

SENATE BILL NO. 829

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR ROWDEN.

3933S.02I

KRISTINA MARTIN, Secretary

AN ACT

To repeal section 386.895, RSMo, and to enact in lieu thereof one new section relating to a renewable natural gas program.

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

Section A. Section 386.895, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 386.895, to read as follows:

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

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

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

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

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

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

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

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

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. **No later than January 1, 2025**, the commission shall
34 adopt rules **[for] permitting** gas corporations **to voluntarily**
35 **institute a [to offer a voluntary]** renewable natural gas
36 program. Rules adopted by the commission under this section
37 shall **be limited to [include]**:

38 (1) Rules for reporting requirements; **[and]**

39 (2) **Rules for establishing a process for gas**
40 **corporations to submit filings pursuant to the renewable**
41 **natural gas program;**

42 (3) Rules for establishing a process for gas
43 corporations to fully recover incurred costs that are
44 prudent, just, and reasonable associated with a renewable
45 natural gas program. Such recovery shall not be permitted
46 until the project is operational and produces renewable
47 natural gas for customer use; **and**

48 (4) **The public service commission may promulgate rules**
49 **limited to its rulemaking authority under this subsection.**
50 **Any rule or portion of a rule, as that term is defined in**
51 **section 536.010, that is created under the authority**

52 **delegated in this section shall become effective only if it**
53 **complies with and is subject to all of the provisions of**
54 **chapter 536 and, if applicable, section 536.028. This**
55 **section and chapter 536 are nonseverable and if any of the**
56 **powers vested with the general assembly pursuant to chapter**
57 **536 to review, to delay the effective date, or to disapprove**
58 **and annul a rule are subsequently held unconstitutional,**
59 **then the grant of rulemaking authority and any rule proposed**
60 **or adopted after August 28, 2024, shall be invalid and void.**

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

64 (1) A proposal to procure a total volume of renewable
65 natural gas over a specific period; **[and]**

66 (2) Identification of the qualified investments that
67 the gas corporation may make in renewable natural gas
68 infrastructure; **and**

69 **(3) A timeline for the investment and completion of**
70 **the proposed renewable natural gas infrastructure.**

71 4. A gas corporation may from time to time revise the
72 filing submitted to the commission under this section no
73 more than one time per year.

74 5. Any costs incurred by a gas corporation for a
75 qualified investment that are prudent, just, and reasonable
76 may be recovered by means of an automatic rate adjustment
77 clause.

78 **6. The commission shall issue a decision on any filing**
79 **made by a gas corporation under this section within ninety**
80 **days of submission.**

81 **[6.]** 7. When a gas corporation makes a qualified
82 investment in the production of renewable natural gas, the
83 costs associated with such qualified investment shall

84 include the cost of capital established by the commission in
85 the gas corporation's most recent general rate case.

86 [7.] 8. On or before January 1, [2023] 2026, the
87 division of energy within the department of natural
88 resources shall provide to the chair of the public service
89 commission, the speaker of the house of representatives, the
90 president pro tempore of the senate, the chair of the senate
91 committee on commerce, consumer protection, energy, and the
92 environment, and the chair of the house of representatives
93 utility committee, a report on the renewable natural gas
94 program established under this section. Such report shall
95 include, but not be limited to, the following:

96 (1) The number of projects submitted for the renewable
97 natural gas program and the number of projects approved for
98 the renewable natural gas program;

99 (2) The number of projects that are operational, and
100 the costs, projected and actual, of such projects and other
101 key metrics the division of energy deems important;

102 (3) The volume of renewable natural gas produced in
103 the state through projects that were approved by the
104 renewable natural gas program as well as the percentage of
105 renewable natural gas produced in relation to the total
106 volume of natural gas sold in the state;

107 (4) The environmental benefits of renewable natural
108 gas, including but not limited to greenhouse gas reduction
109 as a result of the production of renewable natural gas;

110 (5) The economic benefits of the renewable natural gas
111 program, including but not limited to local employment,
112 value-added production for the agricultural sector, and
113 other economic development; and

114 (6) Any economic benefits or other costs to ratepayers.

115 [8.] 9. Rules adopted by the commission under this
116 section shall not prohibit an affiliate of a gas corporation
117 from making a capital investment in a biogas production
118 project if the affiliate is not a public utility as defined
119 in section 386.020.

120 [9. The public service commission may promulgate rules
121 to implement the provisions of this section. Any rule or
122 portion of a rule, as that term is defined in section
123 536.010, that is created under the authority delegated in
124 this section shall become effective only if it complies with
125 and is subject to all of the provisions of chapter 536 and,
126 if applicable, section 536.028. This section and chapter
127 536 are nonseverable and if any of the powers vested with
128 the general assembly pursuant to chapter 536 to review, to
129 delay the effective date, or to disapprove and annul a rule
130 are subsequently held unconstitutional, then the grant of
131 rulemaking authority and any rule proposed or adopted after
132 August 28, 2021, shall be invalid and void.]

133 10. Pursuant to section 23.253 of the Missouri sunset
134 act, this section and any rules enacted under this section
135 shall expire nine years from the date the **commission**
136 **promulgates rules to implement the** renewable natural gas
137 program [is established], unless reauthorized by the general
138 assembly; provided that any rate adjustment authorized by
139 this section shall continue so long as the renewable natural
140 gas program remains in operation and produces renewable
141 natural gas for customer use.

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