

Fiscal Estimate Narratives

PSC 3/18/2022

LRB Number	21-6189/1	Introduction Number	SB-1054	Estimate Type	Original
Description the measurement of carbon emissions and carbon emission offset transactions related to animal agriculture operators, renewable natural gas and energy produced at animal agriculture facilities, and granting rule-making authority					

Assumptions Used in Arriving at Fiscal Estimate

2021 SB 1054 creates several statutory provisions related to the measurement of carbon emissions and carbon emission offset transactions related to animal agriculture operators, renewable natural gas and energy produced at animal agriculture facilities.

The bill requires the Department of Agriculture, Trade and Consumer Protection (DATCP) to promulgate rules that establish voluntary and market-driven standards for quantifying the carbon emissions produced directly and indirectly from an animal agriculture operator's activities and requires the department to create a form for operators to use for submitting required information. DATCP must also facilitate trade in products and services related to transactions between animal agriculture operators and other parties for carbon emission offsets and may operate an electronic marketplace for selling and purchasing carbon emission offsets. Finally, 2021 SB 1054 requires DATCP to conduct research on and provide research grants for carbon sequestration practices and carbon offset practices and monitor transactions involving carbon emission offsets between animal agriculture operators and persons that market carbon emission offsets.

2021 SB 1054 requires the Public Service Commission (Commission) to develop a statewide master plan for the collection, transportation, and commercialization of renewable natural gas produced from animal wastes, biomass, and other organic sources. The Commission must develop standardized pipeline interconnection agreements for renewable natural gas for both intrastate and interstate gas pipelines, and the agreements must include provisions establishing specifications for renewable natural gas injected into natural gas pipelines. Also, under the bill, the Commission must require all pipeline operators to accept renewable natural gas that satisfies the specifications established in the standardized agreements developed by Commission. The Commission must also conduct a study of methods for the state to provide financing support for designing, developing, and operating infrastructure for collecting and transporting renewable natural gas produced from animal wastes, biomass, and other organic sources. The Commission must prepare a report detailing the results of the study and making recommendations and submit the report to the appropriate standing committees of the legislature.

2021 SB 1054 also requires the Commission to establish standardized power purchase agreements and standardized agreements for the provision of energy as a service between animal agriculture operators and electric utilities that involve distributed energy generation systems with a capacity of less than 1.5 megawatts. The standardized agreements must address a) net energy metering; b) rates at which electric utilities must purchase electricity from an animal agriculture operator's distributed energy generation system; c) power dispatch curtailment of an animal agriculture operator's distributed energy generation system and compensation for excess generation and parallel generation from such systems; d) conditions related to participation of an animal agriculture operator's distributed energy system in the wholesale electricity market; e) technical and operational specifications of an animal agriculture operator's distributed energy generation system; and f) monthly utility billing practices that clearly describe the buying, selling, and revenue sharing between an electric utility and the host of a distributed energy generation system.

The work effort associated with the Commission requirements in this bill can be absorbed with existing Commission staff resources. There would be no fiscal effects to the Commission as a result of this bill.

Long-Range Fiscal Implications