

# RNG SUPPLY: HOW DOES IT WORK?

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**Pagel Family Businesses**



# INTRODUCTION

## Energy Industry

- Credit/Risk Management
- Trading/Asset Management
- Compressed Natural Gas (CNG) Market
- Renewable Credit Markets

## Agribusiness

- Chief Financial Officer

## Carbon Project Developer

- Improved Forest Management ACR873

# OUTLINE

1. What is RNG and how is it made
  - Anaerobic digestion
  - Feedstocks
2. Pagel Family Businesses RNG Projects
  - Pagels Ponderosa
  - Dairy Dreams
3. RNG Pathways
  - Physical Pathway
  - Contractual Pathway

# WHAT IS RNG & HOW IS IT MADE?

## What Is Renewable Natural Gas (RNG)?

- RNG is biomethane produced from a renewable source and sold as transportation fuel (CNG)
  - Landfills
  - Anaerobic Digesters (AD)
    - Manure
    - Food Waste
    - Wastewater Treatment Plants
- **How Is RNG made?**
  - Landfill or AD project produces Biogas (~50% CO<sub>2</sub> + ~50% methane)
  - Gas cleanup facility scrubs out impurities to produce biomethane
  - Compressed Natural Gas (CNG) fueling station compresses biomethane
  - and dispenses it as vehicle fuel (RNG)



# PAGEL FAMILY BUSINESSES RNG PROJECTS

1. Pagels Ponderosa – 5,500 milk cows
    - 3.1M gallon digester capacity
  2. Dairy Dreams – 3,000 milk cows
    - 2.1M gallon digester capacity
- Built in 2009 to produce electricity under 10-year PPA
  - Converted from power to RNG in 2019
  - One of the first virtual pipeline RNG projects in the US
  - Currently producing approximately 1.3M DGE annually

# PAGEL FAMILY BUSINESSES RNG PROJECTS





# RNG PATHWAYS

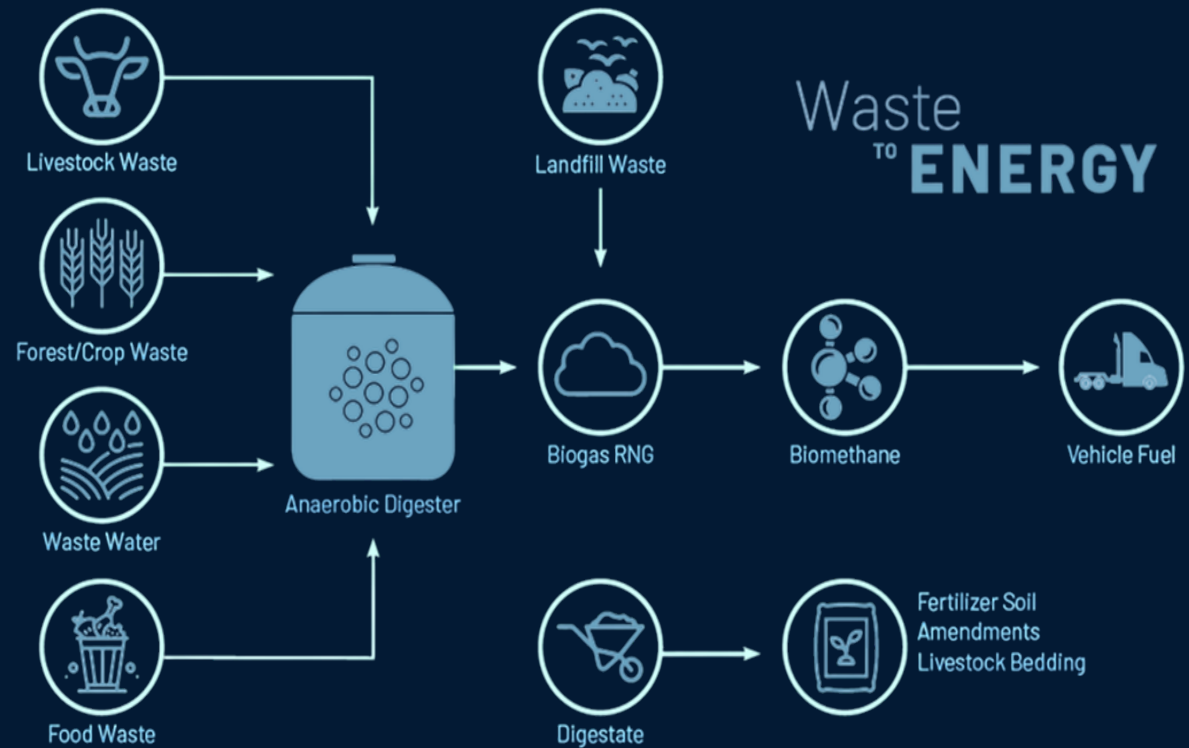
## Current Value Chain (RNG to CNG)

### 1. Physical Pathway

- RNG Project
- Gas Interconnect
- Interstate Pipeline
- CNG Fueling Station

### 2. Contractual Pathway

- Producer (RNG Project)
- Gas Marketer
- CNG Off-Taker
- Credit Broker



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