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November 8, 2024

**VIA ELECTRONIC FILING**

Mr. William Seuffert  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, Minnesota 55101-2147

Re: In the Matter of a Miscellaneous Tariff Change – Addition of Rate Class to Establish  
Renewable Natural Gas Interconnection Service  
Docket No. G-022/M-24-236

**PUBLIC DOCUMENT—TRADE SECRET DATA HAS BEEN REDACTED**

Dear Mr. Seuffert:

Attached hereto, please find Greater Minnesota Gas, Inc.'s Reply Comments for filing in the above-referenced docket. The attached document is a public document and trade secret data has been excised. A complete copy including the redacted trade secret information has been filed with the Commission.

All individuals identified on the attached service list have been electronically served with the same.

Thank you for your assistance. Please do not hesitate to contact me should you have any questions or concerns or if you require additional information. My direct dial number is (507) 209-2110 and my email address is kanderson@greatermngas.com.

Sincerely,

GREATER MINNESOTA GAS, INC.

/s/

Kristine A. Anderson  
Corporate Attorney

cc: Official Service List

**STATE OF MINNESOTA  
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

Katie Sieben  
Hwikwon Ham  
Valerie Means  
Joe Sullivan  
John Tuma

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

Docket No. G022/M-24-236

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

**REPLY COMMENTS**  
**PUBLIC DOCUMENT -**  
**TRADE SECRET DATA**  
**REDACTED**

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Greater Minnesota Gas, Inc. (GMG) submitted its request for approval of a tariff addition to the Minnesota Public Utilities Commission (Commission) on July 1, 2024. The Minnesota Department of Commerce, Division of Energy Resources (Department) submitted its Comments on October 9, 2024. The Petition requests that the Commission approve GMG's proposed addition to its tariff to establish a Renewable Natural Gas Interconnection Service rate and the underlying proposed interconnection agreement. GMG also seeks authorization to recover costs to purchase the natural gas commodity produced by interconnected renewable natural gas producers through GMG's Purchased Gas Adjustment (PGA) mechanism, should a supply agreement be entered into. This submission constitutes GMG's Reply to the Department's Comments.

**ISSUE SUMMARY**

In its Comments, the Department raised several issues and provided numerous suggestions. GMG has incorporated a number of the Department's recommendations as identified herein but believes that there is some confusion about its proposal and, therefore, declines to amend certain components of its proposal as discussed below. GMG is hopeful that the additional information provided herein is helpful to understanding its proposed RNG interconnection service; hence, it provides the following:

- Discussion regarding the Department's recommendation that GMG incorporate provisions related to a producer's option to sell natural gas to GMG or to have GMG transport it, as well as the Department's related suggestion that the proposed interconnection agreement be amended in accordance with the same option;
- Modifications to its proposed tariff language, RNG Interconnection Agreement, and Natural Gas Supply Agreement in accordance with some of the Department's recommendations;
- Discussion regarding GMG's proposed maintenance fee provision.
- Discussion regarding GMG's quality standards and testing procedures.
- Review of the Department's proposed compliance requirements.

## DISCUSSION IN REPLY

GMG appreciates the Department’s recognition that its proposal serves the public interest and the recommendation that GMG’s proposal be approved, subject to certain modifications. GMG further appreciates the opportunity to add clarity to the record for consideration of its proposed RNG Interconnection Service and hopes that this Reply will help resolve certain misapprehensions and eliminate additional concerns.

### **1. GMG Respectfully Declines to Modify Its Proposed Tariff and Its Proposed RNG Interconnection Agreement to Add an Option to Sell Natural Gas to GMG Because Such an Option Simply Cannot Be Made Available to Any Producer that Wants It.**

The Department proposed that GMG modify its tariff to include what it called the “optionality” for either purchase of natural gas by GMG or transport of natural gas by GMG and requested that GMG “explicitly reflect the optionality in NG offtake.” (Comments, p. 10.) The Department identified MERC’s tariff as a comparative tariff, noting that MERC proposed to purchase all natural gas from interconnected RNG producers. At the outset, GMG respectfully clarifies an apparent misunderstanding by the Department. GMG anticipates that it may indeed choose to purchase some natural gas (renewable natural gas without the environmental attributes) from an interconnected producer, but any such purchase would be the result of an arm’s length negotiated arrangement between GMG and such a producer. Hence, GMG’s situation is quite different from MERC’s. While GMG submitted its proposed Natural Gas Supply Agreement in conjunction with its request to add RNG Interconnection Service to its tariff, at no time did GMG state or imply that every RNG producer that avails itself of GMG’s RNG Interconnection Service will have the right to sell natural gas to GMG. That is precisely why GMG’s proposed tariff addition is limited to RNG Interconnection Service. The Department apparently misapprehended that, as the Department stated in its Comments that “each RNG Producer may also sign a Natural Gas Supply Agreement....”. (Comments, p. 4.) However, that is not the case. The option to sell natural gas to GMG is not a blanket one and, accordingly, GMG cannot include optionality in its tariff.

In certain cases, GMG may indeed be able to use some of a producer’s natural gas and the producer may desire to sell it to GMG. In others, that may not be the case. GMG’s customers in certain market areas may not need gas additional supply, so GMG would not need to purchase natural gas from a producer. It is important to note that there is a difference between GMG’s total daily usage and the daily usage downstream of any one of its town border stations, which is a subset of GMG’s total daily usage. Many of GMG’s systems that are located downstream of town border stations do not use as much gas as a producer will produce, especially during certain times of the year and, with regard to most of GMG’s systems, RNG producers will likely produce more natural gas on a daily basis than GMG would use. Obligating GMG to buy natural gas from a producer, which is what incorporating optionality into its tariff would essentially do, would then likely also result in GMG needing to export or sell the natural gas that it would not use, neither of which the Company is set up for. Since GMG cannot guarantee that it will always

be able to purchase natural gas from an RNG Producer, it cannot include the option to purchase natural gas in its tariff. Rather, GMG intends to treat the possibility of purchasing natural gas from interconnected producers just as it treats any of its other supply contracts – as arm’s length agreements when the conditions for purchase are suitable. Therefore, GMG respectfully declines to modify its proposed RNG Interconnection Service tariff sheet to include optionality and requests that the proposed tariff language be approved without it. Similarly, GMG declines to revise its proposed RNG Interconnection Agreement to incorporate the option to sell natural gas to GMG, along with the Department’s related suggestions.

**2. GMG Amended Its Proposed Tariff Language to Add Clarity Regarding Reimbursement for GMG’s Capital Costs.**

The Department highlighted the portion of GMG’s proposed tariff language related to Customer Interconnection Reimbursement and requested that GMG clarify the language related to reimbursement for its capital costs to avoid any suggestion that it is inconsistent with the terms of the proposed RNG Interconnection Agreement. GMG appreciates the Department’s suggestion and proposes modified language by adding a sentence to the end of the section. GMG’s proposed language is reflected in the revised tariff sheet appended hereto as Attachment A and incorporated by reference.

**3. GMG’s Maintenance Fee Provision Contained in Section 2.16.2 of Its RNG Interconnection Agreement Is Sufficient as Proposed.**

The Department labeled the provision in GMG’s proposed RNG Interconnection Agreement related to maintenance fees as deficient because it proposes a fixed amount. GMG intentionally drafted the proposed agreement to provide for a levelized maintenance fee over the term of the contract. It is important to recognize that the RNG Interconnection Agreement represents a contract between two business entities that will each be making major capital investments to bring the agreement to fruition. RNG producers want clarity regarding their costs so that they can have some predictability for budgeting purposes. Moreover, GMG posits that the maintenance efforts are likely to be highest early in the contract term as the facilities come into use, so the Department’s hypothesis that costs will increase over time may be less of a concern. Providing a levelized monthly fee provides predictability for both parties to the transaction. Additionally, the maintenance fee provision of the contract will be individualized based on each agreement, such that the maintenance fee(s) agreed upon between GMG and RNG producers will be negotiated as part of their arm’s length transaction. If the parties to the agreement agree to a levelized maintenance fee over time, that is their prerogative and it is a business decision. If, on the other hand, the parties agree to a monthly maintenance charge that is based on some other factor, such as one that might adjust, then that is equally their prerogative. In either case, the relevant provision of the proposed RNG Interconnection Agreement allows the parties to each actual agreement to identify the monthly maintenance fee upon which they agree.

GMG also respectfully notes that the Agreement does include an adjustment for unknown costs in Section 2.16.3, which requires a producer to reimburse GMG for regulatory and compliance costs,

which cannot be predicted. While GMG appreciates the Department’s notion all costs need to be disclosed to producers so that they can estimate operation costs, using a levelized maintenance fee is the best way to accomplish that. While using a different approach that employs a lower maintenance amount with an escalator or other adjustment factor is a different mechanism that might be taken, it would still not address the Department’s concern and it would likely result in frequent adjustments, which does not provide operation cost predictability. Based on GMG’s discussions with RNG producers that may be interested in interconnecting with GMG, predictability is important to them and a levelized maintenance fee serves that end. Building in uncertainty by using escalators and adjustment clauses does not provide any predictability and could have a chilling effect on RNG interconnection market development.

Future costs are always an uncertainty and that is a risk that is inherent in doing business. GMG’s approach provides predictability based on known circumstances and reflects the desired contract terms between the parties that will actually be involved. Consequently, GMG respectfully posits that the proposed language of Section 2.16.2 as written is sufficient.

**4. GMG’s Biogas Quality Standards and Testing Requirements Contained in Its Proposed RNG Interconnection Agreement are Specific to the Agreement and Are Predicated on the Standards of the Interstate Pipeline Receiving Renewable Natural Gas.**

The Department requested that GMG maintain its biogas quality standards on its website and that it update its standards periodically, according to the best available science, after consulting with stakeholders, the Department, and the Minnesota Office of Pipeline Safety (MNOPS). While GMG wholly understands and agrees with the Department’s recommendation that GMG be required to ensure that any biogas interconnection service is consistent with its obligation to provide safe and reliable service, GMG submits that its quality standards do that. The quality standards incorporated into the RNG Interconnection Agreement match those of the interstate pipeline that will ultimately be providing the alternative and additional supply to customers beyond that provided by the producer’s feedstock. Depending on what pipeline is supplying a given distribution system, the quality standards could vary from agreement to agreement. As the industry evolves, GMG needs to know that the gas coming onto its system will be accepted by the relevant interstate pipeline. Similarly, in those cases where GMG will be purchasing natural gas from a producer, GMG needs assurance that the natural gas can be exported if GMG experiences a change in its own market demand. Hence, a producer’s gas must meet the standards imposed by the interstate pipeline and approved by the Federal Energy Regulatory Commission (FERC), rather than meeting a separate standard created or imposed locally by the Commission, the Department, and/or MNOPS. Because there could be variance in the quality standards among differing interstate pipelines, GMG does not think that listing standards on its website would be helpful and, rather, submits that it could create confusion or be misleading. Conversely, interested RNG producers will be fully aware of what specific standards would apply to them when negotiating their respective RNG Interconnection Agreements and those standards will evolve over time as dictated by various interstate pipelines and FERC.

