

1-1 By: Darby (Senate Sponsor - Hughes) H.B. No. 2262
 1-2 (In the Senate - Received from the House May 8, 2023;
 1-3 May 9, 2023, read first time and referred to Committee on Natural
 1-4 Resources & Economic Development; May 18, 2023, reported favorably
 1-5 by the following vote: Yeas 7, Nays 1; May 18, 2023, sent to
 1-6 printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15			X	
1-16	X			
1-17		X		

1-18 A BILL TO BE ENTITLED
 1-19 AN ACT

1-20 relating to gas utility alternative gas expenses and infrastructure
 1-21 investments.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Subchapter B, Chapter 104, Utilities Code, is
 1-24 amended by adding Section 104.061 to read as follows:

1-25 Sec. 104.061. CONSIDERATION OF ALTERNATIVE GAS EXPENSES AND
 1-26 INFRASTRUCTURE INVESTMENTS. (a) In this section, "alternative
 1-27 gas" means:

1-28 (1) any pipeline-compatible gaseous fuel that is
 1-29 derived from:

1-30 (A) the anaerobic digestion of biomass,
 1-31 gasification of biomass, or another biomass conversion process;

1-32 (B) agricultural waste; or

1-33 (C) landfill gas;

1-34 (2) hydrogen produced using:

1-35 (A) carbon capture and storage;

1-36 (B) renewable energy to break down water into
 1-37 hydrogen and oxygen through electrolysis; or

1-38 (C) pyrolysis to break down methane into hydrogen
 1-39 and solid carbon;

1-40 (3) gas certified in a manner approved by the railroad
 1-41 commission under Subsection (c); or

1-42 (4) another gaseous fuel designated by the railroad
 1-43 commission under Subsection (c).

1-44 (b) This section applies only to a gas utility that owns or
 1-45 operates for compensation in this state equipment or facilities to
 1-46 distribute combustible hydrocarbon natural gas or synthetic
 1-47 natural gas under rates, terms, and conditions approved by a
 1-48 regulatory authority.

1-49 (c) The railroad commission by rule may:

1-50 (1) approve a certification process used by an
 1-51 organization to certify that a type of gas has a lower carbon
 1-52 content than natural gas; and

1-53 (2) designate a gaseous fuel as an alternative gas if
 1-54 the fuel has a lower carbon content than natural gas.

1-55 (d) A gas utility may include one or more forms of purchased
 1-56 alternative gas in its gas supply portfolio used for the provision
 1-57 of gas service to the utility's customers. When establishing a gas
 1-58 utility's rates, the regulatory authority shall allow a gas utility
 1-59 to recover as a cost or expense expenditures associated with
 1-60 purchasing the alternative gas if the expenditures were prudent,
 1-61 reasonable, and necessary.

