if replacing a small amount of upstream pipeline capacity with Newport Takeaway 1 would be an appropriate solution for customers to be able to serve not only design peak day capacity but also design winter requirements. Future IRPs will continue to examine these tradeoffs, as any action for Newport Takeaway is outside an actionable window for this IRP.

9.5.3 S5: Modest Customer Electrification

The modest electrification scenario sees a decline in design peak day requirements much sooner in the planning horizon starting in 2028. Newport Takeaway 1 is no longer selected at any point in the planning horizon and an additional 36,000 Dth/day of upstream pipeline capacity is released relative to the references case demand.

9.5.4 S6: Hybrid System Electrification

In the Hybrid System Electrification scenario, overall commodity costs drastically decline, but the system fixed cost associated with upstream capacity charges remain roughly at the same level as the Reference Case. Maintaining gas furnaces as backups to electric heat pumps