With regard to the Department’s request that GMG include a requirement in its gas quality standards that the RNG producer certify that the RNG feedstock was not derived or collected from a hazardous waste landfill, GMG asserts that such certification will not always be germane to the proposed quality standards because, as with the proposed standards, they contemplate RNG produced from livestock operations. In the unlikely event that GMG enters into an RNG Interconnection Agreement with a producer using landfill feedstock, GMG will include such a provision in the relevant gas quality standards. Additionally, because GMG appreciates the Department’s perspective regarding hazardous waste feedstock as it relates to RNG production, GMG added a sentence to the end of the Applicability and Character of Service section of its proposed tariff language confirming that the RNG Interconnection Service is not available for RNG that is derived or collected from a hazardous waste landfill. The additional language is reflected in the revised proposed tariff language, appended hereto as Attachment A.

**5. GMG Edited Its Proposed RNG Interconnection Agreement Consistent with Some of the Department’s Recommendations.**

The Department requested that GMG make multiple changes to its proposed RNG Interconnection Agreement. While GMG respectfully declines to incorporate all of the Department’s suggestions as discussed elsewhere in these Reply Comments, GMG has incorporated some of them. A revised RNG Interconnection Agreement is appended hereto as Attachment B and is incorporated by reference. Specifically, the Department’s concern regarding Section 5.10 related to reporting requirements is addressed, as is the inclusion of the definition of “natural gas.” Additional minor changes consistent with the Department’s recommendations have also been made. GMG respectfully notes that it did not change the RNG references to NG as the Department suggested because the contract language that refers to RNG is consistent with what has been tentatively negotiated with interested producers and the parties to the agreement are in a more appropriate position to determine the contract language than the Department is.

**6. The Pricing Structure in GMG’s Proposed Natural Gas Supply Agreement Is Both Suitable and Eligible for Recovery in GMG’s PGA Pursuant to Minnesota Statutes Section 216B.2426, subd. 4.**

GMG’s proposed Natural Gas Supply Agreement, which is intended to be the boilerplate version of the agreement that would be used in situations where GMG and an interconnected RNG producer contract for GMG to purchase natural gas from the producer, is compliant with Minnesota law regarding price recovery. Contrary to the Department’s assertion that GMG’s pricing structure in the agreement is not allowed by the statute, GMG respectfully maintains that it is not only permissible, but that it serves the statute’s purpose.

Minnesota Statutes Section 216B.2426, subd. 4 allows natural gas utilities to seek cost recovery for expenditures related to procurement of innovative resources as long as they are at a cost that is within five percent of the Ventura and Demarc index prices for conventionally produced natural gas. Hence, the statute serves to limit the amount of cost-recovery for innovative resources that are not part of a

natural gas innovation plan and, by doing so, it protects a utility's rate payers from having to pay amounts for innovative resources that exceed 105% of the defined benchmark when conventional resources could have been used at a substantially more reasonable price. It is nonsensical to infer that any costs that are lower than 105% of the approved cost recovery benchmark would be prohibited or not recoverable, including those below 95% of the benchmark. The Department's reading of the statute would require GMG to pay, and consequently its ratepayers to pay, more than it what it might otherwise be able to secure the purchased natural gas for. The statute most certainly is not intended to require that outcome. Since the Natural Gas Supply Agreement would represent an arm's length negotiated agreement between the two involved business entities, it is up to those two parties to determine whether the price is reasonable. To the extent that the negotiated price is less than 105% of the Ventura and Demarc index prices for conventionally produced natural gas, it is recoverable under the terms of the statute. The statute does not prohibit GMG from negotiating a price that falls below that benchmark, nor does it prohibit price caps. Moreover, having the included price cap protects GMG's ratepayers in the event of price spikes, such as those seen during Winter Storm Uri. The only prohibition that could be inferred from the statute is that any cost exceeding 105% of the benchmark would not be recoverable.

The Department suggests that GMG will not need to purchase interstate capacity to supply the purchased amount of natural gas from the producer; however, that is not the case, at least in terms of firm capacity. GMG will not rely on the natural gas purchased from a producer to meet its firm service needs. GMG must ensure that it will still be able to serve its firm customers during high demand periods. The natural gas from an RNG producer is not viewed by GMG as being suitable to provide firm service because 1) it is always subject to being shut-in in the event of a quality issue, and 2) there is not any guarantee regarding the producer's ability to provide adequate amounts of natural gas throughout the entire year, including on a peak day or design day. Hence, GMG will still need to purchase firm capacity on interstate pipelines to assure reliable firm supply for its customers. Nonetheless, procuring some natural gas from RNG producers in areas and at supply levels where it makes sense will help GMG procure non-firm natural gas supply and serve the public interest by increasing use of innovative resources.

Similarly, an RNG producer that agrees to sell natural gas to GMG at the rates dictated by GMG's natural gas supply agreement will also benefit, because the producer will not incur the costs to ship the designated amount of its natural gas elsewhere. The benefit of the negotiated transaction between the parties is that both GMG and the producer can determine whether such a business arrangement makes sense for them. If it does, GMG and the producer will enter into a business arrangement. If it does not make sense for either party, then the producer can simply avail itself of GMG's RNG interconnection service to ship its gas to the intended receiver. The negotiated arm's length transaction is, by its very nature, a fair and reasonable basis for GMG's purchase of natural gas from an RNG producer. Thus, the Department's concern about either GMG or the producer being taken advantage of is assuaged.

The Department requested further that GMG provide data comparing the Ventura and Demarc prices to the market prices in other areas of GMG's gas purchases. GMG recognizes that this request stems from GMG's response to an information request but, at bottom, GMG respectfully notes that the

comparison requested by the Department is not relevant to the Commission's consideration of GMG's underlying request. As discussed above, the statute dictates the upper limit for which innovative resource procurement cost recovery can be sought when it is not part of an innovative resource plan. Hence, GMG ensured that the cost that it will pay for the natural gas in question – an innovative resource – falls within the scope of recoverable costs. In fact, GMG's cost for the resources could be even lower than what is outlined in the statute. How it compares to other pricing is not relevant to whether GMG's proposed cost recovery is permissible. While GMG did its best to be responsive to the Department's information request regarding the rationale for its pricing structure, its answer does not expand the purview of the Commission's inquiry regarding whether cost recovery is permissible. In order to maximize efficient use of Commission, Department, and GMG resources, it is important to remain focused on the specific issues before the Commission and not run too far afield simply for the sake of information gathering. Since GMG's proposed purchase price for the innovative resource is less than 105% of the Ventura and Demarc index prices, it is recoverable under the statute and tangential information and price comparisons do not have relevance to the Commission's instant decision.

That said, in spirit of responsiveness to the Department's request, GMG has provided information that demonstrates that Emerson gas has consistently been less expensive than Ventura/Demarc gas. The tables appended hereto as Attachment C show monthly average information for Emerson, Demarc, and Ventura. GMG notes that the entirety of the tables are provided under trade secret designation, as GMG acquired the information from a proprietary service. A column has also been added to show 95% of the Ventura and Demarc average based on the statutory cost recovery benchmark of being within 5% of that average. A review of the information indicates that GMG's proposition is supported by evidence. Notably, the information also includes averages by incremental periods. While the four-year average includes the year of the Winter Storm Uri price spikes, the three-, two-, and one-year averages still show that Emerson gas is considerably less expensive than Ventura and Demarc gas. GMG is troubled by the language of the cost recovery statute that focuses only on Ventura and Demarc pricing, as many customers in Minnesota are served by gas taken off of Great Lakes or Viking. The cost recovery statute essentially endorses those customers paying more for innovative resources because it sets the upper limit pricing benchmark exclusively to Ventura and Demarc.

With regard to the numbering error and grammatical error that the Department noted, GMG has corrected them, and a corrected copy of the proposed Natural Gas Supply Agreement is appended hereto as Attachment D and incorporated by reference. GMG apologizes for the errors and appreciates the Department's suggestions.

GMG's proposed Natural Gas Supply Agreement provides for a fair and reasonable negotiated agreement between two business entities – GMG and an interconnected RNG producer. If the agreement makes good business sense for both entities, then they should be permitted to enter into it. If it does not for any reason, then neither party is obligated to enter into the agreement. The proposed agreement assures that if GMG were to be purchasing natural gas from an interconnected RNG producer, it would be doing so at a price for which its costs can be recovered. Because GMG's proposed Natural Gas Supply Agreement is fair and reasonable, protects its ratepayers, and serves the



public interest, GMG respectfully requests its cost recovery for natural gas acquired pursuant to use of the agreement be approved.

**7. GMG Will Agree to Several of the Department’s Recommended Reporting and Tracking Requirements.**

GMG does not oppose the Department’s request that it be required to make a compliance filing within 30 days of accepting a new producer’s natural gas into its system including the following information, if the information is known by the procedure and provided to GMG:

- 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; and,
- 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.

GMG respectfully notes that, given the open docket to address uniform reporting requirements related to RNG, identifying additional compliance filings will likely be superseded by a subsequent order. Nonetheless, GMG does not object to the following Department-recommended compliance filings in that they are consistent with the requirements imposed on Great Plains Natural Gas with regard to its similar RNG interconnection service:

- 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; and,
- e. Updated information for each interconnected RNG producer using the same data points as included in the per-producer compliance filing described above.

GMG respectfully objects to the proposed reporting requirements related to price comparisons and curtailment information, in the interest of uniform reporting requirements, and it notes that such reporting requirements were not required of Great Plains Natural Gas.

GMG agrees that, if any affiliates of GMG become involved in any RNG interconnection project, GMG will notify the Commission and the Department and comply with relevant affiliated interest laws.

GMG also agrees that it will, as it is already required to do, continue to monitor for opportunities that may be provided by the Inflation Reduction Act that align with its interconnection service.

Likewise, GMG does not object to being required to separately track its costs related to its RNG Interconnection Service and to track the total RNG received from each RNG supplier.

### **REQUEST FOR COMMISSION ACTION**

GMG's proposed RNG Interconnection Service and related documents, as amended herein, are sufficiently similar to previously approved RNG interconnection tariffs to maintain consistency within the industry. GMG's proposed documents comply with the law, enable the parties to agreements to conduct business predictably, and serve the public interest. Likewise, GMG's proposal for the purchase of natural gas meets the requirements to allow cost recovery for the commodity. Accordingly, GMG respectfully requests that the Commission approve its proposed RNG Interconnection Service tariff provisions and proposed Interconnection Agreement as reflected herein; and, that it approve GMG's proposed Supply Agreement as reflected herein and authorize GMG to seek cost recovery for the natural gas commodity by inclusion in its PGA mechanism.

