OurEnergyPolicy.org

529 14th Street, NW Washington, D.C. 20045 info@ourenergypolicy.org

Renewable Natural Gas

Summary of Comments - July 2023

On July 27, 2023, OurEnergyPolicy hosted a discussion addressing the economic, technological and policy issues around RNG's place in the energy transition. Find the recording here.

SPEAKERS

David Manning
Director of Stakeholders Relations Office, Brookhaven National Laboratory
Moderator

Andrew Littlefair
President and CEO, Clean Energy Fuels

Marianne Mintz
Principal Transportation Energy Analyst, Argonne National Laboratory

David Cox
Founder and CFO, RNG Coalition

Summary of Key Points

- Renewable Natural Gas (RNG) takes captured methane that would otherwise be emitted into the atmosphere and uses it as an alternative low-carbon fuel.
- Principal sources of RNG are landfills, wastewater, and manure.
- RNG is not a fossil fuel, but it is fully interchangeable with natural gas.
- The U.S. Federal Fuel Standard is a program that requires a certain percentage of our gas and diesel portfolios to include certain percentages of low-carbon alternative fuels.
- RNG is used in both transportation and power generation, but experts say its best use is as a diesel alternative for heavy-duty transportation vehicles.
- RNG is being sold at the same price as conventional natural gas and most often at a discount to Diesel.
- RNG emits 90% less nitrogen oxides (a form of air pollutants) and up to 4 or 5 times less carbon than diesel fuel in a Cummins engine.
- RNG policy should be focused on building more methane capture facilities.

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Renewable Natural Gas in the Energy Economy

- The RNG community recently brought online its 300th RNG facility in the U.S.
  - Another 178 projects are under construction.
- The RNG Coalition has about 400 companies in its coalition that span across the full value chain.
- Since batteries are unlikely to be strong enough for heavy-duty vehicles in the near future, RNG used in Cummins (15L) engines are a great alternative fuel for this hard-to-abate sector.
  - Even though it does not get as much attention as electric vehicles, RNG is doing a lot to decarbonize fleets.
- While California gets the most attention for using RNG, 40 states currently use RNG; and Texas is the highest volume buyer.
- Argonne National Laboratory's GREET model is the gold standard for measuring greenhouse gas emissions.
- The Inflation Reduction Act (IRA) provides incentives for RNG.
  - The IRA also incentivizes hydrogen fuel, for which RNG is a qualified feedstock.
  - The IRA allocates tax credits based on the measured emissions per kilogram.
  - Hydrogen fuel meets the highest tier for tax credits when it uses RNG as a feedstock.
- RNG is not predicted to have any impact on food costs because it deals with waste, not fresh produce.
- RNG production is more costly than traditional natural gas production at-scale, so the industry benefits from a verifiable market for the environmental attributes of RNG with credits and certificates --both regulated and voluntary.