

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. G-9, Sub 698

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of:

Application of Piedmont Natural Gas	)	PETITION OF CHARLOTTE
Company, Inc., for Approval of	)	BIOENERGY FACILITY, LLC
Appendix F to its North Carolina	)	
Service Regulations	)	

Pursuant to the North Carolina Utilities Commission (“Commission”) Rule R1-5, the Commission's Order Approving Appendix F And Establishing Pilot Program issued in this docket on June 19, 2018 (the “Pilot Program Order”), and the Order Extending Renewable Gas Pilot Programs issued on September 8, 2021, Charlotte Bioenergy Facility, LLC (the “Applicant”) submits this Application to participate in the pilot program of Piedmont Natural Gas Company, Inc. (“Piedmont”). The Applicant respectfully requests that the Commission expeditiously approve its participation in the Pilot Program.

In support of its Application, the Applicant shows the Commission the following:

**PARTIES**

1. Charlotte Bioenergy Facility, LLC is a limited liability company registered and authorized to transact business in the State of North Carolina and is a subsidiary of Anaergia Services, LLC (“Anaergia”). Anaergia is a Delaware limited liability company, a biogas project developer, manufacturer, owner, and operator. Anaergia is the US operating subsidiary of Anaergia, Inc., a global leader in anaerobic digestion technology, listed on the Toronto Stock Exchange (ANRG: TSX) with over 1500 plant references

constructed worldwide. The Applicant owns an existing anaerobic digestion facility located at 600 Johnson Road, Charlotte NC, 28206, in Mecklenburg County that utilizes poultry waste and other readily degradable organic food waste feedstocks to produce biogas (the “Facility”). Currently this biogas is utilized in a combined heat and power system to produce electricity for plant needs and for export to the power grid. The Applicant is pursuing a project at the Facility to increase the capacity of biogas production and organic waste recycling, to upgrade such biogas to commercial pipeline standards such that after such upgrading it will be renewable natural gas (which may be referred to herein interchangeably as “Renewable Natural Gas,” “RNG,” or “Alternative Gas”), and to interconnect with Piedmont for the injection of such Renewable Natural Gas into Piedmont’s natural gas pipeline facilities. Correspondence and filings in connection with this Application should be sent to the following:

Alexander MacFarlane, VP  
Charlotte Bioenergy Facility, LLC  
705 Palomar Airport Road, Suite 200  
Carlsbad, CA 92011  
Alex.macfarlane@anaergia.com

With a copy to Counsel for the Applicant:

Hayes Jernigan Finley  
Womble Bond Dickinson (US) LLP  
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The Applicant and Counsel agree to electronic service.

2. Assuming timely Commission approval of the Applicant’s request to participate in the Pilot Program, the Applicant expects to begin construction of the upgrades and expansions to the Facility in June of 2023. With construction and start-up

expected to require eighteen months, the Applicant expects to be able to place the Facility expansion and attendant RNG injection system in service by December of 2024. Once completed, the Applicant plans to interconnect the Facility with Piedmont's natural gas pipeline facilities to transport approximately 420 – 1,944 dekatherms/day of RNG into the Piedmont network. The Applicant and Piedmont have agreed upon the proposed interconnection location.

3. The Applicant plans to sell its RNG to one or more counterparties with experience in the transportation, storage, and utilization of RNG receiving service from purchasers. The Applicant and Piedmont are currently in discussions on entering into a Receipt Interconnect Agreement (the "RIA") whereby Piedmont would accept RNG from the Applicant.

4. The Applicant is committed to meeting the Commission's standards for the Pilot Program set forth in the Pilot Program Order and any subsequent Order of the Commission.

5. The Applicant has informed Piedmont of its intent to file this Application and Piedmont has no objection to this filing.

### **BACKGROUND**

6. On December 6, 2016, Piedmont filed a petition with the Commission in this docket requesting approval of its proposed Appendix F to its Tariff, which proposed to establish guidelines for receiving and transporting what Piedmont described as "Alternative Gas" on Piedmont's system. Piedmont also filed for Commission approval two (2) receipt interconnect agreements under which Piedmont would receive Alternative Gas at points on the Piedmont system for redelivery to an existing customer.

7. On June 19, 2018, the Commission issued the Pilot Program Order, which conditionally approved certain guidelines for Piedmont's acceptance of RNG into Piedmont's system and created the Pilot Program for a three-year period. During such time, Piedmont is to report to the Commission "regarding the impact of Alternative Gas on its system operations and, ultimately its customers." Pilot Program Order, p. 17. The Commission approved the initial two (2) applications to supply Alternative Gas and ordered that additional Alternative Gas Suppliers "shall be allowed to participate in the pilot program upon a showing to the Commission that any such project will aid in the information and data sought to be gathered through the pilot program." Pilot Program Order, p. 17.

8. Thereafter, the Commission approved a pilot program for Public Service Company of North Carolina, Inc. ("PSNC"), by Order issued September 24, 2019, in Docket G-5, Sub 606. The pilot programs approved in this docket and in PSNC Docket G-5, Sub 606 are collectively referred to as the "Pilot Programs."

9. On September 8, 2021, the Commission issued its Order Extending Renewable Gas Pilot Programs, Amending Regulations and Requiring Report in the Pilot Program dockets. That Order, among other things, extended the Pilot Programs for an additional three years.