Dated: November 8, 2024

Respectfully submitted,  
/s/  
Kristine A. Anderson  
Corporate Attorney  
Greater Minnesota Gas, Inc.  
1900 Cardinal Lane  
Faribault, MN 55021  
Phone: 507-209-2110

**Greater Minnesota Gas, Inc.**  
**Faribault, Minnesota 55021**  
**Gas Rate Book**

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**RENEWABLE NATURAL GAS PRODUCER  
INTERCONNECTION SERVICE  
Rate Code RNG IC-1**

Section V

Sheet No. \_\_\_\_\_

**Availability**

Available to any producer of renewable natural gas (RNG) in All Rate Areas.

**Applicability and Character of Service**

Service under this rate schedule applies to any producer of renewable natural gas (RNG) or natural gas derived from RNG by removal of the environmental attributes (NG) who has entered into a Renewable Natural Gas Facilities Interconnection Agreement (Interconnection Agreement) for the purpose of GMG receiving RNG or NG utilizing the Company's distribution system at a metered location on Customer's premises. For purposes of this tariff and the Interconnection Agreement, RNG means pipeline compatible gaseous fuel that has been derived from the anaerobic biological decomposition of organic materials and NG means the RNG without the associated environmental attributes. The Company's acceptance of Customer's RNG or NG is contingent upon the RNG or NG meeting or exceeding the Company's testing and quality specifications as set forth in Company's Gas Quality Specification as detailed in the Interconnection Agreement. Service under this rate schedule is subject to the terms and conditions contained in the Interconnection Agreement.

Once approved as a Customer under the rate schedule, the acceptance of a producer's RNG or NG is contingent on the RNG or NG meeting the testing and quality requirements set forth in the Interconnect Agreement on an ongoing basis.

Service under this rate schedule is not available to any RNG producer that derives or collects RNG or NG from a hazardous waste landfill.

**Rate**

Maintenance Fee As set forth in Interconnection Agreement

Renewable Natural Gas Producer Interconnection Service is not subject to charges billed under the ECO Conservation Improvement Program or other rate riders based on natural gas consumption or transportation as may exist from time to time.

**Monthly Minimum Charge**

Maintenance Fee plus applicable taxes and any resulting pipeline or supply charges assessed to Company and caused by Customer's interconnection activities.

**Late Payment Charge**

Any unpaid balance over \$10.00 is subject to a 1.5% late payment charge or \$1.00, whichever is greater, after the date due. The charge may be assessed as provided in the General Rules and Regulations, Section VI-2.

**Nomination and Gas Delivery Specifications**

Customer must supply the volumes designated in the Interconnection Agreement, at the rate and pressure specified in the Interconnection Agreement, and consistent with the quality requirements set forth in Company's Gas Quality Specification as detailed in the Interconnection Agreement.

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Date Filed: June 24, 2024  
By: Cody Chilson  
President

Effective Date: \_\_\_\_\_

Docket No. G022/M-24-\_\_\_\_\_

Order Date: \_\_\_\_\_

**RENEWABLE NATURAL GAS PRODUCER  
INTERCONNECTION SERVICE  
Rate Code RNG IC-1**

Section V

Sheet No. \_\_\_\_

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**Interconnection Agreement**

Customer must sign a separate Interconnection Agreement for each delivery point.

**Customer Interconnection Reimbursement**

Consistent with the terms set forth in the Interconnection Agreement, extension of Interconnection service to Customer shall be subject to payment by Customer for all costs incurred by Company to design, install, and construct required interconnection facilities to provide service. 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.

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Date Filed: June 24, 2024  
By: Cody Chilson  
President

Effective Date: \_\_\_\_\_

Docket No. G022/M-24-\_\_\_\_\_

Order Date: \_\_\_\_\_

**RENEWABLE NATURAL GAS INTERCONNECTION AGREEMENT  
BETWEEN  
GREATER MINNESOTA GAS, INC. AND [RNG PRODUCER]**

THIS RENEWABLE NATURAL GAS INTERCONNECTION AGREEMENT (Agreement) is made and entered into as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Greater Minnesota Gas, Inc., a Minnesota corporation (GMG), and [RNG Producer], a [state and type of company] (Producer). GMG and Producer are also referred to herein individually as a "Party" and collectively as the "Parties."

**RECITALS**

WHEREAS, GMG owns and operates an intrastate natural gas distribution system within the State of Minnesota and is regulated by the Minnesota Public Utilities Commission (MPUC); and,

WHEREAS, Producer does or will own and operate an anaerobic digester and related biogas conditioning and upgrading facilities to collect, treat, and compress gas generated from biomass at [Producer's location where interconnect facilities will be located], Minnesota to produce pipeline ready renewable natural gas (Production Facility) and Producer has exclusive rights to the biomass generated at the Production Facility; and,

WHEREAS, Producer desires to inject pipeline ready natural gas generated at the Production Facility into the GMG distribution network via an interconnection point and meter station as further described herein; and,

WHEREAS, GMG desires to receive the natural gas generated at the Production Facility into GMG's natural gas distribution system (GMG's System); and,

WHEREAS, the Parties desire to set forth additional terms and conditions regarding their respective rights and obligations related to transactions for the injection of the natural gas produced by Producer's Production Facility, and the related interconnect, whereby GMG will be the Party receiving the natural gas and Producer will be the Party delivering the natural gas; and,

WHEREAS, the Parties have negotiated and agreed to the terms contained herein;

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

**AGREEMENT**

**ARTICLE 1  
Definitions**

Capitalized terms that are not otherwise defined herein shall be given the following meanings for purposes of this Agreement:

1.1 "Confidential Information" means: (a) any confidential, non-public information, or materials of the disclosing Party or its affiliates provided by such Party or any of its representatives pursuant to this Agreement whether in tangible form or disclosed orally, and all notes, analyses, compilations, studies, interpretations, memoranda, reports, or other documents (regardless of the form thereof) prepared by the Party receiving such information or materials (or such Party's representatives) which contain, reflect, or are based upon, in whole or in part, any such information or materials; (b) the trade secrets of any Party; and (c) all technical information, whether or not any such information is specifically identified as confidential. "Confidential Information" shall not include (d) information or materials that the receiving Party can demonstrate (i) at the time of disclosure or thereafter is generally available to and known to the public or became generally available to and known to the public other than as the result of the act or omission attributable to the receiving Party or any of its representatives; (ii) is developed by the receiving Party or any of its representatives without reliance on any Confidential Information; or (iii) is or was available to the receiving Party or its representatives on a non-confidential basis from a source other than the disclosing Party or the disclosing Party's affiliates who, insofar as is known to the receiving Party or its representatives, after reasonable inquiry, is not prohibited from transmitting such information to the receiving Party or its representatives by a contractual, legal or fiduciary obligation to the disclosing Party; or (e) information or materials disclosed by a Party to such Party's affiliates or such Party's or such Party's affiliates' representatives.

1.2 "Environmental Attributes" shall mean carbon credits, greenhouse gas offsets, green tags, renewable energy credits, production tax credits, allowances for air emissions, or renewable identification numbers, nutrient trading credits, similar financial incentives or subsidies, or other similar instruments under the federal Renewable Fuels Standard, state-based Low Carbon Fuels Standard, or any other local, state, regional, federal, or international environmental programs providing incentives or credits, or any other environmental attributes associated with renewable natural gas, renewable transportation fuels, bio-fertilizers, or other products generated by the anaerobic digestion, processing of organic materials, or otherwise from operation of the Facilities, and any credits, grants, or incentive payments derived therefrom.

1.3 "Environmental Laws" shall mean any applicable federal, state, county, municipal, or local Laws, statutes, rules, regulations, Orders, consent decrees, decrees, judgments, Permits, licenses, covenants, deed restrictions, ordinances, or other requirements or standards of any kind or nature, as now existing or hereafter in effect relating to: (i) pollution or the regulation or protection of health, safety, natural resources, or the environment, including, without limitation, those relating to releases, discharges, emissions, injections, leachings, or disposals of hazardous substances or hazardous materials into air, water, land, or groundwater, to the withdrawal or use of groundwater, or to the use, handling, treatment, removal, storage, disposal, processing, distribution, transport, or management of hazardous substances; or (ii) the construction, installation, maintenance, repair or operation of the Production Facility. "Environmental Laws" shall include, but shall not be limited to: the Clean Air Act; the federal Water Pollution Control Act; the Safe Drinking Water Act; the Toxic Substances Control Act; the Comprehensive Environmental Response, Compensation and Liability Act, as amended by the Superfund Amendments and Reauthorization Act of 1986; the Resource Conservation and Recovery

Act, as amended by the Solid and Hazardous Waste Amendments of 1984; the Occupational Safety and Health Act; the Hazardous Materials Transportation Act; the Oil Pollution Act of 1990; and any similar federal, state, or local statutes and regulations, all as amended from time to time.

1.4 “Natural Gas” or “NG” shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane and meeting the GMG gas quality specifications – whether the origin is fossil or renewable – but not including the Environmental Attributes of RNG as defined in 1.2.

1.5 “Pipeline Ready” shall mean RNG that meets all of GMG’s Gas Quality Specifications contained herein, and which may be updated from time to time.

1.6 "Prudent Industry Practices" means the practices, methods, and standards of professional care, skill, and diligence engaged in or approved by a significant portion of the renewable natural gas and biogas industries for facilities of similar size, type, and design, that in the exercise of reasonable judgment, in light of the facts known at the time, would have been expected to accomplish results consistent with law, regulation, reliability, safety, environmental protection, applicable codes, and standards of economy, and expedition. Prudent Industry Practices are not intended to be defined as one optimal standard practice method or act to the exclusion of others, but rather refer to a range of actions generally accepted in the industry as reasonable under the circumstances.

1.7 “Renewable Natural Gas” or “RNG” shall mean Gas derived from the decomposition of organic matter including any associated Environmental Attributes.

## **ARTICLE 2**

### **Construction and Operation of the Interconnect Facilities**

2.1 GMG Facilities. The facilities listed in this Section shall be designed, procured, constructed, installed, owned, and operated by GMG (GMG Facilities) with costs of such facilities to be reimbursed by Producer as set forth in the Agreement. The Parties agree that the implementation of this Agreement shall be at no cost to GMG and that Producer shall reimburse GMG in accordance with the provisions of this Agreement with respect to the design, construction, installation, ownership, operation, or maintenance of the facilities:

- 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.

