

## AGA: CARBON NATURAL

AMERICAN GAS, SEPTEMBER 2018

As major corporations sign on to carbon neutrality goals, a few big names are looking to natural gas to act as a cornerstone of their plans.

Corporate sustainability is making headlines. "L'Oreal USA Announces Innovative Approach to Achieve Carbon Neutrality," says one. "Apple Now Globally Powered by 100 Percent Renewable Energy." And "Microsoft Tackles Big Problem with Fuel Cell-Powered Data Centers."

These giants of global commerce are going carbon neutral, demonstrating their commitment to sustainability in its environmental as well as economic and social senses. What might be surprising to some people is that these initiatives showcase the role of natural gas in sparking out-of-the-box thinking. With natural gas as a tool in the sustainability toolbox, companies are forging paths for others to follow.

### Sustainability in More Ways Than One

It's a misconception that sustainability applies only to environmental practices. As writer Andrew Beattie describes in Investopedia, environmental action is one of three pillars of sustainability, providing equal balance alongside economic and social efforts. As corporations striving for environmental sustainability demonstrate thoughtful and groundbreaking efforts can achieve that three-pillar impact known as "people, planet and profits" by also benefiting communities and cutting costs.

"The trend seems to be making sustainability and a public commitment to it basic business practices, much like compliance is for publicly traded

companies," Beattie said. "If this comes to pass, then companies lacking a sustainability plan could see a market penalty, rather than proactive companies seeing a market premium."

Meanwhile, the United Nations Global Compact calls corporate sustainability an "imperative for business today-essential to long-term corporate success and for ensuring that markets deliver value across society."

### The Beauty in Renewable Natural Gas

L'Oreal USA made its announcement in March 2018: The beauty giant would achieve carbon neutrality for its 19 U.S. manufacturing and distribution facilities in 2019. The kicker? The goal will be achieved through renewable natural gas, "with a financially sustainable approach that could potentially serve as a model to support new [RNG] projects in the future."

It's a milestone being created by teams that are chasing "a new renewable energy approach that benefits one of our local communities while being a long-term, financially viable solution," President and CEO Frederic Roze said in a news release.

L'Oreal USA has entered into a 15-year agreement to purchase 40 percent of the landfill gas produced by Big Run Landfill in Ashland, Kentucky, 135 miles from L'Oreal USA's Florence, Kentucky, plant. That gas, from a newly built facility for processing and conditioning LFG for use as RNG, is then directed into the interstate natural gas transmission system.

### The Data Center Dilemma

The measurement known as power usage effectiveness, or PUE, has improved in U.S. data centers, which serve as the crucial brains behind all the calculations that our computers, homes, televisions and smart speakers are churning out every second. That's a good thing, but demand from streaming video, artificial intelligence and the internet of things is skyrocketing, forcing data centers to keep pace. In the worldwide IoT alone, devices are projected to increase from 8.4 billion in 2017 to 20.4 billion by 2020.

**Continued on Page 3**



*L'Oreal USA strives for carbon neutrality through renewable natural gas.*

# IMPLICATIONS OF POLICY-DRIVEN ELECTRIFICATION

AMERICAN GAS, JULY 2018

The results are in from AGA's study on the implications of policy-driven electrification. The study was produced by ICF, this report was developed to encourage an informed discussion about proposed electrification policies that would eliminate or significantly reduce residential direct use of natural gas. Initiated in 2017, the study reflects significant input and guidance from the AGA Electrification Impact Assessment Study Steering Committee, Communications Steering Group and the Board of Directors.

The study and related materials, including a summary document and an analysis of innovative natural gas technologies and their role in a thoughtful pathway towards U.S. emissions reductions, are now available for AGA members, stakeholders and the public. America's natural gas utilities are committed to reducing emissions by using our nation's abundance of natural gas in a sustainable, environmentally sound and safe manner.

In short, the report found that policy-driven electrification could be:

## **Burdensome to consumers and to the economy:**

- Average household energy-related costs could increase between \$750 and \$910 per year.
- The total increase in energy-related costs ranges from \$590 billion to \$1.2 trillion through 2035.

## **Have profound impacts and costs on the electric sector:**

- Significant increases in peak electric demand could result in the need for major new investments in the electric grid including generation, transmission, and distribution capacity.
- \$102 to \$319 billion in incremental generation capacity requirements by 2035.
- \$53 to \$107 billion in associated transmission system upgrades.

