
HOUSE BILL 2069

State of Washington

68th Legislature

2024 Regular Session

By Representatives Mosbrucker, Doglio, and Reeves

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1 AN ACT Relating to the sale of biogenic carbon dioxide and other
2 coproducts of biogas processing; and amending RCW 54.04.190.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 54.04.190 and 2022 c 292 s 404 are each amended to
5 read as follows:

6 (1) In addition to any other authority provided by law, public
7 utility districts are authorized to produce and distribute biodiesel,
8 ethanol, and ethanol blend fuels, including entering into crop
9 purchase contracts for a dedicated energy crop for the purpose of
10 generating electricity or producing biodiesel produced from
11 Washington feedstocks, cellulosic ethanol, and cellulosic ethanol
12 blend fuels for use in internal operations of the electric utility
13 and for sale or distribution.

14 (2) In addition to any other authority provided by law:

15 (a) Public utility districts are authorized to produce renewable
16 natural gas, green electrolytic hydrogen, and renewable hydrogen and
17 utilize the renewable natural gas, green electrolytic hydrogen, or
18 renewable hydrogen they produce for internal operations.

19 (b) Public utility districts may sell renewable natural gas,
20 green electrolytic hydrogen, or renewable hydrogen that is delivered

1 into a gas transmission pipeline located in the state of Washington
2 or delivered in pressurized containers:

3 (i) At wholesale;

4 (ii) To an end-use customer; or

5 (iii) If delivered in a pressurized container, or if the end-use
6 customer takes delivery of the renewable natural gas, green
7 electrolytic hydrogen, or renewable hydrogen through a pipeline, and
8 the end-use customer is an eligible purchaser of natural gas from
9 sellers other than the gas company from which that end-use customer
10 takes transportation service and:

11 (A) When the sale is made to an end-use customer in the state of
12 Washington, the sale is made pursuant to a transportation tariff
13 approved by the Washington utilities and transportation commission;
14 or

15 (B) When the sale to an end-use customer is made outside of the
16 state of Washington, the sale is made pursuant to a transportation
17 tariff approved by the state agency which regulates retail sales of
18 natural gas.

19 (c) Public utility districts may sell renewable natural gas,
20 green electrolytic hydrogen, or renewable hydrogen at wholesale or to
21 an end-use customer through a pipeline directly from renewable
22 natural gas, green electrolytic hydrogen, or renewable hydrogen
23 production facilities to facilities that compress, liquefy, or
24 dispense compressed natural gas, liquefied natural gas, green
25 electrolytic hydrogen, or renewable hydrogen fuel for end use as a
26 transportation fuel.

27 (d) Public utility districts may sell green electrolytic hydrogen
28 or renewable hydrogen at wholesale or to an end-use customer in
29 pressurized containers directly from green electrolytic hydrogen or
30 renewable hydrogen production facilities to facilities that utilize
31 green electrolytic hydrogen or renewable hydrogen as a nonutility
32 related input for a manufacturing process.

33 (e) Public utility districts may sell at wholesale biogenic
34 carbon dioxide, and other marketable coproducts resulting from the
35 processing of biogas from landfills, anaerobic digesters, and
36 wastewater treatment facilities.

37 (3) Except as provided in subsection (2) (b) (iii) of this section,
38 nothing in this section authorizes a public utility district to sell
39 renewable natural gas, green electrolytic hydrogen, or renewable

1 hydrogen delivered by pipeline to an end-use customer of a gas
2 company.

3 (4) (a) Except as provided in this subsection (4), nothing in this
4 section authorizes a public utility district to own or operate
5 natural gas distribution pipeline systems used to serve retail
6 customers.

7 (b) For the purposes of subsection (2) (b) of this section, public
8 utility districts are authorized to own and operate interconnection
9 pipelines that connect renewable natural gas, green electrolytic
10 hydrogen, or renewable hydrogen production facilities to gas
11 transmission pipelines.

12 (c) For the purposes of subsection (2) (c) of this section, public
13 utility districts may own and/or operate pipelines to supply, and/or
14 compressed natural gas, liquefied natural gas, green electrolytic
15 hydrogen, or renewable hydrogen facilities to provide, renewable
16 natural gas, green electrolytic hydrogen, or renewable hydrogen for
17 end use as a transportation fuel if all such pipelines and facilities
18 are located in the county in which the public utility district is
19 authorized to provide utility service.

20 (5) Exercise of the authorities granted under this section to
21 public utility districts does not subject them to the jurisdiction of
22 the utilities and transportation commission, except that public
23 utility districts are subject only to administration and enforcement
24 by the commission of state and federal requirements related to
25 pipeline safety and fees payable to the commission that are
26 applicable to such administration and enforcement.

27 (6) The definitions in this subsection apply throughout this
28 section unless the context clearly requires otherwise.

29 (a) "Green electrolytic hydrogen" means hydrogen produced through
30 electrolysis, and does not include hydrogen manufactured using steam
31 reforming or any other conversion technology that produces hydrogen
32 from a fossil fuel feedstock.

33 (b) "Renewable natural gas" means a gas consisting largely of
34 methane and other hydrocarbons derived from the decomposition of
35 organic material in landfills, wastewater treatment facilities, and
36 anaerobic digesters.

37 (c) "Renewable hydrogen" means hydrogen produced using renewable
38 resources both as the source for the hydrogen and the source for the
39 energy input into the production process.

1 (d) "Renewable resource" means: (i) Water; (ii) wind; (iii) solar
2 energy; (iv) geothermal energy; (v) renewable natural gas; (vi)
3 renewable hydrogen; (vii) wave, ocean, or tidal power; (viii)
4 biodiesel fuel that is not derived from crops raised on land cleared
5 from old growth or first growth forests; or (ix) biomass energy.

6 (e) "Gas company" has the same meaning as in RCW 80.04.010.

7 (f) "Biogenic carbon dioxide" means (i) carbon dioxide produced
8 from the decomposition or oxidation of organic materials from
9 landfills, wastewater treatment facilities, or anaerobic digesters;
10 (ii) carbon dioxide produced from the decomposition or processing of
11 biomass; and (iii) carbon dioxide produced as a byproduct from
12 industrial or manufacturing processes. Biogenic carbon dioxide does
13 not include carbon dioxide produced from the combustion or processing
14 of fossil fuels.

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