

# Utility Programs to Sell RNG

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ABC Webinar  
January 21, 2020

# Today's Speakers



**Michael Gifford**  
Commercial Efficiency  
and Innovation Lead

**VGS**



**Lizzy Reinholt**  
Senior Director of  
Sustainability & Corporate  
Affairs

**Summit Utilities**



**Jared Liu-Klein**  
Public Policy Manager

**SoCalGas**



**Patrick Serfass**  
(Moderator)  
Executive Director

**American Biogas Council**

# Quick Notes



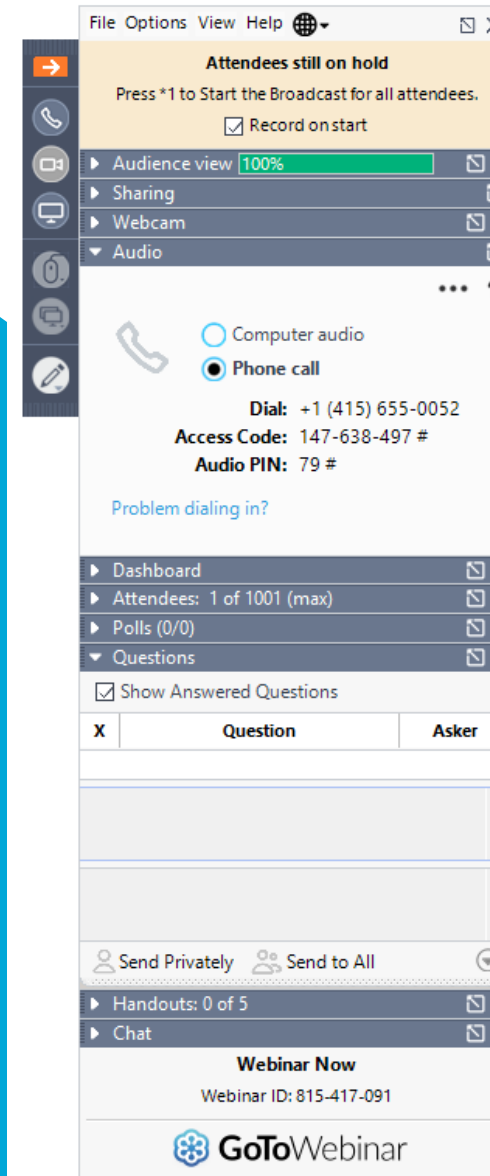
- You should be able to hear me talking now. If you can't, use the questions module to describe your issue.

- Two Audio Options: Phone or Computer  
Choose one and connect

- Pro tip: Don't call in on our phone if your audio is set to "Mic and Speakers"

- Ask questions using the Questions Panel on the right side of your screen at any time.

- The recording of the webinar and the slides will be available after the event. We will post them online and send you a link.



Audio

Questions



# Who we are

The only US organization representing the entire biogas industry

## All sectors represented

- Project developers/owners
- Equipment retailers and dealers
- Waste management companies
- Waste water companies
- Farms
- Utilities
- Municipalities
- Consultants and EPCs
- Financiers, accountants, lawyers and engineers
- Non-profits, universities and government agencies

