COMMERCE DEPARTMENT

October 9, 2024

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. G022/M-24-236

Dear Mr. Seuffert:

Attached are the comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) in the following matter:

> In the Matter of Greater Minnesota Gas, Inc.'s Petition for Approval of a Renewable Natural Gas Interconnection Tariff and Natural Gas Purchase Cost Recovery

The Petition was filed by Kristine A. Anderson, Corporate Attorney, Greater Minnesota Gas, on July 1, 2024.

The Department reserves its final recommendations until after the Company files its reply comments, and is available to answer any questions the Minnesota Public Utilities Commission may have.

Sincerely,

/s/ Peter Wyckoff, Ph.D.
Deputy Commissioner, Division of Energy Resources

AZ/SS/ad
Attachment

Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce
Division of Energy Resources

Docket No. G022/M-24-236

I. INTRODUCTION/BACKGROUND

A. INTRODUCTION

On July 1, 2024, Greater Minnesota Gas Inc. (GMG or the Company) filed a petition with the Minnesota Public Utilities Commission (Commission) to establish a new rate class for renewable natural gas (RNG) interconnection service (Petition). The Petition requests approval of the Company's proposed:

- RNG Interconnection Tariff, provided as Attachment A to the Petition;
- RNG Interconnection Agreement, provided as Attachment B to the Petition;
- Natural Gas Supply Agreement, provided as Attachment C to the Petition; and
- Cost recovery mechanism to recover costs of the commodity natural gas through the Company's Purchased Gas Adjustment (PGA) mechanism.

The Petition, if approved, would allow RNG Producers in Minnesota to directly interconnect to GMG's distribution system. GMG would purchase "some" of the natural gas commodity generated by the RNG Producers without environmental attributes (NG) at the market rate for conventional natural gas, allowing the RNG Producer to sell the environmental attributes elsewhere. The Company differentiates RNG from NG by the exclusion of environmental attributes in the definition of NG, which makes NG purchases indistinguishable from conventional natural gas purchases.

On July 22, 2024, the Commission issued a Notice of Comment Period requesting comments on GMG's Petition, with the following topics open for comment:

- Should the Commission approve, modify, or reject Greater Minnesota Gas' new Renewable Natural Gas Interconnection Service Rate and underlying Interconnection Agreement?
- How should the Commission consider the utility's proposal within the context of other renewable natural gas (RNG)-related dockets?[1]
- How should the Commission consider the utility's proposal within the context of statewide greenhouse gas reduction goals, as stated in Minn. Stat. § 216H.02, subd. 1?

[1] For example, CenterPoint Energy's RNG Interconnection Tariff in Docket G008/M-20-434, Minnesota Energy Resource Corporation's RNG Interconnection Tariff in Docket G011/M-23-489, CenterPoint Energy's Natural Gas Innovation Act petition in Docket G008/M-23-215, Xcel Energy's Natural Gas Innovation Act petition in Docket G002/M-23-518, and Great Plains' RNG Interconnection Rate Schedule in Docket No. G004/M-24-73.

- How should the Commission consider lessons learned from other dockets, such as Docket No. G999/CI-21-566 regarding lifecycle greenhouse gas emissions accounting for natural gas innovation plans under Minn. Stat. § 216B.2427, to assess the utility's petition?
- How should the Commission consider the utility's proposal in the context of the evolving RNG market nationally?
- Has the utility appropriately discussed its plans to maximize the benefits of the Inflation Reduction Act (IRA) and the IRA's impact on the utility's planning assumptions pursuant to Order Point 1 of the Commission's September 12, 2023 Order in Docket No. E,G-999/CI-22-624?
- Is it reasonable for the utility to use the Purchased Gas Adjustment (PGA) mechanism to recover the costs of purchasing natural gas under the tariff?
- Are there other issues or concerns related to this matter?

B. BACKGROUND

1. *Renewable Natural Gas*

Renewable natural gas is a term used to describe biogas[2] that has been upgraded (refined) to be interchangeable with conventional natural gas and which has a lower lifecycle greenhouse gas (GHG) emission per unit of energy than conventional geological gas.[3] Examples of such sources include landfills, livestock operations, and wastewater treatment plants. RNG reduces GHG emissions by capturing methane that would normally reach the atmosphere, and then combusting the methane. The combustion process converts the normal methane emission to CO_2, which has a twenty-seven to thirty times lower global warming potential (GWP) than uncombusted methane.[4]

The sale of RNG is typically divided into the commodity natural gas (NG) and the environmental attributes. The NG is typically sold at the commodity gas price established by conventional natural gas market structures, and the environmental attributes are tracked and sold separately. The majority of the total cost of RNG is allocated to the environmental attributes,[5] which entitle a cost premium that

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[2] Methane and other emissions resulting from the decomposition of organic matter from anaerobic digestion.
[3] See Minn. Stat. § 216B.2427, subd. 1.
[4] See US Environmental Protection Agency: https://www.epa.gov/ghgemissions/understanding-global-warming-potentials
[5] For example, Centerpoint Energy's Natural Gas Innovation Act (NGIA) petition anticipated environmental attribute prices of $16 – 50 / Dth, as compared to conventional natural gas prices that typically average around $3 / MMBtu (Source: US Energy Information Administration – Henry Hub Natural Gas Spot Price). See Table 9 of the Department's Initial Comments. *In the Matter of A Petition by CenterPoint Energy for Approval of its First Natural Gas Innovation Plan.* Docket No. G008/M-23-215, (January 17, 2024). (eDocket No. 20241-202261-02). *Hereinafter* "Department Initial Comments on the CPE NGIA Plan."

scales with the modeled lifecycle GHG emissions reductions, typically listed as a carbon intensity (CI) with units of g CO_2e / MJ.[6]

Typically, environmental attributes are sold through states like California's or Oregon's Low Carbon Fuel Standards (LCFS) market or through the Renewable Fuel Standard (RFS), both of which are government mandated programs intended to reduce reliance on fossil fuels and to reduce carbon emissions by requiring organizations to procure lower CI fuels compared to conventional sources. Prospective RNG Producers may wish to interconnect RNG generating facilities to GMG's distribution system to gain access to the LCFS or RFS markets, or may wish to sell environmental attributes outside of these markets, for example to supply a utility's Natural Gas Innovation Act (NGIA) plan,[7] or through a potential green tariff program.

2. *Other RNG Interconnection Tariffs*

To the Department's knowledge, the Commission has approved three Commission-regulated gas utility RNG interconnection tariffs. CenterPoint Energy's (CPE) RNG Interconnection Tariff was the first to be approved on January 26, 2021.[8] The Minnesota Energy Resources Corporation (MERC) RNG Interconnection Tariff was approved on May 1, 2024.[9] The Great Plains Natural Gas Co.'s (GP) RNG Interconnection Tariff was approved on August 5, 2024.[10]

In both the CPE and Great Plains interconnection tariffs, the utility serves as an NG transportation provider only; while in the MERC interconnection tariff, the utility purchases the full volume of NG. GMG's Petition is a hybrid of both approaches, which allows the Company to purchase "some" of the NG produced.

To date, none of the three companies with approved tariffs have reported any executed RNG interconnection agreements.

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[6] See Department Initial Comments on the CPE NGIA Plan at 28-29.
[7] Minn. Stat. § 216B.2427
[8] Order Accepting CPE RNG Tariff. *In the Matter of the Petition by CenterPoint Energy (CPE) to Introduce a Renewable Natural Gas Interconnection Tariff*, Docket No. G-008/M-20-434, (January 26, 2021). (eDocket No. 20211-170295-01). *Hereinafter* "CPE RNG Tariff Order."
[9] Order Approving Renewable Natural Gas Interconnection Framework and Tariff with Modifications, and Opening New Docket. *In the Matter of the Petition of Minnesota Energy Resources Corp. for Approval of a Renewable Natural Gas Interconnection Tariff*, Docket No. G-011/M-23-489, (May 1, 2024). (eDocket No. 20245-206229-01). *Hereinafter* "MERC RNG Tariff Order."
[10] Order Approving Rate Schedule and Requiring Additional Filings. In the Matter of Petition for Approval of a New Rate Schedule "Renewable Natural Gas Producer Access and Interconnection Service Rate 87," Docket No. G-004/M-24-73, (August 5, 2024). (eDocket No. 20248-209259-01). *Hereinafter* "GP RNG Tariff Order."

C. SUMMARY OF PETITION

1. *Overview*

Overall, the Petition requests approval of the general terms and conditions of RNG interconnection (the tariff), the process by which an RNG Producer would connect to GMG's distribution system, the costs to be charged for the interconnection, and how GMG proposes to recover the costs of purchasing NG interconnected under the tariff.

The tariff would be available to any producer of RNG who has signed an RNG Interconnection Agreement for the delivery of RNG at a metered location on the customer's premises. The tariff would apply to all RNG Producers and requires the producer to sign the RNG Interconnection Agreement.

In addition to complying with the terms of the tariff (Attachment A) and RNG Interconnection Agreement (Attachment B), each RNG Producer may also sign a Natural Gas Supply Agreement (Attachment C) to sell GMG NG at "95% of the average of Ventura and Demarc daily index price for natural gas produced from conventional geologic sources as published by Inside FERC (or such other successor publication or source as mutually agreed to by the Parties) or $8.00 per dekatherm, whichever is less."[11] GMG would not purchase the environmental attributes associated with the RNG. GMG would then propose to recover the costs of the purchases through its PGA, consistent with other gas purchases.

