

**Report on Renewable Natural Gas
Program
Pursuant to Section 386.895.7, RSMo.**



MISSOURI
DEPARTMENT OF
NATURAL RESOURCES
DIVISION OF ENERGY

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2. Executive Summary

Section 386.895, RSMo establishes a framework for a voluntary renewable natural gas (RNG) program. The Missouri Department of Natural Resources (Department) provides this report on the RNG program established under this statute to the Chair of the Public Service Commission, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, the Chair of the Senate Committee on Commerce, Consumer Protection, Energy, and the Environment, and the Chair of the House of Representatives Utility Committee in accordance with Section 386.895.7, RSMo. This report is due Jan. 1, 2023. As of Dec. 30, 2022, no RNG programs under Section 386.895, RSMo were approved or pending. Consequently, no pertinent RNG projects are in operation, and no information is available to report. The Department notes that the Public Service Commission has an open working docket (Case No. GW-2022-0060) to consider a rule consistent with the statute.

3. Legislative Background

Section 386.895, RSMo establishes a framework for a voluntary renewable natural gas (RNG) program. The statute defines RNG as:

- Biogas
- Hydrogen gas
- Methane gas derived from biogas, hydrogen gas or carbon oxides derived from renewable energy sources, or waste carbon dioxide

RNG must be processed to meet pipeline quality standards or transportation fuel grade requirements. The RNG program is subject to the jurisdiction of the Missouri Public Service Commission (PSC). Costs associated with the RNG program may be recovered through an automatic rate adjustment clause. The statute expires nine years from the date the RNG program is established, although a rate adjustment authorized pursuant to the statute continues for as long as the RNG program continues.

By Jan. 1, 2023, the Department is required to provide a report on the RNG program to the following persons:

- Chair of the Public Service Commission
- Speaker of the House of Representatives
- President Pro Tempore of the Senate
- Chair of the Senate Committee on Commerce, Consumer Protection, Energy, and the Environment
- Chair of the House of Representatives Utility Committee

At a minimum, the report must include:

- The number of projects submitted and approved for the RNG program.
- The number of projects that are operational, the projects' actual and projected costs, and other key metrics the Division of Energy deems important.
- The volume of RNG produced in the state through projects that were approved by the RNG program, as well as the percentage of RNG produced in relation to the total volume of natural gas sold in the state.
- The environmental benefits of RNG, including, but not limited to, greenhouse gas reduction as a result of the production of RNG.
- The economic benefits of the RNG program, including, but not limited to, local employment, value-added production for the agricultural sector, and other economic development.
- Any economic benefits or other costs to ratepayers.

This report fulfills the requirements of Section 386.895.7, RSMo.

4. Renewable Natural Gas (RNG) Program Reporting Requirements

No RNG programs established pursuant to Section 386.895, RSMo were approved or pending as of Dec. 30, 2022. Consequently, no pertinent RNG projects are in operation, and no information is available to report as required by Section 386.895.7, RSMo, which states that a report is to be provided, "... on the renewable natural gas program established under this section." The Department notes that the PSC has an open working docket (Case No. GW-2022-0060) to consider a rule consistent with the statute.

The following subsections address the specific reporting requirements described in Section 386.895.7, RSMo.

a. The number of projects submitted and approved for the RNG program.

No RNG projects were submitted to or approved by the PSC under the RNG program established by Section 386.895, RSMo as of Dec. 30, 2022.

b. The number of projects that are operational, the projects' actual and projected costs, and other key metrics the Department deems important.

No RNG projects were operational under the RNG program established by Section 386.895, RSMo as of Dec. 30, 2022.

c. The volume of RNG produced in the state through projects that were approved by the RNG program, as well as the percentage of RNG produced in relation to the total volume of natural gas sold in the state.

No RNG was produced in the state through projects under the RNG program established by Section 386.895, RSMo as of Dec. 30, 2022.

d. The environmental benefits of RNG, including, but not limited to, greenhouse gas reduction as a result of the production of RNG.

Because no RNG was produced in the state under the RNG program established by Section 386.895, RSMo as of Dec. 30, 2022, there are no environmental benefits to report.

e. The economic benefits of the RNG program, including, but not limited to, local employment, value-added production for the agricultural sector, and other economic development.

Because no RNG projects were operational under the RNG program established by Section 386.895, RSMo as of Dec. 30, 2022, there are no economic benefits to report.

f. Any economic benefits or other costs to ratepayers.

Because no RNG projects were operational under the RNG program established by Section 386.895, RSMo, as of Dec. 30, 2022, there are no economic benefits or costs to ratepayers to report.