

January 3, 2024

VIA Electronic Filing

Ms. A. Shonta Dunston, Chief Clerk
North Carolina Utilities Commission
Dobbs Building
430 North Salisbury Street
Raleigh, North Carolina 27603

Re: *Motion to Amend Order Approving Participation in Pilot Program
with Conditions
Docket No. G-9, Sub 764*

Dear Ms. Dunston:

Enclosed for filing in the above-referenced proceeding on behalf of Align RNG North Carolina LLC, d/b/a Align Renewable Natural Gas, is its *Motion to Amend Order Approving Participation in Pilot Program with Conditions*.

Thank you for your assistance with this matter. Feel free to contact me with any questions about this filing.

Sincerely,

/s/Mary Lynne Grigg

MLG:tl

Enclosure

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. G-9, SUB 764

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of:

Application of Align Renewable Natural Gas, for Approval to Participate in Pilot Program in Docket No. G-9, Sub 698, and for Approval of Receipt Interconnect Agreement)	MOTION TO AMEND ORDER APPROVING PARTICIPATION IN PILOT PROGRAM WITH CONDITIONS
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Pursuant to North Carolina General Statute (“N.C. Gen. Stat.”) § 62-80 and North Carolina Utilities Commission (“Commission”) Rule R1-5, Align RNG North Carolina, LLC d/b/a Align Renewable Natural Gas (“Align RNG”) hereby moves the Commission to amend its *Order Approving Participation in Pilot Program with Conditions* (“Order”) issued on April 3, 2020 in the above-referenced proceeding to include Phase II of Align RNG’s Alternative Gas¹ project, an additional network of production, gathering and upgrading facilities (“Phase II”). In support of its Motion, Align RNG hereby submits the following to the Commission:

Background

1. On June 19, 2018, in Docket No. G-9, Sub 698, the Commission issued an Order Approving Appendix F and Establishing Pilot Program (“Appendix F Order”). In summary, the Appendix F Order approved a three-year pilot program to implement

¹ *Order Approving Appendix F and Establishing Pilot Program*, at 1, note 1, Docket No. G-9, Sub 698 (June 19, 2018).

Appendix F to the Service Regulations of Piedmont Natural Gas Company, Inc. (“Piedmont”).²

2. On January 17, 2020, in Docket No. G-9, Sub 764, Align RNG filed its application requesting to participate in the Appendix F pilot program (“Application”). In its Application, Align RNG stated that it planned to construct Alternative Gas gathering facilities on nineteen farms in Duplin and Sampson Counties to supply methane generated from swine manure for the production of approximately 330,000 MMBTUs of Alternative Gas. Align RNG stated that its project would consist of a centralized Alternative Gas upgrading facility located near the intersection of Old Courthouse Road and NC Hwy 24 between the Towns of Warsaw and Turkey, and approximately 30 miles of gathering pipeline to interconnect each participating farm to the centralized gas upgrading facility. The centralized gas upgrading facility would clean and convert the blended methane from each farm into Alternative Gas, which would then be injected into Piedmont’s transmission line.

3. On January 30, 2020, the Commission issued an Order Requesting Additional Information from Applicant and Public Staff Comments (“Information Order”), requiring Align RNG to provide additional information on its project and the Public Staff to file comments and a recommendation regarding Align RNG’s participation in the pilot program.

² Appendix F sets guidelines for Piedmont’s receipt of Alternative Gas for delivery and redelivery on Piedmont’s distribution system. With regard to participants in the pilot program, the Appendix F Order provides that “Piedmont and/or other Alternative Gas suppliers may apply to the Commission to participate in the pilot program; however, it must be demonstrated to the Commission that such additions will be useful in gathering information and data sought by the Commission.” Appendix F Order, at 5.

4. On February 13, 2020, Piedmont filed under seal as proprietary information its responses to the Commission's questions in the Information Order concerning the size and operating pressure of Piedmont's pipeline, and the current winter and summer volumes on Piedmont's pipeline at the proposed injection point.