Under the proposed tariff, an RNG Producer would pay for the capital costs of the interconnection through an upfront contribution in aid of construction (CIAC) subject to true-up based on actual interconnection costs. The RNG Producer would also pay for the ongoing operation and maintenance (O&M) costs of the interconnection through monthly O&M payments and may be charged ongoing transportation or supply costs if the Company provides NG transport instead of selling the NG to the Company. GMG would design, install, and own the gas meter, overpressure protection, meter protection bollards, telemetry, and piping necessary to interconnect the RNG facilities. The RNG Producer would design, install, and own all behind-the-meter equipment needed to meet the standards of the RNG Interconnection Agreement such as the gas quality standards and condition measuring equipment, odorization equipment, and any other equipment needed to meet the terms of the agreement and protect GMG's distribution system.

2. *Proposed Interconnection Process*

After receiving an interconnection request from a potential RNG Producer, GMG would engage with the RNG Producer to conduct a feasibility study. The feasibility study would examine GMG's capacity to receive the proposed RNG, the feasibility of installing any required interconnection equipment, and the

[11] Petition Appendix B at 3-4.

RNG Producer's willingness to comply with the terms of the RNG Interconnection Agreement (Attachment B), which includes the quality standards required for interconnection, among many other terms.

If GMG determines that a project is feasible, the Company will then design the interconnection facilities and provide a full cost estimate to construct and operate the system. If the GMG cost estimates and design are acceptable to the RNG Producer, the RNG Producer would then enter into an RNG Interconnection Agreement. After signing the RNG Interconnection Agreement, the RNG Producer would be responsible for all construction and ongoing maintenance costs, and would be expected to contribute the full interconnection costs established by GMG by paying a CIAC cost, subject to true-up after project completion. The maintenance fee would be incurred monthly, and does not follow a pre-defined cost structure. Construction will not begin until GMG has received the full CIAC payment.

Section 2.1 of Attachment B of the petition outlines the facilities that GMG is responsible to design, procure, construct, install and own:[12]

> 2.1.1: Gas Meter Set for RNG Injection Point, including the meter, overpressure protection, meter protection bollards, and telemetry;
> 2.1.2: [Size] [material] pipe (up to ___' in length; additional footage as needed at the additional cost of $_____/foot) and fittings between the GMG meter set and GMG's System required to allow RNG to be accepted into GMG's System; and,
> 2.1.3: Such other equipment as is necessary to be owned by GMG to ensure that the facilities described in this Section 2.1 satisfy the requirements of this Agreement.

Section 2.2 of Attachment B of the Petition outlines the facilities that the RNG Producer is responsible to design, procure, construct, install and own:[13]

> 2.2.1 Gas to Grid unit that includes, at a minimum, the following capabilities:
> 2.2.1.1 Gas quality measurement;
> 2.2.1.2 Automatic prevention of gas not meeting specifications from entering the GMG Facilities;
> 2.2.1.3 Odorization;
> 2.2.1.4 Chromatograph;
> 2.2.1.5 Continuous measurement of hydrogen sulfide, oxygen, and dew point; and
> 2.2.1.6 Sample point where gas can be taken for laboratory analysis;
> 2.2.2 Read access for GMG to see gas composition, BTU content, volume measurement, gas temperature, gas pressure, and odorization rate;
> 2.2.3 Such other equipment as is necessary to be owned by Producer to ensure that the facilities described in this Section 2.2 satisfy the requirements of this Agreement.

[12] Petition Attachment B at 3.
[13] Petition Attachment B at 3-4.

GMG also includes an option for the Company to purchase "some NG from interconnected RNG Producers at some interconnection facilities."[14] While the Company's proposed Tariff (Attachment A) requires that an RNG Producer sign the RNG Interconnection Agreement (Attachment B), neither the Tariff, nor the RNG Interconnection Agreement stipulate that the RNG Producer must sign the RNG Supply Agreement (Attachment C), which allows the Company to purchase NG at its discretion. The RNG Supply Agreement stipulates that any purchases would be only for NG, and would not subject GMG's ratepayers to the additional RNG costs associated with the purchase of environmental attributes.

3. *Proposed Quality Standards*

GMG does not specifically request approval of its quality standards, but requests approval of its RNG Interconnection Agreement as part of its Petition, which includes the quality standards in Article 3 of the RNG Interconnection Agreement. At present, the Company only proposes standards for livestock. According to the Company, these standards were developed based on "prudent industry practices and standards,"[15] and the Company proposes to update its standards as practices evolve, as well as to include feedstocks that are not based on livestock. These standards are intended to ensure the Company's obligation to provide safe and reliable service, and the Company states that its standards will ensure that RNG entering its distribution system is interchangeable with conventional natural gas.[16]

The Company proposes to update its quality standards through an amendment process; if an RNG Producer wishes to supply the Company with an alternative feedstock, the alternative quality standards would be included in an amended RNG Interconnection Agreement. Article 5.8 of the RNG Interconnection Agreement allows for amendments of the RNG interconnection agreement, provided that GMG and the RNG Producer agree to the amended terms.[17]

Article 3 of the RNG interconnection agreement outlines several protections to ensure that ratepayers are not responsible for damage to GMG's distribution system. The Company proposes an initial testing and monitoring period to ensure that the RNG meets the Company's quality standards for a period of 12 months. After the initial monitoring period, the Company will require ongoing monitoring with the installed gas quality monitoring equipment, as well as laboratory testing every six months for the duration of the operation of the facility. The Company reserves the right to reject any gas that does not meet the Company's gas quality standards.[18]

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[14] Petition at 5.
[15] Petition at 4.
[16] *Id*.
[17] Petition Attachment B at 15.
[18] See Article 3.2 of Petition Attachment B at 10.

Should an RNG Producer desire to change its feedstock or conditioning, the RNG Interconnection Agreement requires the RNG Producer to notify the Company 30 days ahead of the change in feedstock.[19]

II. RESPONSE TO COMMISSION QUESTIONS

A. SHOULD THE COMMISSION APPROVE, MODIFY, OR REJECT GREATER MINNESOTA GAS'S NEW RENEWABLE NATURAL GAS INTERCONNECTION SERVICE RATE AND UNDERLYING INTERCONNECTION AGREEMENT?

The Department has identified several areas that require changes from the Company's Petition. The Department recommends approval with modifications.

B. HOW SHOULD THE COMMISSION CONSIDER THE UTILITY'S PROPOSAL WITHIN THE CONTEXT OF OTHER RENEWABLE NATURAL GAS (RNG)-RELATED DOCKETS?

There are currently three approved RNG interconnection dockets with established Commission orders. While recommendations have generally remained consistent between the three previously approved dockets, there are significant differences between the CPE RNG Tariff orders and MERC Commission RNG Tariff orders as compared to the GP RNG Tariff orders. Collectively, GMG and GP compose approximately 2% of all natural gas customers in Minnesota served by an investor-owned utility.[20] Due to the relatively smaller size—and therefore regulatory compliance resources available to GMG and GP compared to CPE and MERC—the Department primarily utilizes the GP RNG Tariff orders as a template to ensure GMG's compliance with prior Commission orders.

The GMG hybrid approach to both purchasing and transporting NG is unique to any tariff presented thus far. The Department attempts to reconcile recommendations from the NG transport tariffs submitted by CPE and GP, in addition to the recommendations made for the NG purchase tariff submitted by MERC.

C. HOW SHOULD THE COMMISSION CONSIDER THE UTILITY'S PROPOSAL WITHIN THE CONTEXT OF STATEWIDE GREENHOUSE GAS REDUCTION GOALS, AS STATED IN MINN. STAT. § 216H.02, SUBD. 1?

The Department responds to this notice topic in Section 3.E.

D. HOW SHOULD THE COMMISSION CONSIDER LESSONS LEARNED FROM OTHER DOCKETS, SUCH AS DOCKET NO. G999/CI-21-566 REGARDING LIFECYCLE GREENHOUSE GAS EMISSIONS ACCOUNTING FOR NATURAL GAS INNOVATION PLANS UNDER MINN. STAT. § 216B.2427, TO ASSESS THE UTILITY'S PETITION?

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[19] See Article 3.9 of Petition Attachment B at 11.
[20] See https://www.house.mn.gov/hrd/pubs/natgasmn.pdf

The Department responds to this notice topic in Section 3.E.

E. HOW SHOULD THE COMMISSION CONSIDER THE UTILITY'S PROPOSAL IN THE CONTEXT OF THE EVOLVING RNG MARKET NATIONALLY?

While the Department argues in Section 3.E that because the Petition only proposes to purchase or transport NG, its impact on state GHG emission reduction goals is limited; conversely, the RNG sold in a national context produces the full reduction in GHG emissions associated with RNG production in Minnesota. As there are currently limited options to purchase the environmental attributes generated under GMG's RNG Interconnection Tariff in Minnesota, the national context is a significant driver of RNG project development within the state. RNG development within the state also provides local employment opportunities that stimulate the Minnesota economy. GMG's Petition protects its ratepayers from any cost burdens associated with RNG development on its system, and thus any stimulus to develop new RNG projects induced by national RNG markets is beneficial to the state.

F. HAS THE UTILITY APPROPRIATELY DISCUSSED ITS PLANS TO MAXIMIZE THE BENEFITS OF THE INFLATION REDUCTION ACT (IRA) AND THE IRA'S IMPACT ON THE UTILITY'S PLANNING ASSUMPTIONS PURSUANT TO ORDER POINT 1 OF THE COMMISSION'S SEPTEMBER 12, 2023 ORDER IN DOCKET NO. E,G-999/CI-22- 624?

GMG appropriately discusses its plans to maximize the benefits of the Inflation Reduction Act (IRA). The Department further discusses this topic in Section 3.G.

