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; 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 has been approved by the Commission.

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.

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

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

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

1. Is produced by processing biogas or converting electric energy generated using renewable energy into storable gas fuel; and

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

Sec. 7. “Renewable natural gas facility” means a facility or any part of a facility used to gather biogas, process biogas into renewable natural gas, inject renewable natural gas into a natural gas pipeline or determine the constituents of renewable natural gas before the injection of the renewable natural gas into a natural gas pipeline.

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

(a) Procedures for a public utility which purchases natural gas for resale to apply to the Commission for approval of a renewable natural gas activity; and

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

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

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

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

(c) Extending the transmission or distribution system of the public utility which purchases natural gas for resale to interconnect with the transmission or distribution system of a supplier of renewable natural gas;
(d) Purchasing renewable natural gas, whether or not the renewable natural gas has environmental attributes:

(1) To incorporate the renewable natural gas into the supply portfolio of the public utility which purchases natural gas for resale; or

(2) To sell the renewable natural gas 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 by the public utility which supplies natural gas for resale:

(1) Consists of the purchase of renewable natural gas or environmental attributes by the public utility; and

(2) Results in a reduction of the cost of renewable natural gas 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, with or without environmental attributes, directly from the public utility;

(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 in this State and diversifying the supply of energy in this State; or

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

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