2.2 Producer Facilities. The facilities listed in this Section shall be owned by Producer (Producer Facilities). Producer Facilities will be designed, procured, constructed, and installed by the Producer at the interconnect location at the sole cost and expense of Producer, as indicated below:

- 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.

2.3 Facilities Design and Construction. Each Party, as applicable to its responsibilities under this Agreement, represents and warrants that its facilities shall be designed, procured, constructed, installed, and operated in accordance with (a) all valid and applicable laws, regulations, codes, rules, ordinances, and directives of all applicable federal, state, local and tribal authorities, if any, having jurisdiction over such facilities including, without limitation, the provisions of Title 49 of the Code of Federal Regulations, Part 192, commonly referred to as the "Pipeline Safety Regulations" (Governmental Authorizations), (b) all applicable Environmental Laws, and (c) specifications required by GMG and provided to Producer in writing that are (i) reasonable, and (ii) typical in the natural gas industry for facilities of the same type (Specifications).

2.4 Interconnect Construction Documentation. Prior to the start of construction, in order to verify compliance with the Specifications, Producer shall submit to GMG a complete set of reproducible construction drawings for the Producer Facilities and any other relevant information reasonably requested by GMG (collectively, the "Design Documentation"). As soon as reasonably practicable following Producer's submission of the Design Documentation, including any resubmission(s), GMG shall deliver written notice to Producer either (a) approving the Design Documentation or (b) setting forth, with particularity, GMG's reasonable objections or concerns relative to the Design Documentation (e.g., non-conformity with the Governmental Authorizations, Environmental Laws, and/or Specifications). If GMG delivers written notice of any objections or concerns to Producer, representatives of the Parties shall confer within fifteen (15) days following Producer's receipt of said notice for the purpose of working cooperatively, and in good faith, to resolve such objections and concerns. Within ninety (90) days after the Producer Facilities and GMG Facilities are installed, in accordance with this Agreement, and capable of flowing natural gas, Producer shall furnish GMG (i) "As Built" drawings of the interconnect and (ii) all such other information that is required for GMG to comply with the



## Pipeline Safety Regulations.

2.5 GMG Inspection of Producer Facilities. GMG shall have the right to have its representatives present during the installation of the Producer Facilities. GMG's representatives may be present to observe whether Producer is satisfying its obligations under this Agreement in accordance with the Governmental Authorizations, Environmental Laws, and Specifications and in a manner that will be acceptable for GMG to perform the services provided herein. GMG shall be provided with access to Producer's odorizer equipment to identify injection levels.

2.6 Facility Access. Ingress and egress to the interconnect site shall be through the existing public right-of-way or other method obtained by Producer. Producer shall be responsible for maintaining access to the interconnect site. GMG and Producer or their respective designees have the right, but not the obligation, to access the interconnect site at all reasonable times for the purpose of verifying that the interconnect facilities are being operated, maintained, inspected, and tested in accordance with this Agreement. Each Party shall ensure that any enclosure around the interconnect site and/or the interconnect is properly locked and secured before leaving the premises. Producer shall maintain the landscaping and physical area around the interconnect site to ensure that any grass and/or vegetation is mowed and/or trimmed and that the area remains clear of snow and ice.

2.7 Construction Near Facilities. Except as provided in Section 2.14, Producer shall provide GMG at least five business days' prior notice, in a manner consistent with industry practice, before performing any construction or maintenance work that could impact service at or near any of GMG's pipeline facilities. GMG shall have the right to have its representatives present during any construction or material maintenance work performed by Producer near GMG's pipeline facilities. GMG shall perform the activities necessary to connect the Producer Facilities to the GMG Facilities. Except as provided in Section 2.14, GMG shall provide Producer at least five business days' prior notice, in a manner consistent with industry practice, before performing any construction or maintenance work that could impact service at or near any of Producer's pipeline facilities. Producer shall have the right to have its representatives present during any construction or material maintenance work performed by GMG near Producer's pipeline facilities.

2.8 Damage Notification. If any damage occurs to the interconnect, or if situations arise creating a reasonable likelihood that damage will occur to the interconnect, the Party causing the damage or identifying the potentially damaging situation shall immediately inform the other Party and, if a Party determines it necessary and as applicable to ensure the safety of the public, each Party's employees and each Party's construction, maintenance, or other related activities shall cease until the damage is repaired and/or the situation is remedied. The Party responsible for causing the damage shall be responsible for repairing the damage and/or remedying the situation.

2.9 Commencement of Construction, Commissioning, and Start-Up. Upon (a) Each Party's timely obtainment of all necessary contractor agreements and required materials, (b) the Parties' timely receipt of all necessary Governmental Authorizations, and (c) the GMG's receipt

of the full amount of the Facilities Payment pursuant to Section 2.16 herein, GMG will commence installation of GMG Facilities. The Parties shall coordinate all operations associated with commissioning the interconnect including, but not limited to, purging and activating the interconnect. No gas shall be delivered through the interconnect until (i) all necessary Governmental Authorizations have been received and accepted; (ii) the required facilities have been constructed, tested in accordance with the provisions herein to meet GMG's Gas Quality Specifications as set forth herein, which may be updated from time to time; and (iii) approved by both Parties. Producer acknowledges that this Interconnection Agreement is contingent upon the RNG interconnection being consistent with GMG's obligations to provide safe and reliable service and any applicable federal and state standards and requirements.

2.10 Services Provided by GMG. GMG shall provide the following services on an on-going basis throughout the Initial Term and any subsequent terms of this Agreement, unless earlier terminated:

- 2.10.1 Meter/Relief Valve/Telemetry maintenance on the GMG Facilities, and provide telemetry access and monthly injection statement to Producer for regulatory reporting;
- 2.10.2 Monthly odorant checks on gas entering the GMG System, including sniff tests and injection rate verification based on data obtained from Producer's odorizer;
- 2.10.3 Cathodic protection and atmospheric corrosion inspections of the GMG Facilities;
- 2.10.4 Meter maintenance and testing of the GMG Facilities;
- 2.10.5 Relief valve inspection and maintenance for the GMG Facilities;
- 2.10.6 Adjustment of GMG's System pressures as needed so that the RNG can be accepted into GMG's System year-round;
- 2.10.7 Line locating of the GMG Facilities;
- 2.10.8 Leak surveys of the GMG Facilities; and,
- 2.10.9 Emergency response for the GMG Facilities.

2.11 Services Provided by Producer. Producer or its contractor, subject to approval by GMG, shall provide the following services on an on-going basis throughout the Initial Term and any subsequent terms of this Agreement, unless earlier terminated:

- 2.11.1 Maintenance of Producer's Gas to Grid unit;
- 2.11.2 Lab analysis of the RNG, with copies of reports provided to GMG as specified for each appropriate testing and monitoring period, in accordance with the provisions of Article 6 herein;
- 2.11.3 Obtain and maintain a service agreement for not less than one year between Producer and the Gas to Grid manufacturer;
- 2.11.4 Provide ongoing maintenance consistent with Prudent Industry Practices for Producer's Gas to Grid unit, odorizer, and other Producer-owned facilities.

2.12 Flow Requirements. In the event that the amount of gas flowing through the GMG Facilities is more than the maximum design requirements of [quantity] dekatherms per day, GMG may shut-in the interconnect until (a) Producer has decreased receipts at the interconnect and/or (b) Producer, at its sole expense, has taken corrective actions that restore measurement accuracy to the extent reasonably required by GMG. Similarly, in the event that no gas flows through the interconnect for a period of two (2) years or more, GMG may change the status of the meter station to inactive and shut-in the interconnect until Producer, at its sole expense, has taken necessary actions to restore the interconnect to specifications as reasonably required by GMG.

2.13 Notification Requirements. Producer must notify GMG as soon as possible in the event of a gas quality concern, issue, or problem or any other concern, issue, or problem that will or is likely to impact the delivery of the RNG to GMG. Producer must notify GMG in advance regarding any plans to return to service after any interruption in the delivery of RNG.

2.14 Modifications, Repairs, and Service Outages. Each Party shall advise the other Party, as soon as reasonably practical and in a manner consistent with custom in the industry, before taking the interconnect out of service for modifications or repairs, provided that in the event of an emergency situation either Party may immediately commence repairs to its facilities and provide notice to the other Party as soon as reasonably practicable thereafter. GMG retains the unilateral right to change the operations of its facilities and/or upgrade its system.

2.15 Safety and Health. Each Party shall ensure that any time its employees, agents, contractors or subcontractors are accessing the other Party's facilities, such employees, agents, contractors or subcontractors are abiding by reasonable safety, operational and drug policies, practices and procedures, consistent with those customary in the natural gas industry, establishing minimum rules and standards to be followed while working on or near the interconnect.

2.16 Associated Costs. Producer shall be responsible to reimburse GMG for all costs and expenses, including labor and overhead charges, for the design, installation, construction, inspection or supervision during installation or construction associated with Company Facilities, including any applicable taxes incurred by Company, and to reimburse Company for the cost of operation and maintenance of Company facilities through the Monthly Maintenance Fee.

2.16.1 Producer shall pay GMG a contribution in aid of construction in the amount of [Amount] Dollars (\$\_\_\_\_\_) plus \$\_\_\_\_\_ per foot for footage in excess of \_\_\_ feet (Facilities Payment), which shall be paid in full prior to the commencement of construction of the GMG Facilities. Producer shall be responsible for and agrees to pay all reasonable costs including labor and overhead charges, design, installation, construction, inspection and supervision during installation or construction, and all taxes incurred by GMG. Within 60 days of completion of the GMG Facilities, GMG shall provide Producer with a reconciliation showing actual costs of the GMG Facilities. If the contribution in aid of construction payment exceeds

the actual costs for the GMG Facilities, GMG will refund Producer the difference within 60 days after all invoices have been received and all costs have been accounted for. If the actual cost of the GMG Facilities exceeds the contribution in aid of construction payment, Producer shall be responsible to pay the difference (the “True-Up Payment”) to GMG within 30 days. GMG will not accept deliveries of gas from Producer until the True-Up Payment has been received.

2.16.2 In addition, 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. In each month of the Initial Term and any subsequent renewal terms, GMG shall deliver an invoice to Producer for the monthly maintenance fee. Producer shall promptly process GMG’s invoices and submit payment monthly in accordance with its standard accounts payable practices but, in no event, shall payment be made on anything less than a monthly basis.

2.16.3 Producer shall reimburse GMG for all regulatory costs associated with any required approvals, compliance requirements, and similar reviews. GMG shall provide Producer with an invoice for reimbursement of GMG’s actual regulatory costs within 30 days of receiving invoices for regulatory charges. In the event that GMG is invoiced for costs related to filings that involve data and/or reporting for more than one interconnected producer, the associated regulatory costs shall be shared among the interconnected producers.