**200+  
organizations**

**2,000+  
individuals**







# Topics Covered



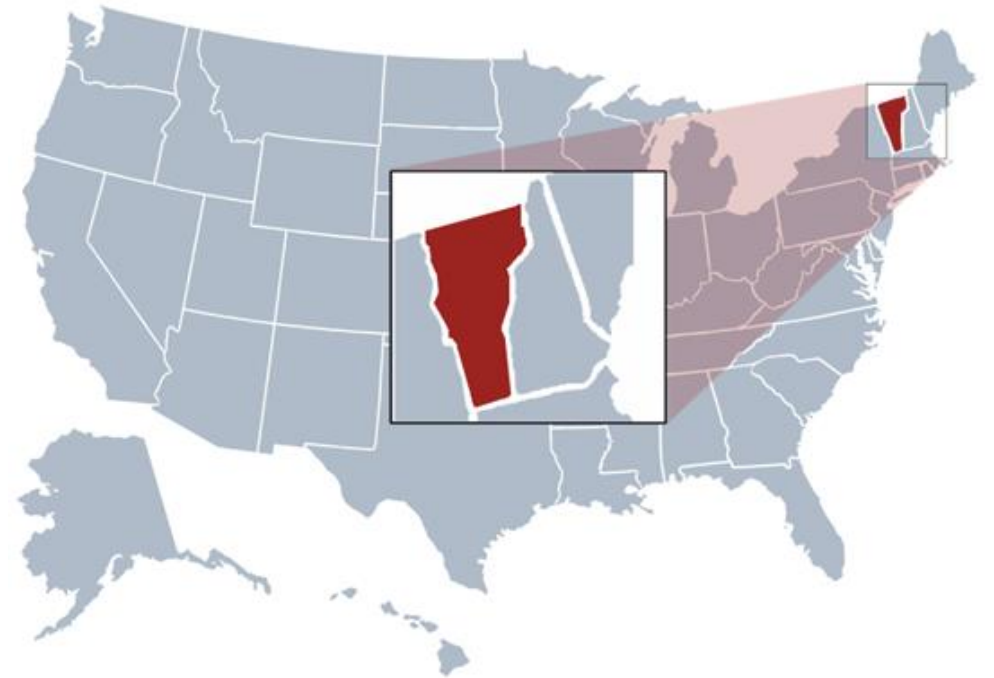
- Fundamentals of gas utilities' RNG programs
- RNG procurement
- Essential policies to facilitate program creation
- Approval process with public utility commissions
- Ensuring sufficient and consistent supply of RNG
- Q&A



# Renewable Natural Gas Offering and Program

## Vermont Gas Systems (VGS)

- Natural Gas Transmission and LDC Located in Northwestern Vermont
- Over 50,000 Customers
- 118 Miles of Transmission Pipe
- 853 Miles of Distribution
- Approximately 10 Bcf in retail traditional natural gas sales





## Customer Partnerships



**VGS and NG Advantage partner to offer first renewable natural gas product to industrial users and hospitals across the Northeast**



Vanguard Renewables, Goodrich Farm, Middlebury College, and Vermont Gas Celebrate Groundbreaking for Facility that Turns Manure and Food Waste into Renewable Energy

## Vermont Coffee Roaster Producing 'Green' Beans

The Vermont Coffee Company says it's the first roaster in the U.S. to use all renewable energy sources

By Jack Thurston



## From Garbage to Green Energy: UVM Medical Center Commits to Using Renewable Fuel Through Innovative Vermont Gas Program

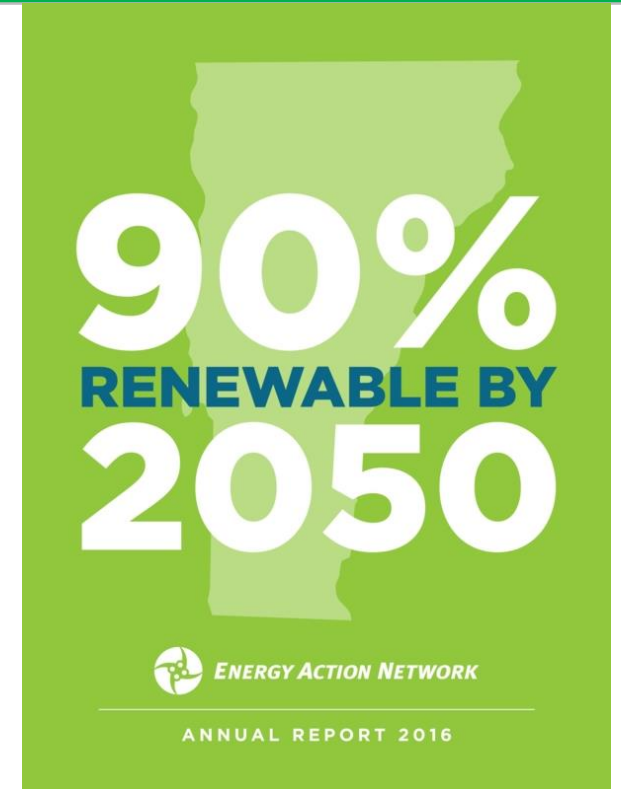
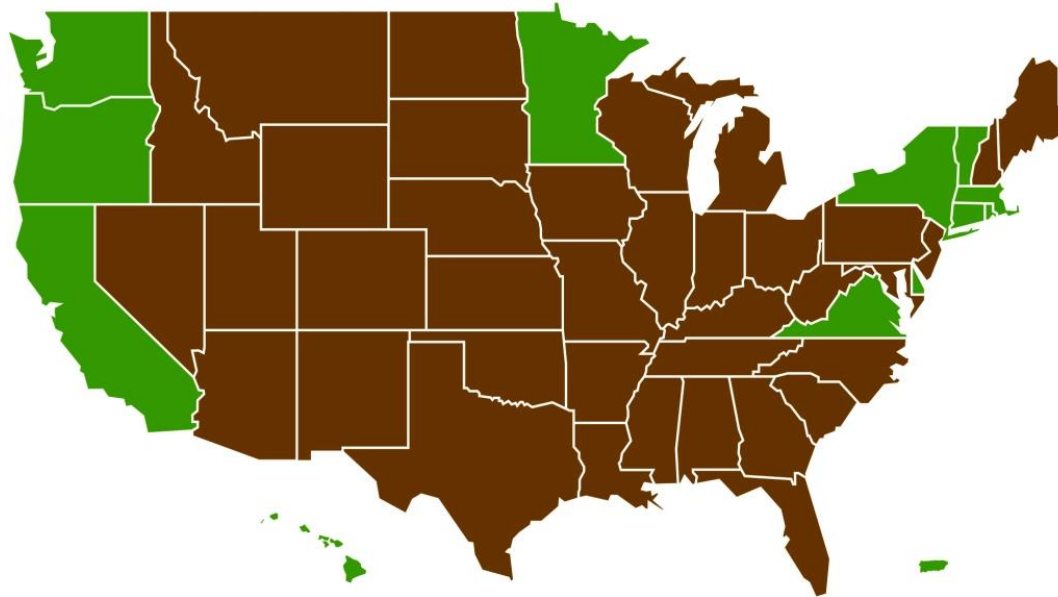
Energy Produced at Canadian Landfill Tapped to Power Doctor's Offices

