



March 16, 2021

Climate and Energy Finance and Policy Committee
Minnesota House of Representatives
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

RE: SF 421– Natural Gas Innovation Act – SUPPORT

Dear Members of the Climate and Energy Finance and Policy Committee,

The Coalition for Renewable Natural Gas (RNG Coalition) writes to express our support for SF 421, important legislation which provides that a natural gas utility may assist the state in meeting its renewable energy and greenhouse gas reduction goals by using alternative resources, including renewable natural gas (RNG), to meet customer energy demands. We support provisions in SF 421 that would create a path for public utilities to purchase RNG and require the Department of Commerce to establish an inventory for RNG resources.

The RNG Coalition is the non-profit organization that provides public policy advocacy and education for the RNG industry in Minnesota and across North America. Our membership is comprised of over 280 organizations—leaders from each sector of the industry—including producers of 95% of all RNG in the United States and Canada. Together, we advocate for the sustainable development, deployment, and utilization of RNG so that present and future generations have access to domestic, renewable, clean fuel and energy.

RNG is sustainably produced from methane captured as organic waste decomposes under anaerobic conditions at landfills, wastewater treatment plants, food waste recycling facilities, and livestock and agricultural operations. RNG production facilities capture, control, and convert methane that would otherwise be flared (combusted and wasted) or worse—escape fugitively into the atmosphere as a greenhouse gas that is up to 86 times more potent than carbon dioxide. The resulting RNG can be used in place of fossil-derived natural gas in any application, including as a transportation fuel, to generate renewable electricity, or to provide heat for residential, commercial, and industrial customers. The carbon intensity of RNG ranges from low carbon to carbon negative—the latter being more environmentally beneficial than carbon neutral.

Increasingly, natural gas utilities are recognizing the value of RNG, including to decarbonize their pipeline systems and provide a renewable energy offering for their ratepayers. The RNG Coalition supports RNG procurement programs for natural gas utilities and utility investment in the interconnection of RNG production facilities with common carrier pipelines.

We believe that the adoption of SF 421 would provide the state of Minnesota with an excellent opportunity to decarbonize the state's economy while simultaneously improving environmental quality, fostering improved management of waste streams, diversifying energy and fuel supply, and advancing Minnesota's clean energy objectives by generating additional market demand for RNG. The development of RNG production facilities in Minnesota would also improve the management of organic waste streams,

thereby reducing the related air, soil, and water impacts of that waste. RNG projects developed in Minnesota would also bring substantial economic benefits to the state. RNG production facilities attract between \$10-\$100 million in capital investment per project and the creation of up to 173 direct and indirect jobs per project.¹

We appreciate your consideration of this important legislation and look forward to working together. The RNG Coalition is pleased to support SF 421.

Sincerely,

/s/

Sam Lehr
Manager of Sustainability and Markets Policy
Coalition for Renewable Natural Gas
302.757.0866
sam.lehr@rngcoalition.com

¹https://static1.squarespace.com/static/53a09c47e4b050b5ad5bf4f5/t/59077544ebbd1ad192d13ff6/1493660998766/ICF_RNG+Jobs+Study_FINAL+with+infographic.pdf