2.17 Natural Gas Service Not Included. None of the cost obligations stated in this Agreement include natural gas service that may be provided by GMG to the Production Facility or Producer’s Facilities. Any such service would be provided pursuant to appropriate customer agreement(s) in accordance with GMG’s service tariff at the tariffed rates.

2.18 Disconnection, Removal & Abandonment. Upon termination of this Agreement, or any subsequent renewal, Producer shall be responsible for the proper disconnection, removal, and abandonment of the Producer Facilities and Producer’s equipment in accordance with all Governmental Authorizations and at Producer’s sole cost, risk, and expense. GMG shall have the right to disconnect and remove the GMG Facilities and any other equipment owned by GMG from the Producer Facilities and custody transfer point upon termination of this Agreement.

### **ARTICLE 3**

#### **Gas Quality Specifications, Testing, and Monitoring Procedures for RNG Derived from Dairy or Other Animal Waste**

3.1 Gas Quality Specifications. All RNG received into GMG’s System shall conform to the Gas Quality Specifications listed herein. Producer shall demonstrate that the receipt gas meets the gas quality specifications. Prior to the initial delivery of gas into GMG’s System,

Producer must provide test results from a sample of the receipt gas from an approved laboratory. The sample analysis must demonstrate an acceptable level for each constituent before the gas will be allowed into GMG's System. The RNG must continue to meet the Gas Quality Specifications for ongoing acceptance of the RNG into GMG's System. These RNG Gas Quality Standards may be revised from time to time at GMG's sole discretion in accordance with Prudent Industry Practices upon written notice to Producer, with Producer being given time to comply with the changes in accordance with Prudent Industry Practices. As of the effective date of this Agreement, the Gas Quality Specifications are as follows:

- 3.1.1 All RNG shall have a total heating value (also known as gross heating value and higher heating value) of not less than nine hundred sixty-seven (967) BTUs per cubic foot, and not more than eleven hundred (1100) BTUs per cubic foot;
- 3.1.2 All RNG delivered shall be within the range of forty to seventy-five degrees Fahrenheit (40°F-75°F);
- 3.1.3 All RNG delivered shall be at a pressure between ninety-five (95) and one hundred (100) pounds per square inch gage pressure or another pressure mutually agreed upon;
- 3.1.4 All RNG shall have been odorized at a rate no less than half a pound (0.5) per million standard cubic feet of gas and no greater than one and a quarter pound (1.25) per million standard cubic feet. Producer shall adjust the odorization rate within the range as directed by GMG so that gas is readily detectable by a person with a normal sense of smell at a concentration in air of one-fifth of the lower explosive limit;
- 3.1.5 All RNG shall be commercially free (at prevailing pressure and temperature in GMG's System) from objectionable odors (except mercaptan used for odorant), dust, hydrocarbon liquids, water and any other substances that might become separated from the gas GMG's System, and Producer shall furnish, install, and maintain all devices and equipment required to effect compliance with such requirements;
- 3.1.6 All RNG shall contain no more than twenty (20) grains of total Sulphur; nor shall it contain more than one fourth (1/4) of one grain of hydrogen sulfide per one hundred (100) cubic feet;
- 3.1.7 All RNG shall not contain more than two-tenths of one percent (0.2%) by volume of oxygen, and Producer shall make every reasonable effort to keep gas free of oxygen;
- 3.1.8 All RNG shall not contain more than four percent (4%) by volume of a combined total of carbon dioxide and nitrogen components; provided, however, that the total carbon dioxide content shall not exceed three

percent (3%) by volume;

- 3.1.9 All RNG shall have been dehydrated by RNG Producer for removal of entrained water present therein in a vapor state, and in no event contain more than seven (7) pounds of entrained water per million cubic feet, at a pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch and a temperature of sixty degrees (60 degrees) Fahrenheit as determined by dew point apparatus approved by the Bureau of Mines or such other apparatus as may be mutually agreed upon;
- 3.1.10 All RNG shall not contain Ethylbenzene in a concentration of greater than 60 parts per million;
- 3.1.11 All RNG shall not contain Alkyl Thiols (Mercaptans) at a concentration of greater than one hundred twenty (120) parts per million;
- 3.1.12 All RNG shall not contain Toluene at a concentration of greater than twenty-four hundred (2,400) parts per million;
- 3.1.13 All RNG shall not contain Ammonia at a concentration of greater than ten (10) parts per million;
- 3.1.14 All RNG shall not contain Hydrogen at a concentration of greater than a thousand (1,000) parts per million;
- 3.1.15 All RNG shall not contain biologicals at a concentration of greater than four times ten to the fourth ( $4 \times 10^4$ ) per standard cubic foot. Biologicals may include acid producing bacteria, sulfate-reducing bacteria, or iron-oxidizing bacteria. Gas shall also be commercially free of bacteria greater than 0.2 microns in size.

3.2 Right to Refuse. GMG has the right to refuse to accept delivery of any RNG that does not meet the Gas Quality Specifications. GMG retains the right to accept non-conforming gas if, in the sole judgment of GMG, GMG determines that such acceptance will not adversely impact GMG's System or GMG's ability to maintain prudent and safe operations of GMG's System. GMG's acceptance of non-conforming gas shall neither constitute a waiver or amendment of the Gas Quality Specifications nor an assurance of future acceptance of non-conforming gas.

3.3 Compensation for Damage. Producer shall reimburse GMG for expenses incurred by or on behalf of GMG to repair and restore GMG's System due to damage or injury to GMG's System resulting from deliveries of RNG which do not conform to the Gas Quality Specifications.

3.4 Initial Testing. Prior to the injection of the RNG into GMG's System, Producer shall demonstrate that the RNG meets the Gas Quality Specifications. Such demonstration shall

include test results from a sample of the RNG produced at the Production Facility. The sample must be verified by GMG and an analysis of the RNG must demonstrate that the RNG meets acceptable levels of each component and constituent identified in the Gas Quality Specifications. The RNG must be conforming prior to GMG allowing injection to commence.

3.5 Initial Monitoring. After successful completion of the Initial Testing set forth in Section 3.4 herein, Producer shall take continuous recordings from its installed chromatographs to verify that the RNG meets the Gas Quality Specifications. GMG shall have access to view the readings. Additionally, Producer shall provide Company with test results of an analysis of the RNG from an approved laboratory every three months for the first twelve (12) month period of operation following the Commencement Date. The analysis must test for Ethylbenzene, Hydrogen Sulfide, Alkyl Thiols, Toluene, Ammonia, Hydrogen, and Biologicals. If, at any time, the RNG fails to meet the Gas Quality Specifications or the designated constituents' tolerance levels, the RNG will be shut in and Producer shall be required to repeat the Initial Test and Initial Monitoring Period protocol.

3.6 Operating Monitoring. After successfully completing the Initial Monitoring, Operating Monitoring shall commence, during which Producer shall continue to take continuous recordings from its installed chromatograph to verify that the RNG meets the Gas Quality Specifications. GMG shall have access to view the readings. Additionally, Producer shall provide GMG with test results of an analysis of the RNG from an approved laboratory every six months for as long as the Production Facility is in operation or this Agreement terminates, whichever occurs first. The analysis must test for Ethylbenzene, Hydrogen Sulfide, Alkyl Thiols, Toluene, Ammonia, Hydrogen, and Biologicals. If, at any time, the RNG fails to meet the Gas Quality Specifications or the designated constituents' tolerance levels, the RNG will be shut in and Producer shall be required to repeat the Initial Test and Initial Monitoring Period protocol.

3.7 Shut-In and Restart Procedures. The RNG may be shut-in at GMG's sole discretions upon the occurrence of any of the following:

- 3.7.1 The RNG is found to be not in compliance with any of the Gas Quality Specifications;
- 3.7.2 GMG determines that a change in the biogas source at the Production Facility or the Producer's Facilities will potentially increase the level of any constituent over the previously measured baseline levels;
- 3.7.3 The RNG contains constituents at concentrations which are at levels that are injurious to pipeline facilities or are at levels that present a health and/or safety hazard to GMG employees, contractors, and/or the general public; or
- 3.7.4 Any other issue GMG determines may jeopardize the safety or reliability of its employees, customers, service, or systems.

In the event GMG rejects the RNG for being outside of any specified gas quality range, Producer shall accept the rejected RNG from the point of interconnection. Prior to restarting injection after the RNG interconnect has been shut-in, Producer must have at least one continuous hour of gas quality within specifications per real-time monitoring and confirm the gas quality issue has been resolved to GMG's satisfaction. For each occurrence when RNG is shut-in from GMG's due to quality reasons (real time or laboratory testing), Producer shall promptly deliver to GMG a detailed report describing a) the cause of the out-of-specification parameter; b) steps taken to rectify the situation; and, c) upgraded process/operation/maintenance plan to ensure the situation does not occur again. For on-line real-time testing, flow can continue before the report is received. For off-site laboratory testing, Producer's report must be received before GMG's valve is opened.

3.8 Data Sharing. GMG shall have the right to share relevant RNG test results, whether taken by GMG or by Producer, with appropriate parties.

3.9 Change in Feedstock or Conditioning. Producer shall provide a minimum of thirty (30) days' advance notice to GMG before changing the RNG feedstock, feedstock source, or RNG conditioning process.

#### **ARTICLE 4 TERM AND TERMINATION**

4.1 Commencement Date. The "Commencement Date" for this Agreement shall be the first date, as reasonably determined by GMG, when Producer successfully completes the Initial Testing period as defined in Section 3.4 herein. If subsequent initial testing phases are required due to failure to meet the Gas Quality Specifications, the Commencement Date shall not be recalculated. At the time of execution of this Agreement, the Commencement Date is anticipated to be \_\_\_\_\_, 20\_\_\_\_. The Parties shall complete the Addendum Regarding Commencement Date memorializing the actual Commencement Date after it occurs.

4.2 Term. This Agreement shall be effective as of the date first written above and, unless earlier terminated as provided for herein, shall continue in full force and effect through (and including) the [number of years] (\_\_\_\_) annual anniversary of the Commencement Date (the Initial Term). Thereafter, the term of this Agreement shall automatically renew for successive [number] (\_\_\_\_) year terms unless one Party provides written notice to the other party at least one (1) year in advance of the end of the then-existing term that it does not wish to renew the term of this Agreement.