## Other Notable Commercial Customers



## Contributing Factors

- Vermont's Aggressive Energy Goals
- Environmental Commitments by Vermont Gas
- Vermont Gas' Sustainability Goals
- Customer Feedback
- Regulatory Commitments
- Zero Food Waste to Landfills



*VGS Renewable Natural Gas (RNG) program is a simple way for our customers to reduce fossil fuel use, achieve their carbon reduction objectives and contribute in an innovative way to addressing climate change.*



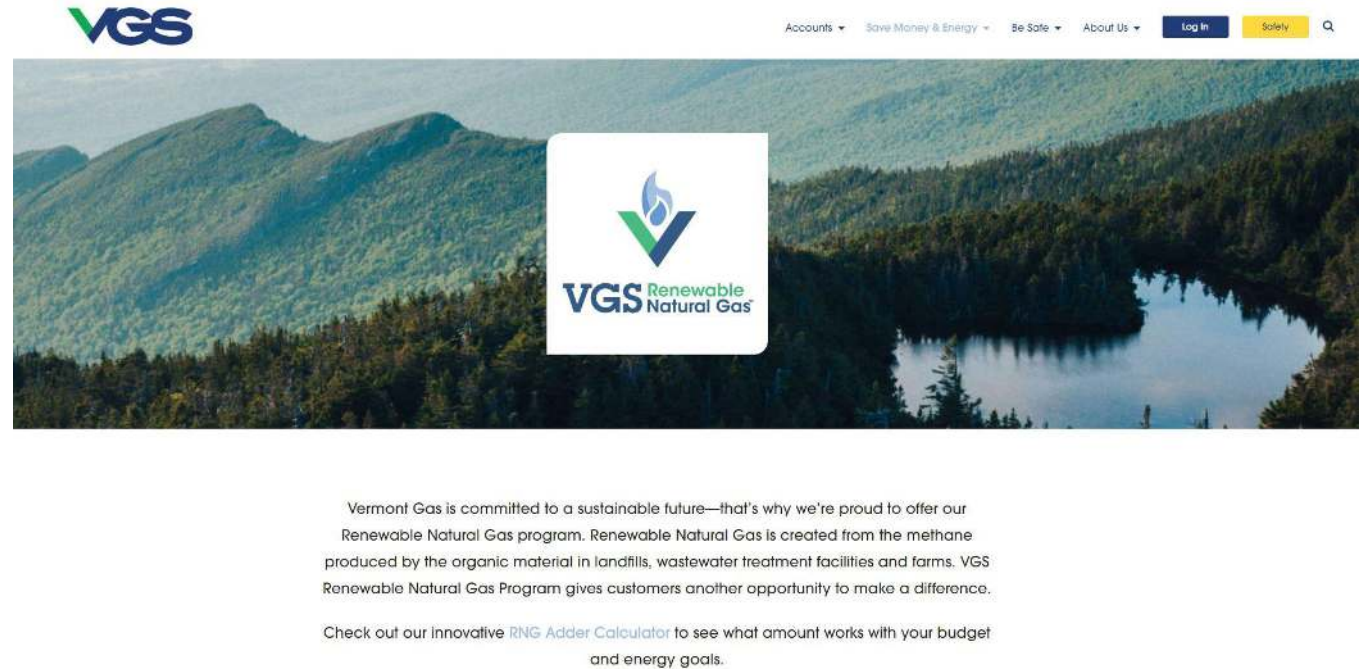
## Introducing our VGS Renewable Natural Gas Program





