

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. G-9, SUB 739

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Application of Foothills Renewables LLC for)	ORDER REQUESTING
Approval to Participate in Alternative Gas)	ADDITIONAL INFORMATION
Pilot Program)	

BY THE CHAIRMAN: 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 Appendix F to the Service Regulations of Piedmont Natural Gas Company, Inc. (Piedmont). 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, p. 5.

The Commission has approved participation in the pilot program by three Alternative Gas suppliers: C2e Renewables NC, in Docket No. G-9, Sub 699; Optima KV, LLC, in Docket No. G-9, Sub 701; and Optima TH, LLC, in Docket No. G-9, Sub 726.

On January 4, 2019, in Docket No. G-9, Sub 739, Foothills Renewables LLC (Foothills) filed an application requesting to participate in the pilot program created by the Appendix F Order. Foothills stated that the Foothill's Alternative Gas production facility will be located at the Foothill's Regional Municipal Solid Waste Landfill (MSWL) in Lenoir, Caldwell County, and that Foothills expects to begin construction of the facility imminently. Further, Foothills stated that it has entered into a landfill gas purchase and sale agreement with the owner and operator of the MSWL, that the landfill will supply 100% of the gas feedstock used by Foothills, and that Foothill's Alternative Gas will fully comply with the Appendix F standards.

Foothills stated that its facility will operate as a 2,750 standard cubic feet per minute landfill gas-fueled renewable natural gas project. In addition, Foothills stated that it plans to sell Alternative Gas to one or more counterparties having direct experience in the transportation, storage, and utilization of Alternative Gas (Purchasers), and who are also customers receiving service from Piedmont. Foothills noted that it has substantially agreed on terms with a Purchaser, and that Foothills and Purchaser are in final contract

negotiations. In addition, Foothills stated that Purchaser plans to purchase its biogas in order to meet its obligations under the EPA Renewables Fuel Standard, and the policies of the State of North Carolina encouraging generation of renewable energy.

Foothills stated that it plans to interconnect with Piedmont's pipeline for transportation of the Alternative Gas to Purchaser. Foothills stated that it has engaged in extensive contract negotiations with Piedmont regarding a receipt interconnect agreement, that it is close to reaching an agreement in principle with Piedmont, and that Piedmont has no objection to Foothill's filing an application to participate in the pilot program. Moreover, Foothills stated that an injection point for its Alternative Gas in Connelly Springs, Burke County, has been selected, and that Piedmont is conducting engineering studies to determine the technical feasibility of receiving Foothill's Alternative Gas into its system at that location.

Foothills stated that its participation in the Appendix F pilot program will provide Piedmont and the Commission with useful data and information because: (1) Foothill's feedstock is different from that of the three facilities that are presently approved for participation in the pilot program, (2) Foothill's Alternative Gas will meet the Appendix F standards and will not impact the quality of service provided by Piedmont to its customers, and (3) landfill gas is an important potential source of Alternative Gas in North Carolina. Finally, Foothills cited several public policy considerations in support of its application, including assisting Purchaser to meet their renewable energy goals, Foothill's investment of approximately \$30 million in the Caldwell County economy, and Foothill's expenditure of substantial time and resources in the development of its project.

On January 28, 2019, the Public Staff filed a letter stating that it reviewed Foothill's application and has no objection to Foothills participating in the Appendix F pilot program, subject to the Commission's approval of a receipt interconnect agreement between Foothills and Piedmont.

The Commission has reviewed Foothill's application to participate in the Appendix F pilot program. The Commission has determined that it needs additional information about Foothill's proposed Alternative Gas facility. As a result, the Chairman finds good cause to require Foothills to provide the following information to the Commission as soon as it is reasonably possible for Foothills to do so.

1. The number of acres contained in the proposed Foothill's facility site.
2. The details of the facilities to be built by Foothills at MSWL, including:
 - (a) Whether Foothills will build a new or additional methane gathering system, or use the existing system of MSWL.
 - (b) A description of all pipeline and other infrastructure, new or existing, to be used in transporting the Alternative Gas from the methane

collection system(s) to the Foothill's processing and compression facilities, including the location and length of all pipelines.

- (c) Whether any portion of a pipeline will cross a public right-of-way.
 - (d) The estimated cost of all facilities to be built by Foothills at MSWL.
3. Whether there is a Piedmont pipeline in close proximity to the Foothill's facility and, if so, why Foothills is choosing not to interconnect with Piedmont at that pipeline location.
 4. A detailed description of the manner in which Foothills will transport its Alternative Gas from its facility to the injection point in Connelly Springs, including:
 - (a) If trucks will be used, the types of trucks to be used.
 - (b) The route that the trucks will travel, and the distance one way.
 - (c) The Alternative Gas capacity of each truck, and the number of full truck loads that Foothills estimates will be delivered to the injection point each day.
 - (d) Whether Foothills will have access to other injection points and, if so, the location of those injection points.
 5. The meters, other facilities and methodologies by which Foothills and Purchaser will determine the quantity of Alternative Gas that Purchaser receives, and the renewable energy credits (RECs) earned by Purchaser for use of the Alternative Gas.
 6. The physical details of the injection point proposed by Foothills, including:
 - (a) A detailed location description of the proposed injection point.
 - (b) A detailed description of all equipment that will be required at the injection point.
 - (c) Whether the injection site will be fenced and have other security protections.
 - (d) Whether the injection site will be staffed full-time and, if so, the details of the number of employees, their jobs, and by whom they will be employed.

- (e) Whether other Alternative Gas suppliers will be offered use of the injection point facilities.
 - (f) The estimated cost of all facilities to be built by Foothills at the injection point.
7. The details of Foothill's plans for selling its Alternative Gas to Purchaser(s), including:
- (a) The name(s) of the Purchaser(s).
 - (b) The facilities to be used in delivering Alternative Gas from the injection point to the Purchaser(s).
 - (c) Whether the Purchaser(s) will be an end user of the Alternative Gas, or will re-sell it to another entity.
 - (d) The manner in which the price of the Alternative Gas will be determined.
8. The size and operating pressure of Piedmont's pipeline at the proposed injection point.
9. The current winter and summer volumes on Piedmont's line at the proposed injection point, and the direction of flow.
10. The legal relationship between Foothills and MSWL, if any, such as whether they are affiliate entities.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 8th day of February, 2019.

NORTH CAROLINA UTILITIES COMMISSION



Janice H. Fulmore, Deputy Clerk