



NEWS RELEASE

NW Natural Can Now Bring Renewable Energy Directly to Its Customers

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Oregon Rulemaking Complete, Giving Green Light for New Energy Source

PORTLAND, Ore.--(BUSINESS WIRE)-- Rulemaking for Senate Bill 98 (SB 98) is now complete, giving NW Natural a clear path to acquire renewable natural gas on behalf of customers, and forging the way for this newest renewable resource to be an increasing part of the state's energy supply.

NW Natural, a subsidiary of NW Natural Holding Company (NYSE: NWN), worked collaboratively with legislators and renewable natural gas stakeholders to create SB 98, a groundbreaking bill that was signed into law by Oregon Governor Kate Brown last year. Since then, the Public Utility Commission of Oregon (OPUC), consumer groups and natural gas utilities have been working through a rulemaking process, so natural gas utilities can begin procuring renewable natural gas under the legislation.

Renewable natural gas is a zero-carbon resource produced from local organic materials like food, agricultural and forestry waste, wastewater, or landfills. The gas can be cleaned and added into the existing natural gas system, where it is fully interchangeable with conventional natural gas.

SB 98 goes further than any other law by setting voluntary goals for adding as much as 30% renewable natural gas into the state's pipeline system by 2050. The law allows up to five percent of a utility's revenue requirement to be used to cover the incremental cost of investments in renewable natural gas infrastructure.

Under the final rules:

- Natural gas utilities in Oregon can procure renewable natural gas for delivery to their customers.

- Similar to a renewable portfolio standard, volumetric goals have been set, as well as other parameters for the procurement:
 - Voluntary targets of 5% by 2020, 10% by 2025, 15% by 2030, 20% by 2035 and 30% by 2050 are now in place.
- Utilities can invest in and own the cleaning and conditioning equipment required to bring raw biogas and landfill gas up to pipeline quality, as well as the facilities to connect to the local gas distribution system.

Further, the new law supports all forms of renewable natural gas including renewable hydrogen, which is made from excess wind, solar and hydro power. Renewable hydrogen can be used for the transportation system, industrial use, or blended into the natural gas pipeline system.

“We’re excited to use this landmark law, one of the first of its kind in the nation, to acquire a renewable product for our customers and bring our region one step closer to a clean energy future,” said David H. Anderson, president and CEO of NW Natural. “Another important benefit is that local communities now have a potential revenue source to turn their waste into energy.”

The market for renewable natural gas is fairly new but growing quickly. There are about 115 projects nationwide, and that’s expected to increase by 50% over the next year. Renewable natural gas is being prioritized as a main energy source for space heating in places like SeaTac Airport, and is being used in transportation fleets like UPS and Waste Management.

What is renewable natural gas?

Renewable natural gas is a zero-carbon resource produced from local, organic materials like food, agricultural and forestry waste, wastewater, or landfills. As these materials decompose, they produce methane. That methane can be captured, conditioned to pipeline quality and delivered in the existing pipeline system to homes and businesses where it can be used in existing appliances and equipment. It can also be used in natural gas vehicles. This process closes the loop on waste and provides a renewable energy option for the natural gas system, in the same way that wind and solar are used to generate renewable electricity.

How much renewable natural gas is possible?

In 2018, the Oregon Department of Energy released its first inventory of technical potential and estimated there are enough sources statewide to produce nearly 50 billion cubic feet (BCF) of renewable natural gas. That’s equivalent to the total amount of natural gas used by all Oregon residential customers today.

On a national level, the technical potential for renewable natural gas is correspondingly greater. A recent study,

conducted by ICF Consulting through the American Gas Foundation, estimates the technical potential of renewable natural gas supply is substantial when compared to current natural gas throughput. In fact, when looking at development costs and existing technologies, the report estimates there is enough potential renewable natural gas to achieve a 95% reduction in emissions in the residential sector.

The supply estimates from the ICF report do not include the potential for renewable hydrogen for the pipeline network or the impacts of deep energy efficiency to reduce future energy use. With these collective innovations pursued together, the company believes a carbon neutral vision for the gas pipeline network is possible.

Request for Proposal

NW Natural will soon release a Request for Proposal for the immediate procurement of renewable natural gas. Please email renewables@nwnatural.com to be placed on the distribution list for the RFP.

About NW Natural

NW Natural is a local distribution company that currently provides natural gas service to approximately 2.5 million people in more than 140 communities through more than 760,000 meters in Oregon and Southwest Washington with one of the most modern pipeline systems in the nation. NW Natural consistently leads the industry with high J.D. Power & Associates customer satisfaction scores.

NW Natural is part of Northwest Natural Holding Company, (NYSE: NWN) (NW Natural Holdings), is headquartered in Portland, Oregon, and through its subsidiaries has been doing business for more than 160 years. It owns NW Natural Gas Company (NW Natural), NW Natural Water Company (NW Natural Water), and other business interests and activities.

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Media Contact: Melissa Moore, 503-220-2436, melissa.moore@nwnatural.com

Investors contact: Nikki Sparley, 503-721-2530, nikki.sparley@nwnatural.com

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