## **A very costly approach for a relatively small reduction in emissions:**

- The average cost of U.S. greenhouse gas emissions reductions achieved would be between \$572 and \$806 per metric ton of carbon dioxide reduced, which is very high relative to other emissions reduction options.
- Reductions from aggressive policy-driven residential electrification would reduce greenhouse gas emissions by only 1 to 1.5 percent of U.S. greenhouse gas emissions by 2035.

To view the study, go to [https://www.aga.org/globalassets/research-insights/reports/AGA\\_Study\\_On\\_Residential\\_Electrification](https://www.aga.org/globalassets/research-insights/reports/AGA_Study_On_Residential_Electrification)

## Get Your Ballots In!



Reminder:

Get your ballots in to vote/approve the nominees for the three open board positions! Ballots will be emailed to members early November and are due by Friday, December 7, 2018.

## 2019 Membership Dues Invoices Coming in December!

It's that time of year again – Time to Renew your Membership for 2019!! Invoices for 2019 membership dues will be mailed out early December so watch your mailboxes! Thank you for your support and for being a member!

## Carbon Natural Continued from Page 3

In their search for solutions, tech companies are finding help from natural gas. In 2017, Microsoft announced development of the world's first gas data center, directly connected to natural gas pipes and powered entirely by integrated fuel cells.

Microsoft also wowed data-center watchers with a unique tariff developed in 2016 in collaboration with Wyoming utility Black Hills Energy. The agreement centers around Microsoft's Cheyenne data center, which, like all Microsoft data centers, requires a megawatt of backup power for every megawatt of grid-supplied energy used. The agreement gives Black Hills Energy access to Microsoft's backup generation, created through a natural gas turbine, during peak-demand times. Black Hills Energy also buys power from the market on Microsoft's behalf "at a firm price to meet their energy needs," said Black Hills Energy President and Chief Operating Officer Linn Evans.

Over on the East Coast, Apple is utilizing RNG to take a bite from its power usage. A 10-megawatt fuel cell station at its Maiden, North Carolina, data center is powered, along with solar technology, by biogas produced at landfills. And its new Apple Park headquarters in Cupertino, California – a 2.8 million-square-foot circle nicknamed the Spaceship – is powered by solar panels and 4 megawatts of energy from biogas fuel cells, which create energy electrochemically.

### Ripple Effect

When global giants set the tone on carbon neutrality, others follow, further expanding the space in which RNG and natural gas can operate. When Apple announced in April 2018 that it was globally powered by 100 percent renewable energy, it also noted that nine new vendors were pledging the same, bringing the total to 23 suppliers.

"Reducing our environmental footprint-including our carbon emissions, waste and water use-is a key component of our global 'Sharing Beauty with All' sustainability program," said Harf. "L'Oreal USA is achieving carbon neutrality through a portfolio of renewable energy projects, including solar, wind and renewable natural gas as well as the purchase of locally sourced renewable energy credits and carbon offset. [Our] latest RNG project further diversifies our renewable energy portfolio and demonstrates our commitment to serving as a sustainability leader in the United States."

It's a responsibility that the company takes seriously, and its approach continues to create room for further consideration of natural gas.

"Given the number of landfills in the United States that have the potential to convert landfill gas to renewable natural gas, we believe that our approach could potentially serve as a model for other businesses to support new RNG projects in a way that is both environmentally and financially sustainable," Harf said.

Visit [www.aga.org](http://www.aga.org) for complete article.

## Minnesota Governor Mark Dayton Proclaims October as HVAC System Awareness Month

In an effort to increase awareness of the importance of keeping Heating, Ventilation, and Air Conditioning (HVAC) systems properly maintained and serviced for the upcoming heating season, the Blue Flame Conservation Committee submitted a request to the Governor's office to have October declared as HVAC System Awareness Month.

This request was approved by Governor Dayton recently and he issued a proclamation announcing October as HVAC System Awareness Month in Minnesota. This is the third year the Minnesota Blue Flame has initiated this proclamation.

The proclamation urges Minnesota residents to have a qualified technician perform an annual inspection of their HVAC systems to ensure safety and reliability.

Member utilities, HVAC trade allies, etc. will be able to use this proclamation to help create awareness with their customers on the importance of a properly tuned and efficiently running HVAC system.

