
SENATE BILL 5588

State of Washington**66th Legislature****2019 Regular Session**

By Senators Hawkins, Palumbo, Erickson, Van De Wege, Fortunato, Short, Billig, Hobbs, Braun, Takko, Warnick, Sheldon, Wagoner, Hunt, Das, Zeiger, Wellman, King, Nguyen, Hasegawa, Kuderer, Bailey, Rivers, Holy, Wilson, L., Padden, and Walsh

1 AN ACT Relating to authorizing the production, distribution, and
2 sale of renewable hydrogen; 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 2015 c 31 s 1 are each amended to read
5 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 and utilize the renewable natural gas they produce for
17 internal operations.

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

21 (i) At wholesale; or

1 (ii) To an end-use customer if delivered in a pressurized
2 container, or if the end-use customer takes delivery of the renewable
3 natural gas through a pipeline, and the end-use customer is an
4 eligible purchaser of natural gas from sellers other than the gas
5 company from which that end-use customer takes transportation service
6 and:

7 (A) When the sale is made to an end-use customer in the state of
8 Washington, the sale is made pursuant to a transportation tariff
9 approved by the Washington utilities and transportation commission;
10 or

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

15 (c) Public utility districts may sell renewable natural gas at
16 wholesale or to an end-use customer through a pipeline directly from
17 renewable natural gas production facilities to facilities that
18 compress, liquefy, or dispense compressed natural gas or liquefied
19 natural gas fuel for end use as a transportation fuel.

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

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

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

32 (c) For the purposes of subsection (2)(c) of this section, public
33 utility districts may own and/or operate pipelines to supply, and/or
34 compressed natural gas or liquefied natural gas facilities to
35 provide, renewable natural gas for end use as a transportation fuel
36 if all such pipelines and facilities are located in the county in
37 which the public utility district is authorized to provide utility
38 service.

39 (5) Exercise of the authorities granted under this section to
40 public utility districts does not subject them to the jurisdiction of

1 the utilities and transportation commission, except that public
2 utility districts are subject only to administration and enforcement
3 by the commission of state and federal requirements related to
4 pipeline safety and fees payable to the commission that are
5 applicable to such administration and enforcement.

6 ~~(6) ((For purposes of this subsection:))~~ In addition to any other
7 authority provided by law, public utility districts are authorized to
8 produce and distribute renewable hydrogen for use in internal
9 operations and for sale or distribution.

10 (7) The definitions in this subsection apply throughout this
11 section unless the context clearly requires otherwise.

12 (a) "Renewable natural gas" means a gas consisting largely of
13 methane and other hydrocarbons derived from the decomposition of
14 organic material in landfills, wastewater treatment facilities, and
15 anaerobic digesters.

16 (b) "Renewable hydrogen" means hydrogen produced using
17 electricity that is sourced from a renewable resource.

18 (c) "Renewable resource" means: (i) Water; (ii) wind; (iii) solar
19 energy; (iv) geothermal energy; (v) renewable natural gas; (vi) wave,
20 ocean, or tidal power; (vii) biodiesel fuel that is not derived from
21 crops raised on land cleared from old growth or first growth forests;
22 or (viii) biomass energy.

23 (d) "Gas company" has the same meaning as in RCW 80.04.010.

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