4.3 Early Termination by GMG. This Agreement may be terminated by GMG immediately upon written notice to Producer if: (a) by act or omission Producer breaches or defaults on any material term or condition of this Agreement and Producer fails to cure such breach or default within thirty (30) calendar days after written notice from GMG; (b) Producer becomes insolvent, makes an assignment for the benefit of creditors, has a receiver appointed over all or any portion of its property, becomes the subject of an "order for relief" as that term is used in the U.S. Bankruptcy Code, or is liquidated or dissolved or its affairs are wound up; (c) Producer fails to provide delivery of the RNG to the interconnection point for in excess of three



hundred and sixty-five (365) consecutive days after the Commencement Date, or (d) action of the Minnesota Public Utilities Commission, order, rule, ordinance, or statute causes this Agreement to become void, requires modification of any material term or condition of this agreement, or otherwise requires GMG to terminate this Agreement.

4.4 Early Termination by Producer. This Agreement may be terminated by Producer immediately upon written notice if: (a) by act or omission, GMG breaches or defaults on any material term or condition of this Agreement and GMG fails to cure such breach or default within thirty (30) calendar days after written notice from Producer; or (b) GMG becomes insolvent, makes an assignment for the benefit of creditors, has a receiver appointed over all or any portion of its property, becomes the subject of an “order for relief” as that term is used in the U.S. Bankruptcy Code, or is liquidated or dissolved or its affairs are wound up.

4.5 Effect of Termination. Neither expiration nor termination of this Agreement shall affect the rights or responsibilities of the Parties hereunder that accrued prior to expiration or termination. Article 5 shall survive expiration or termination.

## **ARTICLE 5 MISCELLANEOUS PROVISIONS**

5.1 Failure to Perform. If a Party fails to comply with any of its material obligations under this Agreement, the counterparty will notify that Party of such failure as soon as reasonably possible under the circumstances. If the non-performing Party does not remedy such failure within thirty (30) days following notice from the counterparty, the Parties shall negotiate in good faith for an additional thirty (30) days thereafter to resolve the matter. If, at the end of such thirty-day negotiation period, the Parties are unable to agree to a plan to resolve the matter, either Party may suspend its rights to perform under this Agreement or alternatively, to terminate this Agreement in accordance with the provisions herein.

5.2 Insurance. Each Party shall carry and maintain casualty, liability, and such other types of insurance or such levels of self-insurance as may be necessary to cover all losses or damages arising out of its performance of its obligations under this Agreement. Each party further agrees that it shall provide the counter-party evidence of such insurance or self-insurance upon written request and, upon request, shall include the counter-party as an additional insured under such policies.

5.3 Representations and Warranties. Producer represents and warrants that the RNG delivered to GMG pursuant to this Agreement shall conform to the Gas Quality Specifications. Each Party represents and warrants that its operations pursuant to this Agreement shall be in compliance and in accordance with all Governmental Authorizations, (b) all applicable Environmental Laws, and the Gas Quality Specifications.

5.4 Limitation of Liability. **NEITHER PARTY SHALL BE LIABLE FOR (I) ANY OBLIGATIONS WHATSOEVER ARISING FROM TORT CLAIMS (INCLUDING WITHOUT LIMITATION SUCH CLAIMS BASED UPON NEGLIGENCE OR STRICT LIABILITY), OR (II) ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT,**

**EXEMPLARY, OR CONTINGENT DAMAGES WHATSOEVER, WHETHER BASED ON BREACH OF CONTRACT, WARRANTY, TORT, OR ANY OTHER LEGAL OR EQUITABLE THEORY. EACH PARTY HEREBY DISCLAIMS THE OBLIGATIONS AND DAMAGES DESCRIBED IN CLAUSES (I) AND (II), REGARDLESS OF WHETHER GMG HAS BEEN GIVEN NOTICE OF THE POSSIBILITY OF SUCH OBLIGATIONS OR DAMAGES.** Without limiting the generality of the foregoing, each Party specifically disclaims any liability for (i) special or punitive damages, penalties, damages for lost profits or revenues, loss of other equipment or systems, cost of capital, cost of substitute products or other equipment or systems, delay in performance, downtime, or shutdown or slowdown costs; and (ii) any other types of economic loss (but excluding direct damages). NOTWITHSTANDING THE FOREGOING, THE LIMITATIONS ON DAMAGES IN THIS SECTION SHALL NOT LIMIT ANY AMOUNTS PAYABLE BY AN INDEMNIFYING PARTY UNDER SECTION 5.5 AS INDEMNIFICATION FOR DAMAGES PAID TO A THIRD PARTY IN A CLAIM THAT IS SUBJECT TO INDEMNITY UNDER SECTION 5.5.

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

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

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

If to GMG, to:

President  
Greater Minnesota Gas, Inc.  
1900 Cardinal Lane  
Faribault, MN 55021  
[email address]

If to Producer, to:

[Producer]  
[Address]  
[email address]

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

5.7 Assignment; No Third-Party Beneficiaries Neither Party may assign this Agreement or its rights or obligations hereunder, in whole or in part, voluntarily or by operation of law, without the prior written consent of the other Party, which shall not be unreasonably withheld, and any attempted assignment without such consent shall be null and void and without legal effect. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the Parties and their respective permitted successors and permitted assigns. Nothing contained in this Agreement shall be deemed to confer upon any other person or entity any right or remedy under or by reason of this Agreement. Notwithstanding the foregoing, GMG consents to Producer assigning this agreement to project lenders, or related project financing entities without its prior written consent.

5.8 Severability. If a court of competent jurisdiction determines any provision(s) of this Agreement to be illegal or excessively broad, then this Agreement shall be construed so that the remaining provisions shall not be affected but shall remain in full force and effect, and any such illegal or excessively broad provision(s) shall be deemed, without further action on the part of any person, to be modified, amended, and/or limited to the extent necessary to render the same valid and enforceable in such jurisdiction.

5.9 Amendment and Waiver. No provisions of this Agreement may be modified, waived, or discharged unless such modification, waiver, or discharge is agreed to in a writing executed by GMG and Producer. No action taken pursuant to this Agreement shall be deemed to constitute a waiver by the Party taking such action of compliance with any representations, warranties, covenants, or agreements contained in this Agreement. No waiver by either Party at any time of any breach by the other Party of, or compliance with, any provision of this Agreement to be performed by such other Party shall be deemed a waiver of similar or dissimilar provisions at the same or at any prior or subsequent time.

5.10 MPUC Approval. GMG shall be responsible for obtaining approval from the Minnesota Public Utilities Commission for the transactions contemplated under this Agreement, if necessary ("MPUC Approval"); provided, however, Producer shall cooperate and exercise reasonable efforts to support and assist GMG in obtaining MPUC Approval which support shall include participating in regulatory proceedings and providing non-Confidential Information concerning Producer's operations. In the event that GMG is unable to obtain any required MPUC

Approval, GMG shall have the right, in its sole discretion after consultation with Producer and after determining that no other commercially viable options for the receipt of the RNG by GMG or one of its affiliates or customers exists, to immediately terminate this Agreement upon written notice to Producer.

5.11 Reporting Requirements. Producer shall provide GMG with the following information as required by the Minnesota Public Utilities Commission prior to GMG accepting RNG at the interconnection site:

5.11.1 Producer's feedstock or feedstocks.

5.11.2 The total amount of RNG expected to be provided by Producer.

5.11.3 The mix of end-uses of the digestate.

5.11.4 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.

Producer shall notify GMG and provide updated reporting within 30 days in the event any of the information reported pursuant to this Section changes or additional information is available during the term of this Agreement. By January 5<sup>th</sup> of each calendar year, Producer shall provide GMG with the same information for the preceding calendar year. Reporting requirements are subject to change by order of the Minnesota Public Utilities Commission from time to time and, upon notice of the same from GMG, Producer agrees to provide supply any required reporting information that is reasonably available to report.

5.12 Regulatory Changes. If state or federal regulatory requirements related to the ownership and operation of the interconnect facilities change, the Parties shall engage in good faith discussions regarding changes to the terms of this Agreement necessitated by said regulatory changes.

5.13 Documentation. The Parties understand that the intent of the Producer is to generate Environmental Attributes within one or more regulatory or voluntary programs and as such additional documentation may be required for third-party verification of the attributes. The Parties agree in good faith to meet such reporting and documentation requirements, including but not limited to the following:

5.13.1 Producer may request that the Parties execute a North American Energy Standard Board base contract and Terms and Conditions agreement containing the same commercial and legal terms of this Agreement, if needed for Environmental Attribute generation and verification, and GMG agrees to review and execute such agreements provided that they contain the same terms and conditions as previously agreed.

5.13.2 GMG agrees to provide a Monthly Injection Statement with volumetric

and other supporting data as needed.

5.14 Entire Agreement. This Agreement supersedes all prior agreements, whether oral or in writing, between the Parties with respect to its subject matter and constitutes the complete and exclusive statement of the terms of the agreement between the Parties with respect to its subject matter. There have been and are no conditions, agreements, representations, or warranties between the Parties with respect to the subject matter of this Agreement other than those set forth or provided for in this Agreement.

5.15 Counterparts; PDF Signatures. This Agreement may be executed by PDF signature pages and in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

5.16 Governing Law. **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF MINNESOTA EXCLUDING ANY CHOICE-OF-LAW RULES THAT MAY DIRECT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.** Each Party stipulates that any dispute or disagreement between the Parties as to the interpretation of any provision of, or the performance of obligations under, this Agreement shall be commenced and prosecuted in its entirety in, and consents to the exclusive jurisdiction and proper venue of, the federal or state courts located in the State of Minnesota and each Party consents to personal and subject matter jurisdiction and venue in such courts and waives and relinquishes all right to attack the suitability or convenience of such venue or forum by reason of such Party's present or future domiciles or by any other reason. The Parties acknowledge that all directions issued by the forum court, including, without limitation, all injunctions and other decrees, will be binding and enforceable in all jurisdictions and countries. **EACH PARTY WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY SUCH DISPUTE OR DISAGREEMENT.**

5.17 Force Majeure. If either Party is rendered unable, in whole or in part, by Force Majeure to carry out its obligations under this Agreement, then such Party shall give notice to the other Party, in accordance with this Agreement, including reasonably full particulars of such Force Majeure event within a reasonable time after it becomes aware of the occurrence of the Force Majeure, and the obligations of such Party, insofar as they are affected by such Force Majeure, shall be suspended from the commencement of such Force Majeure through the continuance of any inability so caused, but for no longer period, and such Force Majeure shall, so far as possible, be remedied by the affected Party with all reasonable dispatch. Force Majeure shall include but not be limited to the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars; and (iv) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, or regulation promulgated by a governmental authority having jurisdiction. Parties shall make reasonable efforts to avoid

the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance. Any suspension of obligation for reasons of Force Majeure shall be proportional to the effect of such Force Majeure on the particular obligation from which relief is sought, and shall not relieve any Party from its obligation to make payments hereunder which were due prior to such Force Majeure.

