

RNG Presentation

NCTCOG

Organic Waste to Renewable Natural Gas
Regional Stakeholders Meeting

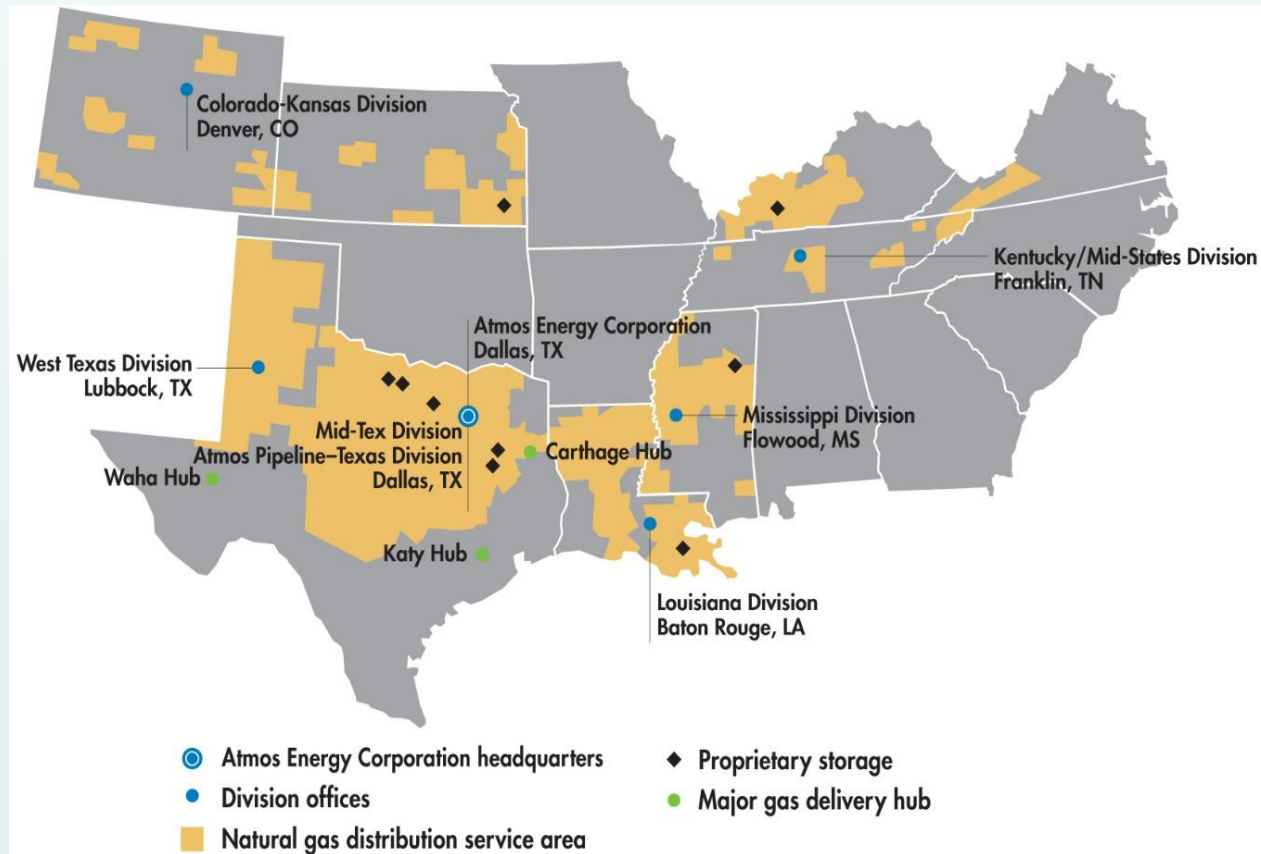
March 24, 2021

Delivering safe, reliable and affordable energy to over 3 million homes and businesses

Largest *natural gas only* LDC in the US

- 3.1 million customers
- 1,400 communities
- 8 states
- 77,000 miles pipeline
- 4,700 employees

Overall Customer satisfaction score **94%**





These priorities aren't mutually exclusive.

- Reliable energy that customers can't afford?
That's no good.
- Clean energy that's not reliable?
That's no good.
- Affordable energy that's not accessible?
That's no good.

