

Testimony in Support of SB 334  
Before the Business and Transportation Committee

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NW Natural

February 20, 2017

Chair Beyer and members of the committee. I am Gary Bauer representing NW Natural, a natural gas distribution company serving over 645,000 customers in Oregon. NW Natural supports SB 334 and the -1 Amendments. This is a very simple measure. The purpose of the bill is to direct the Oregon Department of Energy (ODOE) to develop and maintain an inventory of biogas and renewable natural gas resources that are available in Oregon.

Biogas is the gaseous emissions from the breakdown of organic matter (from plants or animals) by a consortium of bacteria. Biogas is principally a mixture of methane (CH<sub>4</sub>) and carbon dioxide (CO<sub>2</sub>) along with other trace gases. NW Natural is interested in biogas because methane is the primary component of natural gas. Methane makes up 55-90% by volume of biogas, depending on the source of organic matter and conditions of degradation. The natural sources of biogas include: aquatic sediments, wet soils, buried organic matter, animal and insect digestive tracts, and in the core of some trees. Human activities create additional sources including landfills, waste lagoons such as those at waste water treatment plants, and waste storage structures.

Renewable natural gas is biogas that has been conditioned, or cleaned up, so that it can be used as a transportation fuel or placed in a pipeline along with traditional natural gas. We believe capturing this gas and utilizing it as a fuel source for our customers or in the transportation sector has an environmental and health benefit for Oregonians.

In addition to having ODOE maintain an inventory of these sources, it asks them to consider the environmental impacts of the gases and their uses, address barriers to developing renewable natural gas, and to consider policy issues associated with these gases. In developing this information, the agency is to appoint an advisory committee and they are required to report back to the legislature.

The -1 Amendments are the result of working with others including ODOE. The "Whereas" clauses were added to provide some context around Renewable Natural Gas. We modified some of the operative text to address some questions that both NW Natural and ODOE raised. While the -1 Amendments look like a gut and stuff, I believe

LC chose to delete and reinsert the language making it easier to follow instead of striking and inserting the changes we requested. The amendments don't change the original intent of the legislation.

In closing, we have worked with the Oregon Department of Energy on developing the legislation and the amendments and would ask for your support of the -1 Amendments and the bill.