G. IS IT REASONABLE FOR THE UTILITY TO USE THE PURCHASED GAS ADJUSTMENT (PGA) MECHANISM TO RECOVER THE COSTS OF PURCHASING NATURAL GAS UNDER THE TARIFF?

The Department concludes that GMG's proposal to recover costs via the PGA mechanism to purchase NG is reasonable. The Department's discussion is presented in Section 3.C.

H. ARE THERE OTHER ISSUES OR CONCERNS RELATED TO THIS MATTER?

The Department has no additional comments related to this matter.

III. DEPARTMENT ANALYSIS

The Department reviews GMG's Petition based on its effect upon the public interest. The Department's key criterion in reviewing this standard is that the Petition benefits, or at a minimum does not harm, GMG's existing customers.[21] The Department additionally reviews the Petition based on Commission orders in the three preceding dockets for CPE, MERC, and GP.

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[21] Minnesota Stat. §. 216B.03, Reasonable Rate, states that rates shall not be unreasonably prejudicial.

A. PUBLIC INTEREST IN GENERAL

GMG's Petition includes several measures designed to protect ratepayers from variable costs required to interconnect and receive RNG from RNG Producers, as well as to ensure that RNG facilities are properly maintained. The Company additionally states that the public interest is served by allowing increased access to renewable energy.[22] The Department agrees that the proposal is generally aligned with the public interest.

B. INTERCONNECTION TARIFF, RNG INTERCONNECTION AGREEMENT, AND NATURAL GAS SUPPLY AGREEMENT

The Department reviewed GMG's proposed RNG Interconnection Tariff, as provided in Attachment A, for reasonableness and to ensure it would not harm other customers. As noted above, service under the tariff is subject to the terms and conditions of the RNG Interconnection Agreement, which is provided in a standard format as Attachment B. Neither the RNG Interconnection Tariff nor the RNG Interconnection Agreement explicitly mention that an RNG Producer must sign the Natural Gas Supply Agreement, however the Department reviews GMG's proposed Natural Gas Supply Agreement alongside these documents, as at least some contracts are expected to employ the document.

The Company does not state that the Natural Gas Supply Agreement is a requirement of interconnecting an RNG service. The Company states that it will purchase NG "from time to time,"[23] and that the Company will purchase "some"[24] NG from RNG Producers. In this regard the Company's Petition is dissimilar to any RNG interconnection tariff submitted thus far. MERC's petition serves as the best proxy to the instant docket, however MERC's petition proposes to purchase all of the RNG, and its Renewable Natural Gas Interconnect Agreement explicitly states that the parties have "negotiated and agreed to the terms contained in the Natural Gas Purchase Agreement entered into on the same date as this Renewable Natural Gas Interconnect Agreement."[25] The Company's Petition contains no such reference to its Natural Gas Supply Agreement, thereby omitting the optionality or requirement of the Company to purchase NG. In order to cover any transportation costs for NG, the Company lists applicable "pipeline or supply charges" under its Monthly Minimum Charge. There is no reference to the applicable "pipeline or supply charges" in the RNG Interconnection Tariff.

The Department makes several recommendations in the below sections to elucidate the proposed optionality of the purchase or transport of NG by the Company. The Department is flexible in its approval of alternative structures that achieve the same goals as the recommendations.

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[22] Petition at 3.
[23] *Id*., at 3.
[24] *Id*., at 5.
[25] See Attachment B at 1. *In the Matter of the Petition of Minnesota Energy Resources Corp. for Approval of a Renewable Natural Gas Interconnection Tariff*, Docket No. G-011/M-23-489, (November 28, 2023). (eDocket No. 202311-200787-01).

1. *RNG Interconnection Tariff*

The RNG Interconnection Tariff is applicable to any producer of RNG in all rate areas. The tariff states that acceptance of an RNG Producer's NG is contingent upon the RNG Producer meeting the testing and quality requirements stipulated in the RNG Interconnection Agreement.[26] Further, the tariff requires the RNG Producer to sign the RNG Interconnection Agreement for each delivery point.

i. Transportation or Supply Charges

The tariff stipulates that the RNG Producer will be subject to ongoing costs. The Maintenance Fee excludes charges associated with the ECO program, as fees imposed to reduce natural gas use counter the goals of RNG production.[27] In addition to the Maintenance Fee, the tariff stipulates a monthly minimum charge, which states that the RNG Producer will incur a "Maintenance Fee plus applicable taxes and any resulting pipeline or supply charges assessed to Company and caused by Customer's interconnection activities."[28] This sentence is the only reference in GMG's Petition to the possibility of transportation or supply charges for those customers who agree to have the Company transport NG instead of have the Company purchase the NG.

The Company outlines the cost components of its Maintenance Fee in Article 2.10 of the Company's RNG Interconnection Agreement. The Department asked the Company in its Information Request #1 whether Article 2.10 includes all of the expected maintenance cost categories, and the Company responded that Article 2.10 includes all expected maintenance charges.[29] While the Department does not oppose project-specific maintenance, transportation, or supply charges, which were recommended for further investigation in the CPE RNG Tariff Order Point 3, the Department does oppose the lack of any formalization of these costs, which is inconsistent with its proposed maintenance fee structure. Transportation or supply charge recommendations specific to the RNG Interconnection Agreement are made in Section 3.B.2, and all recommendations specific to the tariff are covered in the next subsection.

ii. Tariff Language

As currently structured, the RNG Interconnection Tariff does not clearly reflect that the RNG Producer will be either be required to- or have-to choose its method of NG offtake. The Department does not prescribe specific language to reflect this choice, but rather implores the Company to explicitly reflect the optionality in NG offtake.

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[26] Petition Attachment A at 1.
[27] See CPE RNG Tariff Briefing Papers at 31. *In the Matter of the Petition by CenterPoint Energy (CPE) to Introduce a Renewable Natural Gas Interconnection Tariff*, Docket No. G-008/M-20-434, (November 19, 2020). (eDocket No. 202011-168189-01).
[28] Petition Attachment A at 1.
[29] See Attachment A.

The Department recommends that the Company include a new section in the RNG Interconnection Tariff that reflects the requirement or option to choose between the sale to- or transport of-NG to the Company and the potential requirement of additional transportation or supply fees that may be applicable. This section should reference the possibility to sign the Natural Gas Supply Agreement. In addition, the Company needs to identify in its tariff, for example at a minimum what the applicable distribution rates and monthly customer charges would be if GMG were transporting the NG.

The tariff outlines how the Company will be reimbursed for interconnection fees in the Customer Interconnection Reimbursement section. The content of this section is also covered in the RNG Interconnection Agreement, however the language in this section is not consistent with the RNG Interconnection Agreement. The tariff states:

> Upon Customer's compliance with the relevant terms of the Interconnection Agreement regarding payments, Company will construct, install, own, operate, and maintain the necessary facilities to interconnect Customer's premises to the Company's distribution system, gas monitoring equipment, control valve(s), and any other associated facilities for interconnection to ensure gas quality and protection of the Company's distribution system.[30]

The language of the tariff explicitly states that the Company will construct, install, own, operate, and maintain all necessary facilities; however, articles 2.1, 2.2, 2.10 and 2.11 of the RNG Interconnection Agreement explicitly layout the ownership and maintenance responsibilities of the Company and of the RNG Producer, which do not align with the RNG Interconnection Tariff.[31] The RNG Interconnection Tariff assumes full responsibility of the RNG Producer for all gas to grid equipment, which includes gas quality measurement and odorization and maintenance thereof.

The Department recommends that the Company modify its RNG Interconnection Tariff such that the responsibility to construct, install, own, operate, and maintain all equipment necessary for interconnection is consistent with the RNG Interconnection Agreement.

iii. Recommendation

The Department withholds its final recommendation to further modify or approve the RNG Interconnection Tariff until after the Company submits its reply comments.

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[30] Petition Attachment A at 2.
[31] See Section 1.C.2 for Articles 2.1 and 2.2.

2. *RNG Interconnection Agreement*

The RNG Interconnection Agreement outlines the responsibilities of each party, the quality standards, contract terms, and miscellaneous provisions. The agreement explicitly states that all costs necessary to interconnect and RNG producing facility will be either directly paid for by the RNG Producer, or will be incurred by the Company and will be fully reimbursed. The RNG Producer would pay for the capital costs of the interconnection through an upfront CIAC subject to true-up based on actual interconnection costs. The RNG Producer would also pay for the ongoing maintenance costs of the interconnection through monthly maintenance payments. GMG would design, install, and own the gas meter, overpressure protection, meter protection bollards, telemetry, and piping necessary to interconnect the RNG facilities. The RNG Producer would design, install, and own all behind-the-meter equipment needed to meet the standards of the RNG Interconnection Agreement such as the gas quality and condition measuring equipment, odorization equipment, and any other equipment needed to meet the standards of the agreement and protect GMG's distribution system. The agreement contains several provisions that allow the Company the right to refuse NG or terminate the agreement if the NG is not determined to be safe to inject into the GMG distribution system. The RNG Producer is responsible for any damage resulting from RNG deliveries that do not conform to the gas quality standards.

i. *NG Transportation or Supply Costs*

The RNG Interconnection Agreement makes no reference to potential transportation or supply costs that could be imposed upon the RNG Producer. It is important that GMG disclose all costs to the RNG Producer prior to the execution of the RNG Interconnection Agreement in order to ensure that the RNG Producer is able to estimate all of its operation costs. Surprise fees could potentially contribute to or cause a default by the RNG Producer, which is a risk to GMG's ratepayers. GMG appropriately discloses its maintenance cost drivers in Article 2.10 and provides the maintenance cost in Article 2.16.2.

