



Via Email

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October 30, 2020

Ms. Sarah Menassian
Program Manager, Methane Challenge Program
U.S. Environmental Protection Agency
1200 Pennsylvania Ave, NW (MC 6207A)
Washington, DC 20460

Re: AGA Comments on Proposed RNG Commitment Option for RNG Supply in Natural Gas Transmission and Distribution Systems as part of EPA's Natural Gas STAR Methane Challenge Program – Continuous Improvement Proposal (Sept. 30, 2020)

Dear Ms. Menassian:

The American Gas Association (AGA) strongly supports EPA's effort to acknowledge and encourage the advancement of Renewable Natural Gas (RNG) and understand the "extent and nature of RNG distributed and used through natural gas systems" by creating a new best management practice (BMP) commitment option in the Methane Challenge Program for reporting on RNG supply through natural gas transmission and distribution systems. We also appreciate EPA's process for continuous improvement of the Methane Challenge Program and the opportunity you have built into that process for seeking Partner and stakeholder input on proposed new commitment options. However, we are concerned that the proposed new RNG supply reporting commitment could actually undermine your goals. We are also concerned that the proposed BMP would seek extensive data that is not within our members' control. Instead, they would have to collect much of this data from RNG project developers. This data would be burdensome for our member companies to collect, and it is not clear what purpose would be served.

AGA's comments suggest revisions that we believe will help to improve the proposed RNG BMP option and make it more likely to be adopted by our members.

AGA, founded in 1918, represents more than 200 local energy companies that deliver clean natural gas throughout the United States. There are more than 75 million residential, commercial and industrial natural gas customers in the U.S., of which 95

percent — more than 71 million customers — receive their gas from AGA members. AGA is an advocate for natural gas utility companies and their customers and provides a broad range of programs and services for member natural gas pipelines, marketers, gatherers, international natural gas companies and industry associates. Today, natural gas meets more than three-tenths of the United States' energy needs.

Summary of the Proposed RNG BMP Commitment and Goals

As we understand, your proposal would create a new BMP commitment option as an add-on for natural gas transmission pipeline and distribution operators that are already actively participating in either the BMP or the ONE Future track of Methane Challenge, under which the partner company would research and report, within 5 years of its commitment date, as complete a representation as possible” of the biogas-based RNG that it has “acquired, transported, and delivered.” Further, the proposed commitment would “not encompass [biogas-based] RNG attributes that are purchased, unless the gas is also *directly injected into the Partner’s system*” and *directly received* via “pipeline interconnect” or via truck from a biogas project.¹

You explain your “primary goal ... is to share data on RNG supply through natural gas systems, in order to develop a more robust understanding of the extent and nature of RNG distributed and used through natural gas systems. You also recognize that the partner pipeline or local distribution company “may not have all the information requested” and therefore you do not propose to create or track a commitment progress metric as you do for other BMPs in Methane Challenge.²

AGA Comments

The following comments provide a few requested revisions that we believe could provide greater clarity, reduce burdensome and unnecessary data collection for some data elements, and work better to incentivize and expand the use of RNG to reduce methane emissions and better understand “the extent and nature of RNG distributed and used through natural gas systems” – while recognizing the evolving nature of the RNG market and how attributes are traded.

¹ See Proposal, p. 3.

² Id.

I. EPA Should Use AGA’s Consensus Definition of RNG – and a Related Definition of bio-RNG for Purposes of Methane Challenge

AGA disagrees with your assertion on pages 2 and 5 of the Proposal that “RNG is a ‘term of art’ and there is not at present a standard definition.”³ AGA worked with our member subject matter experts from both natural gas pipeline and local distribution companies to develop a consensus definition of RNG, and we consulted with the RNG Coalition and American Biogas Council. Since the Methane Challenge RNG option is designed for natural gas pipelines and gas utilities, it is appropriate to use the consensus definition of RNG that was developed by those same natural gas pipeline and local gas distribution companies. The AGA consensus definition of RNG⁴ is as follows:

Renewable natural gas (RNG) is any pipeline compatible gaseous fuel derived from biogenic or other renewable sources that has lower lifecycle CO₂e emissions than geological natural gas.

