

In the Matter of the Petition of Minnesota Energy Resources Corp. for Approval of a Renewable Natural Gas Interconnection Tariff.

Docket No. G011/M-23-489

Commissioner Tuma proposes the following new decision options:

Tuma New 1. Approve MERC's Interconnection Tariff, which allows for the establishment of a new RNG interconnection service, subject to the following modifications:

- A. Maintain on MERC's website the most up-to-date RNG quality standards and testing requirements for those injecting RNG into the distribution system under the company's RNG interconnection program.
- B. Periodically update its gas quality standards according to the best available science, after consulting with stakeholders, the Minnesota Department of Commerce, and the Minnesota Office of Pipeline Safety (MNOPS).
- C. Notify the Commission when it changes its service quality standards.
- D. In its annual reports, report on any discussions with stakeholders and/or MNOPS on its gas quality standards.
- E. Require MERC to make a compliance filing within 30 days each time it accepts another producer's renewable natural gas into its system providing information on the producer feedstock, expected amount of RNG to be produced, the other anticipated programs and tax credits the producer will be participating in to improve the value of their RNG production and a description of the reporting requirements for the other programs. (replacement of decision option 6)
- F. Require MERC to make a compliance filing annually by February 1 each year with the following items:
 - i. The total number of interconnected RNG producers supplying RNG to the MERC system in the previous calendar year.
 - ii. The amount of RNG volumes taken onto the MERC system each year in total and from each of those producers.
 - iii. The mix of feedstock used by RNG producers connected to MERC's system and volumes provided to the system broken out by primary feedstock for the previous calendar year.
 - iv. A description of the various programs or tax credits producers are participating in to improve the value of their RNG production.
 - v. Summary of the various reporting requirements for other programs MERC's RNG producers are participating in particularly whether there is any lifecycle greenhouse gas emissions reporting, methane emissions reporting or additional safety standard requirements.
 - vi. A comparison of the Platt's Inside FERC ("IFERC") Northern Ventura First-of-Month ("FOM") index price to the cost of gas identified in MERC's PGA over 12 months of the prior year of the report.

Tuma New 4. Approve MERC's corrected Natural Gas Purchase Agreement, filed in Reply Comments on February 16, 2024 with the following modifications:

- A. The agreement must be contingent upon any RNG interconnection or service being consistent with MERC's obligations to provide safe and reliable service and any applicable federal and state standards.
- B. Any particular month the payment is capped at 1.5 times the prior 12 months of the reported Platt's Inside FERC ("IFERC") Northern Ventura First-of-Month ("FOM") index price.
- C. If no IFERC Northern Ventura FOM price is available or not reported, the price shall be the average of the reported Platt's Inside FERC ("IFERC") Northern Ventura First-of-Month ("FOM") index price for the prior 12 months.
- D. The agreement must be contingent upon initially disclosing and updating all anticipated programs and tax credits the producer will be participating in to approve the value proposition of the production of there RNG along a requirement that MERC receive a carbon copy of reports required under these programs.