There are several steps needed to add the optionality of NG transportation or supply charges to the RNG Interconnection Agreement. The Department notes that its recommendations could alternatively be operationalized in the Natural Gas Supply Agreement, if the agreement is also required to be signed under the RNG Interconnection Tariff.

First, an article is needed to reflect that transportation or supply charges are imposed on an elective basis, as determined by the requirement or choice to have the Company transport NG on behalf of the RNG Producer. Ideally, this article should state that either the RNG Producer will be required to pay a transportation or supply charges, or will be required to sign the Natural Gas Supply Agreement, as reflected by the language in the RNG Interconnection Tariff. Second, the Company should replicate Article 2.10 to disclose all potential transportation or supply cost categories that the RNG Producer may be required to pay. Third, the Company should replicate Article 2.16.2 to disclose the agreed upon transportation or supply cost. However, the Department notes a deficiency in Article 2.16.2, which appears not to allow for modifications of the maintenance charge due to changes in the Company's costs over time. For example, if the Company signs a 10-year agreement with a fixed maintenance charge, it is unlikely that costs in year 10 will cover all of the Company's maintenance costs at that time. The Department notes that if the Company agrees to purchase all of the NG produced by an RNG Producer, the supply charge should be listed as $0.

The Department makes the following recommendations to add the optionality of transportation or supply costs depending on the elected basis, to the RNG Interconnection Agreement:

A. ***Add an article that states that the RNG Producer must either pay the transportation or supply charge or sign the Natural Gas Supply Agreement.***
B. ***Add an article that discloses and identifies all potential cost categories for the transportation or supply charge(s) depending on the elected basis, which follows the format of Article 2.10.***
C. ***Add an article that discloses and identifies the transportation or supply charge(s) depending on the elected basis, as well as the possibility for future cost increases, which follows the format of Article 2.16.2.***

ii. Maintenance Costs

As discussed in the preceding section, the Maintenance Charge does not contain a provision to allow for cost increases over the contractual period.

The Department recommends that Article 2.16.2 of the RNG Interconnection Agreement be updated to include a provision that discloses the possibility for future costs increases.

iii. Gas Quality Standards

The RNG Interconnection Agreement also includes standards for NG quality in Article 3 of the agreement. Consistent with all previous RNG interconnection dockets, the Company is not requesting approval of its gas quality standards. The agreement requires that RNG Producers notify the Company of any changes to the feedstock within 30 days, which would allow the Company to reevaluate whether its gas standards are still applicable and appropriate for the new feedstock. As the gas quality standards are included in Article 3 of the agreement, the agreement would require modification and agreement by both parties if the standards are determined to be inappropriate. Inconsistent with previous docket orders, the Company does not propose to publish its gas quality standards on its website. Consistent with Order Point 4 from the CPE RNG Tariff Order that established the publication requirement:

The Department recommends that GMG be required to:

- ***Ensure that any biogas interconnection or service is consistent with its obligations to provide safe and reliable service.***

- ***Maintain on GMG's website the most up-to-date biogas quality standards and testing requirements for those injecting biogas into the distribution system under GMG's RNG interconnection program.***
- ***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.***
- ***Notify the Commission when it changes its service quality standards.***

The Company also does not prohibit interconnection of RNG sources that may contain hazardous substances. While the Company does not anticipate interconnecting RNG sources that include landfill gas, the RNG Interconnection Agreement should still contain a provision to prevent hazardous materials from entering the gas distribution system to avoid any potential liability in the future, which was established in the CPE Interconnection Tariff.[32]

The Department recommends that GMG be required to include in its gas quality standards that the RNG Producer must certify that the RNG feedstock was not derived or collected from a hazardous waste landfill.

Finally, the responsibility for procuring equipment required to monitor the quality of the NG is assigned to the RNG Producer. The RNG interconnection tariffs for CPE[33] and for MERC[34] both state that the utility will be responsible for gas quality monitoring. In the Department's Information Request #3, the Department requested that the Company explain whether it believes its gas quality standards are sufficient to ensure that RNG Producers will procure equipment to meet the Company's standards.[35] The Company replied:

> As reflected in the proposed RNG Interconnection Agreement, an RNG producer will be subject to ongoing performance requirements as detailed in Article 3 of the proposed RNG Interconnection Agreement. As part of those performance requirements, the RNG producer must provide test results from an approved laboratory that will be independent of either GMG or the RNG producer at defined intervals. The RNG producer will also need to maintain certain data on an ongoing basis, to which GMG will have access. GMG will have the right to shut-in the RNG at its sole discretion in

[32] See CPE RNG Tariff Order at 10.
[33] See Exhibit E of the CPE RNG Tariff Petition at 3. *In the Matter of the Petition by CenterPoint Energy (CPE) to Introduce a Renewable Natural Gas Interconnection Tariff*, Docket No. G-008/M-20-434, (April 23, 2020). (eDocket No. 20204-162405-01).
[34] See Attachment B of the MERC RNG Tariff Petition at 1 – 2. *In the Matter of the Petition of Minnesota Energy Resources Corp. for Approval of a Renewable Natural Gas Interconnection Tariff*, Docket No. G-011/M-23-489, (November 28, 2023). (eDocket No. 202311-200787-01). *Hereinafter* "MERC RNG Tariff Petition."
[35] See Appendix A, Information Request #3.

> the event of non-compliance, certain changes, or any jeopardy to safety and reliability of people or facilities. GMG believes that the processes and procedures outlined in Article 3 of the proposed RNG Interconnection Agreement will sufficiently ensure that an RNG producer's equipment is performing at the required sensitivity levels and, in the event that there is any question about that performance, GMG may shut-in the gas until such questions are resolved to GMG's satisfaction.[36]

While the Department initially identified that procurement of monitoring equipment by the RNG Producer may result in equipment that does not meet the sensitivity or minimum detection levels required by the Company, the Department is satisfied with the Company's response. Further, Articles 2.3 – 2.6 of the agreement ensure that the Company can review the proposed monitoring equipment prior to construction, and allow the Company to verify that the gas quality standards are appropriately measured. However, the Department emphasizes that the Company imposes an additional oversight requirement upon itself to ensure that third party procured equipment meets the Company's standards by not having a list of pre-approved equipment or selecting the equipment itself.

iv. Reporting Requirements

Article 5.10 of the RNG Interconnection Agreement includes reporting requirements that the RNG Producer must agree to. As the Company states in its Petition, Docket G999/CI-24-202 was recently opened by the Commission, with the goal to set uniform reporting requirements for RNG interconnection tariffs. [37] As this docket will not conclude until the spring of 2025, the recommendations for reporting requirements will not be known by the time the Commission makes its final decision in the instant docket. GMG includes a list of required reporting information that the RNG Producer must supply on an annual basis. The reporting requirements are:

- 5.10.1 Producer's feedstock or feedstocks.
- 5.10.2 The total amount of RNG expected to be provided by Producer.
- 5.10.3 The mix of end-uses of the digestate.
- 5.10.4 If known, the state(s) in which the entity or entities purchasing the RNG from Producer are located and the end-use for which the RNG is being purchased.[38]

These requirements conform to the minimum agreed upon reporting requirements established by the Commission for all previous RNG interconnection tariffs. While stricter reporting requirements were imposed upon CPE and MERC, the Commission approved the more limited set of reporting requirements for GP.[39] The CPE and MERC orders included a requirement to track methane leakage

[36] *Id*.
[37] Petition at 6.
[38] Petition Attachment B at 15.
[39] See the Commission's Order Point 5 from the GP RNG Tariff Order.

control and mitigation measured employed by the RNG Production,[40] the estimated amount of methane leakage,[41] and an analysis of lifecycle GHG emissions.[42] The Department's previous rationale for the recommendation to limit GP's reporting requirements stems from GP's decision not to purchase NG.[43] However, that recommendation was inconsistent with the precedent established by the reporting requirements for CPE, which also did not propose to purchase NG. At this time, the Department finds that the required reporting information is reasonable, however the rationale for this finding arises because of the relative size of GMG and GP compared to CPE and MERC, which have additional resources to collect and submit reporting information. Further, additional reporting requirements may be imposed upon the Company in Docket No. G999/CI-24-202.

The Department finds that Article 5.10 does not reflect the possibility for a change in required reporting information due to the decision to be made in Docket No. G999/CI-24-202.

The Department recommends that the Company add a statement to Article 5.10 of the RNG Interconnection Agreement to reflect that reporting requirements are subject to change by Commission order at any time and that the RNG Producer agrees to supply any information about its operation that is reasonably available to report.

v. Contract Language

The Department notes that there is one significant oversight in the general language of the RNG Interconnection Agreement that could be problematic for ratepayer protection. Both the RNG Interconnection Tariff and the Natural Gas Supply Agreement contain definitions of NG that explicitly differentiate between NG and RNG by the removal of the environmental attributes for NG. While the RNG Interconnection Agreement does not lay out terms for the potential purchase of NG by the Company, the document is the only required contract to be signed under the RNG Interconnection Tariff, and the entire document uses "RNG" instead of "NG" to refer to NG. In order to ensure consistency between documents, and to avoid potential confusion from RNG Producers, the language in the RNG Interconnection Agreement should be changed, as described below.

The Department recommends that the Company add the definition of Natural Gas to Article 1 of the RNG Interconnection Agreement and change all references of RNG to NG, as appropriate.

Finally, the Department recommends minor revisions to the RNG Interconnection Agreement.