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

**GREATER MINNESOTA GAS, INC.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**[RNG PRODUCER]**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**ADDENDUM  
REGARDING COMMENCEMENT DATE**

THIS ADDENDUM (the “Addendum”) amends and supplements that certain Renewable Natural Gas Interconnection Agreement (the “Agreement”) by and between Greater Minnesota Gas, Inc and [RNG Producer] dated \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

For all purposes of the Agreement, the Commencement Date is deemed to be \_\_\_\_\_, 20\_\_.

IN WITNESS WHEREOF, this Addendum is executed as of the date of the Agreement.

**GREATER MINNESOTA GAS, INC.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**[RNG PRODUCER]**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_





	(9)	(10)	(11)	(12)	(13)	(14)
	Emerson Average	Demarcation/Ventura Average	95% of Gas Daily NNG Demarcation/Ventura Index Average	GMG Equivalent Gas Price Average	Demarcation/Ventura Average Premium to Emerson	GMG Equivalent Gas Price Premium to Emerson
1-Year						
2-Year						
3-Year						
4-Year						

**[TRADE SECRET DATA ENDS]**

**NATURAL GAS SUPPLY  
AGREEMENT BETWEEN  
GREATER MINNESOTA GAS, INC. AND [RNG PRODUCER]**

THIS NATURAL GAS SUPPLY AGREEMENT (Agreement) is made and entered into as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Greater Minnesota Gas, Inc., a Minnesota corporation (GMG), and [RNG Producer], a [state and type of company] (Producer). GMG and Producer are also referred to herein individually as a "Party" and collectively as the "Parties."

**RECITALS**

WHEREAS, GMG owns and operates an intrastate natural gas distribution system within the State of Minnesota and is regulated by the Minnesota Public Utilities Commission (MPUC); and,

WHEREAS, Producer does or will own and operate an anaerobic digester and related biogas conditioning and upgrading facilities to collect, treat, and compress gas generated from biomass at [Producer's location where interconnect facilities will be located], Minnesota to produce pipeline ready renewable natural gas (Production Facility) and Producer has exclusive rights to the biomass generated at the Production Facility; and,

WHEREAS, Producer has entered into a Renewable Natural Gas Interconnection Agreement with GMG to inject pipeline ready renewable natural gas (RNG) generated at the Production Facility into the GMG distribution network and Producer desires to sell natural gas to GMG while retaining the RNG's Environmental Attributes; and,

WHEREAS, GMG desires to purchase natural gas generated at the Production Facility for use in GMG's natural gas distribution system (GMG's System); and,

WHEREAS, the Parties desire to set forth additional terms and conditions regarding their respective rights and obligations related to transactions for the sale and purchase of natural gas produced by Producer's Production Facility, whereby GMG will be the Party purchasing and receiving the natural and Producer will be the Party selling and delivering the natural gas; and,

WHEREAS, the Parties have negotiated and agreed to the terms contained herein;

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

**AGREEMENT**

**ARTICLE 1  
Definitions**

Capitalized terms that are not otherwise defined herein shall be given the following meanings for purposes of this Agreement:

1.1 "Confidential Information" means: (a) any confidential, non-public information, or materials of the disclosing Party or its affiliates provided by such Party or any of its representatives pursuant to this Agreement whether in tangible form or disclosed orally, and all notes, analyses, compilations, studies, interpretations, memoranda, reports, or other documents (regardless of the form thereof) prepared by the Party receiving such information or materials (or such Party's representatives) which contain, reflect, or are based upon, in whole or in part, any such information or materials; (b) the trade secrets of any Party; and (c) all technical information, whether or not any such information is specifically identified as confidential. "Confidential Information" shall not include (d) information or materials that the receiving Party can demonstrate (i) at the time of disclosure or thereafter is generally available to and known to the public or became generally available to and known to the public other than as the result of the act or omission attributable to the receiving Party or any of its representatives; (ii) is developed by the receiving Party or any of its representatives without reliance on any Confidential Information; or (iii) is or was available to the receiving Party or its representatives on a non-confidential basis from a source other than the disclosing Party or the disclosing Party's affiliates who, insofar as is known to the receiving Party or its representatives, after reasonable inquiry, is not prohibited from transmitting such information to the receiving Party or its representatives by a contractual, legal or fiduciary obligation to the disclosing Party; or (e) information or materials disclosed by a Party to such Party's affiliates or such Party's or such Party's affiliates' representatives.

1.2 "Environmental Attributes" shall mean carbon credits, greenhouse gas offsets, green tags, renewable energy credits, production tax credits, allowances for air emissions, or renewable identification numbers, nutrient trading credits, similar financial incentives or subsidies, or other similar instruments under the federal Renewable Fuels Standard, state-based Low Carbon Fuels Standard, or any other local, state, regional, federal, or international environmental programs providing incentives or credits, or any other environmental attributes associated with renewable natural gas, renewable transportation fuels, bio-fertilizers, or other products generated by the anaerobic digestion, processing of organic materials, or otherwise from operation of the Facilities, and any credits, grants, or incentive payments derived therefrom.

1.3 "Environmental Laws" shall mean any applicable federal, state, county, municipal, or local Laws, statutes, rules, regulations, Orders, consent decrees, decrees, judgments, Permits, licenses, covenants, deed restrictions, ordinances, or other requirements or standards of any kind or nature, as now existing or hereafter in effect relating to: (i) pollution or the regulation or protection of health, safety, natural resources, or the environment, including, without limitation, those relating to releases, discharges, emissions, injections, leachings, or disposals of hazardous substances or hazardous materials into air, water, land, or groundwater, to the withdrawal or use of groundwater, or to the use, handling, treatment, removal, storage, disposal, processing, distribution, transport, or management of hazardous substances; or (ii) the construction, installation, maintenance, repair or operation of the Production Facility. "Environmental Laws" shall include, but shall not be limited to: the Clean Air Act; the federal Water Pollution Control Act; the Safe Drinking Water Act; the Toxic Substances Control Act; the Comprehensive Environmental Response, Compensation and Liability Act, as amended by the Superfund Amendments and Reauthorization Act of 1986; the Resource Conservation and Recovery Act, as amended by the Solid and Hazardous Waste Amendments of 1984; the Occupational Safety and

Health Act; the Hazardous Materials Transportation Act; the Oil Pollution Act of 1990; and any similar federal, state, or local statutes and regulations, all as amended from time to time.

1.4 “Natural Gas” or “NG” shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane and meeting the GMG gas quality specifications – whether the origin is fossil or renewable – but not including the Environmental Attributes of RNG as defined in 1.7.

1.5 “Pipeline Ready” shall mean NG or RNG that meets all of the Gas Quality Specifications contained in that certain Renewable Natural Gas Interconnection Agreement between the Parties related to the same Production Facility.

1.6 "Prudent Industry Practices" means the practices, methods, and standards of professional care, skill, and diligence engaged in or approved by a significant portion of the renewable natural gas and biogas industries for facilities of similar size, type, and design, that in the exercise of reasonable judgment, in light of the facts known at the time, would have been expected to accomplish results consistent with law, regulation, reliability, safety, environmental protection, applicable codes, and standards of economy, and expedition. Prudent Industry Practices are not intended to be defined as one optimal standard practice method or act to the exclusion of others, but rather refer to a range of actions generally accepted in the industry as reasonable under the circumstances.

1.7 “Renewable Natural Gas” or “RNG” shall mean Gas derived from the decomposition of organic matter including any associated Environmental Attributes.

## **ARTICLE 2**

### **Purchase and Sale of Natural Gas**

2.1 Purchase and Sale of the NG. From and after the Commencement Date, subject to the terms and conditions of this Agreement, Producer shall supply Pipeline Ready NG to GMG at the interconnection point and GMG shall purchase the NG. Title to and risk of loss of the NG shall transfer from Producer to GMG at the interconnection point.

2.2 Environmental Attributes. Producer shall retain all rights to the Environmental Attributes (as defined above) associated with the RNG that it produces. GMG agrees that it does not have any claim on Environmental Attributes associated with the NG purchased under this Agreement.

2.3 Purchase and Sale Requirement. During the term of this Initial Term of this Agreement and any subsequent renewal terms, beginning on the Commencement Date, Producer shall provide produced NG and GMG shall purchase up to [amount] dekatherms of NG per day from Producer. If GMG’s market conditions change such that it can no longer redeliver the agreed upon NG supply to its customers through displacement, Producer shall have the option to either suspend production or to pay for all costs associated with modifying GMG’s facilities to allow for injection of producer’s gas into the relevant interstate pipeline.

2.4 Pricing and Payments for Deliveries. 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. In each month of the Initial Term and any subsequent renewal terms, Producer shall deliver an invoice to GMG for deliveries at the designated price reflecting the amount owing to Producer for GMG's purchases of RNG during the preceding month within 10 days following the completion of the month. GMG shall process Producer's invoices and submit payment monthly in accordance with its standard accounts payable practices but, in no event, shall payment be made on anything less than a monthly basis. In the event that the amount of an invoice is disputed, GMG may withhold payment on the disputed portion of the invoice while the Parties work to resolve the dispute, but GMG shall make payment of the undisputed amounts.

2.5 Taxes. Each Party shall be solely responsible for any and all federal, state, and local fuel use taxes, sales taxes, excise taxes, value-added taxes, duties, customs, inspection or testing fees, and all other taxes, fees, interest and charges of any nature whatsoever imposed on it as a result of the buying and selling of the NG between GMG and Producer under this Agreement. Neither Party shall be responsible for the other Party's taxes applicable to income. Further, GMG shall not be responsible for any taxes, fees, duties or charges of any nature related to any Environmental Attributes that may be monetized by Producer or any third Party that are incidental to this Agreement.

### **ARTICLE 3 TERM AND TERMINATION**

3.1 Commencement Date. The "Commencement Date" for this Agreement shall be the first date, as reasonably determined by GMG, when Producer successfully completes the Initial Testing period as defined in that certain Renewable Natural Gas Interconnection Agreement between the Parties related to the same Production Facility and shall be identical to the Commencement Date of that Interconnection Agreement. . At the time of execution of this Agreement, the Commencement Date is anticipated to be \_\_\_\_\_, 20\_\_\_\_. The Parties shall complete the Addendum Regarding Commencement Date memorializing the actual Commencement Date after it occurs.

3.2 Term. This Agreement shall be effective as of the date first written above and, unless earlier terminated as provided for herein, shall continue in full force and effect through (and including) the [number of years] (\_\_\_\_) annual anniversary of the Commencement Date (the Initial Term). Thereafter, the term of this Agreement shall automatically renew for successive [number] (\_\_\_\_) year terms unless one Party provides written notice to the other party at least one (1) year in advance of the end of the then-existing term that it does not wish to renew the term of this Agreement.

