



June 15, 2020

Mr. Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 East Seventh Place, Suite 350
St. Paul, MN 55101-2147
VIA eFile

**RE: SUPPORT of CenterPoint Energy's Proposed Renewable Natural Gas Interconnection Service
(Docket No. G-008/M-20-434)**

Dear Mr. Seuffert:

Thank you for giving us the opportunity to provide testimony in support of CenterPoint Energy's proposed natural gas interconnection service. On behalf of the American Biogas Council, we urge you to approve CenterPoint's petition, which makes sense, is well designed, will reduce carbon emissions and support economic growth and sustainability across many sectors of Minnesota's economy—something especially important during the current pandemic and as we plan for building new sustainable business in the state.

Our organization, the American Biogas Council, is the only national trade association which represents the entire biogas industry in the U.S. We represent 230 companies and over 2,000 individuals who are dedicated to maximizing the production and use of biogas from organic waste including 7 companies based in Minnesota and dozens more interested in doing business in the state. Biogas systems recycle organic material like food scraps and animal waste into renewable energy using anaerobic digestion. Renewable natural gas, or RNG, is made from biogas. When biogas is upgraded to gas pipeline quality, it's called either "renewable natural gas" or "RNG" because at that point, the gas is the same quality and completely interchangeable with conventional natural gas, except the RNG has been renewably produced from organic material.

Today, we see 5 key reasons to support CenterPoint Energy's proposed renewable natural gas interconnection service:

1. Minnesota has enormous untapped potential to recycle organic material to produce biogas and RNG
2. RNG is one of the most significant ways for the gas business to shrink its carbon footprint
3. Gas customers want the option to buy RNG instead of conventional natural gas
4. The proposal would make Minnesota an attractive state for project development that leads to more sustainable agriculture and recycling and new investment and jobs
5. Minnesota has an opportunity to be included among the leading states to promote decarbonization of its gas supply

1. Minnesota has enormous untapped potential to recycle organic material to produce biogas and RNG and other environmental benefits.

Today, Minnesota already has 38 operational biogas systems and the potential to build more than 730 new projects which could produce RNG from their biogas ([ABC biogas state profile for Minnesota](#)). If we just took the agricultural waste from Minnesotan farms, plus the food waste generated today and the sludge removed from wastewater at Minnesota's largest

wastewater plants, at least 73 billion cubic feet of gas can be produced each year. The clean energy produced by these biogas systems would result in emissions reductions equivalent to removing 4.6 million cars from the road or growing 2 billion coniferous tree seedlings for ten years.

