

FIRST REGULAR SESSION

[PERFECTED]

SENATE SUBSTITUTE FOR

SENATE BILL NO. 141

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR BEAN.

1070S.02P

ADRIANE D. CROUSE, Secretary

AN ACT

To amend chapters 67 and 386, RSMo, by adding thereto two new sections relating to types of energy.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapters 67 and 386, RSMo, are amended by
2 adding thereto two new sections, to be known as sections 67.309
3 and 386.895, to read as follows:

**67.309. No political subdivision of this state,
2 including any referenced in section 386.020, shall adopt an
3 ordinance, resolution, regulation, code, or policy that
4 prohibits, or has the effect of prohibiting, the connection
5 or reconnection of a utility service based upon the type or
6 source of energy to be delivered to an individual customer.
7 Nothing in this section shall limit the ability of a
8 political subdivision to choose utility services for
9 properties owned by such political subdivision.**

**386.895. 1. As used in this section the following
2 terms shall mean:**

**(1) "Biogas", a mixture of carbon dioxide and
4 hydrocarbons, primarily methane gas, released from the
5 biological decomposition of organic materials;**

6 (2) "Biomass", has the meaning given the term
7 "qualified biomass" in section 142.028;

8 (3) "Gas corporation", the same as defined in section
9 386.020;

10 (4) "Qualified investment", any capital investment in
11 renewable natural gas infrastructure incurred by a gas
12 corporation for the purpose of providing natural gas service
13 under a renewable natural gas program;

14 (5) "Renewable energy sources", hydroelectric,
15 geothermal, solar photovoltaic, wind, tidal, wave, biomass,
16 or biogas energy sources;

17 (6) "Renewable natural gas", any of the following
18 products processed to meet pipeline quality standards or
19 transportation fuel grade requirements:

20 (a) Biogas that is upgraded to meet natural gas
21 pipeline quality standards such that it may blend with, or
22 substitute for, geologic natural gas;

23 (b) Hydrogen gas; or

24 (c) Methane gas derived from any combination of:

25 a. Biogas;

26 b. Hydrogen gas or carbon oxides derived from
27 renewable energy sources; or

28 c. Waste carbon dioxide;

29 (7) "Renewable natural gas infrastructure", all
30 equipment and facilities for the production, processing,
31 pipeline interconnection, and distribution of renewable
32 natural gas to be furnished to Missouri customers.

33 2. The commission shall adopt rules for gas
34 corporations to offer a voluntary renewable natural gas
35 program. Rules adopted by the commission under this section
36 shall include:

37 (1) Rules for reporting requirements; and

38 (2) Rules for establishing a process for gas
39 corporations to fully recover incurred costs that are
40 prudent, just, and reasonable associated with a renewable
41 natural gas program. Such recovery shall not be permitted
42 until the project is operational.

43 3. A filing by a gas corporation pursuant to the
44 renewable natural gas program created in subsection 2 of
45 this section shall include, but is not limited to:

46 (1) A proposal to procure a total volume of renewable
47 natural gas over a specific period; and

48 (2) Identification of the qualified investments that
49 the gas corporation may make in renewable natural gas
50 infrastructure.

51 4. A gas corporation may from time to time revise the
52 filing submitted to the commission under this section.

53 5. Any costs incurred by a gas corporation for
54 qualified investment that are prudent, just, and reasonable
55 may be recovered by means of an automatic rate adjustment
56 clause.

57 6. When a gas corporation makes a qualified investment
58 in the production of renewable natural gas, the costs
59 associated with such qualified investment shall include the
60 cost of capital established by the commission in the gas
61 corporation's most recent general rate case.

62 7. Rules adopted by the commission under this section
63 shall not prohibit an affiliate of a gas corporation from
64 making a capital investment in a biogas production project
65 if the affiliate is not a public utility as defined in
66 section 386.020.

67 8. The public service commission may promulgate rules
68 to implement the provisions of this section. Any rule or
69 portion of a rule, as that term is defined in section

70 536.010, that is created under the authority delegated in
71 this section shall become effective only if it complies with
72 and is subject to all of the provisions of chapter 536 and,
73 if applicable, section 536.028. This section and chapter
74 536 are nonseverable and if any of the powers vested with
75 the general assembly pursuant to chapter 536 to review, to
76 delay the effective date, or to disapprove and annul a rule
77 are subsequently held unconstitutional, then the grant of
78 rulemaking authority and any rule proposed or adopted after
79 August 28, 2021, shall be invalid and void.

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