STATE OF NEW YORK

7133

2025-2026 Regular Sessions

IN SENATE

April 1, 2025

Introduced by Sen. PARKER -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications

AN ACT to amend the public service law, in relation to enacting the "renewable natural gas standard act"

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Short title. This act shall be known and may be cited as the "renewable natural gas standard act".

§ 2. The public service law is amended by adding a new section 66-x to read as follows:

§ 66-x. Establishment of a renewable natural gas standard. 1. (a) The legislature hereby finds that:

(i) the climate leadership and community protection act (CLCPA) requires significant reductions in greenhouse gas emissions, including a forty percent reduction in statewide greenhouse gas emissions by two thousand thirty and an eighty-five percent reduction in statewide greenhouse gas emissions by two thousand fifty;

(ii) in order to meet these aggressive targets, it is necessary to further develop renewable energy sources, including renewable natural gas;

(iii) the production of renewable natural gas is a desirable source of renewable energy because it captures methane otherwise emitted into the atmosphere from various sources of waste, thereby reducing greenhouse gas reductions;

(iv) renewable natural gas is an important renewable energy source to pair with more intermittent resources (solar, wind) because it is readily available and can use existing natural gas infrastructure for reliable storage and delivery; and

(v) harnessing renewable natural gas as a fuel option will advance the achievement of the CLCPA's greenhouse gas emissions reduction goals,

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

LBD11308-01-5

retain existing and/or create new jobs, stimulate the local economy and provide potential additional revenue streams for entities such as local farmers and municipalities.

(b) The legislature therefore declares that:

(i) renewable natural gas can be a carbon-negative resource and its use is necessary to decarbonize the gas distribution system; and

(ii) the establishment of a renewable natural gas standard for gas corporations is required to accelerate the development of renewable natural gas in New York and support the achievement of the CLCPA greenhouse gas emissions reduction goals.

2. As used in this section:

(a) "biogas" means a mixture of carbon dioxide and hydrocarbons, primarily methane gas, released from the biological decomposition of organic materials;

(b) "environmental attribute" means any credits, benefits, offsets or allowances, including allowances under all applicable trading, compliance, or budget programs, or any other federal, state, or regional emission, renewable energy, or energy conservation trading or budget program associated with renewable natural gas;

(c) "life cycle greenhouse gas emissions" means the aggregate quantity of greenhouse gas emissions related to the full fuel life cycle, including all stages of fuel and feedstock production and distribution, from feedstock generation or extraction through the distribution and delivery and use of the finished fuel to the customer;

(d) "renewable energy sources" means hydroelectric, geothermal, solar photovoltaic, wind, tidal, wave, biomass, biogas or similar energy sources;

(e) "renewable natural gas" means any of the following products processed to meet pipeline quality standards or transportation fuel grade requirements:

(i) biogas that is upgraded to meet natural gas pipeline quality standards such that it may blend with, or substitute for, geologic natural gas;

(ii) hydrogen gas produced using renewable energy sources and/or produced with a carbon intensity equal to or less than two kilograms of carbon dioxide equivalent produced at the site of production per kilogram of hydrogen produced; or

(iii) methane gas derived from any combination of biogas, hydrogen gas derived from renewable energy sources or waste carbon dioxide; and

(f) "renewable natural gas infrastructure" means equipment and facilities necessary for the production, processing, pipeline interconnection, and distribution of renewable natural gas by a gas corporation to customers.

3. No later than January first, two thousand twenty-six, the commission shall establish a program to require that gas corporations procure renewable natural gas from third parties, including affiliates of the gas corporation, for distribution to natural gas customers. The program shall require gas corporations to procure renewable natural gas to meet the following targets:

(a) for each of the calendar years two thousand twenty-six through two thousand thirty, at least five percent of the gas corporation's total volumetric purchases shall be renewable natural gas;

(b) for each of the calendar years two thousand thirty-one through two thousand thirty-five, at least ten percent of the gas corporation's total volumetric purchases shall be renewable natural gas;

(c) for each of the calendar years two thousand thirty-six through two thousand forty, at least fifteen percent of the gas corporation's total volumetric purchases shall be renewable natural gas;

(d) for each of the calendar years two thousand forty-one through two thousand forty-five, at least twenty percent of the gas corporation's total volumetric purchases shall be renewable natural gas; and

(e) for each of the calendar years two thousand forty-six through two thousand fifty, at least twenty-five percent of the gas corporation's total volumetric purchases shall be renewable natural gas.

4. In establishing the program set forth in subdivision three of this section, the commission shall:

(a) adopt cost recovery mechanisms to allow a gas corporation to recover costs related to the purchase of renewable natural gas and costs related to renewable natural gas infrastructure necessary for a gas corporation to comply with the targets established in subdivision three of this section;

(b) provide for the treatment of any environmental attributes associated with the purchase of renewable natural gas;

(c) consider appropriate cost mitigation measures;

(d) provide for the verification of renewable natural gas procured by gas corporations;

(e) provide financial incentives related to the production and processing of renewable natural gas to entities that own non-hazardous landfills, dairy farms, wastewater treatment plants and food waste processing facilities;

(f) design the program in a manner to maximize the development of renewable natural gas in New York state; and

(g) design the program in a manner to provide benefits to disadvantaged communities, as defined in article seventy-five of the environmental conservation law, to the extent practicable.

5. Gas corporations shall, to the extent practicable, prioritize the procurement of renewable natural gas from non-hazardous landfills, farms, wastewater treatment plants and food waste processing facilities.

6. In the event a gas corporation is not able to procure the volume of renewable natural gas in any calendar year necessary to comply with the targets established in subdivision three of this section, the gas corporation may petition the commission for a waiver of the requirements of subdivision three of this section for that calendar year. The commission shall grant a waiver pursuant to this subdivision if the gas corporation demonstrates that (a) there is not an adequate renewable natural gas supply for the gas corporation to procure to comply with the targets established in subdivision three of this section or (b) complying with the targets would have an adverse impact on the gas corporation and its ratepayers.

7. Notwithstanding any provision of law to the contrary, any calculation of the greenhouse gas emissions produced by the distribution system of a gas corporation shall account for the life cycle greenhouse gas emissions associated with renewable natural gas, including avoided emissions associated with the production and development of renewable natural gas.

§ 3. Section 66-f of the public service law is amended by adding a new subdivision 4 to read as follows:

4. The purchase of renewable natural gas by a gas corporation for the purposes of complying with the requirements of section sixty-six-x of this article shall not be subject to the requirements of this section.

§ 4. This act shall take effect immediately.