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February 16, 2024

# **VIA ELECTRONIC FILING**

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 55101

Re: In the Matter of the Petition of Minnesota Energy Resources Corporation for Approval of a Renewable Natural Gas Interconnection Tariff Docket No. G011/M-23-489

# **Reply Comments of Minnesota Energy Resources Corporation**

Dear Mr. Seuffert:

On November 28, 2023, Minnesota Energy Resources Corporation ("MERC" or "Company") filed a Petition with the Minnesota Public Utilities Commission (the "Commission") requesting approval of a Renewable Natural Gas ("RNG") Interconnection Tariff. On January 26, 2024, the Minnesota Department of Commerce, Division of Energy Resources (the "Department") filed Comments addressing the Company's Petition. In its Comments, the Department stated it was generally supportive of MERC's petition, but before providing final recommendations, requested that MERC provide the following information:

- How MERC would protect ratepayers under MERC's proposal in the Natural Gas Purchase Agreement for MERC and the seller to use a "mutually agreed upon replacement First of Month ("FOM") index as a basis for the per MMBTU price" in cases where "an IFERC Northern Ventura FOM price is unavailable or not reported;"
- 2. An explanation of the reasonableness of MERC's proposal in the Natural Gas Purchase Agreement to subtract MERC's operation and maintenance ("O&M") costs for the interconnection facilities from the purchase price;
- 3. Whether MERC would be amenable to reporting on the following items in its proposed one-time compliance filings for each RNG interconnection:

- a. Methane leakage measurement, control, and mitigation measures employed by the producer at the production and upgrade facility.
- b. Estimated amount of methane leakage for the producer and a description of the methodology used to develop that estimate.
- c. Analysis of the lifecycle greenhouse gas emissions, including emissions associated with the upgrade facility, of RNG volumes provided by the producer— and a description of the methodology used to develop the lifecycle analysis.
- 4. Whether MERC would be amenable to filing in its annual reports all of the information below to keep the Commission fully appraised on not only the quantities sold and sellers of RNG, but also the greenhouse gas ("GHG") characteristics:
  - a. The total number of interconnected RNG producers supplying RNG to MERC's system in the previous calendar year.
  - b. The amount of RNG volumes taken onto MERC's system each year in total and from each of those producers.
  - c. 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.
  - d. The mix of end-uses of the digestate for each producer interconnected to MERC's system.
  - e. The estimated methane emissions associated with the total amount of RNG received on MERC's system in the previous calendar year and by primary feedstock, and a description of the methodology for estimating methane emissions.
  - f. Estimated lifecycle GHG emissions, including emissions associated with the upgrade facilities, of the RNG received on MERC's system in the previous calendar year in total and by primary feedstock compared to lifecycle emissions of geological natural gas on MERC's system, along with a description of the methodology for determining those lifecycle GHG emissions.
  - g. Updated information for each interconnected RNG producer using the same data points as included in the per-producer compliance filings.
- Whether MERC has a reasonable GHG accounting framework in place, consistent with the June 1, 2022 Order in Docket No. G999/CI-21-566, for calculating GHG emissions from RNG, and whether MERC has any specific

proposals for a threshold of carbon intensity based on conventional gas emissions.

6. An explanation of how MERC is maximizing Inflation Reduction Act ("IRA") benefits in its proposed RNG interconnection process, to the extent applicable.

MERC thanks the Department its review and comments and submits these Reply Comments to respond to Department's request for additional information.

1. Ratepayer protection in cases where an IFERC Northern Ventura FOM price is unavailable or not reported.

The intent of the Natural Gas Purchase Agreement is to purchase gas at an applicable market price. There are rare instances where market conditions have led to a monthly index not being available for a given point due to low trade volumes or other factors. The clause in the Natural Gas Purchase Agreement that states "To the extent an IFERC Northern Ventura FOM price is unavailable or not reported, the Parties shall confer and use a mutually agreed upon replacement FOM index as a basis for the per MMBtu price" provides protection to customers by ensuring the an appropriate replacement index is used to establish the price to be paid for natural gas in the unlikely event there is no published Northern Ventura FOM price. By specifying that the replacement would be an alternative FOM index, the agreement ensures the price to be paid is based on market pricing for FOM gas purchases. This is consistent with how MERC would purchase other natural gas supply if this scenario were to occur. MERC is not aware of any month where the IFERC Northern Ventura FOM price was not reported, and it is an unlikely event given its high liquidity.