# Customer Pricing Structure

- The voluntary “Adder” is ~\$1.1964/ccf.
- Updated with each Quarterly PGA
- Available to all rates
- Voluntary selection for customers by % of use
- Standalone RNG approved 2019
- RNG Adder Price = Value “RENEWABLE ATTRIBUTE” Purchased

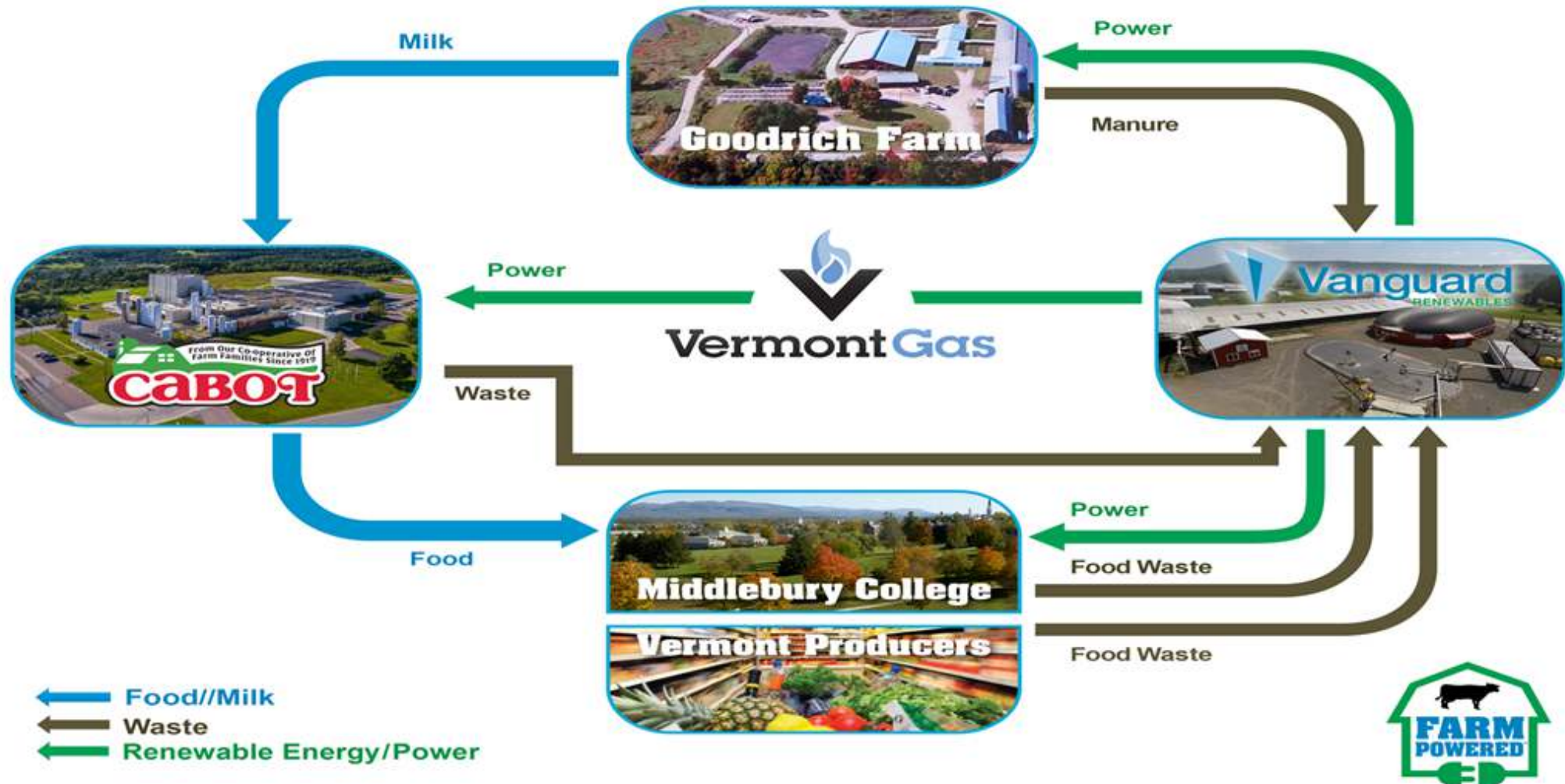


## Long Term Contracts and Tariffs



- PUCs want to see price stability
- Long term contracts are easier to secure if the utility has a tariff in place
- Having projects in development can help get over the hurdles

# Vanguard Direct Injection Project



## Example: Vanguard RNG Project

- Coming online September 2020
- Goodrich Farm in Salisbury, Vermont provides manure.
- Middlebury College and other Vermont businesses provide food waste.
- Vanguard Renewables combines and produces RNG (bio-methane) and supplies VGS pipeline.
