

*

S.B. 154

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.

~

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; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 This bill requires the Public Utilities Commission of Nevada to adopt
2 regulations authorizing a public utility which purchases natural gas for resale to
3 engage in renewable energy activities and to recover all reasonable and prudent
4 costs associated with the public utility’s participation in a renewable natural gas
5 activity which has been approved by the Commission.

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

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

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

8 **Sec. 3.** *“Biogas” means a mixture consisting primarily of*
9 *methane and carbon dioxide that is produced by the anaerobic*



* S B 1 5 4 *

1 *digestion with anaerobic bacteria or fermentation of*
2 *biodegradable materials, including, without limitation, biomass,*
3 *manure, plant material, sewage and landfill waste.*

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

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

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

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

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

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

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

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

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

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

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

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

41 *(c) Extending the transmission or distribution system of the*
42 *public utility which purchases natural gas for resale to*
43 *interconnect with the transmission or distribution system of a*
44 *supplier of renewable natural gas;*



1 (d) *Purchasing renewable natural gas, whether or not the*
2 *renewable natural gas has environmental attributes:*

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

6 (2) *To sell the renewable natural gas directly to the*
7 *customers of the public utility;*

8 (e) *Participating in a state or federal renewable energy*
9 *program or project if participation in the program by the public*
10 *utility which supplies natural gas for resale:*

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

13 (2) *Results in a reduction of the cost of renewable natural*
14 *gas to the customers of the public utility;*

15 (f) *Providing customers of the public utility which purchases*
16 *natural gas for resale with the option to purchase renewable*
17 *natural gas, with or without environmental attributes, directly*
18 *from the public utility;*

19 (g) *Any other activity which develops sources of renewable*
20 *natural gas in this State for the purpose of reducing emissions of*
21 *greenhouse gases, creating sustainable jobs in this State and*
22 *diversifying the supply of energy in this State; or*

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

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