2. Reasonableness of MERC's proposal to subtract MERC's O&M costs for the interconnection facilities from the purchase price.

MERC notes that there was an oversight in the agreements attached to the Company's November 28, 2023 Petition whereby the RNG producer would be paying for the O&M costs monthly, and that the purchase price for the natural gas purchased from producer would also be reduced for the cost to operate and maintain the Company Interconnection Facilities. This oversight amounts to erroneously double-recovering the O&M costs from the RNG producer. As described in the Company's Petition, MERC's intent is to require an interconnecting RNG producer to pay for the ongoing O&M costs of the interconnection through monthly O&M payments. As a result, the language in the Natural Gas Purchase Agreement should be amended so that a producer is paid the Northern Ventura FOM index price, without adjustment. MERC has attached a redlined Natural Gas Purchase Agreement correcting this error as Revised Attachment C to these Reply Comments. To be clear, under MERC's proposal, the RNG producer will pay for the O&M costs monthly. MERC contends this is reasonable, as requiring interconnecting RNG producer to be responsible for O&M costs associated with the interconnection ensures those costs are not shifted onto MERC's other customers and

continues to maintain that MERC's purchase of the RNG would be equivalent to existing baseload natural gas purchases.

- 3. Whether MERC would be amenable to inclusion in the one-time Compliance filing on the following items:
  - a. Methane leakage measurement, control, and mitigation measures employed by the producer at the production and upgrade facility.
  - b. Estimated amount of methane leakage for the producer and a description of the methodology used to develop that estimate.
  - c. Analysis of the lifecycle greenhouse gas emissions, including emissions associated with the upgrade facility, of RNG volumes provided by the producer— and a description of the methodology used to develop the lifecycle analysis.

As discussed in MERC's Petition, the Company proposed to submit a filing each time the Company accepts a producer's RNG into its system providing information on the producer feedstock and expected amount of RNG to be produced, within 30 days of any new interconnection. MERC is not proposing to report on the additional information in items a-c above regarding producer operations or lifecycle GHG emissions.

Given the structure of the Company's proposed RNG interconnection, MERC is unsure of the benefit of providing these one-time compliance items defined above in parts a), b), and c). The RNG producer, not MERC, would be the source for this information, and to require MERC to provide this information would be misplaced, administratively burdensome, and unnecessary to protect MERC's customers. MERC's distribution system, as well as MERC's customers are afforded protection through the requirement of interconnecting RNG producers' adherence to the Company's proposed RNG Quality Standards and Testing Procedures, as shown in in Attachment D to the Company's November 28, 2023 Petition. Lastly, the Company's Petition is seeking to purchase the natural gas only, not the environmental attributes associated with the RNG. As a result, the additional reporting related to methane leakage and lifecycle GHG emissions is not relevant to the structure of the proposed RNG interconnection and gas purchase agreement.

- 4. Whether the Company would be amenable to inclusion in Annual Reports of the following information:
  - a. The total number of interconnected RNG producers supplying RNG to MERC's system in the previous calendar year.
  - b. The amount of RNG volumes taken onto MERC's system each year in total and from each of those producers.

- c. 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.
- d. The mix of end-uses of the digestate for each producer interconnected to MERC's system.
- e. The estimated methane emissions associated with the total amount of RNG received on MERC's system in the previous calendar year and by primary feedstock, and a description of the methodology for estimating methane emissions.
- f. Estimated lifecycle GHG emissions, including emissions associated with the upgrade facilities, of the RNG received on MERC's system in the previous calendar year in total and by primary feedstock compared to lifecycle emissions of geological natural gas on MERC's system, along with a description of the methodology for determining those lifecycle GHG emissions.
- g. Updated information for each interconnected RNG producer using the same data points as included in the per-producer compliance filings.

First, with respect to items a through c, as set forth in the Company's Petition, MERC proposes to submit annual reports to the Commission related to the RNG interconnection service. In particular, MERC proposed "annually, by February 1 each year, [to] file information on the total number of interconnected RNG producers, amount of RNG, and feedstocks, and to provide updates regarding any changes proposed to MERC's gas quality standards."<sup>1</sup>

In regards to the requested information in parts d), e), and f) above, the RNG producer, not MERC, would be the source for this information. To require MERC to provide this information would be misplaced, administratively burdensome, and unnecessary to protect MERC's customers. MERC's distribution system, as well as MERC's customers are afforded protection through the requirement of interconnecting RNG producers' adherence to the Company's proposed RNG Quality Standards and Testing Procedures, as providing in Attachment D to the Company's November 28, 2023 Petition. As discussed above, MERC is proposing to purchase the unbundled gas commodity, not the environmental attributes associated with produced RNG and as a result, the GHG emissions intensity of the RNG is not relevant to the structure of the agreements.

