

# Oregon caps gas emissions 90% by 2050. Your capital plan is where that math gets settled.

NW Natural, Avista, and Cascade serve roughly two million Oregonians on a system that is unusually modern — and squarely in the path of the reinstated Climate Protection Program, a gas-ban fight in Eugene, and an RNG build-out. Every one of those forces changes which projects earn a dollar and when. Invizion helps gas utilities re-sequence a capital portfolio in a click — and defend every decision.

|                                                                                                    |                                                                                        |                                                          |                                                                                                        |
|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|----------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| <b>~2M<sup>1</sup></b>                                                                             | <b>809,918<sup>2</sup></b>                                                             | <b>\$2.6–2.9B<sup>3</sup></b>                            | <b>–90%<sup>4</sup></b>                                                                                |
| People served by NW Natural across Oregon and southwest Washington — the state's dominant gas LDC. | Residential natural gas customers in Oregon in 2024, up steadily from 764,000 in 2019. | NW Natural's planned capital expenditures for 2026–2030. | Emissions cut the Climate Protection Program requires from natural gas and other fossil fuels by 2050. |



## THE OREGON LANDSCAPE

# Four forces are moving your project list at once

Oregon's gas system is younger and cleaner than most, but that is no shield. Decarbonization policy, a declining-throughput risk, winter price swings, and a capital-recovery process built on full rate cases all press on the same plan — the one you approved last year may already be the wrong one.

### SYSTEM INTEGRITY & SAFETY

#### A modern system still has to be proven, every year

NW Natural runs about 806,000 meters in Oregon and southwest Washington and reports “one of the most modern distribution systems in the country, with no identified cast iron pipe or bare steel main.”<sup>5</sup> That removes the legacy-pipe overhang other states carry — but a system operating since 1859 still demands continuous integrity management, leak survey, and replacement capital.<sup>6</sup>

The safety case never closes: PHMSA distribution-integrity obligations, growth tie-ins, and reliability upgrades all compete for the same dollars as the decarbonization work below.

### DECARBONIZATION PRESSURE

#### The stranded-asset question, in law

Oregon's Climate Protection Program — invalidated on procedural grounds and readopted by DEQ in 2024 — puts a declining cap on emissions from natural gas and other fuels, requiring a 50% cut by 2035 and 90% by 2050; its first compliance period began January 1, 2025.<sup>4</sup> Statewide emissions were still about 5% above 1990 levels in 2023, so the cap bites<sup>9</sup>

Eugene adopted a ban on gas in new low-rise homes in early 2023, then repealed it that July after NW Natural bankrolled a \$1 million-plus referendum campaign.<sup>7</sup> Renewable natural gas is the hedge — Oregon's SB 98 authorized utility RNG programs in 2019<sup>8</sup> — but NW Natural's own 5%-by-2024 RNG goal was met at under 1%.<sup>6</sup> Every long-horizon dollar now carries throughput risk.

### SUPPLY, PRICE & RELIABILITY

#### Design-day peaks and a volatile commodity

Winter reliability rests on storage and interstate capacity. NW Natural's Mist field holds 17.5 Bcf (12.8 Bcf reserved for utility customers) and can deliver 5.3 million therms a day at peak.<sup>5</sup>

The commodity itself swings: Oregon's average residential gas price jumped to about \$15.71 per thousand cubic feet in 2024, up from \$12.83 in 2022.<sup>10</sup> Design-day planning and cost recovery for those swings sit right beside the capital plan.

### CAPITAL RECOVERY & RATES

#### Recovery runs through full rate cases, not autopilot

Oregon has no automatic infrastructure-replacement surcharge of the ISRS/DSIC type; NW Natural, Avista, and Cascade recover capital chiefly through periodic general rate cases before the Oregon PUC. NW Natural filed one in December 2024.<sup>5</sup>

With planned capital of \$500–\$550 million in 2026 alone and a recent Oregon settlement worth about \$13.0 million in annual revenue,<sup>3</sup> the tension is affordability: rising bills meet a shrinking base of customers to spread costs across.

