

HOUSE BILL REPORT

HB 2069

As Reported by House Committee On:
Environment & Energy

Title: An act relating to the sale of biogenic carbon dioxide and other coproducts of biogas processing.

Brief Description: Concerning the sale of biogenic carbon dioxide and other coproducts of biogas processing.

Sponsors: Representatives Mosbrucker, Doglio and Reeves.

Brief History:

Committee Activity:

Environment & Energy: 1/23/24, 1/30/24 [DPS].

Brief Summary of Substitute Bill

- Authorizes public utility districts to sell biogenic carbon dioxide and other biogas products.

HOUSE COMMITTEE ON ENVIRONMENT & ENERGY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 15 members: Representatives Doglio, Chair; Mena, Vice Chair; Dye, Ranking Minority Member; Ybarra, Assistant Ranking Minority Member; Abbarno, Barnard, Berry, Duerr, Fey, Goehner, Lekanoff, Ramel, Sandlin, Slatter and Street.

Staff: Megan McPhaden (786-7114).

Background:

Biogas.

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

Biogas refers to the gasses produced from the anaerobic decomposition of organic material in landfills, wastewater treatment facilities, and anaerobic digesters. Biogas is comprised primarily of methane and carbon dioxide. The methane from biogas can be purified to make renewable natural gas, which consists primarily of the methane from biogas, and is considered a renewable resource.

Public Utility Districts.

Public utility districts are engaged in the provision of energy, water, sewer, and solid waste services.

Public utility districts may produce renewable natural gas, green electrolytic hydrogen, and renewable hydrogen, and may use these materials for internal operations. Public utility districts may also sell renewable natural gas, green electrolytic hydrogen, or renewable hydrogen at wholesale or to an end-use customer, with specifications.

Summary of Substitute Bill:

Biogenic Carbon Dioxide.

Public utility districts may sell biogenic carbon dioxide and other marketable coproducts from the processing of biogas to an end-use customer or at wholesale.

Biogenic carbon dioxide is carbon dioxide produced from: (1) biogas; (2) the decomposition or processing of biomass; or (3) a byproduct from biological processes in an industrial or manufacturing facility. Biogenic carbon dioxide is not carbon dioxide produced from the combustion or processing of fossil fuels.

Substitute Bill Compared to Original Bill:

Compared to the original bill, the substitute bill:

- modifies the authority of public utility districts to sell biogenic carbon dioxide and other biogas products at wholesale to also allow sale to end-use customers; and
- clarifies that biogenic carbon dioxide includes carbon dioxide produced as a byproduct from biological processes in an industrial or manufacturing facility rather than as a byproduct from industrial or manufacturing processes.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on January 31, 2024.

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

Staff Summary of Public Testimony:

(In support) There is a landfill in Klickitat County, and when the methane is captured, cleaned, and sold, there is carbon dioxide (CO₂) that just goes into the air. There are companies that want to buy this CO₂ but first it needs to be cleaned, which requires an investment in the millions of dollars. This year, the Klickitat Public Utility District (PUD) was approached by parties that wanted to purchase the biogenic CO₂, and the PUD wants to have the authority to sell this before making expensive investments to do so. This would be sold on the wholesale market so as not to compete with others in the retail market.

(Opposed) None.

(Other) There is support for the intention of this bill. Incentivizing the capture of biogenic CO₂ and creating markets for it will support the state's greenhouse gas emissions reduction efforts. There is a small requested change to the definition in the bill. The bill should be expanded to allow end-user customers to purchase the biogenic CO₂, which would help create a market for pure CO₂, which is an important byproduct and will enhance industries and be helpful for the state's Low Carbon Fuel Standard and Sustainable Aviation Fuels.

Persons Testifying: (In support) Representative Gina Mosbrucker, prime sponsor; and Jim Smith, Klickitat Public Utility District.

(Other) Peter Godlewski, Association of Washington Business; and Adam Eitmann, Department of Ecology.

Persons Signed In To Testify But Not Testifying: None.