- VGS will be able to provide locally sourced RNG that is being directly injected into pipeline.
- Additional benefits:
  - Reduce farm run-off into Lake Champlain
  - Provide energy cost reductions to farm
  - Reduce waste stream to landfills.
  - Capture Phosphorus from digester

## VGS RNG Future and Innovation

- VGS to reduce emissions 30% by 2030
- RNG to be 20% of retail supply by 2030
- Innovative District Energy Systems
- Area's first depackaging facility to open 2020
- Establish federal guidelines and standards for pipeline RNG projects



<https://vtdigger.org/2019/11/15/vermont-gas-commits-to-zero-emissions-by-2050/>





## Renewable Natural Gas Option







# LOCATIONS

**COLORADO (HQ)**

Customers: 22,000  
T&D Main Line: 1,258 miles

**OKLAHOMA**

Customers: 12,600  
T&D Main Line: 832 miles

**ARKANSAS**

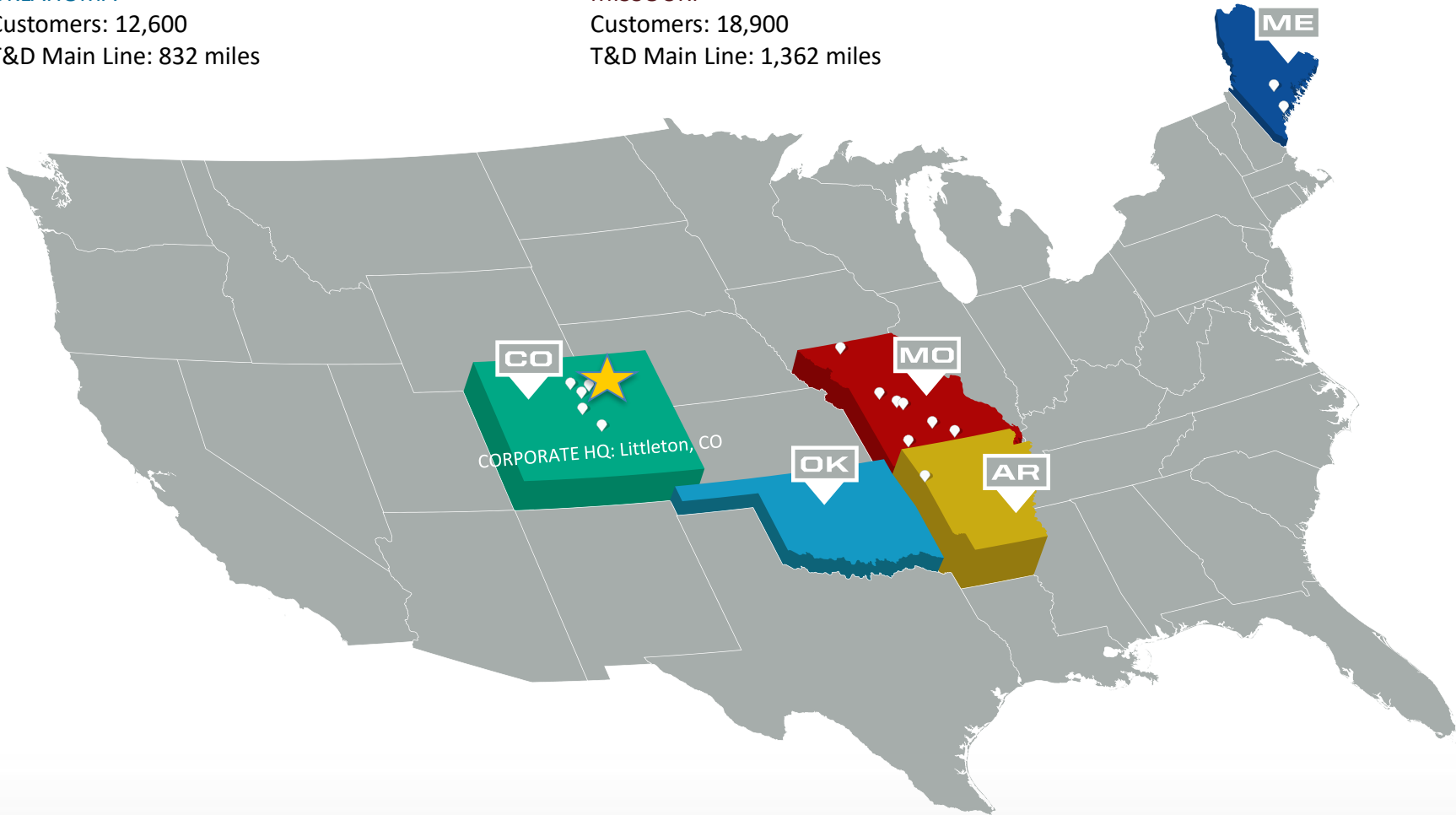
Customers: 45,600  
T&D Main Line: 1,717 miles