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<sup>&</sup>lt;sup>1</sup> MERC Petition at 13.

Finally, with respect to item g), in the Company's Petition, MERC agreed to submit a filing each time the Company accepts a producer's RNG into its system, providing information on the producer feedstock and expected amount of RNG to be produced, within 30 days of any new interconnection, and, annually, by February 1 each year, to file information on the total number of interconnected RNG producers, amount of RNG, and feedstocks, and to provide updates regarding any changes proposed to MERC's gas quality standards. To the extent an existing RNG producer changes feedstock or the expected amount of RNG to be produced, MERC agrees to provide updated information in its annual report.

5. Does MERC have a reasonable GHG accounting framework in place, consistent with the June 1, 2022 Order in Docket No. G999/CI-21-566, for calculating GHG emissions from RNG, and does MERC have any specific proposals for a threshold of carbon intensity based on conventional gas emissions.

The Company's Petition is seeking to purchase the natural gas commodity only, not the environmental attributes associated with the RNG; the environmental attributes are the value of lower carbon intensity associated with the RNG. MERC does not have a GHG framework in place at this time, nor is the Company making a proposal for a threshold of carbon intensity based on conventional gas emissions. Given the structure of the Company's proposed RNG interconnection, the establishment of a GHG accounting framework and threshold of carbon intensity is unnecessary for the approval of MERC's Petition.

6. How is MERC maximizing IRA benefits in its proposed RNG interconnection process, to the extent applicable.

As noted in the Department's Comments, on September 12, 2023, in Docket No. E,G999/CI-22-624, *In the Matter of a Joint Investigation into the Impacts of the Federal Inflation Reduction Act*, the Commission issued an Order Setting Requirements related to the IRA, with the first Order Point requiring utilities to maximize the benefits of the IRA in future dockets. The Department therefore requests MERC explain in Reply Comments how it is maximizing IRA benefits in its proposed RNG interconnection process, to the extent applicable.

MERC responds that the Company has not identified any IRA incentives or benefits at this time that it would be eligible for directly with respect to the proposed RNG interconnection process.

It is possible an RNG producer could qualify for the renewable energy Investment Tax Credit ("ITC") under the IRA. MERC understands that the amount of the credit depends on whether or not the project satisfies certain labor and domestic manufacturing requirements and whether the project is built in an energy community. To qualify for the ITC, a project would have to commence construction prior to January 1, 2025. Under

MERC's proposal, the RNG producer is responsible for the development and costs of the RNG facility, as well as the costs of the RNG interconnection. The eligibility of an RNG project for benefits under the IRA therefore is the responsibility of the RNG developer and has no impact on the proposed interconnection process or MERC's other customers.

## Conclusion

Based on the foregoing, MERC respectfully requests that the Commission:

- Approve MERC's RNG Interconnection Tariff included as Attachment A to MERC's Petition;
- 2. Approve MERC's RNG Interconnection Agreement included as Attachment B to MERC's Petition;
- 3. Approve MERC's Natural Gas Purchase Agreement, as amended and included as Revised Attachment C to these Reply Comments;
- 4. Approve MERC's proposed RNG Interconnection reporting, as follows:
  - a. Submit a filing each time MERC accepts a producer's RNG into its system providing information on the producer feedstock and expected amount of RNG to be produced, within 30 days of any new interconnection.
  - Separately track the costs MERC incurs for each RNG producer or developer that interconnects with MERC's distribution system, and the total RNG received from each RNG producer or developer.
  - c. Track and identify all customers added to lines built to accommodate interconnecting RNG developers, along with associated costs and revenues, and provide an analysis and discussion of these matters in MERC's next rate case.
  - d. Continuously evaluate its gas quality standards in accordance with the best available science and to propose future updates, as appropriate, after consultation with the Minnesota Department of Commerce and Minnesota Office of Pipeline Safety.
  - e. Annually, by February 1 each year, file information on the total number of interconnected RNG producers, amount of RNG, and feedstocks, and to provide updates regarding any changes proposed to MERC's gas quality standards. To the extent an existing RNG producer changes feedstock or the expected amount of RNG to be produced, MERC agrees to provide updated information in its annual report.
  - f. If any affiliates of MERC are or become involved in any RNG interconnection project, MERC will:
    - Inform the Commission and Department,

- ii. Explain whether any proposed interconnection project implicates Minn. Stat. § 216B.48 and Minn. R. 7825.1900–7825.2300; the relevance of the affiliated interest laws to all applicable projects; and how any transactions with its affiliates would comply, and
- iii. Seek Commission approval of transactions governed by the affiliated interest laws.

