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October 24, 2019

SENT VIA WEB PORTAL

Mark L. Johnson
Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

Re: *Investigation into Renewable Natural Gas Programmatic Design and Pipeline Safety Standards, Docket U-190818.*

Dear Mr. Johnson:

Public Counsel submits the following comments pursuant to the Utilities and Transportation Commission's ("Commission") Notice of Opportunity to File Written Comments dated September 30, 2019 ("Notice"). The Washington State Legislature passed Engrossed Third Substitute House Bill 1257 (E3SHB 1257), which, in part, requires utilities to offer Renewable Natural Gas (RNG) service to voluntary customers and allows utilities to offer RNG service to all customers.

Question 1: What level of guidance is needed from the Commission related to the following elements of E3SHB 1257, Sections 13 and 14: General program structure of each section, Eligibility of particular environmental attributes, and Procedures to approve, bank, or transfer environmental attributes. How should that guidance be provided? For example, policy statement, rule, other?

Public Counsel believes that the Commission should provide clear guidance regarding the general program structure, eligibility of particular environmental attributes, and procedures to approve, bank, or transfer environmental attributes. Because a policy statement is nonbinding, Public Counsel believes the most effective option would be for the Commission to provide guidance on this through a rulemaking. The Commission has provided guidance through rules in

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other areas, such as Electric Acquisition of Renewable Energy and Conservation (Chapter 480-109 WAC), and the clarity provided by rule would be beneficial with respect to RNG.

Question 2: For Section 14 programs, should subscribers be required to pay all costs of RNG, or should any under-collection of Section 14 costs be credited toward the RNG program charge authorized by Section 13?

Section 14 requires gas companies to offer by tariff a voluntary RNG program available to all customers. The RNG provided under this service would replace a portion of the natural gas that would otherwise be provided by the company to the customer. The tariff may place reasonable limits on participation based on availability of RNG.

Public Counsel views the voluntary program provided for under Section 14 as being similar to the Green Direct tariff offered by Puget Sound Energy under Tariff 139. Puget Sound Energy's Tariff 139 can provide a model for voluntary RNG programs going forward. It seems unnecessary to assign costs from Section 14 programs to Section 13 programs.

Question 3: What methods should the Commission consider to calculate the five percent limit on customer charges for RNG programs authorized under Section 13?

Public Counsel believes that the five percent limit on customer charges should be calculated from the commodity cost. Presumably, transportation and distribution costs would be consistent as applied to conventional natural gas and RNG. Once the gases are injected into the pipelines, they intermingle and travel together to wherever the end point may be. The difference, then, would be in the commodity price.

Questions 4 through 9:

While Public Counsel has no further commentary on the specific questions posed in items 4 through 9 of the Commission's Notice, we look forward to reviewing comments filed by other stakeholders, participating in the upcoming workshop, and engaging in whichever process the Commission chooses to use.

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Question 10: In advance of the workshop, please review the RNG standards recommended by the American Biogas Council (ABC), standards recently adopted by the California Public Utilities Commission, and the Northeast Gas Association Interconnection Guide for Renewable Natural Gas in New York State.

Public Counsel is reviewing the documents and appreciates that they are linked in the Commission's Notice. As we review the documents, we share our initial thoughts below.

Notably, specifications for conventional natural gas are not consistent across the continental US.¹ The California Commission stated that certain specifications are critical safety requirements ensuring that gases being supplied to end users are interchangeable, combustion is consistent, and that end uses do not experience performance problems that could result in safety concerns.² The California Commission rejected arguments that specifications set in other states were appropriate for California without specific scientific evidence. To do so could adversely affect the integrity and safety of California end use equipment.³

The Northeast Gas Association identifies that a non-discriminatory approach is needed to encourage development of RNG from a variety of sources that can be injected into the pipeline grid without compromising safety or reliability.⁴ The promise is that raw RNG upgraded to meet trace constituent compositional equivalency and interchangeability requirements is a low-carbon product that can play a role in long-term decarbonization goals.⁵

From Public Counsel's perspective, questions regarding setting the appropriate specifications for Washington and protecting the integrity and safety of Washington end use equipment (and, thus, protecting the safety of customers) are paramount. California engaged in a multi-step, thorough process in which it (1) evaluated and established monitoring, testing, reporting, and recordkeeping requirements for biomethane injected into pipelines, (2) addressed cost issues associated with meeting the biomethane standards and requirements, and (3) considered gas

¹ American Biogas Council, *Purity Recommendation*, <https://americanbiogascouncil.org/resources/rng-purity-recommendation/> (last visited Oct. 24, 2019).

² *Order Instituting Rulemaking to Adopt Biomethane Standards and Requirements, Pipeline Open Access Rules, and Related Enforcement Provisions*, Rulemaking 13-02-008, Decision Regarding Biomethane Tasks in Senate Bill 840 at 11 (Cal. Pub. Utils. Comm'n May 16, 2019).

³ *Id.* at 18-23.

⁴ Dan Dessanti and Karen Crippen, Northeast Gas Association, INTERCONNECTION GUIDE FOR RENEWABLE NATURAL GAS (RNG) IN NEW YORK STATE, FINAL REPORT at 6 (2019) available at https://www.northeastgas.org/pdf/nga_gti_interconnect_0919.pdf.

⁵ *Id.* at 7.

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specifications and interconnection issues.⁶ Similar thoughtfulness and thoroughness will be required here to implement E3SHB 1257. Stakeholders and decision-makers will require expertise to evaluate programmatic design and pipeline safety standards.

Public Counsel appreciates the opportunity to submit these comments, and we look forward to working with other stakeholders and the Commission at the upcoming workshop on Tuesday, October 29. Any questions about these comments may be directed to Lisa Gafken at Lisa.Gafken@atg.wa.gov or (206)464-6595, or Sarah Laycock at Sarah.Laycock@atg.wa.gov or (206) 389-3879.

Sincerely,

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⁶ Rulemaking 13-02-008, Decision Regarding Biomethane Tasks in Senate Bill 840 at 2-4.