5. On February 17, 2020, the Public Staff filed a letter stating that it reviewed the Application and had no objection to Align RNG participating in the pilot program, subject to the Commission's approval of a receipt interconnect agreement between Align RNG and Piedmont.

6. On February 26, 2020, Align RNG filed its responses to the Commission's questions in the Information Order. In summary, Align RNG provided details of its Alternative Gas gathering and metering system, the location and details of the proposed injection point of its Alternative Gas into Piedmont's pipeline, and its position that its gathering lines will not be subject to the jurisdiction of the federal Pipeline and Hazardous Materials Safety Administration.

7. On April 3, 2020, the Commission issued its Order approving Align RNG's participation in the Appendix F pilot program subject to several conditions, one of which was that Align RNG and Piedmont enter into a receipt interconnection agreement and obtain Commission approval of such agreement.

8. On May 1, 2020, Piedmont filed a redacted public version and a non-redacted confidential version of the Receipt Interconnect Agreement ("RIA") between Piedmont and Align RNG, and Align RNG filed a letter requesting expedited approval of the agreement. Article I.A.2. of the RIA states that the Receipt Point³ is capable of

³ The RIA defines "Receipt Point" as Align RNG's point of interconnection with Piedmont in the vicinity of Warsaw, North Carolina.

accommodating the delivery of a total maximum daily quantity of Alternative Gas higher than Align RNG's approved facilities are capable of producing; Align RNG contemplated a Phase II project in negotiating its RIA with Piedmont.

9. On May 4, 2020, Piedmont filed an amended version of the RIA.

10. On June 4, 2020, the Commission issued its *Order Approving Agreement with Conditions*, approving Align RNG and Piedmont's RIA.

11. On March 12, 2021, Piedmont filed the First Amendment to Align RNG and Piedmont's RIA.

12. On September 8, 2021, the Commission issued its *Order Extending Renewable Gas Pilot Programs, Amending Regulations and Requiring Report*, in Docket Nos. G-9, Sub 698 and G-5, Sub 606 that, among other things, extended the Appendix F pilot program for an additional three years.

13. At this time, Align RNG has completed construction of most of the production, gathering, and upgrading facilities described in its initial Application ("Phase I"), and intends to construct additional production, gathering, and upgrading facilities ("Phase II") that will interconnect with, and utilize the same Receipt Point as, Phase I of the project. The Alternative Gas to be generated by the Phase II facilities will utilize methane from swine manure produced by hogs farmed in a similar manner, meaning the source for the Alternative Gas will be the same for Phase II as Phase I, and that the characteristics and constituents of Phase II-generated Alternative Gas will be the same as Phase I-generated Alternative Gas. The addition of Phase II is also upstream of Piedmont's Receipt Point and Metering and Regulation Station. No changes to the RIA will be

necessary due to these facts and the fact that the RIA contemplates receiving volumes of Alternative Gas inclusive of Phase II.

Amendments to Order

14. The Commission's Order specifically approved Phase I of Align RNG's project consisting of 19 farms and production facilities, 30 miles of gathering pipeline, and a central upgrading facility located near the intersection of Old Courthouse Road and NC Hwy 24 between the Towns of Warsaw and Turkey, North Carolina.

15. Align RNG now plans to construct additional production, gathering and upgrading facilities or Phase II of its project on up to thirty-five new farms in Duplin County consisting of approximately 50 miles of gathering pipeline to supply methane generated from swine manure to new upgrading facilities for the production of Alternative Gas. The construction of Phase II will consist of multiple, smaller scale upgrading facilities to be located on-site at the farms, as opposed to consisting of a centralized gas upgrading facility, as constructed for Phase I. As explained above, the Phase II project will generate Alternative Gas using the same methane source and similar upgrading process as Phase I, meaning the Alternative Gas produced by Phase II will have identical characteristics and constituents as Alternative Gas produced by Phase I. Both the Phase I and Phase II projects are located in Duplin and Sampson Counties, North Carolina and share the below compression site address:

