

SENATE COMMITTEE OF REFERENCE REPORT

Chair of Committee

Date

February 11, 2020

Committee on Transportation & Energy.

After consideration on the merits, the Committee recommends the following:

SB20-150 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

- 1 Amend printed bill, page 3, after line 18 insert:
 - 2 "(a) "AUTOMATIC ADJUSTMENT CLAUSE" MEANS AN ANNUAL
 - 3 MECHANISM THAT ALLOWS FOR RECOVERY OF INVESTMENT ON AN
 - 4 UNLAGGED BASIS WITH A FORWARD-LOOKING REVENUE REQUIREMENT
 - 5 CALCULATION WITH A TRUE-UP PROCESS."
- 6 Reletter succeeding paragraphs accordingly.
- 7 Page 3, strike lines 22 and 23.
- 8 Page 3, line 25, after "HUNDRED" insert "FIFTY".
- 9 Page 4, line 1, change the period to a semicolon and add "EXCEPT THAT
- 10 THE TERM DOES NOT INCLUDE A MUNICIPALLY OWNED NATURAL GAS
- 11 UTILITY."
- 12 Page 4, line 18, after "PRODUCTS" insert "THAT ARE" and strike "OR".
- 13 Page 4, line 19, strike "REQUIREMENTS:" and substitute "REQUIREMENTS
- 14 OR ARE DELIVERED BY AN ALTERNATIVE ENERGY CARRIER:".
- 15 Page 5, line 5, strike "OR".

- 1 Page 5, line 7, strike "DIGESTERS." and substitute "DIGESTERS; OR
2 (I) THE DECOMPOSITION OF ORGANIC FOOD WASTE."
- 3 Page 5, line 13, after "HUNDRED" insert "FIFTY".
- 4 Page 5, strike line 25 and substitute "PROGRAM;
5 (II) MODIFYING THE COMMISSION'S RULES FOR GAS COST
6 ADJUSTMENT AND PRUDENCE REVIEW TO:
7 (A) ALLOW RENEWABLE NATURAL GAS PURCHASES TO BE
8 INCLUDED IN A GAS COST ADJUSTMENT;
9 (B) CREATE A PRUDENCE REVIEW STANDARD FOR RENEWABLE
10 NATURAL GAS PURCHASES THAT WILL PROVIDE ASSURANCE THAT
11 RENEWABLE NATURAL GAS PURCHASES WILL BE RECOVERABLE UNDER THE
12 GAS COST ADJUSTMENT; AND
13 (C) REFLECT RENEWABLE NATURAL GAS CREDITS RECEIVED BY A
14 NATURAL GAS UTILITY AS A CREDIT AGAINST COSTS INCLUDED IN THAT
15 UTILITY'S GAS COST ADJUSTMENT; AND".
- 16 Renumber succeeding subparagraph accordingly.
- 17 Page 6, line 6, strike "BIOGAS" and substitute "RENEWABLE NATURAL
18 GAS".
- 19 Page 6, line 15, strike "GAS:" and substitute "GAS AND TO GENERATE
20 ELECTRICITY USING RENEWABLE NATURAL GAS FOR SALE OF ELECTRICITY
21 TO RETAIL ELECTRICITY CUSTOMERS:".
- 22 Page 7, line 18, strike "OR GAS CLEANING," and substitute "GAS CLEANING,
23 OR ELECTRICITY GENERATION FROM RENEWABLE NATURAL GAS,".
- 24 Page 7, line 22, strike "FIVE" and substitute "TWO".
- 25 Page 9, strike lines 14 through 16 and substitute:
26 "(c) COSTS PRUDENTLY INCURRED BY A SMALL NATURAL GAS
27 UTILITY PURSUANT TO A FILING SUBMITTED UNDER THIS SUBSECTION (5)
28 MAY BE RECOVERED EITHER IN THE UTILITY'S RATE BASE OR BY MEANS OF
29 AN AUTOMATIC ADJUSTMENT CLAUSE."
- 30 Page 9, line 22, after "(6)" insert "(a)".

1 Page 9, after line 23 insert:

2 "(b) THE COMMISSION'S RULES MUST ESTABLISH A RENEWABLE
3 NATURAL GAS TRACKING AND VERIFICATION PROCESS TO PROVIDE LOCAL
4 DISTRIBUTION COMPANY END USERS WITH COMPLIANCE DATA. THE
5 PROCESS MUST ALLOW FOR AN ASSESSMENT OF THE TOTAL AMOUNT OF
6 RENEWABLE NATURAL GAS PRODUCED AND DISTRIBUTED, INCLUDING
7 BOTH:

8 (I) SYSTEM GAS THAT IS CONTRACTED FOR BY A LOCAL
9 DISTRIBUTION COMPANY; AND

10 (II) TRANSPORT GAS THAT IS CONTRACTED FOR BY AN END USER.

11 (c) THE COMMISSION'S RULES MUST ESTABLISH A PROGRAM OF
12 TRADEABLE RENEWABLE NATURAL GAS ENVIRONMENTAL ATTRIBUTE
13 CREDITS THAT MAY BE USED BY LARGE NATURAL GAS UTILITIES AND
14 SMALL NATURAL GAS UTILITIES FOR THE SOLE PURPOSE OF COMPLYING
15 WITH THIS SECTION. THE COMMISSION SHALL CONSULT WITH THE
16 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT IN THE DESIGN OF
17 THE CREDIT TRADING PROGRAM. IN NO EVENT SHALL THE COMMISSION
18 ALLOW ANY RENEWABLE NATURAL GAS ENVIRONMENTAL ATTRIBUTE
19 CREDITS GENERATED PURSUANT TO THE CREDIT TRADING PROGRAM TO BE
20 USED FOR ANY PURPOSE OTHER THAN COMPLIANCE WITH THIS SECTION.

21 (7) A MUNICIPALLY OWNED NATURAL GAS UTILITY MAY
22 IMPLEMENT A RENEWABLE NATURAL GAS PROGRAM SIMILAR TO THE
23 PROGRAMS DESCRIBED IN THIS SECTION AND, IF SO, SHALL SUBMIT A
24 STATEMENT TO THE COMMISSION TO DEMONSTRATE THAT THE UTILITY HAS
25 DONE SO. ANY SUCH STATEMENT IS FOR INFORMATIONAL PURPOSES ONLY
26 AND IS NOT SUBJECT TO APPROVAL BY THE COMMISSION."

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