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SENATE BILL 5588

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State of Washington

66th Legislature

2019 Regular Session

**By** Senators Hawkins, Palumbo, Ericksen, 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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