

SB 5424 - S AMD 84
By Senator King

ADOPTED 3/3/2015

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 54.04.190 and 2007 c 348 s 210 are each amended to
4 read as follows:

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

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

14 (a) Public utility districts are authorized to produce renewable
15 natural gas and utilize the renewable natural gas they produce for
16 internal operations.

17 (b) Public utility districts may sell renewable natural gas that
18 is delivered into a gas transmission pipeline located in the state of
19 Washington or delivered in pressurized containers:

20 (i) At wholesale; or

21 (ii) To an end-use customer if delivered in a pressurized
22 container, or if the end-use customer takes delivery of the renewable
23 natural gas through a pipeline, and the end-use customer is an
24 eligible purchaser of natural gas from sellers other than the gas
25 company from which that end-use customer takes transportation service
26 and:

27 (A) When the sale is made to an end-use customer in the state of
28 Washington, the sale is made pursuant to a transportation tariff
29 approved by the Washington utilities and transportation commission;
30 or

31 (B) When the sale to an end-use customer is made outside of the
32 state of Washington, the sale is made pursuant to a transportation

1 tariff approved by the state agency which regulates retail sales of
2 natural gas.

3 (c) Public utility districts may sell renewable natural gas at
4 wholesale or to an end-use customer through a pipeline directly from
5 renewable natural gas production facilities to facilities that
6 compress, liquefy, or dispense compressed natural gas or liquefied
7 natural gas fuel for end use as a transportation fuel.

8 (3) Except as provided in subsection (2)(b)(ii) of this section,
9 nothing in this section authorizes a public utility district to sell
10 renewable natural gas delivered by pipeline to an end-use customer of
11 a gas company.

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

16 (b) For the purposes of subsection (2)(b) of this section, public
17 utility districts are authorized to own and operate interconnection
18 pipelines that connect renewable natural gas production facilities to
19 gas transmission pipelines.

20 (c) For the purposes of subsection (2)(c) of this section, public
21 utility districts may own and/or operate pipelines to supply, and/or
22 compressed natural gas or liquefied natural gas facilities to
23 provide, renewable natural gas for end use as a transportation fuel
24 if all such pipelines and facilities are located in the county in
25 which the public utility district is authorized to provide utility
26 service.

27 (5) Exercise of the authorities granted under this section to
28 public utility districts does not subject them to the jurisdiction of
29 the utilities and transportation commission, except that public
30 utility districts are subject only to administration and enforcement
31 by the commission of state and federal requirements related to
32 pipeline safety and fees payable to the commission that are
33 applicable to such administration and enforcement.

34 (6) For purposes of this subsection:

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

39 (b) "Gas company" has the same meaning as in RCW 80.04.010."

ADOPTED 3/3/2015

1 On page 1, line 2 of the title, after "gas;" strike the remainder
2 of the title and insert "and amending RCW 54.04.190."

EFFECT: Clarifies conditions for the authority provided to public utility districts (PUDs) to sell renewable natural gas. Clarifies that the authority of PUDs to own and operate pipelines and facilities for delivering and compressing or liquefying natural gas is limited to pipelines and facilities located in the county in which the PUD is authorized to provide utility service.

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