

30th April 2024

Public Service Commission

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Kentucky

KY 40602

USA

Proposed Changes to Local Gas Delivery Service Tariff for Louisville Gas & Electric Company

With reference to the proposed changes referenced above, as a prospective RNG producer in Kentucky, specifically looking at sites connected to LG&E, Grissan is deeply disappointed to see the proposed tariff changes. Whilst the changes in relation to improved gas sampling requirements are reasonable, justified and in line with industry norms, the other changes raise significant concern for any future project viability.

Specifically:

1. The clarification that gas supplied via Virtual Pipeline will not be considered local gas.
 - Whilst Grissan do not currently plan to utilize a Virtual Pipeline, this technology can be a valuable tool in an RNG producers toolkit to overcome local infrastructure issues. To specifically preclude such a technology, is likely to impede deployment of RNG in your system.
 - LG&E should support the use of Virtual Pipeline technology, based on the supply of gas from areas local to those which LG&E operate.
2. The changes proposed to gas quality in relation to higher heating value.
 - The newly proposed HHV for RNG supply is amongst the highest CV values mandated on local infrastructure and is disproportionately high in comparison to other local utilities.
 - Mandating a higher CV is counter intuitive to supporting greater deployment of RNG within local gas distribution pipelines and adds a significant cost burden to producers in blending with propane gas.
 - Specifically, where high blend inclusion rates of propane are used with RNG, the Wobbe index is negatively impacted and requires precision control of CO₂ to balance. With the tight restriction of 2% CO₂ also on this same tariff, this is a significant challenge to achieve.

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- Propane is a significant source of Greenhouse Gas pollutants and forcing RNG producers to blend with this, leads to a significantly less sustainable gas grid for the long term.
 - In addition to ongoing operational costs, blending equipment, propane tanks, vaporisers and associated metering assets, significantly increases overall capital expenditure on RNG assets.
 - Propane blending leads to more wastage and flaring of RNG. Where blending operations are interrupted, high quality RNG (which has no negative impact to the consumer on combustion) cannot be exported to the grid and instead must be flared.
 - Where increased costs and flaring are experienced, this increases costs to the consumer in the long run and stifles deployment and uptake of renewable gasses.
 - Furthermore, the changes required will specifically preclude the future inclusion of other renewable gasses (such as hydrogen) and is not aligned with federal renewable energy deployment targets.
3. With the changes proposed, deployment of RNG within LG&Es network will be materially lower. Therefore, with lower volumes of RNG available, more (fossil) natural gas will be imported from long distances away, increasing the burden on pipeline infrastructure and ultimately, increasing consumer costs.

In consideration of all of the points listed, we strongly urge LG&E to reconsider its position and look to take a more proactive position with respect to supporting deployment of Renewable Natural Gas that is produced local to their infrastructure. Undoubtedly, the transition from fossil fuel to renewable, sustainable fuels is a universal goal, with wide-ranging economic and environmental benefits to the local community and requires support from both producers, utilities and consumers to deliver.

Regards,



Scott McNae

Project Development Leader

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