

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,)	
to conduct a renewable natural gas study pursuant to)	Case No. U-21170
Sec. 1002 of Article 9 of Public Act 87 of 2021.)	
_____)	

At the October 27, 2022 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair
Hon. Tremaine L. Phillips, Commissioner
Hon. Katherine L. Peretick, Commissioner

ORDER

Background

On September 29, 2021, Governor Gretchen Whitmer signed the state budget bill, Public Act 87 of 2021 (Act 87), for the fiscal year 2022 into law. Act 87 includes provisions that require the Commission to conduct a study into the potential for renewable natural gas (RNG) development in this state. More specifically, Act 87 provides:

(1) From the funds appropriated in part 1 for public service commission renewable natural gas study, the public service commission must conduct a study into the potential for renewable natural gas development in this state. The study shall do all of the following:

(a) Identify existing and potential sources of renewable natural gas in this state and provide, to the greatest extent possible, an estimate of the energy content and greenhouse gas abatement potential of these sources.

(b) Estimate the cost per unit of heat, should the potential sources of renewable natural gas identified in subdivision (a) be utilized to the greatest

practical extent.

(c) Estimate the greenhouse gas emission reduction, per unit of heat, that would be achieved should the potential sources of renewable natural gas in subdivision (a) be utilized to the greatest practical extent.

(d) Compare the estimated per-unit cost savings of greenhouse gas emission reductions estimated for RNG sources to the estimated per-unit cost savings likely to be achieved by comparable use of other carbon abatement technologies, including, but not limited to, hydrogen blending, building electrification, and similar technologies.

(e) Estimate the production potential by applicable feedstock sources for renewable natural gas in this state.

(f) Identify barriers to developing and utilizing renewable natural gas in this state.

(2) The commission shall identify and engage interested stakeholders in the development of the study provided for in subsection (1). The commission may engage an independent contractor to conduct the study under the commission's direction.

(3) By July 30, 2022, the commission shall submit a draft report on the study to interested stakeholders for comment to the commission. By September 30, 2022, the commission shall submit a final report to the standing committees of the senate and house with primary jurisdiction over energy and environmental issues.

Act 87, art 9, § 1002. Additionally, Act 87 includes the following definitions relevant to this order:

(a) "abatement potential" means the magnitude of potential greenhouse gas reductions achieved through technology, practice, or alternative fuels, including renewable natural gas.

(b) "biogas" means a mixture of gases produced by the anaerobic breakdown of organic matter in the absence of oxygen, primarily consisting of methane and carbon dioxide.

* * *

(o) "Renewable natural gas" or "RNG" means a biogas that has been processed or upgraded to be interchangeable with conventional natural gas and to meet pipeline quality standards or transportation fuel grade requirements.

Id., § 203.

With the enactment of Act 87, the State Legislature provided the Commission and other stakeholders the opportunity to develop a more robust inquiry into RNG and its potential in Michigan. To meet the legislative directives set forth in Act 87, the Commission developed a work plan and engaged with a consultant, ICF Resources, L.L.C. (ICF) to develop an RNG Study. The Commission Staff (Staff) also developed a dedicated RNG Study webpage,¹ as well as a listserv, so that interested stakeholders could stay apprised of RNG Study activities.

On December 9, 2021, the Commission issued an order in the instant case. (December 9 order) establishing a work plan and virtual platform to gather stakeholders' input in the RNG Study. The first stakeholder meeting was held on January 10, 2022, with comments and questions from that meeting uploaded to the dedicated webpage. The December 9 order also required ICF to research and report on topics delineated in Act 87, including: (1) identifying existing and potential sources of RNG in this state and providing, to the greatest extent possible, an estimate of the energy content and greenhouse gas (GHG) abatement potential of these sources; (2) estimating the cost per unit of heat, should the potential sources of RNG identified in the study be utilized to the greatest practical extent; (3) estimating the GHG emission reduction, per unit of heat, that would be achieved should the potential sources of RNG identified in the study be utilized to the greatest practical extent; (4) comparing the estimated per-unit cost savings of GHG emission reductions estimated for RNG sources to the estimated per-unit cost savings likely to be achieved by comparable use of other carbon abatement technologies, including, but not limited to, hydrogen blending, building electrification, and similar technologies; (5) estimating the production potential

¹ <https://www.michigan.gov/mpsc/commission/workgroups/renewable-natural-gas-study-workgroup>

by applicable feedstock sources for RNG in Michigan; and (6) identifying barriers to developing and utilizing RNG in Michigan.

In March of 2022, the Commission sought input from stakeholders regarding existing GHG emission reduction studies, especially those that quantify GHG abatement costs of comparable technologies.

On April 20, 2022, a second stakeholder meeting was held. ICF reviewed the inputs, assumptions, and methodologies being used in the RNG Study, and stakeholders had an opportunity to weigh in on those inputs, assumptions, and methodologies. Stakeholders also participated in discussions regarding competing uses of RNG feedstocks and alternatives to RNG. Responses to stakeholder questions asked during the April 20, 2022 meeting, along with comments received after the meeting, were also uploaded to the dedicated webpage.

A draft RNG Study report was sent to stakeholders for review prior to a third stakeholder meeting held on June 29, 2022, at which ICF discussed the different sections of the draft report and addressed clarifying questions from stakeholders. Additional feedback following the third meeting was received by the Commission and is also posted on the dedicated webpage.

On September 28, 2022, the Commission submitted its final RNG report to the standing committees of the Senate and House with primary jurisdiction over energy and environmental issues. The final RNG report (i.e., the Michigan Renewable Natural Gas Study Final Report) was also filed in this docket on September 28, 2022, and can also be accessed via the dedicated webpage for the RNG workgroup.

The Commission acknowledges the difficult task undertaken by the Staff, ICF, and other stakeholders to complete this important study into RNG and its potential in Michigan and thanks all those involved in the process. The Commission finds that the Michigan Renewable Natural

Gas Study Final Report and the process involved in developing the report went above and beyond the requirements of Act 87 and commends its thoroughness. The Commission, therefore, accepts the final report and closes the docket.

THEREFORE, IT IS ORDERED that the Michigan Renewable Natural Gas Study Final Report complies with the directives set forth in Public Act 87 of 2021, and the docket in this proceeding is closed.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel.

Electronic notifications should be sent to the Executive Secretary at mpscedockets@michigan.gov and to the Michigan Department of Attorney General - Public Service Division at pungpl@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Daniel C. Scripps, Chair

Tremaine L. Phillips, Commissioner

Katherine L. Peretick, Commissioner

By its action of October 27, 2022.

Lisa Felice, Executive Secretary


PROOF OF SERVICE

STATE OF MICHIGAN)

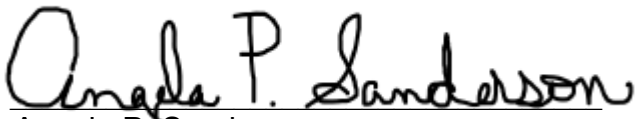
Case No. U-21170

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on October 27, 2022 A.D. she electronically notified the attached list of this **Commission Order via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).


Brianna Brown

Subscribed and sworn to before me
this 27th day of October 2022.



Angela P. Sanderson
Notary Public, Shiawassee County, Michigan
As acting in Eaton County
My Commission Expires: May 21, 2024

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