It is a reminder to all of us that the heating season is coming – have you had your heating system checked yet? Don't wait – winter's coming!

## CenterPoint Energy Unveils Pilot Program for 'Renewable Natural Gas'

Star Tribune, August 23, 2018 – Mike Hughlett

CenterPoint Energy has unveiled an unusual pilot program for "renewable natural gas," offering customers a greener-though more expensive-alternative to conventional gas.

Participants in the voluntary program would pay an extra monthly fee to get a portion or all of their gas from renewable sources such as landfills, sewage treatment plants and livestock manure. CenterPoint Energy would buy the renewable gas from national suppliers and deliver it to homes through its existing distribution system.

CenterPoint Energy outlined the proposal in a filing with the Minnesota Public Utilities Commission (PUC) on August 23, 2018, which must approve any such plan. It would be among the first offered by a U.S. gas utility, and it "would answer customer demand for renewable energy options," CenterPoint Energy said in the PUC filing.

For more information, visit [centerpointenergy.com/rng](http://centerpointenergy.com/rng)



# MN Blue Flame Lodge

## New Display and Photo Op Spot

A new overall attendance record was set at the 2018 Minnesota State Fair! Final attendance for the State Fair was 2,046,533 - Up from last year's record breaking attendance of 1,997,320.

The Blue Flame Lodge is the association's primary vehicle to interact with consumers and to promote natural gas, natural gas products, educational materials, and provides visibility for the association and its members. The Lodge is located in Carousel Park across from the Giant Slide.

This year, one of the key messages in the Lodge was to educate consumers that Natural Gas is good and supports renewable energy sources – it makes the world a better place! Recently, with pressure on fossil fuels, natural gas needs to get its message out that it helps lower emissions and supports renewable energies. Natural gas is an important part of the energy mix and this message needs to be promoted. A new display was created in the Lodge to address this.

Also new this year was a "Blue Flame Photo Op Spot" where fairgoers could have their pictures taken by a background of Paul and Babe the Blue Ox and it said "I visited the Minnesota Blue Flame Lodge" and it promoted our website. Fairgoers love to have their pictures taken at the State Fair and the Blue Flame wanted to make sure they remembered their visit to the Lodge!

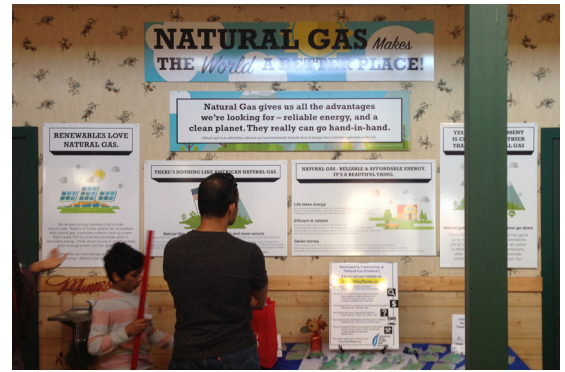
We had several giveaways and drawing in the Lodge again this year: Drawings were: a John Deere riding lawnmower from MEI and a portable generator from Midwest Generator.

Giveaways were: The famous colored yardsticks, "must-have" jar openers, hand sanitizers, and sunscreen/chapstick combo.

Natural gas equipment featured in the lodge included: a gas dryer, range, fireplaces, grills, generators, water heaters-tank and tankless, furnaces, boilers, garage heaters, natural gas vehicle info, exterior home products to make your home more energy efficient, and more. In addition to natural gas product displays, the Lodge also featured safety, rebate, and energy assistance information.

Thirteen members displayed at the Lodge this year—thank you for your support and great displays! Members displaying were: Comfort by Design, Minnesota Exteriors, Inc., Erickson Plumbing Heating Air Electrical, Minnesota Gas Grills & Fireplaces, John J. Morgan Co., National Excelsior Co., Air Tech/Service Today, The Salvation Army, Midwest Generator, Gopher State One Call, CenterPoint Energy, Minnesota Energy Resources, and Xcel Energy.

If you are interested in displaying in the lodge in 2019, please contact Diane for more info.



