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BOARD OF DIRECTORS

Via Electronic Filing

Stephen B. Land
Board Chair

Minnesota Public Utilities Commission
121 7th Place, Suite 350
St. Paul, MN 55101

Cynthia Adler

Bipasha Chatterjee

RE: Docket # G-008/M-18-547 – CenterPoint Energy’s RNG Pilot Program

Johannes D. Escudero

Energy Vision (EV), a New York-based national 501(c)(3) environmental organization, supports CenterPoint Energy’s proposed renewable natural gas (RNG) pilot, which would provide customers with a low- or no-carbon alternative to conventional natural gas while also providing market certainty for the production and use of this ultra-low-carbon waste-derived fuel. For these reasons and more, we encourage the PUC to approve this innovative pilot program.

Michael S. Gruen

John J. Magovern

Joan C. Pearlman

EV’s research over the past decade concludes that a voluntary “green gas tariff” would spur investment in proven technology to transform various organic waste streams into a domestic, clean and renewable alternative to geologic natural gas. By providing transparency and a more stable long-term market for this fuel, CenterPoint’s pilot can advance a win-win-win strategy for Minnesota – environmentally, economically and socially. It would also reaffirm the State’s ambitious climate change commitments.

Brendan Sexton

Norman Steisel

Simon Sylvester-Chaudhuri

In 2009, Energy Vision first recognized RNG (also known as “biomethane”) as a versatile energy/fuel option with immense untapped potential in the US. Made from the methane-rich biogases emitted from decomposing organic waste—waste in landfills or, better yet, wastewater, food scraps or agricultural wastes processed in anaerobic digesters—renewable natural gas projects also enable sustainable resource management and numerous associated benefits, from nutrient recovery to improved water quality.

Joanna D. Underwood

Eric Verkerke

Dr. Bailus Walker, Jr.

Historically, biogas projects were designed to produce on-site electricity, largely in alignment with state-level Renewable Portfolio Standards. However, as other renewable energy technologies like solar and wind have scaled up, the economics of biogas-to-electricity have become challenging without significant subsidy. By instead upgrading biogas to RNG, this resource can be utilized to decarbonize the gas grid and various end-use applications, from heating/cooling to cooking and transportation.

Matthew P. Tomich
President

Since 2012, the combination of evolving public policy and shifting market economics has led to a significant and important paradigm shift: more and more projects are cleaning biogas to pipeline quality—by removing carbon dioxide, moisture and other impurities—for injection into the extensive natural gas grid, rather than combusting it on-site.

Between the US and Canada, there are now more than 80 projects capturing methane from decomposing organic wastes and refining it to pipeline quality RNG.

However, pipeline access and acceptance for biomethane projects remain challenging. While the technology is proven, commercial and safe, only a handful of states and/or gas utilities have addressed the barriers to greater adoption and integration of biomethane; namely gas quality and pipeline interconnection standards. Fortunately, CenterPoint Energy is among the few that recognize the important role RNG can play in cost-effectively decarbonizing the natural gas grid. Following in the footsteps of Vermont Gas Systems, if approved, CenterPoint would be one of the first gas utilities in the country to offer its customers a fully sustainable alternative to conventional gas.

RNG is a winning strategy for the environment. Ultra-low-carbon RNG achieves greenhouse gas emissions savings of 40% or more compared to geologic gas. According to lifecycle analyses by California's Air Resources Board and Argonne National Lab, when made from separated food waste or animal manures, RNG projects can achieve emissions savings greater than 100% by sequestering more carbon during the fuel's production than is emitted in its combustion, making RNG "net-carbon-negative."

RNG is also an economic development driver. Nationally, the average RNG project investment ranges from \$10 million-\$50 million, and generates more than 100 short- and long-term jobs. Since 2012, total RNG project investments have exceeded \$500 million dollars. Providing a stable, long-term market for RNG through a voluntary green gas tariff will also help incentivize the build-out of anaerobic digestion infrastructure, which can help advance Minnesota's landfill diversion and organics recycling efforts.

Energy Vision, as an independent environmental organization and recognized authority on rethinking waste and clean fuels, encourages the Minnesota PUC to approve this program. Furthermore, we encourage CenterPoint and the PUC to consider opportunities to give preference to in-state projects to maximize the environmental and economic benefits of RNG for Minnesotans.

Thank you in advance for your consideration of this innovative program.

Sincerely,



Matthew P. Tomich
President