Please contact me at 414-221-3685 or Richard.Stasik@wecenergygroup.com or Joylyn Hoffman Malueg at (414) 221-4208 or

<u>Joylyn.HoffmanMalueg@wecenergygroup.com</u> if you have any questions regarding the information in these Reply Comments. Thank you for your attention to this matter.

DATED: February 16, 2024 Respectfully submitted,

Richard F. Stasik

Director-State Regulatory Affairs

Enclosure

cc: Service List

# **Revised Attachment C**

**Redline Corrected Natural Gas Purchase Agreement** 

#### **NATURAL GAS PURCHASE AGREEMENT**

THIS NATURAL GAS PURCHASE AGREEMENT (this "<u>Agreement</u>") is entered into as of this \_\_\_ day of [month], [year], by and between Minnesota Energy Resources Corporation, a Delaware corporation ("<u>Company</u>"), and [producer] with a business address of [address] ("<u>Producer</u>"). Producer and Company are also referred to herein individually as a "Party" and collectively as the "Parties."

## **BACKGROUND**

WHEREAS Company and Producer are parties to that certain Renewable Natural Gas Interconnect Agreement dated as of even date herewith (the "Interconnection Agreement") which provides for the construction of pipeline and interconnect facilities by both Parties and upfront payment by Producer of the cost of the Company's Facilities.

WHEREAS, the Parties desire to set forth additional terms and conditions related to transactions for the purchase and sale of Natural Gas (as defined below) produced by Producer's Renewable Natural Gas (as defined below) facility whereby Company will be the party purchasing and receiving the physical Natural Gas and Producer will be the party selling and delivering the Natural Gas.

NOW, THEREFORE, in consideration of the mutual premises and agreements set forth hereinafter, the sufficiency of such consideration being acknowledged by the Parties, the Parties hereby agree as follows:

#### **AGREEMENT**

#### 1. Purchase and Sale of NG.

- a. "<u>Natural Gas</u>" or "<u>NG</u>" shall mean Gas that meets the quality specifications in Exhibit B of the Interconnection Agreement that is referenced as the physical portion of the production of Renewable Natural Gas, which does not include any Environmental Attributes.
- b. "Renewable Natural Gas" or "RNG" shall mean Gas derived from the decomposition of organic matter.
- c. <u>Purchase and Sale of NG</u>. From and after the Start Date (as defined in <u>Section 3.b</u> below), subject to the terms and conditions of this Agreement, Producer shall supply NG, per the specifications described in <u>Section 1.a.</u> of this Agreement, to Company at the Interconnection Point, as defined in Appendix 1 of the Interconnection Agreement, and Company shall purchase said NG. Title to and risk of loss of the NG shall transfer from Producer to Company at the Interconnection Point.
- d. <u>Environmental Attributes</u>. The Producer shall retain all rights to the Environmental Attributes (as defined below) associated with the RNG or NG. The Company agrees that it does not have any claim on Environmental Attributes associated with the RNG or NG purchased under this Agreement.
- e. <u>Minimum Purchase and Sale Requirement</u>. During each Contract Year during the term of this Agreement, with the first such period being the one-year period beginning on the Start Date and each subsequent period being a one-year period beginning on a yearly anniversary of the Start Date (each such period a "<u>Contract Year</u>"), Producer shall provide produced NG estimated to be [quantity] MMBtu/month at the Interconnection Point for Company's purchase.
- f. <u>Payments for deliveries.</u> In each Contract Month of the Initial Term, with the first such period being the one-month period beginning on the Start Date and each subsequent period being a one-month period beginning on the monthly anniversary of the Start Date (each such period a "Contract Month"), Producer shall invoice Company for deliveries at the Price in section 2.a.