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[40] CPE RNG Tariff Order Point 10.E and MERC RNG Tariff Order Point 5.e.
[41] CPE RNG Tariff Order Point 10.F and MERC RNG Tariff Order Point 5.f.
[42] CPE RNG Tariff Order Point 10.G and MERC RNG Tariff Order Point 5.g.
[43] See GP RNG Tariff Briefing Papers at 14. In the Matter of Petition for Approval of a New Rate Schedule "Renewable Natural Gas Producer Access and Interconnection Service Rate 87," Docket No. G-004/M-24-73, (June 6, 2024). (eDocket No. 20245-207196-01)

The Department Recommends that the Company:

- ***Correct the double instance of Article 5.6 and renumber the subsequent articles.***
- ***Correct the statement "…the Parties shall engage in good faith discussions regarding related to changes to the terms of this Agreement necessitated by said regulatory changes." In Article 5.11.***
- ***Define the terms "NAESB" and "TC" listed in Article 5.12.1.***

vi. Recommendation

The Department withholds its final recommendation to further modify or approve the RNG Interconnection Agreement until after the Company submits its reply comments.

3. *Natural Gas Supply Agreement*

The Natural Gas Supply Agreement is an optional contract that the RNG Producer may sign with the Company, if both parties agree to sell NG to the Company. The agreement follows the same format as the RNG Interconnection Agreement and stipulates a limited set of rules governing the purchase of NG.

i. Purchase Price Structure

The main function of the Natural Gas Supply Agreement is to govern the purchase of NG. This function is primarily executed by the Company's proposed purchase structure for NG. The Company states:

> The purchase price for the NG purchased by GMG from Producer pursuant to this Agreement shall be the 95% of the average of Ventura and Demarc daily index price for natural gas produced from conventional geologic sources as published by Inside FERC (or such other successor publication or source as mutually agreed to by the Parties) or $8.00 per dekatherm, whichever is less.[44]

The Department understands that the proposed purchase structure is designed to be compliant with Minn. Stat. § 216B.2427, subd. 4. Specifically, the statute states:

> Utility expenditures for innovative resources procured at a cost that is within five percent of the average of Ventura and Demarc index prices for natural gas produced from conventional geologic sources at the time of the transaction per unit of natural gas that the innovative resource displaces.[45]

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[44] Petition at 3 – 4.
[45] Minn. Stat. § 216B.2427, subd. 4.(a)(2)

The Department asked the Company whether it believes that its proposed purchase structure is compliant with Minn. Stat. § 216B.2427, subd. 4 in its Information Request #2,[46] and the Company responded that it believes it is compliant with the statute. While the Department recognizes that the purchase price of 95 percent of the average of Ventura and Demarc daily index price for natural gas produced of NG is partially compliant with the statute, the statute does not allow for the imposition of a price cap, as proposed with the $8 per dekatherm cap. While the Department believes that a price cap is in the ratepayer interest, the statute does not appear to leave room for this interpretation. However, the statute does clearly identify the price range, namely it can be 95 to 105 percent of the average of Ventura and Demarc daily index price for natural gas produced.

In the Department's Information Request No. 2, the Department additionally questioned the Company's rationale for charging only 95 percent of the average market cost of the Ventura and Demarc index prices as well as if this purchase practice is consistent with how the Company normally purchases natural gas period.[47] The Company responded:

> As a practical matter, the pricing mechanism contained in the proposed RNG Interconnection Agreement is not necessarily consistent with the price paid by GMG for purchases of conventional natural gas. For example, GMG obtains natural gas for certain market areas at Emerson, and Emerson gas is typically sold at a lower cost than that on Ventura or Demarc. So, if a project is located in a market area where GMG typically pays for Emerson gas, the price of project natural gas tied to the Ventura and Demarc average would likely exceed the discounted Emerson gas cost. However, since the statute specifically identifies the Ventura and Demarc market points, basing the pricing structure in a manner consistent with statutory language assures cost-recovery which, in turn, ensures that rate payers are not subsidizing an RNG producer's project or the purchase of natural gas therefrom. In addition, tying the cost to Ventura and Demarc and including a price cap protects rate payers in the event of any unexpected pricing anomaly.[48]

While the Department understands the Company's rationale for paying a below market rate for NG, the assertion made by the Company should be backed up by data. The Company does not normally pay below market costs for other gas purchases, and at face value, requiring an RNG Producer to pay below market rates for NG would also disincentivize RNG Producers from seeking interconnections with GMG. Further, the Company will not have to purchase interstate pipeline capacity to supply the agreed upon amount on NG, which lowers costs for the Company. The Department is not interested in either the Company or the RNG Producer receiving a price subsidy, but rather seeks to establish a fair and

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[46] See Appendix A.
[47] See Appendix A - Information Request # 2.
[48] *Id.*

reasonable basis for the purchase of NG. Therefore, the Department requires additional explanation before it can recommend approval of the Company's proposed project structure.

The Department requests the Company provide data to demonstrate that the Ventura and Demarc prices are typically higher than the prices that comprise purchases for "certain market areas" of the Company's gas purchases, as referenced above.

In addition to the Company's proposed purchase structure, the MERC RNG Interconnection Tariff petition proposed to purchase RNG at first-of-month index prices in order to reduce risk of price spikes.[49] This decision was based on the Commission's February 17, 2023 Order in Docket No. G999/CI-21-135. The Department notes that the purchase of NG at first-of-month index prices is inconsistent with the requirement to established by Minn. Stat. § 216B.2427, subd. 4.(c), which states:

> For the purposes of this subdivision, "Ventura and Demarc index prices" means the daily index price of wholesale natural gas sold at the Northern Natural Gas Company's Ventura trading hub in Hancock County, Iowa, and its demarcation point in Clifton, Kansas.

While the Department initially attempted to conform its recommendations to the reduced risk model established in the MERC RNG Interconnection Tariff, the index prices must be "daily," and does not allow for a first-of-month price to be set. Further, GMG was not subject to the Commission's Order in Docket No. G999/CI-21-135.

The Department additionally identifies a risk discussed in the Merc RNG Tariff Order, concerning missing price data. Consistent with the Commission Order Point 2(f) from the MERC RNG Tariff Order:

The Department recommends that if either the Ventura or Demarc markets do not have a reported available price, the price shall be the one that is reported.

ii. Contract Language

The Department also cross-referenced the RNG Interconnection Agreement and the Natural Gas Supply Agreement to check for consistency between the documents. The Department finds that Articles 5.10 – Reporting Requirements and 5.12 – Documentation are not present in the Natural Gas Supply Agreement. Both of these articles cover information requirements that do not need to be duplicated in the Natural Gas Supply Agreement, and therefore the exclusion of these clauses is not problematic. However, the Department finds that the numbering in Article 4 contains an error. The Miscellaneous Provisions article again contains an error pertaining to its seventh article, except in this instance what should be Article 4.7 is instead numbered as Article 5.1, and the subsequent articles are all listed under 5.

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[49] See MERC RNG Tariff Petition at 10 – 11.

The Department recommends that the Company correct the numbering for Article 4 of the Natural Gas Supply Agreement.

The Natural Gas Supply Agreement also contains the same grammatical error in the Regulatory Changes article as present in the RNG Interconnection Agreement.

The Department recommends that the Company correct the statement "the Parties shall engage in good faith discussions <u>regarding related to</u> changes to the terms of this Agreement necessitated by said regulatory changes." in Article 5.5 of the Natural Gas Supply Agreement.

iii. Recommendation

The Department withholds its final recommendation to further modify or approve the Natural Gas Supply Agreement until after the Company submits its reply comments.

C. RECOVERY OF GAS COMMODITY COSTS THROUGH THE PURCHASE GAS ADJUSTMENT

GMG proposes to recover costs via the PGA mechanism. The PGA, a cost adjustment rate mechanism used between general rate cases, includes only direct commodity-delivered and demand-delivered natural gas costs per Minnesota statute and rules.[50] The MERC RNG Interconnection Tariff was the first tariff to allow for the purchase of NG via the PGA, which was approved in the MERC RNG Tariff Order. While Minn. Stat. § 216B.2427, subd. 4 limits the Company's options regarding the purchase price of the NG, this statute does not preclude the recovery of costs via the PGA. The PGA offers the most reasonable avenue to allow for NG to be purchased in an environment where prices change daily. Therefore, the Department finds the Company's request to recover costs via the PGA is reasonable.

D. REPORTING

Reporting requirements for RNG Producers were discussed in Section 3.B.2, however that section does not discuss the Company's reporting obligations. GMG states that it is "prepared to comply with those [RNG Producer] uniformly-ordered reporting requirements."[51] The Company does not outline a plan to provide annual compliance filings, but does state, as referenced above, that it is willing to collect the required information, discussed in Section 3.B.2, to comply with the annual compliance filings.

The Department models its compliance filing recommendations based on the GP RNG Tariff Order, as discussed in Section 2. The Department adds one additional reporting requirement, modified from the

[50] Minn. Stat. §216B.16, subd. 7, Minn. Rules 7825.2700, 7825.2500, and 7825.2400.
[51] Petition at 7.

MERC RNG Tariff Order Point 6.i, which is included in the Department's below recommendation as part F. As the Company proposes to pay only 95% of the average of the Ventura and Demarc prices, it is appropriate to monitor whether this price is reasonable. The additional reporting requirement would require the Company to compare the average of the daily Ventura and Demarc prices to the cost of gas identified in GMG's PGA over 12 months of the prior year of the report. As discussed in Section 3.B.3, the Department recommends usage of the daily price instead of the First-of-Month price recommended in the MERC RNG Tariff Order Point 6.i.