**MISSOURI**

Customers: 18,900  
T&D Main Line: 1,362 miles

**MAINE**

Customers: 3,800  
T&D Main Line: 231 miles  
17



# Voluntary Customer Option



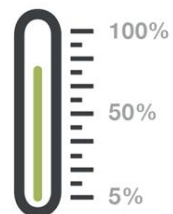
1

At Summit we want our customers to have the opportunity to participate in our renewable program, which is why we launch a voluntary renewable program for our customers.

2

This program will allow Summit customers to purchase additional RNG attributes to further reduce their carbon footprint.

The more people sign up...



The larger the impact on reducing carbon emissions for our customers in Maine



The larger the investment to support future RNG projects, and...

3

Customers enrolling in the program may elect to match ten to 100 percent of their average annual usage with RNG attributes as an additional fee on their bill.



## RNG and Natural GAS LDC'S Working Together



Safety will always be an LDC's top priority, ensuring the gas is pipeline quality and does not pose a safety threat to the end user will always take precedence.



LDC's are heavily regulated from a safety and rate perspective. Any purchase of RNG and RNG attributes will have to flow through a regulatory proceeding, resulting in a longer lead time and some uncertainty in any partnership.



Cost to consumers will always play a critical role in any LDC partnership, unless an RPS like standard has been created at the state level for home heating, utilities will need to demonstrate the investment in RNG is prudent.