#### Pricing and Payment.

a. <u>Price</u>. The purchase price for NG purchased from Producer pursuant to this Agreement shall be the Platt's Inside FERC ("IFERC") Northern Ventura First-of-Month ("FOM") index price minus \$[amount] per MMBtu for the cost to operate and maintain the Company Interconnection Facilities. The price shall be determined each calendar month and shall apply to all NG deliveries of Producer to Company during said month. To the extent an IFERC Northern Ventura FOM price is unavailable or not reported, the Parties shall confer and use a mutually agreed

upon replacement FOM index as a basis for the per MMBtu price.

# b. Invoicing and Payment.

- i. <u>Invoices and Payment for Purchases</u>. Producer will deliver an invoice to Company reflecting the amount owing to Producer for Company's purchases of NG during the preceding Contract Month within 10 days following the completion of the Contract Month. Company shall pay within 25 days of receipt of the invoice.
- c. <u>Taxes</u>. Any and all federal, state, and local fuel use taxes, sales taxes, excise taxes, value-added taxes, duties, customs, inspection or testing fees, and all other taxes, fees, interest and charges of any nature whatsoever imposed on or measured by the buying and selling of NG between Company and Producer under this Agreement shall be paid by Company. Notwithstanding the aforementioned, neither Company nor Producer shall be responsible for the other party's taxes applicable to income. Further, Company shall not be responsible for any taxes, fees, duties or charges of any nature related to any Environmental Attributes that may be monetized by Producer or any third party that are incidental to this Agreement. For purposes of this Agreement, "Environmental Attributes" shall mean carbon credits, greenhouse gas offsets, green tags, renewable energy credits, production tax credits, allowances for air emissions, or renewable identification numbers, nutrient trading credits, similar financial incentives or subsidies, or other similar instruments under the federal Renewable Fuels Standard, state-based Low Carbon Fuels Standard, or any other local, state, regional, federal, or international environmental programs providing incentives or credits, or any other environmental attributes associated with renewable natural gas, renewable transportation fuels, bio-fertilizers, or other products generated by the anaerobic digestion, processing of organic materials, or otherwise from operation of the Facilities, and any credits, grants, or incentive payments derived therefrom.

## 3. Start Date, Term, and Termination

- a. <u>Start Date.</u> The "Start Date" for this Agreement shall be the first date, as reasonably determined by the Company, when Producer delivers at least [quantity MMBtu] to the Interconnection Point.
- b. <u>Term.</u> This Agreement shall be effective as of the date first written above and, unless earlier terminated as provided for herein, shall continue in full force and effect through (and including) the twentieth (20<sup>th</sup>) annual anniversary of the Start Date.
- c. <u>Early Termination by Company</u>. This Agreement may be terminated by Company immediately upon written notice to Producer if: (a) by act or omission Producer breaches or defaults on any material term or condition of this Agreement and Producer fails to cure such breach or default within thirty (30) calendar days after written notice from Company; (b) Producer becomes insolvent, makes an assignment for the benefit of creditors, has a receiver appointed over all or any portion of its property, becomes the subject of an "order for relief" as that term is used in the U.S. Bankruptcy Code, or is liquidated or dissolved or its affairs are wound up; (c) Producer fails to provide delivery of NG to the Interconnection Point for in excess of three hundred and sixty-five (365) consecutive days after the Start Date, (d) Producer breaches or defaults on any material term or condition of the Interconnection Agreement, or (e) action of the Minnesota Public Utilities Commission, order, rule, ordinance, or statute causes this Agreement to become void, requires modification of any material term or condition of this agreement, or otherwise requires Company to terminate this Agreement.
- d. <u>Early Termination by Producer</u>. This Agreement may be terminated by Producer immediately upon written notice if: (a) Company fails to make any payment hereunder as and when due, provided that such termination right shall not apply (i) to unpaid payments that are disputed in good faith by Company or (ii) unless Company fails to cure such breach within fourteen (14) business days after receipt of Producer's written notice of such failure; (b) by act or omission Company breaches or defaults on any material term or condition of this Agreement and Company fails to cure such breach or default within thirty (30) calendar days after written notice from Producer; or (c) Company becomes insolvent, makes an assignment for the benefit of creditors, has a receiver appointed over all or any portion of its property, becomes the subject of an "order for relief" as that term is used in the U.S. Bankruptcy Code, or is liquidated or dissolved or its affairs are wound up.
- e. <u>Effect of Termination</u>. Neither expiration nor termination of this Agreement shall affect the rights or responsibilities of the Parties hereunder that accrued prior to expiration or termination. <u>Sections 2.c.</u>, <u>4</u>, <u>5</u>, and <u>6</u>, shall survive expiration or termination.

