

Amendment No. 240

Senate Amendment to Senate Bill No. 154	(BDR 58-108)
Proposed by: Senate Committee on Growth and Infrastructure	
Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date		
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

JFD/BJF



Date: 4/16/2019

S.B. No. 154—Requires the adoption of regulations authorizing certain renewable natural gas activities. (BDR 58-108)



SENATE BILL NO. 154—SENATOR CANCELA

FEBRUARY 13, 2019

Referred to Committee on Growth and Infrastructure

SUMMARY—Requires the adoption of regulations authorizing certain renewable natural gas activities. (BDR 58-108)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to natural gas; requiring the Public Utilities Commission of Nevada to adopt regulations authorizing a public utility which purchases natural gas for resale to engage in renewable natural gas activities and to recover the reasonable and prudent costs of such activities; requiring such a public utility to attempt to incorporate renewable natural gas into its gas supply portfolio; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

This bill requires the Public Utilities Commission of Nevada to adopt regulations authorizing a public utility which purchases natural gas for resale to engage in renewable energy activities and to recover all reasonable and prudent costs associated with the public utility's participation in a renewable natural gas activity which provides certain environmental benefits and has been approved by the Commission. This bill also requires a public utility which purchases natural gas for resale to attempt to meet certain goals for incorporating renewable natural gas into its gas supply portfolio.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 704 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 8, inclusive, of this act.

Sec. 2. *As used in sections 2 to 8, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3 to 7, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 3. *"Biogas" means a mixture consisting primarily of methane and carbon dioxide that is produced by the anaerobic digestion with anaerobic bacteria or fermentation of biodegradable materials, including, without limitation, biomass, manure, plant material, sewage and landfill waste.*

1 Sec. 4. “Environmental attributes” means any credits, emissions
2 reductions, offsets, allowances or any other benefits attributable to the production
3 and delivery of renewable natural gas.

4 Sec. 5. “Renewable energy” has the meaning ascribed to it in NRS
5 704.7811.

6 Sec. 6. “Renewable natural gas” means gas which:

7 1. Is produced by processing biogas or by converting electric energy
8 generated using renewable energy into storable or injectable gas fuel ~~for~~, in a
9 process commonly known as power-to-gas or electrolysis; and

10 2. Meets the quality standards applicable to the natural gas pipeline into
11 which the gas will be injected. ~~for transmission.~~

12 Sec. 7. “Renewable natural gas facility” means a facility or any part of the
13 equipment located at a facility that is used to create biogas, create hydrogen for
14 methanation, gather biogas, gather hydrogen, process biogas into renewable
15 natural gas, inject renewable natural gas into a natural gas pipeline or determine
16 the constituents of renewable natural gas before the injection of the renewable
17 natural gas into a natural gas pipeline.

18 Sec. 8. 1. The Commission shall adopt regulations authorizing a public
19 utility which purchases natural gas for resale to engage in renewable natural gas
20 activities, including, without limitation:

21 (a) Procedures for a public utility which purchases natural gas for resale to
22 apply to the Commission for approval of a reasonable and prudent renewable
23 natural gas activity ~~for~~ that will be used and useful and will provide
24 environmental benefits to this State as provided in subsection 2; and

25 (b) Procedures for a public utility which purchases natural gas for resale to
26 apply to the Commission for the recovery of all reasonable and prudent costs
27 associated with a renewable natural gas activity approved by the Commission
28 pursuant to the regulations adopted pursuant to this subsection.

29 2. The Commission may approve a renewable natural gas activity pursuant
30 to subsection 1 if the renewable natural gas activity is demonstrated to provide
31 one or more of the following environmental benefits to this State:

32 (a) The reduction or avoidance of emissions of any air pollutant or
33 greenhouse gas in this State;

34 (b) The reduction or avoidance of any pollutant that could have an adverse
35 impact on the waters of this State; or

36 (c) The alleviation of a local nuisance within this State that is associated with
37 the emission of odors.

38 3. The renewable natural gas activities which may be approved by the
39 Commission pursuant to the regulations adopted in accordance with subsection 1
40 are:

41 (a) Making a financial investment in a renewable natural gas facility;

42 (b) Contracting with a producer of renewable natural gas to build and
43 operate a renewable natural gas facility;

44 (c) Extending the transmission or distribution system of the public utility
45 which purchases natural gas for resale to interconnect with ~~the transmission or~~
46 ~~distribution system of a supplier of~~ a renewable natural gas ~~for~~ facility;

47 (d) Purchasing ~~renewable natural~~ gas ~~for~~ produced from a renewable
48 natural gas facility, whether or not the ~~renewable natural~~ gas has
49 environmental attributes;

50 (1) To incorporate the ~~renewable natural~~ gas produced from a
51 renewable natural gas facility into the supply portfolio of the public utility which
52 purchases natural gas for resale; or

(2) To sell the ~~renewable natural~~ gas produced from a renewable natural gas facility directly to the customers of the public utility;

(e) Participating in a state or federal renewable energy program or project if participation in the program or project by the public utility which ~~supplies~~ purchases natural gas for resale;

(1) Consists of the purchase ~~off~~ or sale of gas produced by a renewable natural gas facility or environmental attributes by the public utility; and

(2) Results in a reduction of the cost of ~~renewable natural~~ gas produced from a renewable natural gas facility to the customers of the public utility;

(f) Providing customers of the public utility which purchases natural gas for resale with the option to purchase ~~renewable natural~~ gas ~~for~~ produced from a renewable natural gas facility, with or without environmental attributes, directly from the public utility; or

(g) Any other activity which develops sources of renewable natural gas in this State for the purpose of reducing emissions of greenhouse gases, creating ~~sustainable~~ jobs through the construction and operation of renewable natural gas facilities in this State and diversifying the supply of energy in this State. ~~for~~

~~---(h) Any combination of the activities described in paragraphs (a) to (g), inclusive.---~~

4. A public utility which purchases natural gas for resale shall attempt to incorporate renewable natural gas into its gas supply portfolio in the following amounts:

(a) By January 1, 2025, not less than 1 percent of the total amount of gas sold to by public utility to its retail customers;

(b) By January 1, 2030, not less than 2 percent of the total amount of gas sold to the public utility's retail customers;

(c) By January 1, 2035, not less than 3 percent of the total amount of gas sold to the public utility's retail customers.

Sec. 9. This act becomes effective ~~on July 1, 2019.~~;

1. Upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

2. On October 1, 2019, for all other purposes.