THANK YOU

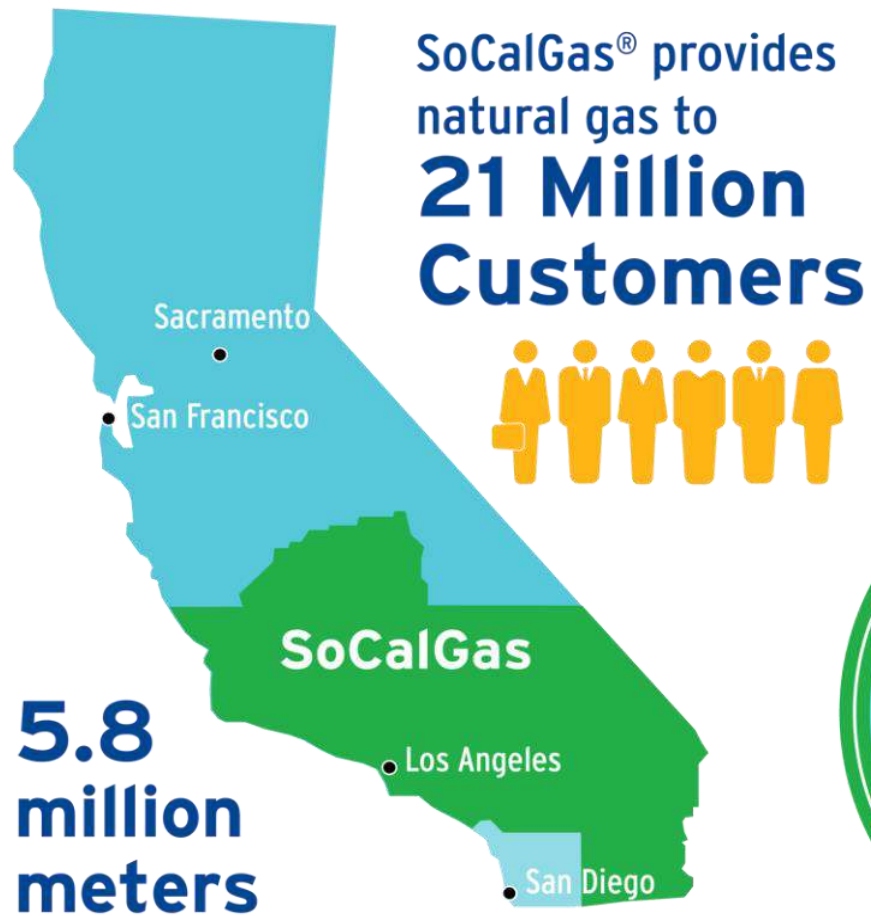
A photograph of a nuclear power plant. In the background, three large, blue, dome-shaped containment structures are visible against a blue sky with scattered white clouds. In the middle ground, there is a complex of industrial equipment, including tall vertical pipes, smaller horizontal pipes, and various valves. A white utility vehicle is parked on the left side of the equipment. The foreground is a lush green lawn. The text "Utility Programs – RNG Procurement" is overlaid in the center of the image in a large, white, sans-serif font with a thin black outline.

# Utility Programs – RNG Procurement



# SoCalGas:

## Largest Gas Distribution Utility in United States



**1 Trillion**  
cubic feet (Tcf)  
of natural gas  
delivered  
annually

**5%**  
of US gas  
deliveries

**135 Billion**  
cubic feet (Bcf)  
of natural gas  
storage  
capacity

**3%**  
of US storage  
capacity

Serving  
customers  
for over  
**140**  
Years

Nearly  
**100,000**  
Miles  
of distributions  
mains and  
service lines

Over  
**3,500**  
Miles  
of natural gas  
transmission  
lines

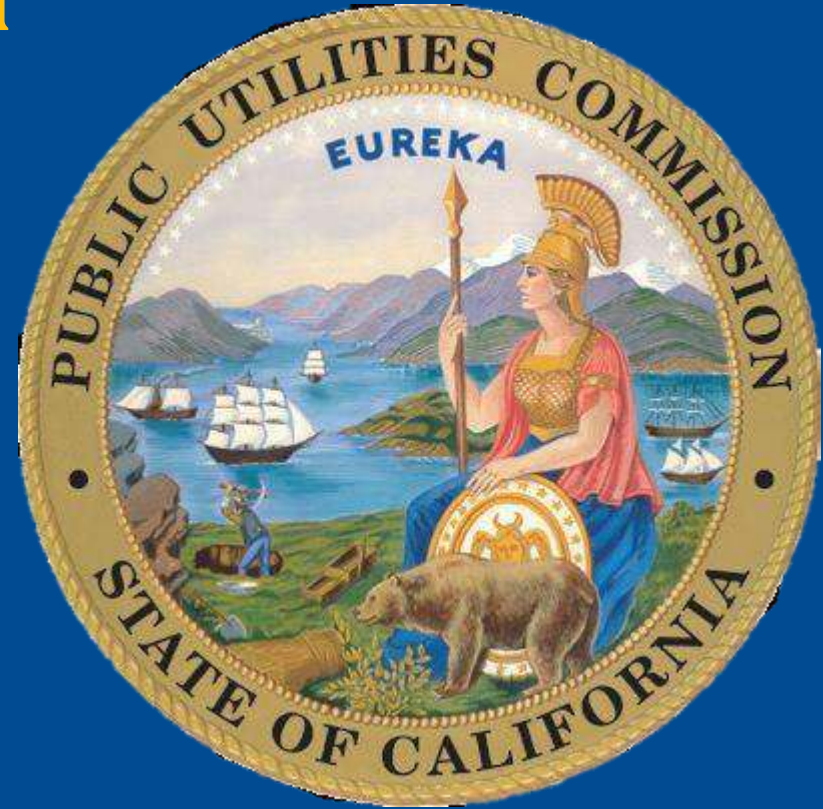
# Become the cleanest natural gas utility in North America

2022

5% RNG being delivered on our system

2030

20% RNG being delivered on our system



Need regulatory authority to recover the above market costs

# SB 1440 (2018) – Open Proceeding

## Mandatory Program – Similar Renewable Portfolio Standard

- Establishing renewable gas procurement targets are crucial to the development, deployment and utilization of renewable gases from a variety of feedstocks.
- Provides thermal users an opportunity to play an important role in advancing the state's climate change goals.