3.3 Early Termination by GMG. This Agreement may be terminated by GMG immediately upon written notice to Producer if: (a) by act or omission Producer breaches or defaults on any material term or condition of this Agreement and Producer fails to cure such breach or default within thirty (30) calendar days after written notice from GMG; (b) Producer

becomes insolvent, makes an assignment for the benefit of creditors, has a receiver appointed over all or any portion of its property, becomes the subject of an “order for relief” as that term is used in the U.S. Bankruptcy Code, or is liquidated or dissolved or its affairs are wound up; (c) Producer fails to provide delivery of the RNG to the interconnection point for in excess of three hundred and sixty-five (365) consecutive days after the Commencement Date, or (d) action of the Minnesota Public Utilities Commission, order, rule, ordinance, or statute causes this Agreement to become void, requires modification of any material term or condition of this agreement, or otherwise requires GMG to terminate this Agreement.

3.4 Early Termination by Producer. This Agreement may be terminated by Producer immediately upon written notice if: (a) by act or omission, GMG breaches or defaults on any material term or condition of this Agreement and GMG fails to cure such breach or default within thirty (30) calendar days after written notice from Producer; or (b) GMG becomes insolvent, makes an assignment for the benefit of creditors, has a receiver appointed over all or any portion of its property, becomes the subject of an “order for relief” as that term is used in the U.S. Bankruptcy Code, or is liquidated or dissolved or its affairs are wound up.

3.5 Effect of Termination. Neither expiration nor termination of this Agreement shall affect the rights or responsibilities of the Parties hereunder that accrued prior to expiration or termination. Article 5 shall survive expiration or termination.

#### **ARTICLE 4 MISCELLANEOUS PROVISIONS**

4.1 Failure to Perform. If a Party fails to comply with any of its material obligations under this Agreement, the counterparty will notify that Party of such failure as soon as reasonably possible under the circumstances. If the non-performing Party does not remedy such failure within thirty (30) days following notice from the counterparty, the Parties shall negotiate in good faith for an additional thirty (30) days thereafter to resolve the matter. If, at the end of such thirty-day negotiation period, the Parties are unable to agree to a plan to resolve the matter, either Party may suspend its rights to perform under this Agreement or alternatively, to terminate this Agreement in accordance with the provisions herein.

4.2 Insurance. Each Party shall carry and maintain casualty, liability, and such other types of insurance or such levels of self-insurance as may be necessary to cover all losses or damages arising out of its performance of its obligations under this Agreement. Each party further agrees that it shall provide the counter-party evidence of such insurance or self-insurance upon written request and, upon request, shall include the counter-party as an additional insured under such policies.

4.3 Representations and Warranties. Producer represents and warrants that the RNG delivered to GMG pursuant to this Agreement shall conform to the Gas Quality Specifications. Each Party represents and warrants that its operations pursuant to this Agreement shall be in compliance and in accordance with all Governmental Authorizations, (b) all applicable Environmental Laws, and the Gas Quality Specifications.

4.4 Limitation of Liability. **NEITHER PARTY SHALL BE LIABLE FOR (I) ANY OBLIGATIONS WHATSOEVER ARISING FROM TORT CLAIMS (INCLUDING WITHOUT LIMITATION SUCH CLAIMS BASED UPON NEGLIGENCE OR STRICT LIABILITY), OR (II) ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, OR CONTINGENT DAMAGES WHATSOEVER, WHETHER BASED ON BREACH OF CONTRACT, WARRANTY, TORT, OR ANY OTHER LEGAL OR EQUITABLE THEORY. EACH PARTY HEREBY DISCLAIMS THE OBLIGATIONS AND DAMAGES DESCRIBED IN CLAUSES (I) AND (II), REGARDLESS OF WHETHER GMG HAS BEEN GIVEN NOTICE OF THE POSSIBILITY OF SUCH OBLIGATIONS OR DAMAGES.** Without limiting the generality of the foregoing, each Party specifically disclaims any liability for (i) special or punitive damages, penalties, damages for lost profits or revenues, loss of other equipment or systems, cost of capital, cost of substitute products or other equipment or systems, delay in performance, downtime, or shutdown or slowdown costs; and (ii) any other types of economic loss (but excluding direct damages). NOTWITHSTANDING THE FOREGOING, THE LIMITATIONS ON DAMAGES IN THIS SECTION SHALL NOT LIMIT ANY AMOUNTS PAYABLE BY AN INDEMNIFYING PARTY UNDER SECTION 5.5 AS INDEMNIFICATION FOR DAMAGES PAID TO A THIRD PARTY IN A CLAIM THAT IS SUBJECT TO INDEMNITY UNDER SECTION 5.5.

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

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

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

If to GMG, to:

President  
Greater Minnesota Gas, Inc.  
1900 Cardinal Lane  
Faribault, MN 55021  
[email address]

If to Producer, to:

[Producer]  
[Address]  
[email address]

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

4.7 Assignment; No Third-Party Beneficiaries Neither Party may assign this Agreement or its rights or obligations hereunder, in whole or in part, voluntarily or by operation of law, without the prior written consent of the other Party, which shall not be unreasonably withheld, and any attempted assignment without such consent shall be null and void and without legal effect. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the Parties and their respective permitted successors and permitted assigns. Nothing contained in this Agreement shall be deemed to confer upon any other person or entity any right or remedy under or by reason of this Agreement. Notwithstanding the foregoing, GMG consents to Producer assigning this agreement to project lenders, or related project financing entities without its prior written consent.

4.8 Severability. If a court of competent jurisdiction determines any provision(s) of this Agreement to be illegal or excessively broad, then this Agreement shall be construed so that the remaining provisions shall not be affected but shall remain in full force and effect, and any such illegal or excessively broad provision(s) shall be deemed, without further action on the part of any person, to be modified, amended, and/or limited to the extent necessary to render the same valid and enforceable in such jurisdiction.

4.9 Amendment and Waiver. No provisions of this Agreement may be modified, waived, or discharged unless such modification, waiver, or discharge is agreed to in a writing executed by GMG and Producer. No action taken pursuant to this Agreement shall be deemed to constitute a waiver by the Party taking such action of compliance with any representations, warranties, covenants, or agreements contained in this Agreement. No waiver by either Party at any time of any breach by the other Party of, or compliance with, any provision of this Agreement to be performed by such other Party shall be deemed a waiver of similar or dissimilar



provisions at the same or at any prior or subsequent time.

4.10 MPUC Approval. GMG shall be responsible for obtaining approval from the Minnesota Public Utilities Commission for the transactions contemplated under this Agreement, if necessary ("MPUC Approval"); provided, however, Producer shall cooperate and exercise reasonable efforts to support and assist GMG in obtaining MPUC Approval which support shall include participating in regulatory proceedings and providing non-Confidential Information concerning Producer's operations. In the event that GMG is unable to obtain any required MPUC Approval, GMG shall have the right, in its sole discretion after consultation with Producer and after determining that no other commercially viable options for the purchase of the NG by GMG or one of its affiliates or customers exists, to immediately terminate this Agreement upon written notice to Producer.

4.11 Regulatory Changes. If state or federal regulatory requirements related to the purchase of NG change, the Parties shall engage in good faith discussions regarding changes to the terms of this Agreement necessitated by said regulatory changes.

4.12 Entire Agreement. This Agreement supersedes all prior agreements, whether oral or in writing, between the Parties with respect to its subject matter and constitutes the complete and exclusive statement of the terms of the agreement between the Parties with respect to its subject matter. There have been and are no conditions, agreements, representations, or warranties between the Parties with respect to the subject matter of this Agreement other than those set forth or provided for in this Agreement.

4.13 Counterparts; PDF Signatures. This Agreement may be executed by PDF signature pages and in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

4.14 Governing Law. **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF MINNESOTA EXCLUDING ANY CHOICE-OF-LAW RULES THAT MAY DIRECT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.** Each Party stipulates that any dispute or disagreement between the Parties as to the interpretation of any provision of, or the performance of obligations under, this Agreement shall be commenced and prosecuted in its entirety in, and consents to the exclusive jurisdiction and proper venue of, the federal or state courts located in the State of Minnesota and each Party consents to personal and subject matter jurisdiction and venue in such courts and waives and relinquishes all right to attack the suitability or convenience of such venue or forum by reason of such Party's present or future domiciles or by any other reason. The Parties acknowledge that all directions issued by the forum court, including, without limitation, all injunctions and other decrees, will be binding and enforceable in all jurisdictions and countries. **EACH PARTY WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY SUCH DISPUTE OR DISAGREEMENT.**

4.15 Force Majeure. If either Party is rendered unable, in whole or in part, by Force Majeure to carry out its obligations under this Agreement, then such Party shall give notice to the

other Party, in accordance with this Agreement, including reasonably full particulars of such Force Majeure event within a reasonable time after it becomes aware of the occurrence of the Force Majeure, and the obligations of such Party, insofar as they are affected by such Force Majeure, shall be suspended from the commencement of such Force Majeure through the continuance of any inability so caused, but for no longer period, and such Force Majeure shall, so far as possible, be remedied by the affected Party with all reasonable dispatch. Force Majeure shall include but not be limited to the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars; and (iv) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, or regulation promulgated by a governmental authority having jurisdiction. Parties shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance. Any suspension of obligation for reasons of Force Majeure shall be proportional to the effect of such Force Majeure on the particular obligation from which relief is sought, and shall not relieve any Party from its obligation to make payments hereunder which were due prior to such Force Majeure.

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

**GREATER MINNESOTA GAS, INC.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**[RNG PRODUCER]**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**ADDENDUM  
REGARDING COMMENCEMENT DATE**

THIS ADDENDUM (the “Addendum”) amends and supplements that certain Natural Gas Supply Agreement (the “Agreement”) by and between Greater Minnesota Gas, Inc and [RNG Producer] dated \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

For all purposes of the Agreement, the Commencement Date is deemed to be \_\_\_\_\_, 20\_\_.

IN WITNESS WHEREOF, this Addendum is executed as of the date of the Agreement.

**GREATER MINNESOTA GAS, INC.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**[RNG PRODUCER]**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **CERTIFICATE OF SERVICE**

I, Kristine Anderson, hereby certify that I have this day served a true and correct copy of the following document to all persons at the addresses indicated on the attached list by electronic filing and service or by depositing the same enveloped with postage paid in the United States Mail at Faribault, Minnesota, each as shown on the attached list:

**Reply Comments**  
**Docket No. G-022/M-24-236**

filed this 8<sup>th</sup> day of November, 2024.

/s/ Kristine A. Anderson  
Kristine A. Anderson, Esq.  
Corporate Attorney  
Greater Minnesota Gas, Inc.

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 55101-2198	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 55101-2131	Electronic Service	Yes	OFF_SL_24-236_M-24-236
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th PI E Ste 350  Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_24-236_M-24-236