Focus on the Environment

Governance

- Founding Partner of EPA's Natural Gas STAR Methane Challenge Program
- Joined ONE Future in 2020
- Voluntary methane emissions reporting through AGA

Fleet / Facilities

- 13 LEED certified facilities (4 Gold, 7 Silver); 4 more planned
 - 50-60% less water use annually
 - CO₂ emissions reduced by 600 metric tons
- Evaluating use of fuel cells in facilities
- Continue to reduce emissions from our fleet

Gas Supply

- Transport ~ 5 BCF of RNG; equivalent to removing ~60,000 cars removed annually
- Sell ~ 5 BCF of CNG; equivalent to removing ~60,000 cars removed annually
- Continue to evaluate new opportunities to expand RNG transportation and CNG sales

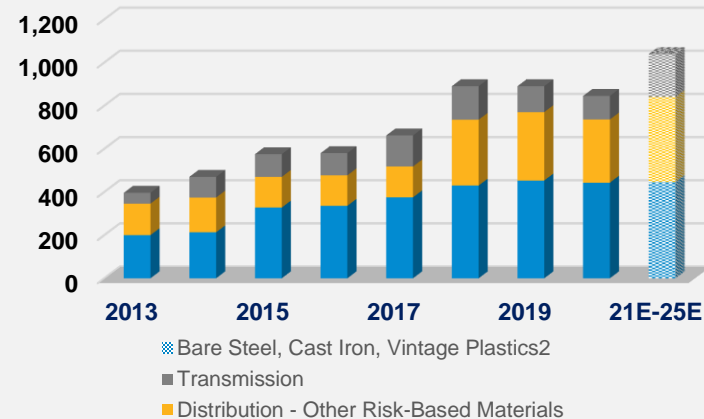
Operations

- Goal to reduce methane emissions 50% from 2017 to 2035 in our distribution system
- Replace up to 6,000 miles of pipe by 2025
- Continue to reduce emissions from venting, flaring, and storage and compression facilities
- Continue to recycle water used in boring and hydrotesting activities
- 45% of customers use eBill; one of the highest rates in the industry; saves ~2,100 trees annually
- Actively monitors project sites' vegetation density

Customers

- Customer efficiency programs in four jurisdictions
- Continue to evaluate customer tariffs that offer green energy alternatives

Annual Miles Replacement Rate



Atmos Energy Renewable Natural Gas Today

Atmos Energy transports RNG from some of the largest producing landfills in TX and LA

RENEWABLE ENERGY PROCESS



Biogas is methane captured from landfills, agricultural and food waste, and wastewater



Biogas-derived methane is conditioned, processed, and refined into pipeline-quality gas



Renewable natural gas is injected into utility-owned pipelines



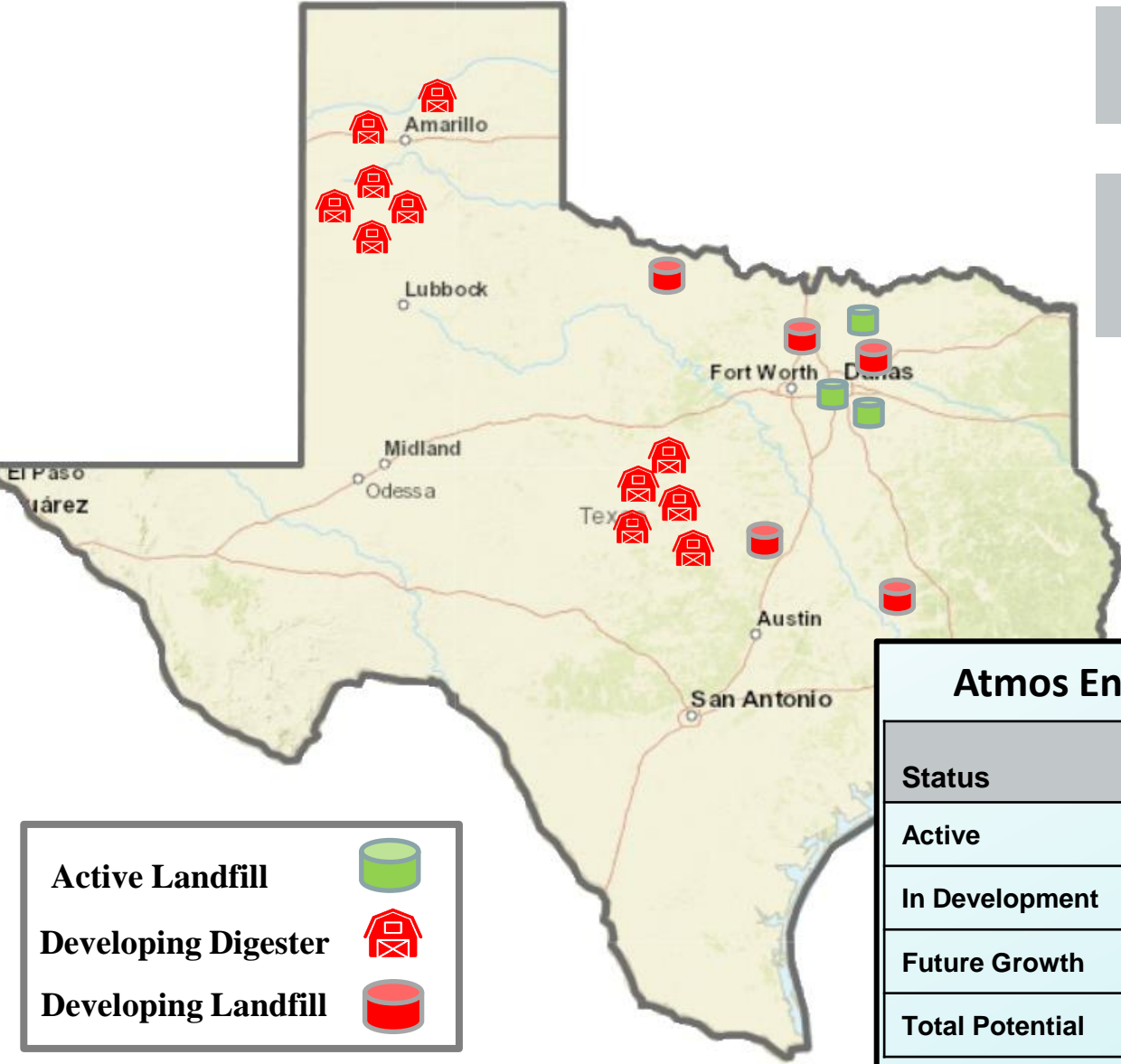
Renewable natural gas is used to fuel homes, businesses, industries, and vehicles

