

DRAFT - SUBJECT TO CHANGE

Climate Policy Commission Meeting

Oct 14, 2021

From: Rick Barth, Chair; Stu Green, Staff Liaison

To: CPC

Re: Draft letter to Avista

The below draft letter to Avista will require approval from City Council before transmittal.

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To: Steve Vincent, Avista

From: City of Ashland, Oregon, Climate Policy Commission (CPC)

Date: October 5, 2021

Subject: Follow-up from November 12, 2020 Discussion

CPC would like to thank you for coming to our monthly meeting in November last year and discussing with us Avista's role as our gas provider and what your future goals are to reduce Avista's Greenhouse Gas (GHG) footprint.

CPC is tasked with helping the City of Ashland and its Citizens realize the goals of its Climate and Energy Action Plan (CEAP) by mitigating GHG emissions to net zero by 2050 and adapting to the effects of Climate Change. CPC and the City of Ashland would like to continue to work with Avista on short term and long term actions to achieve our CEAP goals while also meeting Oregon's EO20-04 goal of 80% reduction in GHG emissions by 2050 relative to 1990. Currently the two largest sector based GHG emissions for Ashland are the use of fossil gas for residential, commercial and industrial activities and the use of fossil fuels for transportation.

The Climate Policy Commission's current policy recommendation to City Council calls for ceasing to build new gas infrastructure, including any new service connections, and the electrification of existing gas equipment and appliances as they reach end of life. This policy recommendation is consistent with a trend already established by other cities.

The years of replacing GHG producing equipment and appliances with devices that do not produce GHG defines the short term. We would like to work with Avista to reduce the quantity of fossil gas used during the short term. This includes incentivizing efficiency actions such as increasing the use of smart thermostats and decreasing building shell heat loss. We exclude the upgrading of old gas equipment with higher efficiency equipment due to the stranded asset problem. There are other such short term possibilities we would be happy to discuss.

The long term possibilities depend upon Avista changing the products offered to Ashland more substantially. Sufficient demonstrated Avista commitment to such future products could change CPC's policy recommendation. One possibility is for Avista to deliver a purely renewable gas product; likely some combination of hydrogen and renewable methane. This may require significant investment in source, distribution upgrades, and fuel agnostic end-use equipment. Another possibility is for Avista to use its combined electricity and gas expertise along with its customer relationships to participate in electrification. For example, Avista could fund the replacement of gas furnaces and water heaters with

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electric versions that then generate revenue through distributed energy resource concepts like virtual power plants. Such behind the meter product offerings could be expanded to include items such as solar panels, battery storage, and EV charging. CPC is considering how to achieve climate change adaptation goals including electric system resilience. It may be that Avista could play a role in that capital intensive, technically difficult transition with front of the meter investments. There are other such long term possibilities we would be happy to discuss.

We look forward to seeing what Avista's future plans are to reduce GHG emissions and we welcome continuing dialogue and feedback as we move forward to address Climate Change. The attached document presents some specific questions that may assist this continuing dialogue.