## 4. Warranty; Limitations on Liability.

a. Warranty. Producer hereby represents and warrants that the NG sold to Company pursuant

to this Agreement shall conform to the specifications set forth in Exhibit B of the Interconnection Agreement.

- b. Limitation of Liability. NEITHER PARTY SHALL BE LIABLE FOR (I) ANY OBLIGATIONS WHATSOEVER ARISING FROM TORT CLAIMS (INCLUDING WITHOUT LIMITATION SUCH CLAIMS BASED UPON NEGLIGENCE OR STRICT LIABILITY), OR (II) ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, OR CONTINGENT DAMAGES WHATSOEVER, WHETHER BASED ON BREACH OF CONTRACT, WARRANTY, TORT, OR ANY OTHER LEGAL OR EQUITABLE THEORY. EACH PARTY HEREBY DISCLAIMS THE OBLIGATIONS AND DAMAGES DESCRIBED IN CLAUSES (I) AND (II), REGARDLESS OF WHETHER COMPANY HAS BEEN GIVEN NOTICE OF THE POSSIBILITY OF SUCH OBLIGATIONS OR DAMAGES. Without limiting the generality of the foregoing, each Party specifically disclaims any liability for (i) special or punitive damages, penalties, damages for lost profits or revenues, loss of other equipment or systems, cost of capital, cost of substitute products or other equipment or systems, delay in performance, downtime, or shutdown or slowdown costs; and (ii) any other types of economic loss (but excluding direct damages). Neither party's maximum aggregate liability under this Agreement shall exceed [\$ quantity]. NOTWITHSTANDING THE FOREGOING, THE LIMITATIONS ON DAMAGES IN THIS SECTION 4.b. SHALL NOT LIMIT ANY AMOUNTS PAYABLE BY AN INDEMNIFYING PARTY UNDER SECTION 5 AS INDEMNIFICATION FOR DAMAGES PAID TO A THIRD PARTY IN A CLAIM THAT IS SUBJECT TO INDEMNITY UNDER SECTION 5.
- 5. <u>Indemnification</u>. Producer shall indemnify and hold harmless Company and its affiliates and their respective directors, officers, managers, employees, representatives, and agents from and against any and all losses, liabilities, damages, and expenses (including but not limited to attorneys' fees and other costs of defense) that Company or any of them may incur as a result of any third party claims for death, bodily injury, or property damages arising out of, relating to, or resulting from Producer's acts or omissions, including but not limited to any such claim based upon the negligence of Producer or its affiliates, employees, representatives, or agents.

Company shall indemnify and hold harmless Producer and its affiliates and their respective directors, officers, managers, employees, representatives, and agents from and against any and all losses, liabilities, damages, and expenses (including but not limited to attorneys' fees and other costs of defense) that Producer or any of them may incur as a result of any third party claims for death, bodily injury, or property damages arising out of, relating to or resulting from Company's acts or omissions, including but not limited to any such claim based upon the negligence of Company or its affiliates, employees, representatives, or agents.

# 6. <u>Miscellaneous</u>.

a. <u>Notice</u>. All notices, requests, demands and other communications under this Agreement shall be given in writing and shall be delivered or sent to the applicable Party at their respective addresses indicated in this <u>Section 6.a</u> by registered or certified U.S. mail, return receipt requested and postage prepaid; by private overnight mail courier service; or by email as follows:

If to Company, to:

Gas Supply Manager Minnesota Energy Resources Corporation 231 W Michigan Street Milwaukee, WI 53203 [INSERT EMAIL]

If to Producer, to:
[producer]
[address]

or to such other person or address as either party shall have specified by notice in writing to the other party. If personally delivered, such communication shall be deemed delivered upon actual receipt; if sent by overnight courier, such communication shall be deemed delivered upon receipt; and if sent by U.S. mail, such communication shall be deemed delivered as of the date of delivery indicated on the receipt issued by the relevant postal service or, if the addressee fails or refuses to accept delivery, as of the date of such failure or refusal.

b. <u>Assignment: No Third-party Beneficiaries</u> Neither party may assign this Agreement or its rights or obligations hereunder, in whole or in part, voluntarily or by operation of law, without the prior written consent of the other party, and any attempted assignment without such consent shall be null and void and without legal effect. Notwithstanding the foregoing, a party may assign this Agreement or its rights or obligations hereunder, in whole or in part, to any of its affiliates or to any person or entity that purchases all or any substantial portion of its assets, without

the other party's consent. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective permitted successors and permitted assigns. Nothing contained in this Agreement shall be deemed to confer upon any other person or entity any right or remedy under or by reason of this Agreement.