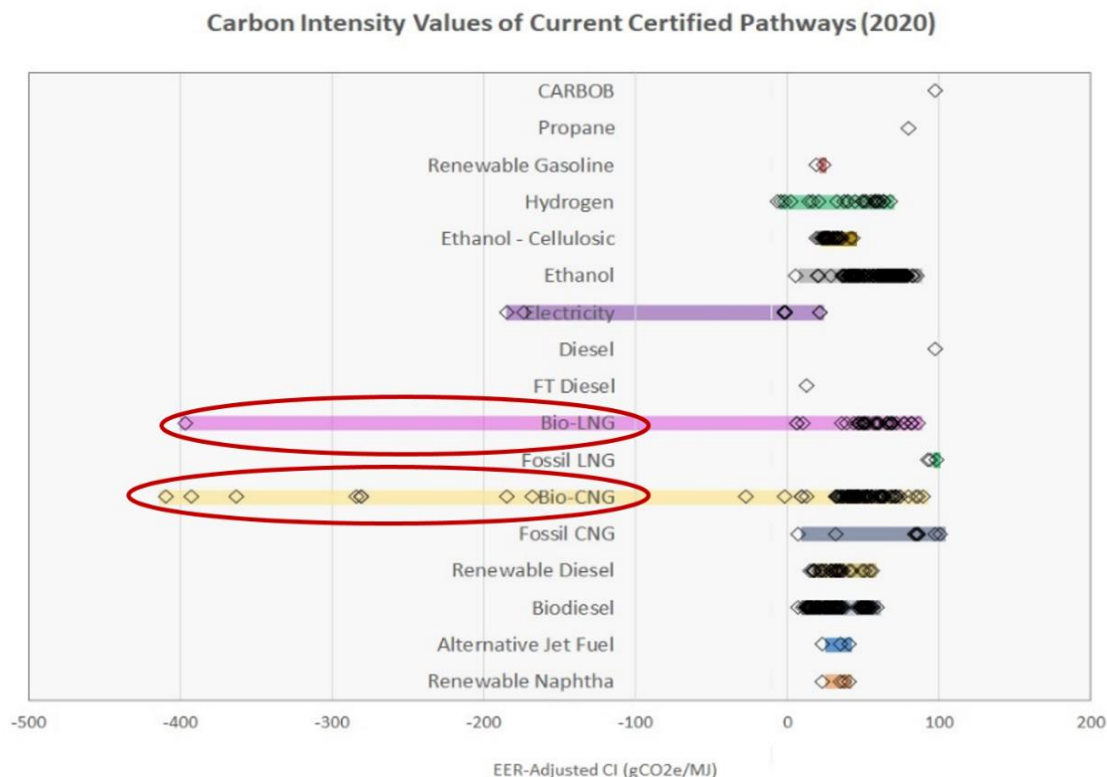
But, this interconnection petition is not just about renewable energy. It is also about making farms more sustainable by reducing methane emissions and putting more advanced manure management and nutrient recycling practices in place. It's about building new infrastructure to recycle food scraps and waste that can't be eaten by people and animals but must be managed somehow. And it's about reducing municipal costs by reducing the amount of net energy needed at wastewater plants whose job it is to process our sewage and return clean water to our waterways. (Wastewater plants are usually the largest energy hog in any municipality, but the sludge they remove can be digested in biogas systems to eliminate 50-100% of that energy load. The potential for biogas and RNG is enormous.)

Interconnection is needed to sell the gas to finance new projects. If not biogas systems, how else will Minnesota manage the 29 million tons of manure from 110 million cows, chicken, turkey and pigs, plus the 400 million gallons of wastewater produced every day, plus the 1.8 million tons of food waste generated each year. Approving this petition opens the road to a multitude of societal benefits needed today.

2. An RNG program is one of the most significant ways for the gas business to shrink its carbon footprint

All over the country, gas utilities want and need to shrink their carbon footprint. Customers are demanding it and gas is needed for many things electricity can't provide alone. Utilities are embracing RNG from biogas because of its low- and sometimes negative carbon value. For example, in March 2019, SoCalGas announced their commitment to replace 20 percent of its traditional natural gas supply with RNG by 2030 (and 5% by 2022) which would make them the cleanest natural gas utility in North America, even though they are the largest gas utility in the nation ([source](#)). These commitments can shrink carbon footprints dramatically because the biogas system eliminates carbon emissions throughout the entire lifecycle—from production to use. Farms without biogas systems and open manure lagoons emit huge volumes of methane emissions. By putting that manure into a biogas system, those harmful methane emissions are eliminated and put to use to displace fossil fuels, like those from gasoline or diesel vehicles. When you add both benefits together, you can have biogas or RNG that's *deeply* carbon negative.

For example, in California, the California Air Resources Board, a government agency, certifies every project that participates in its Low Carbon Fuel Standard based on how much carbon emissions the projects will eliminate from the atmosphere if constructed. Almost the only negative carbon projects and by far, the most deeply carbon negative projects are all biogas and RNG projects. See the chart below ([source](#)):



3. Citizens and gas customers want the option to buy RNG instead of conventional natural gas

Across the country, the drive to create RNG programs is customer driven. Customers of products, like L'Oreal cosmetics ([source](#)) and UPS services ([source](#)) have driven those companies to buy renewable natural gas made from biogas, because gas is needed to make those products and run their business. Gas customers in Minnesota need access to the low carbon and carbon negative attributes of renewable natural gas. Access can only begin with programs that allow RNG producers to inject renewable gas into natural gas pipelines, such as the program CenterPoint has petitioned to create.

