

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 892
101ST GENERAL ASSEMBLY

1657H.02C

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 386, RSMo, by adding thereto one new section relating to renewable natural gas.

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

Section A. Chapter 386, RSMo, is amended by adding thereto one new section, to be known as section 386.895, 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;**
- (b) **Hydrogen gas; or**
- (c) **Methane gas derived from any combination of:**
- a. **Biogas;**

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.

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.**

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