

SENATE BILL REPORT

SB 5424

As of January 29, 2015

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

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

Sponsors: Senators King, McCoy, Ericksen and Hobbs.

Brief History:

Committee Activity: Energy, Environment & Telecommunications: 1/28/15.

SENATE COMMITTEE ON ENERGY, ENVIRONMENT & TELECOMMUNICATIONS

Staff: William Bridges (786-7416)

Background: Public Utility Districts (PUDs). Formed in 1931 by Initiative 1, PUDs are municipal corporations authorized to provide electricity, water and sewer services, and wholesale telecommunications. There are 28 operating PUDs in Washington, 23 of which provide electricity, 19 provide water or wastewater services, and 13 provide wholesale broadband telecommunications services.

In 2007 the Legislature granted PUDs the authority to produce and distribute biodiesel, ethanol, and ethanol blend fuels. PUDs were also authorized to enter into crop purchase contracts for dedicated energy crops for the purpose of generating electricity or producing biodiesel from Washington feedstocks.

Summary of Bill: Granting PUDs the Authority to Produce and Distribute Renewable Natural Gas. PUDs are authorized to produce and distribute renewable natural gas. Renewable natural gas means the fuel derived from the decomposition or digestion of organic material.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This is a simple, common-sense approach that will let PUDs with landfills located in their districts to produce and sell renewable natural gas. Klickitat PUD currently burns landfill gas to generate renewable electricity. Because of growing interest in using landfill gas as a renewable transportation fuel, the PUD is seeking authority to build a pipeline to connect the landfill with a nearby major pipeline so it can sell the gas to others as a transportation fuel. The PUD does not seek to become a natural gas distributor and will work with other stakeholders to clarify the intent of the bill.

OTHER: The bill needs to be clarified so that PUDs are not granted authority to become natural gas distributors.

Persons Testifying: PRO: Senator King, prime sponsor; Jim Smith, General Manager, Klickitat PUD; Dave Warren, WA PUD Assn.

OTHER: Charlie Brown, Cascade Natural Gas Company.