This definition encompasses not only biogas that is cleaned up to meet pipeline quality criteria, but also hydrogen blended in the natural gas system at levels compatible with pipeline materials and end user equipment and appliances.

In the Proposal, you note that there is broad stakeholder interest in hydrogen and that while you do not plan to include hydrogen in a BMP commitment as yet, you would welcome proposals and suggestions for a future program update that could include hydrogen.⁵ AGA will work with members to assess their interest and develop a possible hydrogen BMP commitment proposal for Methane Challenge. In the meantime, we urge EPA to use the AGA consensus definition of RNG to leave that option open and to avoid confusion that would inevitably ensue from using a conflicting definition.

In order to reflect your current focus on just biogas-based RNG (and not hydrogen or power-to-gas methanated hydrogen) for purposes of this Proposal, please use the AGA consensus definition of RNG and then provide the following additional definition of “bio-RNG” for purposes of this Proposal –

Bio-RNG is, for purposes of this BMP commitment option, any RNG derived from biogenic sources.

You can then further restrict the current bio-RNG commitment option to the biogenic sources you list on page 5 under “Source Description.” This would also leave you flexibility to add possible future innovations in biogenic sources.

³ See Proposal, p. 2 fn. 2 and p. 5 fn. 5.

⁴ See AGA’s RNG webpage at <https://www.aga.org/natural-gas/renewable/>.

⁵ Proposal, p. 5, fn. 6.

II. EPA Should Clarify the “Source Description” in Appendix A

AGA requests that EPA revise the second paragraph in the source description on page 5 of the Proposal as follows (inserts are underlined and requested deletions are shown in strike-out font).

“Raw biogas typically has a methane content between 45 and 65 percent, depending on the source of the feedstock, and must go through a series of steps to be converted into bio-RNG. Treatment depends on the source of the raw biogas and the constituents found in the raw biogas. The constituents in the raw biogas would typically be tested to determine what constituents are present, so that the project developer can determine what types of treatment equipment would be required to upgrade the raw biogas to pipeline quality bio-RNG. For landfill raw biogas, treatment includes removing moisture, carbon dioxide (CO₂) and trace level contaminants (including siloxanes volatile organic compounds, or VOCs, and hydrogen sulfide) as well as reducing the nitrogen and oxygen content. Treatment for raw biogas from anaerobic digestion of animal manure typically would be similar, except since the raw biogas typically would not contain siloxanes, there would be no need for that type of treatment process. Once upgraded, the gas typically has a methane content of 90percent or greater. ~~Typically, RNG injected into a natural gas pipeline has a methane content between 96 and 98 percent.~~”

We ask for these changes first to clarify that siloxanes are found as trace constituents only in some, not all types of bio-RNG. Second, our members would prefer to avoid language such as the last deleted sentence that might implicitly create a national gas quality standard or that could preclude blending of somewhat lower percentage methane gas in certain circumstances.

III. EPA Should Reduce the Data Elements to Those That Help Advance RNG and Avoid Duplicating EIA’s Proposed Mandatory RNG Reporting: Reducing Methane Emissions and Increasing RNG in Natural Gas Delivered to Customers

We understand your interest in estimating the volume of methane emissions that would be reduced from the decomposition of organic waste from farms, wastewater treatment plants, landfills and food waste. However, many of the data elements would have to come from the RNG suppliers, and it could be very burdensome for our member companies to collect the sheer volume of data involved. You qualify the commitment by saying Partners would “commit to report as many data elements as possible annually and to research the natural and extent of RNG in their systems,”⁶ but it may be better to focus from the outset on data elements that are possible to collect without unreasonable effort. Our members have also questioned why some of the requested data would be useful to EPA or how collecting the data would help advance the true goal we all share – to increase the volume of RNG in the throughput of natural gas transmission pipelines

⁶ Proposal, p. 6.

and distribution systems for delivery to customers. This may be best resolved by convening a virtual meeting with you, AGA, and interested Methane Challenge Partners to discuss your goals, our members' RNG goals, and approaches that could work to achieve those goals.

