

FIRST REGULAR SESSION

[PERFECTED]

HOUSE BILL NO. 488

101ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE HICKS.

1024H.01P

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapters 386 and 393, RSMo, by adding thereto two new sections relating to utilities.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapters 386 and 393, RSMo, are amended by adding thereto two new sections, to be known as sections 386.895 and 393.125, to read as follows:

386.895. 1. As used in this section the following terms shall mean:

- (1) "Biogas", a mixture of carbon dioxide and hydrocarbons, primarily methane gas, released from the biological decomposition of organic materials;**
- (2) "Biomass", has the meaning given the term "qualified biomass" in section 142.028;**
- (3) "Gas corporation", the same as defined in section 386.020;**
- (4) "Qualified investment", any capital investment in renewable natural gas infrastructure incurred by a gas corporation for the purpose of providing natural gas service under a renewable natural gas program;**
- (5) "Renewable energy sources", hydroelectric, geothermal, solar photovoltaic, wind, tidal, wave, biomass, or biogas energy sources;**
- (6) "Renewable natural gas", any of the following products processed to meet pipeline quality standards or transportation fuel grade requirements:**
 - (a) Biogas that is upgraded to meet natural gas pipeline quality standards such that it may blend with, or substitute for, geologic natural gas;**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

16 (b) Hydrogen gas; or

17 (c) Methane gas derived from any combination of:

18 a. Biogas;

19 b. Hydrogen gas or carbon oxides derived from renewable energy sources; or

20 c. Waste carbon dioxide;

21 (7) "Renewable natural gas infrastructure", all equipment and facilities for the
22 production, processing, pipeline interconnection, and distribution of renewable natural gas
23 to be furnished to Missouri customers.

24 2. The commission shall adopt by rule a renewable natural gas program for gas
25 corporations. Rules adopted by the commission under this section shall include:

26 (1) Rules for reporting requirements; and

27 (2) Rules for establishing a process for gas corporations to fully recover incurred
28 costs that are prudent, just, and reasonable associated with a renewable natural gas
29 program. Such recovery shall not be permitted until the project is operational.

30 3. A filing by a gas corporation pursuant to the renewable natural gas program
31 created in subsection 2 of this section shall include, but is not limited to:

32 (1) A proposal to procure a total volume of renewable natural gas over a specific
33 period; and

34 (2) Identification of the qualified investments that the gas corporation may make
35 in renewable natural gas infrastructure.

36 4. A gas corporation may from time to time revise the filing submitted to the
37 commission under this section.

38 5. Any costs incurred by a gas corporation for qualified investment that are
39 prudent, just and reasonable may be recovered by means of an automatic rate adjustment
40 clause.

41 6. When a gas corporation makes a qualified investment in the production of
42 renewable natural gas, the costs associated with such qualified investment shall include the
43 cost of capital established by the commission in the gas corporation's most recent general
44 rate case.

45 7. Rules adopted by the commission under this section shall not prohibit an affiliate
46 of a gas corporation from making a capital investment in a biogas production project if the
47 affiliate is not a public utility as defined in section 386.020.

48 8. The public service commission may promulgate rules to implement the provisions
49 of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that
50 is created under the authority delegated in this section shall become effective only if it
51 complies with and is subject to all of the provisions of chapter 536 and, if applicable,

52 **section 536.028. This section and chapter 536 are nonseverable and if any of the powers**
53 **vested with the general assembly pursuant to chapter 536 to review, to delay the effective**
54 **date, or to disapprove and annul a rule are subsequently held unconstitutional, then the**
55 **grant of rulemaking authority and any rule proposed or adopted after August 28, 2021,**
56 **shall be invalid and void.**

393.125. 1. **No political subdivision of this state shall adopt an ordinance,**
2 **resolution, regulation, code, or policy that prohibits or has the effect of prohibiting the**
3 **connection or reconnection of a utility service based on the type or source of energy to be**
4 **delivered to an individual customer. Nothing in this section shall be construed to limit the**
5 **ability of a political subdivision to choose utility services for properties owned by the**
6 **political subdivision.**

7 2. **No political subdivision of this state shall adopt or enforce an ordinance,**
8 **resolution, regulation, code, or policy that requires or has the effect of requiring the**
9 **connection of a private single-family residence to public water or sewer services if that**
10 **residence is already served by an existing private well or septic system unless such existing**
11 **installation was installed in violation of applicable ordinances at the time of installation.**

12 3. **For purposes of this section, utility services shall include natural gas, propane**
13 **gas, electricity, and any other form of energy provided to an end user customer.**

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