

**Virginia State Corporation Commission
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Case Name (if known) Application of Roanoke Gas Company for approval of a certificate of public convenience and necessity to construct, own, and operate a digester gas conditioning system and for a rate adjustment clause designated Rider RNG and related tariff provisions

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November 14, 2022

VIA E-FILING

The Honorable Bernard Logan, Clerk
Virginia State Corporation Commission
Document Control Center
Tyler Building, First Floor
1300 East Main Street
Richmond, Virginia 23219

**Re: Application of Roanoke Gas Company for approval of a certificate of public convenience and necessity to construct, own, and operate a digester gas conditioning system and for a rate adjustment clause designated Rider RNG and related tariff provisions pursuant to Chapters 10.1 and 30 of Title 56 of the Code of Virginia
Case No. PUR-2022-00125**

Dear Mr. Logan:

On behalf of Roanoke Gas Company attached is the [public] Rebuttal Testimony of the following individuals to be filed in this matter:

- Niklas E. Banka
- Lawrence T. Oliver
- David Cox
- Becky J. Luna
- Paul K. Schneider

The confidential version of the Rebuttal Testimony of Niklas E. Banka is being hand delivered to the Commission this afternoon.

Please do not hesitate to contact me if you have any questions about this filing.

Sincerely,

/s/ Brian R. Greene

Brian R. Greene

Enclosures

cc: Wendy Starkey (Wendy.Starkey@scc.virginia.gov) (w/confidential version)
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Summary of Testimony of David Cox

I am the CFO and one of the founding members of the Coalition for Renewable Natural Gas ("RNG Coalition"). In my testimony I provide the Commission with an accurate overview of the United States' Renewable Fuel Standard ("RFS") under which Roanoke Gas Company will be able to sell the environmental attributes associated with the RNG it is producing. I also respond to Staff witness Kuleshova's testimony regarding the facility's ability to generate RINs and revenue from the sale of the RINs.

**REBUTTAL TESTIMONY OF
DAVID COX
BEFORE THE
VIRGINIA STATE CORPORATION COMMISSION
CASE NO. PUR-2022-00125**

1 **Q. PLEASE STATE YOUR NAME, THE COMPANY YOU WORK FOR AND THE**
2 **POSITION YOU HOLD WITH THAT COMPANY.**

3 **A.** My name is David Cox. I am the CFO, and one of the founding members, of the Coalition
4 for Renewable Natural Gas (“RNG Coalition”).

5 **Q. CAN YOU PROVIDE A BACKGROUND OF YOUR PROFESSIONAL**
6 **EXPERIENCE AS IT RELATES TO YOUR CURRENT DUTIES?**

7 **A.** I co-founded the RNG Coalition in 2011. We are a non-profit association dedicated to the
8 advancement of renewable natural gas (“RNG”) as a clean, sustainable, domestic energy
9 resource. Our membership includes more than 370 companies and organizations that
10 operate throughout the United States and Canada, together representing more than 98% of
11 the total volume of RNG in North America. I am an attorney specializing in renewable
12 natural gas laws and policies. I am licensed in Texas, Oklahoma, and California. I
13 graduated law school with a Juris Doctorate from the University of the Pacific’s McGeorge
14 School of Law in Sacramento, California. I received a Bachelor of Arts in Political Science
15 from Westmont College in Santa Barbara, California.

16 **Q. DID YOU FILE DIRECT TESTIMONY IN THIS PROCEEDING?**

17 **A.** No, I did not.

1 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY WITH THE VIRGINIA STATE**
2 **CORPORATION COMMISSION?**

3 **A.** No, I have not.

4 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY IN THIS**
5 **PROCEEDING?**

6 **A.** I am working on behalf of RNG Coalition's membership to provide the Commission with
7 an accurate overview of the United States' Renewable Fuel Standard ("RFS") under which
8 Roanoke Gas Company will be able to sell its RNG and generate monetizable Renewable
9 Identification Numbers ("RINs"). I also respond to a portion of Staff witness Kuleshova's
10 testimony.

11 **Q. DO YOU HAVE DIRECT EXPERIENCE ON THIS TOPIC?**

12 **A.** Yes. I represent and provide leadership, public policy advocacy and education for the
13 Renewable Natural Gas industry in North America. I consult with project developers,
14 financiers, gas utilities and others in the RNG value chain. I frequently meet with elected
15 and appointed government officials to provide general education about renewable natural
16 gas. I have represented the RNG industry at the U.S. Environmental Protection Agency
17 ("EPA") since RNG was classified as a cellulosic biofuel under the Clean Air Act's
18 Renewable Fuel Standard regulation in 2014. I am a member of the North American Energy
19 Standards Board ("NAESB") and its wholesale gas quadrant's contracts subcommittee
20 which includes extensive review of the contract provisions relative to renewable natural
21 gas purchase and sale and its environmental attributes.