4. Approving CenterPoint's interconnection petition will make Minnesota an attractive state for project development and lead to more sustainable agriculture, recycling, new investment, and jobs.

As companies consider where to develop biogas projects, one of the things they look for first is a regulatory environment that allows access to national RNG fuel markets. If Minnesota creates a path for RNG producers to interconnect the state will have a leg up when it comes to attracting project developers and the jobs, energy, and greenhouse gas reductions they bring with them. If all of the potential biogas systems in Minnesota can be realized, they would generate \$2.19 billion in capital investments plus 18,261 construction jobs and 1,213 permanent jobs in the state to run on these systems.

Additionally, interconnection standards send a signal to RNG producers. No renewable natural gas standard, RNG credit market for environmental attributes, or other RNG-enabling policy is possible without interconnection. Approving this program would signal to RNG producers that Minnesota is serious about RNG development.

5. Minnesota has an opportunity to be included among the leading states to promote decarbonisation of its gas supply.

States like Maine and Vermont have implemented voluntary RNG programs that allow gas customers to purchase renewable natural gas. In Oregon a recently passed bill, SB 98, creates a pathway to add up to 30 percent RNG to the state's pipeline system and allows for RNG investments to be included in utility rates. The state's utility commission is currently creating their program. In Nevada, legislation was passed last year to create an RNG program and the utility commissioners think their rules to create the program will be done in March this year. Colorado is in a similar position. In California, SoCalGas, the nation's largest gas utility, has requested an RNG program to be created and that program is being built. None of this exciting innovation would be possible without interconnection standards for RNG. And we are in discussions now with utilities in Massachusetts, Connecticut, Rhode Island, New York, Virginia and North Carolina who also want to be able to sell RNG.

Comments on the suggested RNG Quality Standards (17.00)

When reviewing the petition, we paid particular attention to section 17.00 Renewable Natural Gas Quality Standards. While safety and customer appliance performance are top priorities when considering the quality of the gas supply, those priorities can be maintained with gas specifications that make it easy for the industry to build new local projects and also with ones that will kill most projects. We're pleased to say that overall, the structure of the standard makes sense and will allow local projects to be built. Plus, the fact that CenterPoint has said they may allow deviations from the standard on a case-by-case basis shows that they understand the industry well and in some cases, flexibility is needed by both parties.

Regarding the specific constituents, nearly all are in range with industry norms, including [ABC's own recommended purity recommendation](#), and the [Interconnect Guide for Renewable Natural Gas in New York State](#). (The first pipeline RNG injection project was National Grid's on Staten Island at the Fresh Kills landfill, so there's a lot of experience built into this guide which Commissioners might find very useful). That said, there are two constituents which, if relaxed, would greatly help reduce the capital cost of biogas systems and aid the construction of local projects: oxygen and heating value. For oxygen, we would like to see a minimum threshold of 0.4% oxygen instead of 0.2. For a recent RNG project in California, the extra 0.2% oxygen restriction cost the project several millions of additional dollars with little real benefit to the pipeline system except to conform to a rigid standard. In a quick review, we can find at least 15 pipeline systems that allow 0.4-1.0% oxygen. Relaxing the heating value from 975 to 960 Btu/cuft would make a similar impact (and yes, we understand the Wobbe number would have to be adjusted as a result.)

Overall, this is a smart petition. The program CenterPoint wants to create doesn't just make sense, it's something Minnesota really needs to increase sustainable energy options while fostering the creation of infrastructure that recycles organic material and nutrients, and will help protect air, water and soil. Allowing gas utilities to sell renewable gas is the way of the future, just like the option to purchase renewable electricity. We urge you to approve this petition and move Minnesota towards a more sustainable future.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Serfass". The signature is fluid and cursive, with the first name "Patrick" and last name "Serfass" clearly distinguishable.

Patrick Serfass, Executive Director