- c. <u>Severability</u>. If a court of competent jurisdiction determines any provision(s) of this Agreement to be illegal or excessively broad, then this Agreement shall be construed so that the remaining provisions shall not be affected but shall remain in full force and effect, and any such illegal or excessively broad provision(s) shall be deemed, without further action on the part of any person, to be modified, amended, and/or limited to the extent necessary to render the same valid and enforceable in such jurisdiction.
- d. <u>Amendment and Waiver</u>. No provisions of this Agreement may be modified, waived, or discharged unless such modification, waiver, or discharge is agreed to in a writing executed by Producer and Company. No action taken pursuant to this Agreement shall be deemed to constitute a waiver by the party taking such action of compliance with any representations, warranties, covenants, or agreements contained in this Agreement. No waiver by either party at any time of any breach by the other party of, or compliance with, any provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions at the same or at any prior or subsequent time.
- e. <u>Entire Agreement</u>. This Agreement supersedes all prior agreements, whether oral or in writing, between the parties with respect to its subject matter and constitutes the complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. There have been and are no conditions, agreements, representations, or warranties between the parties with respect to the subject matter of this Agreement other than those set forth or provided for in this Agreement. The Interconnection Agreement continues in full force and effect on and in accordance with its terms.
- f. <u>Counterparts; PDF Signatures</u>. This Agreement may be executed by PDF signature pages and in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- g. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF MINNESOTA EXCLUDING ANY CHOICE-OF-LAW RULES THAT MAY DIRECT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION. Each party stipulates that any dispute or disagreement between the Parties as to the interpretation of any provision of, or the performance of obligations under, this Agreement shall be commenced and prosecuted in its entirety in, and consents to the exclusive jurisdiction and proper venue of, the federal or state courts located in the State of Minnesota and each party consents to personal and subject matter jurisdiction and venue in such courts and waives and relinquishes all right to attack the suitability or convenience of such venue or forum by reason of such party's present or future domiciles or by any other reason. The Parties acknowledge that all directions issued by the forum court, including, without limitation, all injunctions and other decrees, will be binding and enforceable in all jurisdictions and countries. EACH PARTY WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY SUCH DISPUTE OR DISAGREEMENT.
- Force Maieure. If either Party is rendered unable, in whole or in part, by Force Maieure to carry out its obligations under this Agreement, then such Party shall give notice to the other party, in accordance with this Agreement, including reasonably full particulars of such Force Majeure event within a reasonable time after it becomes aware of the occurrence of the Force Majeure, and the obligations of such Party, insofar as they are affected by such Force Majeure, shall be suspended from the commencement of such Force Majeure through the continuance of any inability so caused, but for no longer period, and such Force Majeure shall, so far as possible, be remedied by the affected Party with all reasonable dispatch. Force Majeure shall include but not be limited to the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars; and (iv) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, or regulation promulgated by a governmental authority having jurisdiction. Parties shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance. Any suspension of obligation for reasons of Force Majeure shall be proportional to the effect of such Force Majeure on the particular obligation from which relief is sought, and shall not relieve any party from its obligation to make payments hereunder which were due prior to such Force Majeure.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be signed by their duly authorized representatives, effective as of the date first set forth above.

| [producer]   |
|--|
| Ву:  |
| Name: <mark>[name</mark> ]<br>Title: [ <mark>title]</mark> |
| Minnesota Energy Resources Corporation                     |
| Ву:  |
| Name: [name]   |
| Title: [title]   |

In the Matter of the Petition of Minnesota Energy Resources Corporation for Approval of a Renewable Natural Gas Interconnection Tariff Docket No. G011/M-23-489

# **CERTIFICATE OF SERVICE**

I, Kristin M. Stastny, hereby certify that on the 16th day of February, 2024, on behalf of Minnesota Energy Resources Corporation ("MERC"), I electronically filed a true and correct copy of the enclosed Reply Comments on <a href="https://www.edockets.state.mn.us">www.edockets.state.mn.us</a>. Said documents were also served via U.S. mail and electronic service as designated on the attached service list.

Dated this 16th day of February, 2024.

