

SENATE SUBSTITUTE
FOR
SENATE BILL NO. 141
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;

23 (b) Hydrogen gas; or
24 (c) Methane gas derived from any combination of:
25 a. Biogas;
26 b. Hydrogen gas or carbon oxides derived from
27 renewable energy sources; or
28 c. Waste carbon dioxide;
29 (7) "Renewable natural gas infrastructure", all
30 equipment and facilities for the production, processing,
31 pipeline interconnection, and distribution of renewable
32 natural gas to be furnished to Missouri customers.
33 2. The commission shall adopt by rule a renewable
34 natural gas program for gas corporations. Rules adopted by
35 the commission under this section shall include:
36 (1) Rules for reporting requirements; and
37 (2) Rules for establishing a process for gas
38 corporations to fully recover incurred costs that are
39 prudent, just, and reasonable associated with a renewable
40 natural gas program. Such recovery shall not be permitted
41 until the project is operational.
42 3. A filing by a gas corporation pursuant to the
43 renewable natural gas program created in subsection 2 of
44 this section shall include, but is not limited to:
45 (1) A proposal to procure a total volume of renewable
46 natural gas over a specific period; and
47 (2) Identification of the qualified investments that
48 the gas corporation may make in renewable natural gas
49 infrastructure.
50 4. A gas corporation may from time to time revise the
51 filing submitted to the commission under this section.
52 5. Any costs incurred by a gas corporation for
53 qualified investment that are prudent, just, and reasonable
54 may be recovered by means of an automatic rate adjustment
55 clause.

56 6. When a gas corporation makes a qualified investment
57 in the production of renewable natural gas, the costs
58 associated with such qualified investment shall include the
59 cost of capital established by the commission in the gas
60 corporation's most recent general rate case.

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

66 8. The public service commission may promulgate rules
67 to implement the provisions of this section. Any rule or
68 portion of a rule, as that term is defined in section
69 536.010, that is created under the authority delegated in
70 this section shall become effective only if it complies with
71 and is subject to all of the provisions of chapter 536 and,
72 if applicable, section 536.028. This section and chapter
73 536 are nonseverable and if any of the powers vested with
74 the general assembly pursuant to chapter 536 to review, to
75 delay the effective date, or to disapprove and annul a rule
76 are subsequently held unconstitutional, then the grant of
77 rulemaking authority and any rule proposed or adopted after
78 August 28, 2021, shall be invalid and void.