In addition, EPA should review the Department of Energy (DOE) Energy Information Administration (EIA) proposal to add a RNG reporting requirement in the EIA Form 176 or a new RNG reporting form. EPA's Methane Challenge RNG reporting option should not duplicate or conflict with mandatory reporting to the EIA. AGA's June 29, 2020 comments on the EIA proposal are attached. We understand the EIA plans to submit the proposed RNG reporting requirement to the Office of Management and Budget (OMB) in early November, and there will be another round of comment to the OMB.

IV. Information About the Company's RNG Strategy: EPA Should Allow Partners to Discuss Their Whole RNG Strategy - Not Just Bio-RNG and Not Just Projects that are Directly-Connected to the Partner's System

The last data element you list on page 7 of the Proposal is the one that could be of most value to our members, but it is too narrow in scope to be useful. If you want more companies to be interested in participating in this option, please make it clear that the company can truly explain its RNG Strategy. This reporting element should not be restricted to just bio-RNG, let alone further restricted to the small fraction of bio-RNG that has a direct connection from the project to the Partner's system. Those restrictions create too narrow a focus, and they do not reflect the way the RNG market is rapidly evolving. It is more typical for the RNG project to connect to a nearby pipeline or distribution system which then transports the RNG through its throughput to another system operator who purchased the RNG. This dynamic needs to be reflected if we truly want to understand the nature of RNG supply better. Even if EPA restricts the rest of the data elements to bio-RNG that is directly injected in the Partner's system, AGA urges EPA to allow a full description of a company's RNG Strategy (using the AGA consensus definition of RNG and including RNG that is purchased and not directly injected in the Partner's system).

An added benefit of this approach is that many Partners could and likely would want to begin reporting on this data element immediately, whereas they would need the 5 years you would allow to research and collect the other data elements, since that information is not in their control, and they would have to collect the other data from the bio-RNG project suppliers that have direct connections to the Partner's pipeline or gas utility distribution system.

V. Other Data Elements Should be Edited to Make Data Collection More Workable and Less Burdensome

A. List of Bio-RNG Project Interconnects with the Partner's System

1. Interconnect ID – Provide More Explanation

Some of our members did not see your explanation at page 6, footnote 7 of the Proposal or understand that you are asking them to create their own identification for each direct RNG project interconnect. They were not sure who was supposed to create the IDs or how. It is not clear from the footnote whether this should be a name or a number. In addition, there could be significant confusion if different Partners use the same ID numbers inadvertently or use a different naming convention. EPA should set up a consistent naming convention, for example starting with a three-letter code or other code to refer to a particular Partner's company name. We suggest clarifying how the naming convention would work both where you first reference "Interconnect ID" in the chart of Data Elements and in an explanatory footnote, as follows:

Interconnect ID Number (Create a unique ID number)⁷

Fn 7: The Partner should create a unique Interconnect ID Number for each directly-connected bio-RNG project that begins with the Partner's three-letter code (provided by EPA) and followed by a five-digit number, starting the number series with 00001. For example, if a company's three letter code is DGC, the first bio-RNG project ID number would be DGC-00001, the second project ID number would be NGC-00002, and so forth.

Subsequent references to the Interconnect ID Number should refer back to the original explanatory footnote, to remind Partners where to find this information.

We are open to other ideas about how the Interconnect ID number naming convention would work. Our main point is that this needs to be clearly explained. This may also warrant adding a short paragraph to the text rather than just explaining how to develop Interconnect ID numbers in a footnote.

2. Location of the Interconnect (latitude/longitude)

AGA does not object to this data element listed in the chart on page 6 of the Proposal.

B. Information about the Bio-RNG Source – If Obtainable Without Unreasonable Effort

EPA should note that this category of information is all related to RNG supplier information that the pipeline or distribution utility Partner may not know and may have difficulty obtaining. We understand that you may be seeking this supplier information

not from the suppliers but from gas system operators because many supplier bio-RNG developers may not be participating in one of EPA's other voluntary methane reduction programs, such as AgSTAR or Landfill Methane Outreach Program (LMOP), whereas Methane Challenge has very high participation from AGA member natural gas distribution companies as well as several pipeline operators. The commitment option should recognize that you are asking pipeline and gas distribution system operators to do the work to obtain the requested data from bio-RNG suppliers, and that Partners are asked to research and seek this information over a period up to the next 5 years and to report the requested data -- only to the extent the Partner knows or can obtain the information without unreasonable effort. You have explained in the Proposal that you are asking Partners to provide the information if "possible," but the word "possible" could conceivably encompass a task that could be done - but only with heroic effort and the expenditure of significant resources. We would prefer that EPA explain it is only seeking information that can be obtained "without unreasonable effort." We also appreciate your provision of up to 5 years to research and collect the information. Of course, some companies may be able to start providing some of the information sooner.