First, based on Order Point 5 of the GP RNG Interconnection Order:

The Department recommends that GMG be required to make a compliance filing within 30 days with the following items each time it accepts another producer's renewable natural gas into its system:

- ***A. The producer's feedstock or feedstocks.***
- ***B. The total amount of RNG expected to be provided by the producer.***
- ***C. The mix of end-uses of the digestate.***
- ***D. If known, the state(s) in which the entity or entities purchasing the RNG from the producer are located and the end-use for which the RNG is being purchased.***

Second, based on Order Point 6 of the GP RNG Interconnection Order:

The Department recommends that GMG be required to make an annual compliance filing with the following information:

- ***A. The total number of interconnected RNG producers supplying RNG to the Company's system in the previous calendar year.***
- ***B. The amount of RNG volumes taken onto the Company's system each year in total and from each of those producers.***
- ***C. The mix of feedstock used by RNG producers connected to the Company'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 the Company's system.***
- ***E. Updated information for each interconnected RNG producer using the same data points as included in the per-producer compliance filing described above.***
- ***F. A comparison of the Platt's Inside FERC ("IFERC") average of Demarc and Northern Ventura daily index price to the cost of gas identified in GMG's PGA over 12 months of the prior year of the report.***

Finally, the Commission may want to have GMG report on instances where it may have curtailed the injection of NG onto its distribution system. This would provide additional insight and information to understand and evaluate the circumstances resulting from the curtailment.

The Department recommends that GMG report on instances where it curtailed NG onto its distribution system, which includes the number of events, duration, and reason for curtailment.

E. GREENHOUSE GAS EMISSION ACCOUNTING

GMG requests that the Company not be required to develop a GHG emission accounting framework or have to report on GHG emission reductions from its RNG Producers.[52] The Company argues that Docket No. G999/CI-24-202 will determine reporting requirements including lifecycle GHG emission reporting, and therefore the decision for GHG emission reporting should be made in Docket No. G999/CI-24-202, but not imposed at this time.

GHG emission accounting has been a subject of much debate in previous RNG Tariff dockets. CPE was ordered by the Commission to report on lifecycle GHG emissions in CPE RNG Tariff Order Point 11.F, And MERC was ordered by the Commission to report on lifecycle GHG emissions in MERC RNG Tariff Order Point 6.F. However, GP was not ordered by the Commission to report lifecycle GHG emissions from the CPE or MERC RNG Tariff Orders.

The Department understands that Docket No. G999/M-21-566 established a framework for lifecycle GHG emission reporting for NGIA Plans. In previous dockets,[53] the Department argued that GHG emission reporting was beneficial because it could avoid interconnecting projects that resulted in increased emissions. However, as the Department has participated in the NGIA dockets,[54] the Department now understands that the price of the environmental attributes are directly correlated with the associated emissions reductions, as discussed in Section 1.B.1. For example, the California Air Resources Board's LCFS Credit Price Calculator lists negative prices for alternative fuels that have a CI that is more carbon intensive than gasoline.[55] This negative pricing feature effectively means that RNG Producers will be able to obtain no value for the environmental attributes that do not produce a carbon reduction. The Department further discusses in Section 1.B.1 that the environmental attributes supply the majority of funding for RNG Producers, and therefore if a project cannot demonstrate that it has emissions reductions, then the project will not be financially viable because the environmental attributes will have little to no value to offset the increased cost of RNG production.

The Department also contends that none of the previous or current petitions include the procurement of environmental attributes, and thus ratepayers will not pay for or be able to claim environmental benefits from RNG produced in Minnesota. The exclusion of the purchase of environmental attributes

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[52] Petition at 6-7.
[53] For example, see Department's Initial Comments for the MERC RNG Tariff at 14. *In the Matter of the Petition of Minnesota Energy Resources Corp. for Approval of a Renewable Natural Gas Interconnection Tariff*, Docket No. G-011/M-23-489, (January 26, 2024). (eDocket No. 20241-202727-01).
[54] See Figure 1 of the Department's Initial Comments on the CPE NGIA Plan.
[55] The CI for gasoline is listed as 93.23 g CO_2e/MJ. All prices with a CI of 100 g CO_2e/MJ or greater are listed with negative prices in the LCFS Credit Price Calculator. See Link to Source.

ensures that ratepayers will not have to pay for the increased costs of RNG production, however this also means that no parties involved in any RNG tariff proposals to date will be able to claim any emissions reductions from the purchase or transport of NG. As discussed in Section 1.B.1, the LCFS and RFS markets represent significant drivers for RNG development, while currently the State of Minnesota offers limited options for RNG purchases. While the NGIA offers an opportunity for Minnesota gas utilities to potentially purchase environmental attributes, the NGIA already includes established reporting requirements for lifecycle GHG emissions established by Docket No. G999/M-21-566. Any NGIA project that would interconnect under any of the approved RNG interconnection tariffs already has lifecycle GHG emission reporting requirements.

In regards to Minnesota GHG emission reduction goals, the only emissions reductions that can be attributed to the state are those where the environmental attributes are retired in the state of Minnesota. None of the approved RNG interconnection tariffs allow for the purchase of environmental attributes, including the instant Petition, and therefore no interconnecting RNG facility can be guaranteed to provide any reduction to Minnesota GHG emissions.

Finally, as the Docket No. G999/CI-24-202 will determine reporting requirements including lifecycle GHG emission reporting, the Department does not see a need at this time to require GMG to develop a GHG emission reporting framework, or to report on the lifecycle GHG emissions of its interconnected RNG Producers, which is consistent with the GP RNG Tariff Order.

F. AFFILIATED INTERESTS

In the Department's initial comments in Docket No. G008/M-20-434, the Department expressed concern that CPE could contract with its affiliates and enrich itself in the process.[56] The Department recommended that CPE request prior approval before contracting with one of its affiliates. The Commission modified the Department's request, and the modified recommendation was incorporated into all three RNG interconnection tariffs.[57]

The Company does not address affiliated interests in its Petition. As each utility has been required thus far to include protections for affiliated interests, it is appropriate to also require the Company to include these protections.

The Department recommends that if any affiliates of GMG become involved in any RNG interconnection project, the Company must:

A. Inform the Commission and the Department;

[56] See page 12 of the Department's Initial Comments. *In the Matter of the Petition by CenterPoint Energy (CPE) to Introduce a Renewable Natural Gas Interconnection Tariff*, Docket No. G-008/M-20-434, (June 25, 2020). (eDocket No. 20206-164271-02). *Hereinafter* "Department Initial Comments on the CPE RNG Tariff."

[57] See CPE RNG Tariff Order Point 8, MERC RNG Tariff Order Point 7.C, and GP RNG Tariff Order Point 7.

B. ***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***
C. ***Seek Commission approval of transactions governed by the affiliated interest laws.***

G. INFLATION REDUCTION ACT

The Commission's Order Point 1 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*, requires utilities to maximize the benefits of the IRA in future dockets. Both MERC and GP were requested to explore incorporating benefits of the IRA into their RNG interconnection tariff proceedings and neither utility was able to identify any benefits that could offset costs for ratepayers.[58] The utilities identified that incentives were not available because the IRA incentives are intended to offset construction costs, and the RNG Producer pays for all of the construction costs. GMG reiterated the same argument in Section III.A of its Petition. The Department notes that CPE does not have similar reporting requirements because the order was made after CPE's RNG Interconnection Tariff was approved. The Department finds it reasonable that GMG does not propose to include benefits of the IRA and notes that the Company considered the possibility of obtaining IRA funding.

Despite the lack of IRA funding available for the utilities, the Commission is still interested in obtaining information about IRA tax credits utilized by RNG Producers, however the requirement for additional information was not applied evenly. The MERC RNG Tariff Order Point 6.h requires the utility to report on tax credits that it's RNG Producers utilized, while the GP RNG Tariff Order does not impose the same requirement upon GP. Instead, the Commission ordered GP to continue to monitor for applicable developments in the IRA. As the Department models its recommendations from the GP RNG Tariff Order, the Department applies the same requirement for GMG.

The Department recommends that the Company must continue to monitor for developments in the Inflation Reduction Act for opportunities that align with its interconnection service.

H. COST TRACKING

In the Department's initial comments for the CPE RNG Tariff,[59] the Department argued that CPE should separately track all of the actual costs for each RNG Producer and/or developer that the company interconnects. The Department stated that "The Company should track and identify all of these actual costs using the Federal Energy Regulatory Commission (FERC) accounts, sub accounts and/or FERC

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[58] See pages 6-7 from the MERC RNG Tariff Reply Comments. *In the Matter of the Petition of Minnesota Energy Resources Corp. for Approval of a Renewable Natural Gas Interconnection Tariff*, Docket No. G-011/M-23-489, (February 16, 2024). (eDocket No. 20242-203505-01). See page 5 from the GP RNG Tariff Reply Comments. *In the Matter of Petition for Approval of a New Rate Schedule "Renewable Natural Gas Producer Access and Interconnection Service Rate 87,"* Docket No. G-004/M-24-73, (March 22, 2024). (eDocket No. 20243-204566-01).
[59] See Department Initial Comments on the CPE RNG Tariff at 8.

account equivalents and CPE charted accounts and/or sub-accounts from its internal accounting system."[60] The Department's rationale for separate cost tracking was because CPE proposed to include RNG interconnections as a separate class in the company's next rate case. The Commission accepted the Department's recommendation in the CPE RNG Tariff Order Point 5. The Commission additionally ordered this requirement in the MERC RNG Tariff Order Point 7.a and in the GP RNG Tariff Order Point 8.