22 **Q. STAFF WITNESS KULESHOVA STATES THAT THERE IS SUBSTANTIAL**

1 DOUBT AS TO WHETHER ROANOKE GAS' RNG FACILITY WILL BE ABLE
 2 TO GENERATE REVENUE FROM THE SALE OF THE ENVIRONMENTAL
 3 ATTRIBUTES. (KULESHOVA AT 8). DO YOU BELIEVE THIS TO BE
 4 ACCURATE BASED ON YOUR UNDERSTANDING OF THE RNG MARKET?

5 A. No. Environmental Attributes from RNG are monetized by similar facilities every day.¹
 6 Environmental attributes are a prerequisite to generation of regulatory credits, like the RIN.
 7 RNG derived from biogas generated at a wastewater treatment plant can create a D3 RIN
 8 under the EPA's RFS program, with additional credit generation opportunities under
 9 various state-level Low Carbon Fuel Standard ("LCFS") programs. RNG facilities have
 10 collectively monetized over 600 million D3 RIN in the past 12 months. As of 2021, RNG
 11 was used to fuel approximately 64% of natural gas vehicles in the United States.² There is
 12 significant remaining capacity for RNG in the U.S. transportation sector, as well as
 13 significant incentives for fleets to decarbonize through this method. Furthermore, RNG
 14 produced using biogas from a wastewater treatment plant is a highly desirable RNG
 15 resources given that it has a low lifecycle carbon intensity, allowing end-users to
 16 demonstrate high levels of GHG reduction. As such, even outside of the RFS, there is
 17 considerable market demand for RNG.

18 Table 1 to 40 CFR § 80.1426, "Applicable D Codes for Each Fuel Pathway for Use
 19 in Generating RINs," lists two potential pathways for Renewable Compressed Natural Gas,
 20 Renewable Liquefied Natural Gas, and Renewable Electricity in Rows Q and T. The

¹ City of Phoenix's 91st Avenue Wastewater Treatment Plant and San Antonio Water System are two prominent examples.

² RNG Coalition, *Decarbonize Transportation with Renewable Natural Gas*, 2021:
<https://static1.squarespace.com/static/53a09c47e4b050b5ad5bf4f5/t/627027440ad1fc1e4922b215/1651517252292/NGV+RNG+Decarbonize+2022+5+02+22.pdf> (last visited Nov. 14, 2022).

1 predominate volume of RNG is generating D3 RINs under Row Q. For “wastewater
2 treatment facilities,” the requirement to establish and maintain eligibility as a cellulosic
3 biofuel to generate a D3 RIN is that the digester is only processing wastewater and is not
4 bringing in non-cellulosic feedstocks to co-digest. It is my understanding that the Roanoke
5 Gas RNG Facility does not, and does not intend to, introduce additional non-cellulosic
6 feedstock. Therefore, there should be no impediment to D3 RIN generation.

7 Only if the facility takes non-cellulosic feedstock into its digester to boost its biogas
8 volumes, for instance by co-digesting wastewater with food waste, would it move to Row
9 T eligibility. Under that scenario, a facility would qualify as an advanced (not cellulosic)
10 biofuel and would generate a D5 RIN (which have substantial but lower value, compared
11 to the D3 RIN) in the facility.

12 **Q. STAFF WITNESS KULESHOVA EXPRESSES DOUBT THAT RNG PRODUCED**
13 **BY THE FACILITY WILL BE ABLE TO GENERATE RINS BECAUSE THE RFS**
14 **APPEARS TO REQUIRE THAT RNG BE USED AS A FEEDSTOCK FOR**
15 **TRANSPORTATION FUEL PRODUCTION AS OPPOSED TO THE RNG BEING**
16 **INJECTED INTO THE GAS SYSTEM. (KULESHOVA AT 7). PLEASE EXPLAIN**
17 **IF THIS IS ACCURATE BASED ON YOUR EXPERIENCE WITH THE RFS**
18 **PROGRAM.**

19 **A.** The RFS does require the use of the RNG as a transportation fuel (or heating oil or jet fuel),
20 however injection into the gas system is commonplace and does not create a problem with
21 generating RINs. EPA’s RFS, state-level LCFS programs, and other programs which make
22 up the current RNG market throughout the world primarily utilize mass-balance
23 accounting. Mass-balance accounting allows an end-user (for example, a fueling station or

1 fleet) to purchase RNG from a producer so long as the producer and end-user are connected
2 to a common pipeline system. Because much of the U.S. is connected through a common
3 pipeline system, RNG is transported across existing gas infrastructure to its end users every
4 day. This is also consistent with most renewable power procurement programs throughout
5 the world. Put simply, this method of supplying RNG to transportation customers is well-
6 established under the RFS program and RINs are generated under this process.

7 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

8 **A.** Yes.