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MIKE CIERPIOT
8TH DISTRICT

To: Honorable MO Public Service Chairman Rupp

From: Senator Mike Cierpiot--Chairman Senate Commerce, Consumer Protection and Environment

REF: MO Public Service Commission GW-2022-0060

Dear Chairman Rupp:

Thank you for establishing the PSC workshop to address provisions of House Bill 734 that involve Renewable Natural Gas. This bill was passed by the General Assembly and signed by Governor Parson in 2021. As Chairman of the Senate Commerce committee, where the provisions of HB 734 were heard, I am very familiar with the purpose and intent of the law.

One provision of 386.895 that I'd like to address specifically is the term "voluntary," as used in Subsection 2. Our legislative intent was to promote and encourage the development and use of renewable natural gas (RNG) as an energy source in Missouri. The term "voluntary" was intended to mean that Missouri regulated utilities have the option to source or produce RNG as part of their gas supply portfolios, but are not required to do so. The Roeslein Energy Center in North Central Missouri is an example of a project which transforms an environmental concern into a positive, useful fuel. HB 734, as codified, is intended to encourage Missouri regulated utilities to pursue development of similar projects.

We understood that the costs of such projects must be borne by customers in an equitable way in order for successful implementation to occur. That's why the legislation allows for the costs of such projects to be included in utility base rates in a manner similar to how other capital costs are treated by the Commission.

Please don't hesitate to contact me or my office for more information or detail around legislative intent of this important new law. We hope that passage of this legislation will assist with enabling more efforts like Roeslein's collaborative success story to occur.

Best Regards,

A handwritten signature in cursive script that reads "Mike Cierpiot".

Senator Mike Cierpiot, 8th District