GMG does not state in its Petition whether it intends to file its RNG Interconnection Tariff costs under a separate rate class in its next general rate case, however given that this requirement was imposed upon all utilities, the Department recommends that GMG be treated the same as the other utilities.

The Department recommends that the Company be required to:

A. Separately track all costs using the Federal Energy Regulatory Commission (FERC) accounts, sub accounts and/or FERC account equivalents and GMG charted accounts and/or sub-accounts from its internal accounting system associated with an RNG interconnection and
B. Track the total RNG received by each RNG supplier.

Notably, the Commission ordered CPE to additionally track and identify all the customers that were added to CPE's RNG interconnection lines along with the associated costs and revenues in the next general rate case in the CPE RNG Tariff Order Point 6; MERC was ordered to do the same in the MERC RNG Tariff Order Point 7.b; but, GP was not ordered to comply with this requirement. As the Department follows the GP's RNG Tariff Commission orders, the Department does not recommend this requirement for GMG.

IV. DEPARTMENT RECOMMENDATION

The Department makes one request for information:

> The Department requests the Company provide data to demonstrate that the Ventura and Demarc prices are typically higher than the prices that comprise purchases for "certain market areas" of the Company's gas purchases, as referenced above.

Regarding the RNG Interconnection Tariff, the Department makes the following recommendations:

> The Department recommends that the Company include a new section in the RNG Interconnection Tariff that reflects the requirement or option to choose between the sale to- or transport of-NG to the Company and the potential requirement of additional transportation or supply fees that may be applicable. This section should reference the possibility to sign the Natural Gas Supply Agreement. In addition, the Company needs

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[60] *Id*.

to identify in its tariff, for example at a minimum what the applicable distribution rates and monthly customer charges would be if GMG were transporting the NG.

The Department recommends that the Company modify its RNG Interconnection Tariff such that the responsibility to construct, install, own, operate, and maintain all equipment necessary for interconnection is consistent with the RNG Interconnection Agreement.

Regarding the RNG Interconnection Agreement, the Department makes the following recommendations:

The Department makes the following recommendations to add the optionality of transportation or supply costs depending on the elected basis, to the RNG Interconnection Agreement:

A. Add an article that states that the RNG Producer must either pay the transportation or supply charge or sign the Natural Gas Supply Agreement.
B. Add an article that discloses and identifies all potential cost categories for the transportation or supply charge(s) depending on the elected basis, which follows the format of Article 2.10.
C. Add an article that discloses and identifies the transportation or supply charge(s) depending on the elected basis, as well as the possibility for future cost increases, which follows the format of Article 2.16.2.

The Department recommends that Article 2.16.2 of the RNG Interconnection Agreement be updated to include a provision that discloses the possibility for future costs increases.

The Department recommends that GMG be required to:

- Ensure that any biogas interconnection or service is consistent with its obligations to provide safe and reliable service.
- Maintain on GMG's website the most up-to-date biogas quality standards and testing requirements for those injecting biogas into the distribution system under GMG's RNG interconnection program.
- 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.
- Notify the Commission when it changes its service quality standards.

The Department recommends that GMG be required to include in its gas quality standards that the RNG Producer must certify that the RNG feedstock was not derived or collected from a hazardous waste landfill.

The Department recommends that the Company add a statement to Article 5.10 of the RNG Interconnection Agreement to reflect that reporting requirements are subject to change by Commission order at any time and that the RNG Producer agrees to supply any information about its operation that is reasonably available to report.

The Department recommends that the Company add the definition of Natural Gas to Article 1 of the RNG Interconnection Agreement and change all references of RNG to NG, as appropriate.

The Department Recommends that the Company:

- Correct the double instance of Article 5.6 and renumber the subsequent articles.
- Correct the statement "…the Parties shall engage in good faith discussions regarding related to changes to the terms of this Agreement necessitated by said regulatory changes." In Article 5.11.
- Define the terms "NAESB" and "TC" listed in Article 5.12.1.

Regarding the Natural Gas Supply Agreement, the Department makes the following recommendations:

The Department recommends that if either the Ventura or Demarc markets do not have a reported available price, the price shall be the one that is reported.

The Department recommends that the Company correct the numbering for Article 4 of the Natural Gas Supply Agreement.

The Department recommends that the Company correct the statement "the Parties shall engage in good faith discussions regarding related to changes to the terms of this Agreement necessitated by said regulatory changes." in Article 5.5 of the Natural Gas Supply Agreement.

Regarding all other topics, the Department makes the following recommendations:

The Department recommends that GMG be required to make a compliance filing within 30 days with the following items each time it accepts another producer's renewable natural gas into its system:

A. The producer's feedstock or feedstocks.
B. The total amount of RNG expected to be provided by the producer.
C. The mix of end-uses of the digestate.
D. If known, the state(s) in which the entity or entities purchasing the RNG from the producer are located and the end-use for which the RNG is being purchased.

The Department recommends that GMG be required to make an annual compliance filing with the following information:

A. The total number of interconnected RNG producers supplying RNG to the Company's system in the previous calendar year.
B. The amount of RNG volumes taken onto the Company's system each year in total and from each of those producers.
C. The mix of feedstock used by RNG producers connected to the Company'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 the Company's system.
E. Updated information for each interconnected RNG producer using the same data points as included in the per-producer compliance filing described above.
F. A comparison of the Platt's Inside FERC ("IFERC") average of Demarc and Northern Ventura daily index price to the cost of gas identified in GMG's PGA over 12 months of the prior year of the report.

The Department recommends that GMG report on instances where it curtailed NG onto its distribution system, which includes the number of events, duration, and reason for curtailment.

The Department recommends that if any affiliates of GMG become involved in any RNG interconnection project, the Company must:

A. Inform the Commission and the Department;
B. 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
C. Seek Commission approval of transactions governed by the affiliated interest laws.

The Department recommends that the Company must continue to monitor for developments in the Inflation Reduction Act for opportunities that align with its interconnection service.

The Department recommends that the Company be required to:

A. Separately track all costs using the Federal Energy Regulatory Commission (FERC) accounts, sub accounts and/or FERC account equivalents and GMG charted accounts and/or sub-accounts from its internal accounting system associated with an RNG interconnection and
B. Track the total RNG received by each RNG supplier.

Minnesota Department of Commerce
85 7th Place East | Suite 280 | St. Paul, MN 55101
Information Request

Docket Number: G022/M-24-236 ☐Nonpublic ☒Public
Requested From: Greater Minnesota Gas, Inc. Date of Request: 8/30/2024
Type of Inquiry: General Response Due: 9/9/2024

SEND RESPONSE VIA EMAIL TO: Utility.Discovery@state.mn.us as well as the assigned analyst(s).
Assigned Analyst(s): Ari Zwick
Email Address(es): ari.zwick@state.mn.us
Phone Number(s): 651-539-1675

ADDITIONAL INSTRUCTIONS:
Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy.

Request Number:	**1**
Topic:	Maintenance Fee
Reference(s):	Attachment B - RNG Interconnection Agreement – Article 2.16.2

Request:

On page 8 of the RNG Interconnection Agreement, GMG states that the "…Producer shall pay GMG a maintenance charge in the amount of [Amount] Dollars ($_____) per month for GMG's operation and maintenance of the GMG Facilities."

Please explain:

A. If the maintenance costs anticipated to be charged under the maintenance charge are fully outlined in Section 2.10 of the RNG Interconnection Agreement, and if not, please outline any additional costs that are anticipated to be charged under the maintenance charge.
B. If the maintenance costs anticipated to be borne by the RNG Producer are fully outlined in Section 2.11 of the RNG Interconnection Agreement, and if not, please outline any additional costs that are anticipated to be borne by the RNG Producer.
C. If the Company has attempted to estimate costs for A or B for a typical or specific project, and if so, please present the cost estimates.

GMG RESPONSE:

GMG recognizes that this Information Request is specifically focused on the charges for maintenance services and its detailed answers below are, in kind, specifically focused exclusively on maintenance services charges. The scope of the question notwithstanding, GMG respectfully

To be completed by responder

Response Date:	September 5, 2024
Response by:	Kristine Anderson
Email Address:	kanderson@greatermngas.com
Phone Number:	507-209-2110

Appendix A

Minnesota Department of Commerce
85 7th Place East | Suite 280 | St. Paul, MN 55101
Information Request

Docket Number: G022/M-24-236
Requested From: Greater Minnesota Gas, Inc.
Type of Inquiry: General

☐Nonpublic ☒Public
Date of Request: 8/30/2024
Response Due: 9/9/2024

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notes that an RNG producer would be responsible for any regulatory costs associated with a project, consistent with Section 2.16.3 of the proposed RNG Interconnection Agreement. While regulatory costs are separate from maintenance charges and are treated as such within the proposed RNG Interconnection Agreement, GMG identifies those additional costs in order to comply with the spirit of any inquiry regarding additional or unforeseen costs to an RNG producer. GMG notes further that, since each project agreement will be entered into independently of any other, the specific cost terms of each agreement will represent an arm's length transaction between GMG and the respective RNG producer and will include cost terms to which both parties agree.