10. As of the date of this Application, the Commission has approved participation in the Appendix F Pilot Program for fourteen RNG suppliers, including: C2e Renewables NC, in Docket No. G-9, Sub 699; Optima KV, LLC, in Docket No. G-9, Sub 701; Optima TH, LLC, in Docket No. G-9, Sub 726; GESS International North Carolina, Inc., in Docket No. G-9, Sub 728; Catawba Biogas, LLC, in Docket No. G-9, Sub 735;

Foothills Renewables, LLC, in Docket No. G-9, Sub 739; Align RNG North Carolina, LLC, d/b/a Align Renewable Natural Gas, in Docket No. G-9, Sub 764; Montauk AG Renewables, LLC, in Docket No. G-9, Sub 799; Anson Gas Producers, LLC, in Sub 698; INGenco Wholesale Power, LLC, in Sub 698; and Cardinal Bio Energy, LLC, in Docket No. G-9, Sub 810; Lightning Renewables, LLC in Sub 698; Terreva Catawba RNG, LLC, in Sub 698; and Terreva Wayne County RNG, LLC, in Sub 698.

### **REQUEST FOR APPROVAL TO ENTER THE PILOT PROGRAM**

11. Pursuant to the Order Extending Renewable Gas Pilot Programs, additional quantity and variety of RNG data is needed for the Pilot Program before final standards can be adopted. As the Commission stated: “The larger the number of participants the more the diversity of feedstocks and the greater the confirmation of data.” Order Extending Renewable Gas Pilot Programs, at 12. The Applicant’s project will not harm Piedmont’s customers and will be “useful in gathering information and data sought by the Commission.”

12. Of the fourteen approved projects in the Pilot Programs, as of the Commission’s Order Extending Renewable Gas Pilot Program, only two operating projects are currently delivering RNG to Piedmont or PSNC and both are derived from swine and animal/food processing waste. Although the Applicant’s project will involve delivery of RNG sourced from wastes similar to these two operating projects, it will also involve commercial sector source-separated food waste (e.g. grocery wastes). This additional source of waste will provide unique and beneficial data for the Pilot Program.

13. A proposed interconnection point for the Alternative Gas has been selected at a location in Mecklenburg County, and Piedmont is in the process of completing an

engineering study and has confirmed that the receipt of the volume of gas to be produced by the Applicant is technically feasible at this location. Once the engineering study is completed the Applicant will work on finalizing discussions with Piedmont on the RIA. The advanced status of this project means the Commission and Piedmont are likely to have an anaerobic digestion project fueled by poultry waste and other readily degradable organic food waste feedstocks that is operational and that will be able to gather information within the next 24 months, thereby providing a more comprehensive set of data in support of the Pilot Program.

### **PUBLIC POLICY CONSIDERATIONS**

14. In addition to the usefulness of the Applicant's project providing information and data sought by the Commission, there are several public policy reasons to approve the Applicant's participation in the Pilot Program.

15. The EPA Renewable Fuels Standard and the stated public policy of the State of North Carolina encourages the productive use of renewable energy resources located in State. In addition, the North Carolina Renewable Energy and Energy Efficiency Portfolio Standard ("REPS"), N.C. Gen. Stat. § 62-133.8, creates a need for Alternative Gas as a component of potential purchasers' renewable energy portfolio.

16. Second, the Applicant's project will invest approximately \$50,000,000 in Mecklenburg County, to increase the local tax base, provide jobs, increase the overall recycling rate and support the local service industry. The Applicant's project has the support of and will have a positive effect on Mecklenburg County.

17. Additionally, the property on which the Applicant's Facility is situated has been accepted into the North Carolina Brownfields Program, Project # 18012-14-060, and

the planned facility expansions will further the beneficial use and redevelopment of an abandoned, idled or underused property.

18. Finally, the Applicant has invested considerable time, energy, and resources in the project in anticipation of ordering equipment and construction. Further delay of this project would not only inure to the financial detriment of the Applicant, but to subcontractors, vendors, and other businesses in North Carolina. As the Commission stated in its May 4, 2017 Order in this docket and restated in the PSNC Order, if use of the natural gas distribution system “can be done while holding natural gas customers harmless, then every effort should be made to accommodate interconnections with Alternative Gas providers.” Pilot Program Order, p. 15.

### CONCLUSION

For all of the foregoing reasons, Charlotte Bioenergy Facility, LLC, respectfully requests that the Commission expeditiously approve its participation in the Pilot Program.

Respectfully submitted, this the 14th day of March, 2023.

WOMBLE BOND DICKINSON (US) LLP

/s/Hayes Jernigan Finley  
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*Attorney for Applicant*

VERIFICATION

STATE

COUNTY

ALEXANDER MACPALLANE, being first duly sworn, deposes and say that as an Authorized Officer of Charlotte Bioenergy Facility, LLC, he has read the foregoing Application, knows the contents thereof, and that the same are true of his own knowledge.

This 13<sup>th</sup> day of MARCH, 2023.

A. MacPallane

[Name] MACPALLANE

[Title] VP, CHARLOTTE BIOENERGY LLC

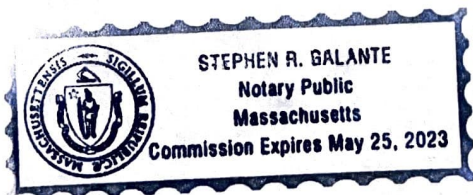
Sworn to and subscribed before me

This the 13 day of MARCH, 2023.

STEPHEN R. GALANTE

Signature

My Commission expires: 05/25/2023





## CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing document was duly served upon counsel of record for all parties of record to this docket by either depositing the same in a deposit of the United States Postal Service, first class postage prepaid, addressed as shown below, or by electronic delivery.

This the 14th day of March, 2023.

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