/s/ Kristin M. Stastny
Kristin M. Stastny

| First Name     | Last Name                      | Email                                    | Company Name                          | Address   | Delivery Method    | View Trade Secret | Service List Name      |
|----------------|--------------------------------|--|---------------------------------------|---|--------------------|-------------------|------------------------|
| Michael        | Ahern                          | ahern.michael@dorsey.co<br>m             | Dorsey & Whitney, LLP                 | 50 S 6th St Ste 1500<br>Minneapolis,<br>MN<br>554021498             | Electronic Service | No                | OFF_SL_23-489_M-23-489 |
| Generic Notice | Commerce Attorneys             | commerce.attorneys@ag.st<br>ate.mn.us    | Office of the Attorney<br>General-DOC | 445 Minnesota Street Suite<br>1400<br>St. Paul,<br>MN<br>55101      | Electronic Service | Yes               | OFF_SL_23-489_M-23-489 |
| Sharon         | Ferguson                       | sharon.ferguson@state.mn<br>.us          | Department of Commerce                | 85 7th Place E Ste 280 Saint Paul, MN 551012198                     | Electronic Service | No                | OFF_SL_23-489_M-23-489 |
| Daryll         | Fuentes                        | energy@usg.com                           | USG Corporation                       | 550 W Adams St<br>Chicago,<br>IL<br>60661                           | Electronic Service | No                | OFF_SL_23-489_M-23-489 |
| Joylyn C       | Hoffman Malueg                 | Joylyn.hoffmanmalueg@we cenergygroup.com | Minnesota Energy<br>Resources         | 2685 145th St W  Rosemount, MN 55068                                | Electronic Service | No                | OFF_SL_23-489_M-23-489 |
| Andrew         | Moratzka                       | andrew.moratzka@stoel.co                 | Stoel Rives LLP                       | 33 South Sixth St Ste 4200  Minneapolis, MN 55402                   | Electronic Service | No                | OFF_SL_23-489_M-23-489 |
| Catherine      | Phillips                       | Catherine.Phillips@wecene rgygroup.com   | Minnesota Energy<br>Resources         | 231 West Michigan St  Milwaukee, WI 53203                           | Electronic Service | No                | OFF_SL_23-489_M-23-489 |
| Generic Notice | Residential Utilities Division | residential.utilities@ag.stat<br>e.mn.us | Office of the Attorney<br>General-RUD | 1400 BRM Tower<br>445 Minnesota St<br>St. Paul,<br>MN<br>551012131  | Electronic Service | Yes               | OFF_SL_23-489_M-23-489 |
| Elizabeth      | Schmiesing                     | eschmiesing@winthrop.co<br>m             | Winthrop & Weinstine, P.A.            | 225 South Sixth Street<br>Suite 3500<br>Minneapolis,<br>MN<br>55402 | Electronic Service | No                | OFF_SL_23-489_M-23-489 |
| Will           | Seuffert                       | Will.Seuffert@state.mn.us                | Public Utilities Commission           | 121 7th PI E Ste 350  Saint Paul,  MN  55101                        | Electronic Service | Yes               | OFF_SL_23-489_M-23-489 |

| First Name | Last Name | Email                                 | Company Name   | Address   | Delivery Method    | View Trade Secret | Service List Name      |
|------------|-----------|---------------------------------------|--|---|--------------------|-------------------|------------------------|
| Colleen    | Sipiorski | Colleen.Sipiorski@wecener gygroup.com | Minnesota Energy<br>Resources Corporation              | 700 North Adams St<br>Green Bay,<br>WI<br>54307                           | Electronic Service | No                | OFF_SL_23-489_M-23-489 |
| Richard    | Stasik    | richard.stasik@wecenergyg<br>roup.com | Minnesota Energy<br>Resources Corporation<br>(HOLDING) | 231 West Michigan St -<br>P321<br>Milwaukee,<br>WI<br>53203               | Electronic Service | No                | OFF_SL_23-489_M-23-489 |
| Kristin    | Stastny   | kstastny@taftlaw.com                  | Taft Stettinius & Hollister<br>LLP                     | 2200 IDS Center<br>80 South 8th St<br>Minneapolis,<br>MN<br>55402         | Electronic Service | No                | OFF_SL_23-489_M-23-489 |
| Eric       | Swanson   | eswanson@winthrop.com                 | Winthrop & Weinstine                                   | 225 S 6th St Ste 3500<br>Capella Tower<br>Minneapolis,<br>MN<br>554024629 | Electronic Service | No                | OFF_SL_23-489_M-23-489 |
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