A. *GMG anticipates that the maintenance services delineated in Section 2.10 of the proposed RNG Interconnection Agreement provide a comprehensive list of the maintenance services that GMG will provide to an RNG producer. As such, all of the identified services are included in the monthly maintenance charge that will be set forth in Section 2.16.2 of the proposed RNG Interconnection Agreement. GMG does not anticipate that an RNG producer will be subject to additional maintenance-related charges.*

B. *GMG anticipates that the services delineated in Section 2.11 of the proposed RNG Interconnection Agreement provide the full scope of ongoing services that an RNG producer will provide throughout the agreement term. However, since provision of those services lies within the province and control of the RNG producer, GMG cannot speculate regarding the specific costs that such an RNG producer will incur to effectuate the services that it will be obligated to provide under the terms of an agreement; however, it is reasonable to assume that*

To be completed by responder

Response Date: September 5, 2024
Response by: Kristine Anderson
Email Address: kanderson@greatermngas.com
Phone Number: 507-209-2110

Appendix A

Minnesota Department of Commerce
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Information Request

Docket Number: G022/M-24-236 ☐Nonpublic ☒Public
Requested From: Greater Minnesota Gas, Inc. Date of Request: 8/30/2024
Type of Inquiry: General Response Due: 9/9/2024

SEND RESPONSE VIA EMAIL TO: Utility.Discovery@state.mn.us as well as the assigned analyst(s).
Assigned Analyst(s): Ari Zwick
Email Address(es): ari.zwick@state.mn.us
Phone Number(s): 651-539-1675

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an RNG producer that is a party to an agreement will have estimated its own costs prior to entering into the agreement.

C. *GMG respectfully notes that, since the maintenance charge set forth in Section 2.16.2 of the proposed RNG Interconnection Agreement will vary by project, the estimate for each project will, likewise, vary based upon the unique characteristics associated with it. For illustrative purposes, GMG provides the following information:*

[TRADE SECRET DATA BEGINS]

[TRADE SECRET DATA ENDS]

As discussed in Response 1B above, GMG cannot speculate regarding the specific costs that an RNG producer will incur to effectuate the services that it will be obligated to provide under the terms of an agreement.

To be completed by responder

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Response by: Kristine Anderson
Email Address: kanderson@greatermngas.com
Phone Number: 507-209-2110

Minnesota Department of Commerce
85 7th Place East | Suite 280 | St. Paul, MN 55101
Information Request

Docket Number: G022/M-24-236 ☐Nonpublic ☒Public
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Request Number: **2**

Topic: Pricing and Payments of Deliveries
Reference(s): Attachment C - RNG Supply Agreement – Article 2.4

Request:

On pages 3 and 4 of the RNG Supply Agreement, GMG states "The purchase price for the NG purchased by GMG from Producer pursuant to this Agreement shall be the 95% of the average of Ventura and Demarc daily index price for natural gas produced from conventional geologic sources as published by Inside FERC (or such other successor publication or source as mutually agreed to by the Parties) or $8.00 per dekatherm, whichever is less."

Please explain:

A. The rationale for setting the price 5% lower than the average Ventura and Demarc daily index price.
B. If your response in part A above is consistent and in compliance with Minn. Stat. § 216B.2427, subd. 4(2).
C. If your response in part A above is consistent with the price paid by the Company for purchases of conventional natural gas.
D. Whether the Company's price cap of $8.00 per dekatherm referenced above is consistent and in compliance with Minn. Stat. § 216B.2427, subd. 4(2).

GMG RESPONSE:

A. Minnesota Statutes Section 216B.2427, Subd. 4 addresses the circumstances under which a natural gas utility may propose, and under which the Commission may approve, cost recovery

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Response Date: September 5, 2024
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Email Address: kanderson@greatermngas.com
Phone Number: 507-209-2110

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Information Request

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Requested From: Greater Minnesota Gas, Inc. Date of Request: 8/30/2024
Type of Inquiry: General Response Due: 9/9/2024

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for innovative resources procured outside of a natural gas innovation plan. Specifically, Subdivision 4(2), provides that a utility may seek recovery for:

> *utility expenditures for innovative resources procured at a cost that is within five percent of the average of Ventura and Demarc index prices for natural gas produced from conventional geologic sources at the time of the transaction per unit of natural gas that the innovative resource displaces.*

Hence, GMG's rationale for tying its pricing to the average of the Ventura and Demarc index prices is based on the statutory language to ensure that GMG will be able to seek recovery for its costs associated with the natural gas it acquires pursuant to any RNG interconnection agreement.

B. *GMG's response to Information Request 2A is consistent with and compliant with Minnesota Statutes Section 216B.2427, Subd. 4(2) in that it represents a purchase cost for which GMG will be entitled to seek, and for which the Commission may approve, recovery within the scope of the statute.*

C. *As a practical matter, the pricing mechanism contained in the proposed RNG Interconnection Agreement is not necessarily consistent with the price paid by GMG for purchases of conventional natural gas. For example, GMG obtains natural gas for certain market areas at Emerson, and Emerson gas is typically sold at a lower cost than that on Ventura or Demarc. So, if a project is located in a market area where GMG typically pays for Emerson gas, the*

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price of project natural gas tied to the Ventura and Demarc average would likely exceed the discounted Emerson gas cost. However, since the statute specifically identifies the Ventura and Demarc market points, basing the pricing structure in a manner consistent with statutory language assures cost-recovery which, in turn, ensures that rate payers are not subsidizing an RNG producer's project or the purchase of natural gas therefrom. In addition, tying the cost to Ventura and Demarc and including a price cap protects rate payers in the event of any unexpected pricing anomaly.

D. Yes, GMG's inclusion of a price cap is consistent with and in compliance with the referenced statute. The statute specifically allows for recovery of costs that are within five percent of the average of Ventura and Demarc index prices. Theoretically, even the cost of gas priced at 105% of that average would be recoverable pursuant to the language of the statute. GMG's pricing is set at 95% of the average and includes a price cap, thereby ensuring that its gas cost associated with RNG project gas will never exceed 105% of the average of the Ventura and Demarc index prices. As a result, GMG's cost recovery is likely assured on the basis of cost. In addition, natural gas pricing is subject to anomalies, especially at the Ventura interconnect, so GMG's price cap is intended to protect its rate payers from being subject to pricing anomalies that are not reflective of the market. To the extent that the price cap functions to keep prices lower than the upper limit of what is recoverable within the meaning of the statute, the price cap is consistent with the statutory language.

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Request Number:	**3**
Topic:	Gas Quality Testing Equipment
Reference(s):	Attachment B - RNG Interconnection Agreement – Article 2.2

Request:

On pages 3 and 4 of the RNG Interconnection Agreement, GMG presents a list of equipment to be procured "…at the sole cost and expense of the Producer."

Please explain:

A. If the Company believes that the Gas Quality Specifications outlined in Article 3.1 of the RNG Interconnection Agreement provide sufficient sensitivity requirements to enable these specifications to set requirements for RNG Producer procured equipment (i.e. significant digits or minimum detection levels).
B. How the Company intends to ensure that equipment procured by the RNG Producer is able to perform at the required Gas Quality Specifications sensitivities.

GMG RESPONSE:

A. GMG established its Gas Quality Specifications as outlined in the proposed RNG Interconnection Agreement on what is typically required by interstate pipelines. GMG believes that its requirements will protect the integrity of GMG's system without being unduly onerous for producers; and, GMG believes that the mandated sensitivity requirements are sufficient for RNG producer procured equipment.

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Phone Number: 507-209-2110

Appendix A

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B. *As reflected in the proposed RNG Interconnection Agreement, an RNG producer will be subject to ongoing performance requirements as detailed in Article 3 of the proposed RNG Interconnection Agreement. As part of those performance requirements, the RNG producer must provide test results from an approved laboratory that will be independent of either GMG or the RNG producer at defined intervals. The RNG producer will also need to maintain certain data on an ongoing basis, to which GMG will have access. GMG will have the right to shut-in the RNG at its sole discretion in the event of non-compliance, certain changes, or any jeopardy to safety and reliability of people or facilities. GMG believes that the processes and procedures outlined in Article 3 of the proposed RNG Interconnection Agreement will sufficiently ensure that an RNG producer's equipment is performing at the required sensitivity levels and, in the event that there is any question about that performance, GMG may shut-in the gas until such questions are resolved to GMG's satisfaction.*

To be completed by responder

Response Date: September 5, 2024
Response by: Kristine Anderson
Email Address: kanderson@greatermngas.com
Phone Number: 507-209-2110

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

Minnesota Department of Commerce
Comments

Docket No. G022/M-24-236

Dated this **9th** day of **October 2024**

/s/Sharon Ferguson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Kristine	Anderson	kanderson@greatermngas.com	Greater Minnesota Gas, Inc.& Greater MN Transmission, LLC	1900 Cardinal Lane PO Box 798 Faribault, MN 55021	Electronic Service	No	OFF_SL_24-236_M-24-236
Robin	Burke	rburke@greatermngas.com	Greater Minnesota Gas, Inc. & Greater MN Transmission, LLC	1900 Cardinal Ln PO Box 798 Faribault, MN 55021	Electronic Service	No	OFF_SL_24-236_M-24-236
Cody	Chilson	cchilson@greatermngas.com	Greater Minnesota Gas, Inc. & Greater MN Transmission, LLC	1900 Cardinal Ln PO Box 798 Faribault, MN 55021	Electronic Service	No	OFF_SL_24-236_M-24-236
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_24-236_M-24-236
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_24-236_M-24-236
Nicolle	Kupser	nkupser@greatermngas.com	Greater Minnesota Gas, Inc. & Greater MN Transmission, LLC	1900 Cardinal Ln PO Box 798 Faribault, MN 55021	Electronic Service	No	OFF_SL_24-236_M-24-236
Greg	Palmer	gpalmer@greatermngas.com	Greater Minnesota Gas, Inc. & Greater MN Transmission, LLC	1900 Cardinal Ln PO Box 798 Faribault, MN 55021	Electronic Service	No	OFF_SL_24-236_M-24-236
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_24-236_M-24-236
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th Pl E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_24-236_M-24-236