WHO DELIVERS OREGON'S GAS

Three investor-owned LDCs — and almost no one else

Oregon is unusual: its retail gas is delivered entirely by three PUC-regulated investor-owned utilities, with no municipal or cooperative gas systems of note. NW Natural dominates; Avista and Cascade serve the south and the east.

Investor-owned gas LDCs

Rates & capital recovery regulated by the Oregon PUC

**NW Natural** ~806,000 meters; ~88% in Oregon; serves ~2M people<sup>51</sup>

**Avista** ~369,000 gas customers across 4 NW states; Oregon territory centered on Medford / Rogue Valley<sup>11</sup>

**Cascade Natural Gas** 314,500+ customers; 28 Oregon communities incl. Bend, Pendleton, Hermiston<sup>12</sup>

NW Natural, founded in Portland in 1859, is the state's dominant LDC; capital plans call for \$2.6–\$2.9 billion over 2026–2030.<sup>3</sup>

Municipal, public & supply-side gas

Oregon has essentially no municipal or coop gas utilities

**(No municipal / cooperative gas)** Unlike many states, Oregon's retail gas is delivered entirely by the three regulated LDCs at left.

**Northwest Pipeline (Williams)** Interstate transmission that brings supply into the Oregon market.

**Mist Underground Storage (NW Natural)** 17.5 Bcf capacity; 12.8 Bcf reserved for utility customers.<sup>5</sup>

**Energy Trust of Oregon** Ratepayer-funded efficiency & RNG programs that shape gas demand.

Cascade Natural Gas is a subsidiary of MDU Resources; Avista is Spokane-based — so even Oregon's "other" LDCs answer to out-of-state parents and the Oregon PUC.<sup>13</sup>

## Every capital dollar has to survive a rate case

Oregon recovers gas infrastructure the slow way — through full general rate cases, not an automatic surcharge — while a hard emissions cap reshapes what “used and useful” even means.

**Oregon Public Utility Commission (OPUC)** sets rates and approves capital recovery for NW Natural, Avista, and Cascade. Oregon has no ISRS/DSIC-style automatic infrastructure surcharge, so most replacement and growth capital flows through periodic general rate cases.<sup>5</sup>

**NW Natural’s December 2024 general rate case** is the mechanism by which its current build-out reaches customer bills; a recent Oregon settlement added roughly \$13.0 million in annual revenues<sup>53</sup>

**The Climate Protection Program** is now a first-order regulatory driver: covered gas emissions must fall 50% by 2035 and 90% by 2050, the first compliance period is underway, and DEQ is still refining program rules (including the energy-intensive/trade-exposed track) into 2027.<sup>414</sup>

**Affordability** is the counterweight: residential gas prices rose to about \$15.71/Mcf in 2024, and a shrinking or slower-growing customer base has to absorb every approved dollar of capital.<sup>10</sup>

## Real dollars, moving in two directions at once

Oregon gas utilities are funding a modern, safe system while simultaneously paying to decarbonize it. Both claims land on the same balance sheet — the question is sequencing.

**RNG supply:** NW Natural paid \$26.0 million and \$25.4 million for two EDL renewable-natural-gas facilities that began deliveries in 2024, and contracted about 2,775,000 MMBtu a year for 2035–2042.<sup>5</sup>

**Enabling policy:** Oregon’s SB 98 (2019) directed the OPUC to establish large and small renewable-natural-gas programs, letting gas utilities invest in and recover RNG — the legal basis for the spend above.<sup>8</sup>

**Core capital program:** NW Natural plans \$500–\$550 million of capital in 2026 and \$2.6–\$2.9 billion across 2026–2030 — system integrity, growth, and modernization.<sup>3</sup>

**Recovery in rates:** a recent Oregon rate settlement lifted NW Natural’s annual revenue by about \$13.0 million — a reminder that in Oregon the capital only earns once the PUC agrees.<sup>3</sup>

## OREGON'S GAS SECTOR, IN BRIEF

# Questions Oregon gas-utility leaders are asking

Short, sourced answers — the same facts we dig into with utilities looking hard at their capital programs.