867 Penny Branch Road
Warsaw, NC 28398

16. *State ex rel. Utilities Comm'n v. North Carolina Gas Service*, 128 N.C. App. 288, 293-294, 494 S.E.2d 621, 626, rev. denied, 348 N.C. 78, 505 S.E.2d 886 (1998) states that a Commission may modify its order "due to a change of circumstances requiring it for

the public interest. In the absence of any additional evidence or a change in conditions, the Commission has no power to reopen a proceeding and modify or set aside an order made by it.” (internal citations omitted). *State ex rel. Utilities Comm’n v. Edmisten* 291 N.C. 575, 584, 232 S.E.2d 177 (1977) further states that the Commission may also modify its order due to “misapprehension of the facts, or disregard of facts.”

17. The construction of Phase II of the Align RNG project is a changed circumstance that is in the public interest and useful in gathering additional information and data sought by the Commission under the pilot program. For example, the addition of Phase II will provide the Commission with information and data regarding variations or similarities in daily Alternative Gas quantities generated from multiple upgrading facilities, and information on the operation of a network of Alternative gas facilities. The additional large volumes of gas will also provide the Commission with information and data on potential impacts of even larger-scale volumes to upstream pipelines and infrastructure.⁴

18. The addition of the Phase II project will also promote the public policy goals initially identified in Align RNG’s Application in support of the Phase I project.⁵

⁴ The Commission has reiterated that Piedmont, PSNC and other RNG suppliers may apply to the Commission to be approved to participate in the pilot programs, with the main factor being whether the proposed facility will be useful in gathering the information and data sought by the Commission. *See Order Extending Renewable Gas Pilot Programs, Amending Regulations, and Requiring Report*, Docket Nos. G-9, sub 698 and G-5, Sub 606 (Sept. 8, 2021) (citing Appendix F Order, at 17; Appendix B Order, at 2).

⁵ Align RNG maintained that there are several public policy reasons supporting approval of the Phase I project in the Appendix F pilot program, including: (1) that the project supports North Carolina’s policy of encouraging renewable generation within the State, allows natural gas utilities the opportunity to diversify their fuel supply, and will play an important role in supporting Governor Cooper’s climate change initiatives outlined in Executive Order 80; (2) that DEC and DEP plan to purchase the Alternative Gas in order to comply with North Carolina’s Renewable Energy and Energy Efficiency Portfolio Standard; (3) that the project will provide a waste management solution that enhances environmental protection of North Carolina’s resources; (4) that Align RNG’s unique business model provides a new revenue stream for local North Carolina farmers by allowing them to make use of biomethane as an additional resource produced on their farms; and (5) that Align RNG plans to invest approximately \$300 million in Duplin and Sampson Counties, which as Tier 1 Counties will benefit from this economic development. Application, at 7-8.

19. Importantly, based on the design specifications of the Phase II project, Align RNG will continue to fully comply with the requirements of Appendix F, as well as comply with the Commission-approved RIA.⁶

20. Accordingly, Align RNG respectfully moves the Commission to issue an amendment to its Order to include Phase II of the Align RNG project.

21. Align RNG has informed Piedmont of its intent to file this Application and has been informed that Piedmont has no objection to the Application.

Conclusion

For the foregoing reasons, Align RNG North Carolina, LLC, d/b/a Align Renewable Natural Gas respectfully moves that the Commission amend its *Order Granting Participation in Pilot Program Subject to Conditions* to include Phase II of Align RNG's Alternative Gas project, an additional network of production, gathering and upgrading facilities.

Respectfully submitted, this the 3rd day of January, 2024.

/s/ Mary Lynne Grigg
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⁶ Align RNG notes that its responses to the Commission's Information Order require no changes to address the addition of Phase II, to the extent such questions are relevant to Phase II and this Motion.

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Motion to Amend Order Approving Participation in Pilot Program with Conditions, as filed in Docket No. G-9, Sub 764, was served electronically or via U.S. mail, first-class, postage prepaid, upon all parties of record.

This, the 3rd day of January, 2024.

/s/Kristin M. Athens

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