



BIOECONOMY

COALITION OF MINNESOTA

December 21, 2018

Minnesota Public Utilities Commission

121 7th Place E. Suite 350

St Paul, MN 55101-2147

RE: Comments on Docket No. G-008/M-18-547

The Bioeconomy Coalition of Minnesota (www.mnbioeconomy.org) supports CenterPoint Energy's proposed Renewable Natural Gas (RNG) pilot. Supporting the development of RNG and anaerobic digestion technology in the state of Minnesota can contribute to economic development, state leadership in clean energy technology, reductions in GHG emissions, and environmentally responsible re-use and disposal of organic wastes.

The Bioeconomy Coalition aims to make Minnesota *the place* to build the bioeconomy; adding value to our forestry, agriculture, and organic waste resources. The Coalition uses best available science to inform our strategy while leveraging policy, research and development, marketing, and partnerships to bring projects to reality while working collaboratively across all sectors to make Minnesota a bioeconomy leader. The Coalition's membership includes industry, forestry, agriculture, government entities, utility sector, and NGOs. Developing anaerobic digestion and RNG technology in our state is a priority for our membership.

RNG is a renewable-based substitute for natural gas and is produced by upgrading biogas to be similar enough to natural gas to be used in various applications, including as a vehicle fuel in compressed natural gas vehicles, and upgraded to pipeline quality and injected directly into the natural gas pipeline. There are a variety of state and federal incentives for RNG project development, including the federal Renewable Fuel Standard and the California Low Carbon Fuel Standard. While these incentives are sufficient to attract interest in projects, the California policy in particular tends to lead RNG projects to export RNG into California rather than using it in Minnesota. Developing a market for RNG in Minnesota would provide additional impetus for project developers.

RNG can help Minnesota to achieve statutory greenhouse gas reduction goals and is supported by other statutes. The Next Generation Energy Act sets goals for greenhouse gas emissions reductions across all sectors of the economy. Since the passage of this Act, electric utilities have made great strides in integrating renewable electricity into their system. As a state, we are

just at the beginning of our learning curve on how to integrate renewable energy into our natural gas system, and this pilot is a critical first step. RNG offers GHG reduction benefits relative to fossil natural gas, which vary depending on the source of RNG and what it displaces. Once RNG is integrated into the natural gas system, it can be used for a variety of things, although there is a strong interest today in using it in compressed natural gas vehicles. Development of RNG is also supported by the Bioincentive program, which offers production-based incentives for production of advanced biofuels, including RNG.

Corporate leaders in the state have played a critical role in supporting renewable electricity project development through development of on-site renewable electricity generation, power purchase agreements for renewable electricity off-site, purchase of Renewable Electricity Credits, and development of so-called “virtual power purchase agreements”. There is a robust marketplace and a variety of options for businesses to achieve their own clean energy and GHG reduction goals with respect to their electricity emissions, and fewer options for their natural gas consumption beyond energy efficiency investments. Just as voluntary actions by businesses and private citizens have played a role in helping to develop the renewable electricity industry in Minnesota, this pilot has the potential to leverage private sector support to develop renewable natural gas projects in the state.

Developing an RNG industry in the state of Minnesota offers environmental and economic benefits and fits with several state policy priorities. This pilot project from CenterPoint Energy will have a beneficial impact.

Thank you for considering our comments.



Brendan Jordan, on behalf of the Bioeconomy Coalition of Minnesota



Facilitated by the Great Plains Institute, the Bioeconomy Coalition of Minnesota aims to make Minnesota THE PLACE to build the bioeconomy, adding value to our forestry, agriculture, and organic waste resources. The Coalition uses best available science to inform our strategy while leveraging policy, research and development, marketing, and partnerships to bring projects to reality while working collaboratively across all sectors to make Minnesota a bioeconomy leader.