# Items for Procurement Consideration

Establish  
Procurement Goals

Cost Recovery from  
Customers – Not  
Shareholders

Cost Allocation –  
All customers or  
core customers?

In-state vs out-of-  
state Biomethane

SLCP vs GHG  
Priority

Cost Recovery for  
Duration of Offtake  
Contracts

Buckets- Types of  
Gas to Procure

Off Ramps/Cost  
Controls

Ratebase  
Interconnections

Cap & Trade  
Allocations

Authority to Buy  
and Sell Credits

Green Attribute  
Accounting/Trading

# Voluntary Green Tariff

- SoCalGas submitted a proposal to state regulators at the California Public Utilities Commission (CPUC) that will empower customers with the option of purchasing a portion of their gas from renewable sources.
- If approved by the CPUC, the program will be open to all residential customers and to commercial and industrial customers for whom SoCalGas purchases gas.
- Residential Customers will select from fixed monthly dollar amounts.
- Commercial and industrial customers will be able to select either from set dollar amounts or a percentage of their total gas load.

# Items for Procurement Consideration

Customer  
Eligibility

Subscription  
Levels

Commitment  
Periods

Billing

RG  
Feedstocks

In-state vs  
out-of-state

Additionality -  
Verification

Contract  
Length

# Questions and Answers



**Lizzy Reinholt**  
**Summit Utilities**



**Patrick Serfass**  
**(Moderator)**  
**American Biogas Council**



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**SoCalGas**

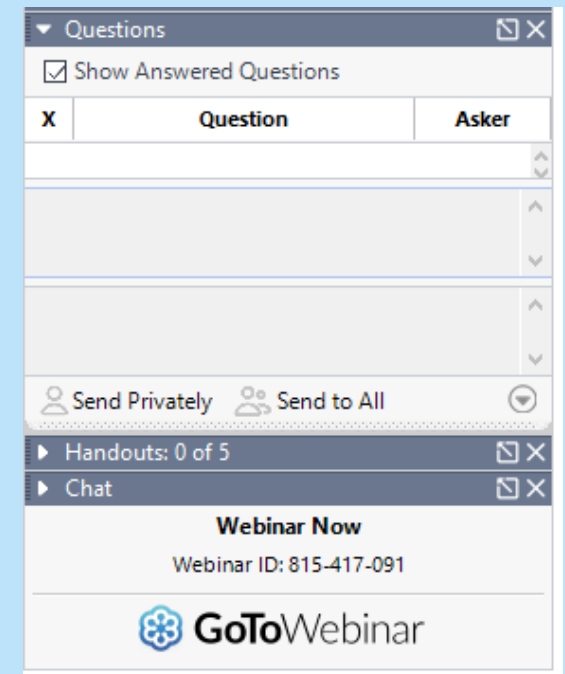


**Michael Gifford**  
**VGS**

**Ask Questions**  
using the  
**Questions**  
**Panel** on the  
right side of  
your screen.

All questions and  
comments will be  
recorded.

A recording of the  
webinar and  
slides will be  
available by 1/23  
to all ABC  
Members and all  
attendees of the  
webinar



# Upcoming Webinar:

## How to Maximize USDA Grant Dollars from REAP

January 30<sup>th</sup> at 1:00pm EST

Are you developing a biogas-electricity or RNG project that serves the agriculture industry? With recent changes in the industry, newly passed tax credits, and the application for USDA's Renewable Energy for America Program (REAP) from the last Farm Bill, it's the right time to update you and teach you all the tricks to maximize the USDA grant dollars you can get from this popular program for biogas, solar, wind and other renewable energy projects.

### **Speakers:**

Fred Petok, Business Loan and Grant Analyst, USDA

Irene Langan, Energy Programs Specialist, USDA

Moderator: Patrick Serfass, American Biogas Council



# Thank you!

Don't forget to fill out our **survey** after the webinar

**Become a member!**

- Receive regulatory and policy intelligence
- Connect with other biogas and anaerobic digestion leaders
- Support the industry's growth and outreach

Thanks for attending!