

**SB 98 STAFF MEASURE SUMMARY**

**Joint Committee On Carbon Reduction**

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**Prepared By:** Beth Reiley, LPRO Analyst

**Meeting Dates:** 1/25

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**WHAT THE MEASURE DOES:**

Requires Public Utility Commission to adopt by rule renewable natural gas program (RNG) for natural gas utilities to recover prudently incurred qualified investments in meeting certain targets for including RNG in gas purchases for distribution to retail natural gas customers. Requires commission to adopt rules no later than December 31, 2019. Takes effect on 91st day following adjournment sine die

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

According to the Department of Energy's Biogas and Renewable Natural Gas Inventory issued in 2018, renewable natural gas (RNG), also known as biomethane, is biogas that has had both the contaminants and diluents removed, so that the remaining gas is around 98 percent methane and can be used interchangeably with conventional fossil fuel natural gas. RNG can be compressed and injected into common carrier natural gas pipelines for distribution anywhere in the United States, or it can be liquefied or compressed and transported by truck. RNG can be used as a transportation fuel in vehicles or as a stationary fuel for heating, cooking, process heat, electricity generation, or as a feedstock for some chemical manufacturing.

Senate Bill 98 would require the Public Utility Commission to adopt by rule a RNG program for natural gas utilities to recover prudently incurred qualified investments in meeting certain targets for including RNG in gas purchases for distribution to retail natural gas customers.