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**SUBSTITUTE HOUSE BILL 2069**

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**State of Washington                      68th Legislature                      2024 Regular Session**

**By** House Environment & Energy (originally sponsored by  
Representatives Mosbrucker, Doglio, and Reeves)

READ FIRST TIME 01/31/24.

1            AN ACT Relating to the sale of biogenic carbon dioxide and other  
2 coproducts of biogas processing; and amending RCW 54.04.190.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4            **Sec. 1.** RCW 54.04.190 and 2022 c 292 s 404 are each amended to  
5 read as follows:

6            (1) In addition to any other authority provided by law, public  
7 utility districts are authorized to produce and distribute biodiesel,  
8 ethanol, and ethanol blend fuels, including entering into crop  
9 purchase contracts for a dedicated energy crop for the purpose of  
10 generating electricity or producing biodiesel produced from  
11 Washington feedstocks, cellulosic ethanol, and cellulosic ethanol  
12 blend fuels for use in internal operations of the electric utility  
13 and for sale or distribution.

14            (2) In addition to any other authority provided by law:

15            (a) Public utility districts are authorized to produce renewable  
16 natural gas, green electrolytic hydrogen, and renewable hydrogen and  
17 utilize the renewable natural gas, green electrolytic hydrogen, or  
18 renewable hydrogen they produce for internal operations.

19            (b) Public utility districts may sell renewable natural gas,  
20 green electrolytic hydrogen, or renewable hydrogen that is delivered

1 into a gas transmission pipeline located in the state of Washington  
2 or delivered in pressurized containers:

3 (i) At wholesale;

4 (ii) To an end-use customer; or

5 (iii) If delivered in a pressurized container, or if the end-use  
6 customer takes delivery of the renewable natural gas, green  
7 electrolytic hydrogen, or renewable hydrogen through a pipeline, and  
8 the end-use customer is an eligible purchaser of natural gas from  
9 sellers other than the gas company from which that end-use customer  
10 takes transportation service and:

11 (A) When the sale is made to an end-use customer in the state of  
12 Washington, the sale is made pursuant to a transportation tariff  
13 approved by the Washington utilities and transportation commission;  
14 or

15 (B) When the sale to an end-use customer is made outside of the  
16 state of Washington, the sale is made pursuant to a transportation  
17 tariff approved by the state agency which regulates retail sales of  
18 natural gas.

19 (c) Public utility districts may sell renewable natural gas,  
20 green electrolytic hydrogen, or renewable hydrogen at wholesale or to  
21 an end-use customer through a pipeline directly from renewable  
22 natural gas, green electrolytic hydrogen, or renewable hydrogen  
23 production facilities to facilities that compress, liquefy, or  
24 dispense compressed natural gas, liquefied natural gas, green  
25 electrolytic hydrogen, or renewable hydrogen fuel for end use as a  
26 transportation fuel.

27 (d) Public utility districts may sell green electrolytic hydrogen  
28 or renewable hydrogen at wholesale or to an end-use customer in  
29 pressurized containers directly from green electrolytic hydrogen or  
30 renewable hydrogen production facilities to facilities that utilize  
31 green electrolytic hydrogen or renewable hydrogen as a nonutility  
32 related input for a manufacturing process.

33 (e) Public utility districts may sell to an end-use customer or  
34 at wholesale biogenic carbon dioxide, and other marketable coproducts  
35 resulting from the processing of biogas from landfills, anaerobic  
36 digesters, and wastewater treatment facilities.

37 (3) Except as provided in subsection (2) (b) (iii) of this section,  
38 nothing in this section authorizes a public utility district to sell  
39 renewable natural gas, green electrolytic hydrogen, or renewable

1 hydrogen delivered by pipeline to an end-use customer of a gas  
2 company.

3 (4) (a) Except as provided in this subsection (4), nothing in this  
4 section authorizes a public utility district to own or operate  
5 natural gas distribution pipeline systems used to serve retail  
6 customers.

7 (b) For the purposes of subsection (2) (b) of this section, public  
8 utility districts are authorized to own and operate interconnection  
9 pipelines that connect renewable natural gas, green electrolytic  
10 hydrogen, or renewable hydrogen production facilities to gas  
11 transmission pipelines.

12 (c) For the purposes of subsection (2) (c) of this section, public  
13 utility districts may own and/or operate pipelines to supply, and/or  
14 compressed natural gas, liquefied natural gas, green electrolytic  
15 hydrogen, or renewable hydrogen facilities to provide, renewable  
16 natural gas, green electrolytic hydrogen, or renewable hydrogen for  
17 end use as a transportation fuel if all such pipelines and facilities  
18 are located in the county in which the public utility district is  
19 authorized to provide utility service.

20 (5) Exercise of the authorities granted under this section to  
21 public utility districts does not subject them to the jurisdiction of  
22 the utilities and transportation commission, except that public  
23 utility districts are subject only to administration and enforcement  
24 by the commission of state and federal requirements related to  
25 pipeline safety and fees payable to the commission that are  
26 applicable to such administration and enforcement.

27 (6) The definitions in this subsection apply throughout this  
28 section unless the context clearly requires otherwise.

29 (a) "Green electrolytic hydrogen" means hydrogen produced through  
30 electrolysis, and does not include hydrogen manufactured using steam  
31 reforming or any other conversion technology that produces hydrogen  
32 from a fossil fuel feedstock.

33 (b) "Renewable natural gas" means a gas consisting largely of  
34 methane and other hydrocarbons derived from the decomposition of  
35 organic material in landfills, wastewater treatment facilities, and  
36 anaerobic digesters.

37 (c) "Renewable hydrogen" means hydrogen produced using renewable  
38 resources both as the source for the hydrogen and the source for the  
39 energy input into the production process.

1 (d) "Renewable resource" means: (i) Water; (ii) wind; (iii) solar  
2 energy; (iv) geothermal energy; (v) renewable natural gas; (vi)  
3 renewable hydrogen; (vii) wave, ocean, or tidal power; (viii)  
4 biodiesel fuel that is not derived from crops raised on land cleared  
5 from old growth or first growth forests; or (ix) biomass energy.

6 (e) "Gas company" has the same meaning as in RCW 80.04.010.

7 (f) "Biogenic carbon dioxide" means (i) carbon dioxide produced  
8 from the decomposition or oxidation of organic materials from  
9 landfills, wastewater treatment facilities, or anaerobic digesters;  
10 (ii) carbon dioxide produced from the decomposition or processing of  
11 biomass; and (iii) carbon dioxide produced as a by-product from  
12 biological processes in an industrial or manufacturing facility.  
13 Biogenic carbon dioxide does not include carbon dioxide produced from  
14 the combustion or processing of fossil fuels.

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