



Working with community wastewater treatment and stormwater management agencies across the state to protect Oregon's water quality

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February 7, 2019

Senator Dembrow, Chair
Senator Olsen, Vice-Chair
Members of the Senate Committee on Environment and Natural Resources

Chair Dembrow and Members of the Committee:

The Oregon Association of Clean Water Agencies (ACWA) supports SB 98 directing the Public Utility Commission to adopt a rule for renewable natural gas purchases. ACWA, is a private, not-for-profit professional organization of Oregon's wastewater treatment and stormwater management agencies and associated professional consulting firms. Our members are dedicated to protecting and enhancing Oregon's water quality. Our member agencies statewide provide sewer and stormwater management services to 2.5 million Oregonians, serving 65% of Oregon's homes and businesses.

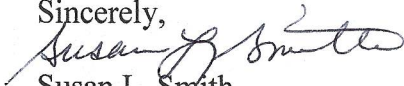
Many municipal wastewater treatment plants in Oregon use anaerobic digesters to stabilize domestic wastewater solids so that they can be safely recovered and beneficially land applied as a soil amendment. These same anaerobic digesters also produce biogas; an energy-rich gaseous byproduct that can be upgraded to renewable natural gas (RNG) suitable for injection into the utility grid. In fact, the Oregon Department of Energy estimates that the potential amount of biogas-based methane available from municipal wastewater treatment systems in Oregon is about 1.3 million decatherms (or about 11 million gasoline gallon equivalents) annually. However, the technology and infrastructure needed to upgrade, compress, and convey the RNG to a natural gas utility grid for distribution requires substantial capital investment on the part of the wastewater agency.

Presently, the business case for these expensive RNG upgrading projects hinges almost entirely on the value of environmental attributes available through the federal renewable fuel standard. Attribute values in this market are volatile and the program itself is subject to legislative and administrative risks. This long-term revenue uncertainty creates a substantial investment barrier for wastewater agencies that would otherwise be keen to invest to make full use of their biogas. Consequently, instead of generating renewable fuel to offset greenhouse gas emissions, and revenues to offset operational costs, much of Oregon's municipal biogas is being flared.

Oregon's public wastewater managers seek to make the most beneficial use, environmentally and cost-effectively, of byproducts of wastewater treatment processes. What is desperately needed for wastewater agencies to justify the considerable capital investment cost to their rate payers is a stable and reliable source of revenue from the sale of the RNG. This is why ACWA supports SB 98. SB 98 will make it possible for natural gas utilities in Oregon to provide long-term stable price agreements for purchasing RNG from RNG producers like municipal wastewater agencies.

Thank you for your consideration of ACWA's comments on SB 98. It is an important step to removing the barriers to capturing the potential environmental and economic benefits of renewable biogas.

Sincerely,

A handwritten signature in cursive script, appearing to read "Susan L. Smith".

Susan L. Smith
Executive Director