## Mark Your Calendars

### 2019:

**Tuesday, June 4**

Blue Flame Fishing Event – Mille Lacs Lake

**Thursday, June 13**

Blue Flame Golf Event – Cannon Falls Golf Club

**Thursday, August 22 through Labor Day, Monday, Sept. 2**

Blue Flame Lodge at the Minnesota State Fair

**Tuesday, September 17**

Commercial/Industrial Conservation Conference

## SAVE THE DATE!

**THURSDAY, AUGUST 22 - LABOR DAY, SEPTEMBER 2, 2019**



# Commercial/Industrial Fall Natural Gas Conservation Conference

On September 25, the Commercial/Industrial Committee held its annual Fall Natural Gas Conservation Conference at the Golden Valley Country Club in Golden Valley. This was a new location for the event since the Hillcrest Golf Club closed last year.

Xcel Energy was the major utility sponsor of this event along with supporting utility sponsors CenterPoint Energy and Minnesota Energy Resources. Mulcahy was the exclusive Platinum Sponsor and Gold Sponsors were Energy Insight, FourMation Sales, Harris, R.M. Cotton Co., Ryan Co., and Tioga HVAC Rentals.

The conference drew 95 attendees from all over the state to attend presentations and visit vendors displaying their natural gas products and services at the tabletops.

The conference had a half day format with two sessions, each with two seminar tracks to pick from. Topics this year were: Utility Conservation Programs, Panel: Rate Review-Natural Gas Transportation vs. Utility Systems Sales, Gas Distribution 101, and the Latest on Condensing Boilers.

Brian Habacivch with Constellation Energy gave the breakfast keynote presentation on the Natural Gas Price & Supply Update for the upcoming heating season. Supply: Strong-gas production set a new record in September, however underground inventories are still under 5-year minimum levels. Prices: Relatively low and stable currently but may be influenced

by future exporting. Weather: Predicted to be normal or above normal for Minnesota. The Shale Revolution Transformation has made the U.S. the largest natural gas producer in the world. The U.S. is undergoing a fundamental energy transformation. Brian's presentation was very informative and it's an exciting time for the natural gas industry.

Rick Murphy with the American Gas Association (AGA) gave the lunch keynote presentation on how natural gas supports renewable energy and he also touched on the results found in AGA's study on strategic electrification.

Many of the conference presentations are posted on the Minnesota Blue Flame website under the Commercial/Industrial Committee tab – click the following link to see them: <http://blueflame.org/commercialindustrial-committee/> If the presentation is not posted on the site, the speaker contact information is listed so you can request the presentation from the speaker.

Attendees were able to visit the vendor table top displays of the above sponsors and the following members: SES, Standby Systems, and Temp-Air.

A big THANK YOU to all of our utility and trade ally sponsors and speakers for helping to make this conference the great event it was!

**SAVE THE DATE! TUESDAY, SEPTEMBER 17, 2019**

## QUOTE OF THE QUARTER

*Nature does not demand that we be perfect.  
It only requires that we grow.*

*Author: Josh Liebman*

## Blue Flame Website: Who's My Utility?

The "Who's My Utility?" feature on the Blue Flame website is a valuable tool when trying to find out who the natural gas utility might be that serves a customer. This can be helpful with energy rebates, etc.

Go to the Blue Flame website [www.blueflame.org](http://www.blueflame.org) and on the Home Page toolbar, select the Natural Gas Information tab. A drop-down menu will appear and select the "Who's My Utility" option. Type the city name in the search area and the natural gas utility/ies that serve that community will appear. If there are multiple natural gas utilities serving the community, all will be displayed.



### INTERESTED IN JOINING THE ASSOCIATION?

Contact Diane at [dswintek@blueflame.org](mailto:dswintek@blueflame.org) or visit our website at [www.blueflame.org](http://www.blueflame.org) Associate memberships are \$200 per year.

**Join the team now!**

#### Benefits to joining:

Website exposure on Blue Flame website (Natural Gas Product Finder), Networking Opportunities, Industry Contacts, Advertising Opportunities, Member rates (reduced rates) for Association events, seminars, etc., and many more.

### INTERESTED IN JOINING A COMMITTEE?

Join the State Fair Committee, Commercial/Industrial Committee or the Conservation Committee and get involved! If you're interested, contact Diane at [dswintek@blueflame.org](mailto:dswintek@blueflame.org)

**Have something  
to submit?**

**E-mail change?**

If you would like to submit information to be considered for the next member newsletter or have an e-mail change, contact Diane at [dswintek@blueflame.org](mailto:dswintek@blueflame.org)



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