## Who delivers natural gas in Oregon?

Three investor-owned LDCs: NW Natural (the dominant provider, ~806,000 meters serving roughly two million people), Avista (southern Oregon, centered on the Medford area), and Cascade Natural Gas (314,500+ customers across 28 Oregon communities). Oregon has essentially no municipal or cooperative gas systems.<sup>511112</sup>

## What is the Climate Protection Program and why does it matter to gas utilities?

It is Oregon DEQ's declining cap on emissions from natural gas and other fossil fuels, requiring a 50% reduction by 2035 and 90% by 2050. Struck down on procedural grounds and readopted in 2024, its first compliance period began January 1, 2025 — making long-lived gas assets a genuine stranded-cost question.<sup>4</sup>

## Does Oregon have the aging cast-iron pipe problem other states face?

Largely no. NW Natural reports no identified cast iron or bare steel main and calls its system one of the most modern in the country. The capital pressure in Oregon comes less from legacy pipe and more from decarbonization policy and continuous integrity management.<sup>5</sup>

## What happened with Eugene's gas ban?

Eugene's City Council adopted an ordinance in early 2023 barring natural gas in new low-rise residential buildings, then repealed it on July 10, 2023, after NW Natural funded a referendum campaign that raised over \$1 million to force a public vote.<sup>7</sup>

## How much are Oregon gas utilities investing?

NW Natural alone plans \$500–\$550 million of capital in 2026 and \$2.6–\$2.9 billion over 2026–2030, on top of RNG supply deals worth tens of millions — all recovered through Oregon PUC rate cases.<sup>35</sup>

## How does Invizion help Oregon gas utilities plan capital?

Invizion is scenario-based capital portfolio optimization for utilities. It lets you model how a tighter emissions cap, an RNG commitment, a rate-case outcome, or slowing customer growth reshuffles your whole project list, re-sequence the portfolio automatically against your constraints, and keep a defensible record of every trade-off for the Oregon PUC or your board.

## REFERENCES

## Sources

Every figure in this briefing is tied to a primary or authoritative source.

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3. NW Natural Holdings (via StockTitan) — planned capital \$500–\$550M for 2026 and \$2.6–\$2.9B for 2026–2030; ~\$13.0M Oregon revenue increase. [www.stocktitan.net](http://www.stocktitan.net)
4. Oregon DEQ — Climate Protection Program: 50% emissions reduction by 2035 and 90% by 2050; first compliance period began Jan. 1, 2025; readopted via 2024 rulemaking. [www.oregon.gov/deq](http://www.oregon.gov/deq)
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12. Cascade Natural Gas — more than 314,500 customers in 95 communities (67 Washington, 28 Oregon incl. Bend, Baker City, Pendleton, Hermiston). [www.cngc.com](http://www.cngc.com)
13. Cascade Natural Gas Corporation — subsidiary of MDU Resources Group (acquired 2006). [en.wikipedia.org](https://en.wikipedia.org)
14. Oregon DEQ — rulemaking docket showing the Climate Protection Program EITE 2027 rulemaking (program active and being refined). [www.oregon.gov/deq](http://www.oregon.gov/deq)

**ABOUT INVIZION**

## Capital program optimization for utilities

Invizion is a purpose-built capital lifecycle management platform for utilities. It integrates budgeting, CIP, scenario analysis, and funding-source tracking in one system — so utilities can re-sequence a capital portfolio in a click and demonstrate audit-ready, defensible decisions to regulators, boards, and rating agencies.

**See how utilities keep capital plans current and defensible with Invizion.**

**Explore Invizion →**