

HOUSE BILL REPORT

HB 1998

As Reported by House Committee On:
Technology & Economic Development

Title: An act relating to allowing public utility districts to produce and sell renewable natural gas.

Brief Description: Allowing public utility districts to produce and sell renewable natural gas.

Sponsors: Representatives Johnson, Morris, Short, Wylie, Smith, McCabe, Nealey, Tarleton, Tharinger and Van De Wege.

Brief History:

Committee Activity:

Technology & Economic Development: 2/17/15, 2/19/15 [DP].

Brief Summary of Bill

- Authorizes public utility districts to produce, use, and sell or distribute renewable natural gas.

HOUSE COMMITTEE ON TECHNOLOGY & ECONOMIC DEVELOPMENT

Majority Report: Do pass. Signed by 11 members: Representatives Morris, Chair; Tarleton, Vice Chair; Smith, Ranking Minority Member; Fey, Hudgins, Magendanz, Nealey, Ryu, Santos, Wylie and Young.

Minority Report: Do not pass. Signed by 1 member: Representative DeBolt, Assistant Ranking Minority Member.

Minority Report: Without recommendation. Signed by 1 member: Representative Harmsworth.

Staff: Nikkole Hughes (786-7156).

Background:

Public Utility Districts.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

A public utility district (PUD) is a type of special purpose district authorized for the purpose of generating and distributing electricity, providing water and sewer services, and providing telecommunications services. A PUD may operate on a countywide basis or may encompass a smaller jurisdiction. A PUD is governed by a board of either three or five elected commissioners.

Authority of a Public Utility District to Produce and Distribute Biodiesel, Ethanol, and Ethanol Blend Fuels.

A PUD has the authority to produce and distribute biodiesel, ethanol, and ethanol blend fuels, including entering into crop purchase contracts for a dedicated energy crop for the purpose of generating electricity or producing biodiesel for use in internal operations or for sale or distribution.

Summary of Bill:

Public utility districts are authorized to produce renewable natural gas for use in internal operations or for sale. A PUD may not own or operate natural gas distribution pipeline systems used to serve retail customers.

Pipes connecting a PUD's renewable natural gas production facilities to gas transmission pipelines are considered production facilities and are not considered distribution pipeline systems used to serve retail customers.

"Renewable natural gas" means a gas consisting largely of methane and other hydrocarbons derived from the decomposition of organic materials in landfills, wastewater treatment facilities, and anaerobic digesters.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The gas collected from landfills has value as renewable natural gas, which is a clean and processed gas used as a transportation fuel. Public utility districts want to be treated as any other seller on the natural gas market. Public utility districts would provide for the value-added sale of renewable natural gas for transportation without competing with natural gas utilities.

(Opposed) This bill may have competition implications for regulated natural gas utilities by allowing unregulated natural gas into the market.

Persons Testifying: (In support) Representative Johnson, prime sponsor; and Dave Warren, Washington Public Utility District Association.

(Opposed) Ben Hemson, Northwest Gas Association; and John Rothlin, Avista.

Persons Signed In To Testify But Not Testifying: None.