1. Feedstock for the Bio-RNG Project

AGA does not object to this data element on page 6 of the Proposal. Note that some anaerobic digester projects may combine different organic waste streams, such as manure and food waste, so the reporting template should allow for that possibility, to the extent the Partner knows or can find out without unreasonable effort.

2. Name of the Specific Bio-RNG Project

AGA does not object to this data element on page 6 of the Proposal, with the caveat explained above.

3. What Upgrading Technology Was Used (to be selected from a list)

We do not object to this data element, always with the understanding that any of the information to be reported is limited to what the Partner knows or can discover without unreasonable effort.

C. Information about the Pipeline Interconnect (Proposal pp. 6-7)

1. Pipeline Gas Quality Specifications

It is not clear whether the list of bio-RNG constituents and measurements (such as for Oxygen, CO₂, Siloxanes or Heating Value) for a Partner system's gas quality specifications are meant to be an average for a given year or the instantaneous value at a specific time or when the Partner fills out the form. This should be clarified.

2. Bio-RNG Project Distance from Interconnect to the Feedstock Source

AGA does not object to this data element on page 6 of the Proposal, with the caveat explained above.

3. Virtual Pipeline (Trucking from a bio-RNG Project to the Partner)

AGA does not object to this data element on page 6 of the Proposal, with the caveat explained above.

D. Delete Information about the End Uses

AGA requests that EPA delete this data element, which assumes that there is a particular end use customer, such as an industrial or commercial customer, to whom the Partner will deliver all the bio-RNG from a particular project. However, often, there is no contract with a specific customer. Instead, the Partner may be blending the bio-RNG into its natural gas throughput to decarbonize the system for delivery to all customers on the system.

In addition, we are concerned about potential duplicate or triplicate reporting across several platforms. For example, the Department of Energy (DOE) Energy Information Administration (EIA) has proposed to add an RNG reporting requirement in its Form 176 or a separate RNG reporting form. See our attached comments to EIA dated June 29, 2020. For another example, AGA is concerned that much of the bio-RNG that would be the subject of the proposed Methane Challenge RNG reporting option is being transported to the transportation market to comply with the Renewable Fuel Standard (RFS) or state programs, and EPA may already have the data from reports under the RFS program. Since EPA Methane Challenge is only looking for information on volumes of RNG being transported, these volumes could easily be confused with or double count the same volume of RNG that would be purchased by an entity not participating in Methane Challenge. The Methane Challenge Program should consider how it would coordinate with the EPA RFS program and DOE EIA RNG reporting to avoid double counting.

E. Delete Information about the Transmission Distribution Miles of Pipe & Materials

Please delete this category of data elements. As one member commented, this would get very complicated very quickly and would involve “a ton of data.”

In addition, it will be important to clarify that you are not attempting to evaluate or measure the lifecycle greenhouse gas impact of adding bio-RNG to natural gas systems based on methane, because this is not the way the market is evolving to use carbon dioxide equivalents (CO₂e) to measure the GHG difference between geologic natural

gas and RNG. There are several other initiatives currently underway, some of which credit bio-RNG with an overall net zero CO₂e averaged over different types of bio-RNG, and some of which take a more granular approach and credit certain types of bio-RNG, for example from animal manure anaerobic digestion, with a net negative CO₂e lifecycle impact. We would caution against wading into this issue as it is complicated and beyond the scope of what we believe EPA Methane Challenge would like to accomplish with the new proposed RNG commitment option.

Thank you for the opportunity to comment, and please contact me if you have any questions.

Respectfully Submitted,

A handwritten signature in black ink that reads "Pamela A. Lacey". The signature is written in a cursive, flowing style.

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