5.1 Bcf
per yr



60,000 cars
from the road

Actively pursuing RNG Projects in Texas



Active Landfill 
Developing Digester 
Developing Landfill 

ACTIVE – 3 TX Landfills
producing 8,000 Mcf/day

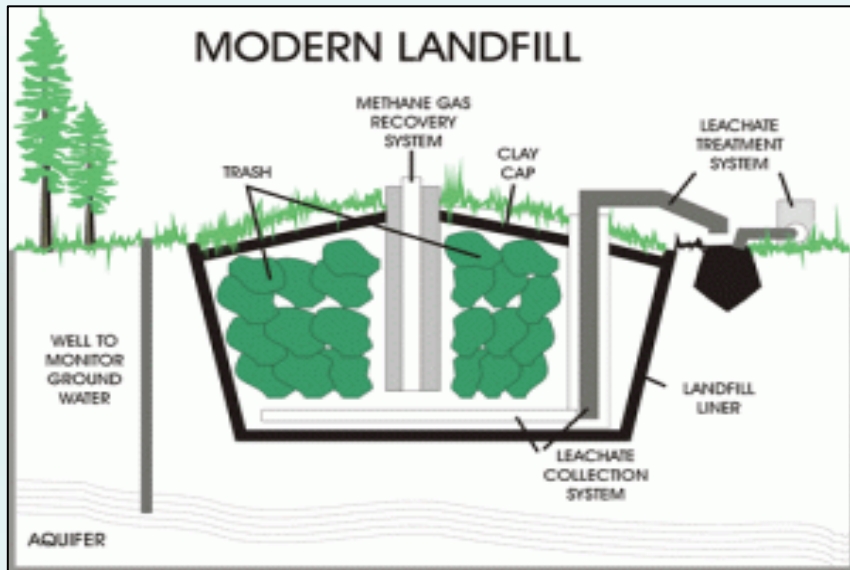
IN DEVELOPMENT – TX RNG

- 11 Agriculture
- 5 Landfill

Status	# Projects	Annual Volume (mcf)	Car Equivalent
Active	4	5,100,000	60,000
In Development	23	8,805,290	103,592
Future Growth	15	12,671,679	149,079
Total Potential		26,576,969	312,670

Landfill Projects

- 7 Projects
- 7.5 Bcf / year
- **Low Carbon Intensity**
- Carbon offsets \approx removing 87,000 cars from road



Agriculture Projects

- 16 Projects
- 7.4 Bcf / year
- **Negative Carbon Intensity \approx 3.5X**
- Carbon offsets \approx removing 300,440 cars from road



Decarbonization of natural gas is achievable and affordable.

- **RNG** (*from landfills, agriculture, food waste*) represents a cost-effective way to reduce GHG emissions.
- With **Carbon Offsets**, the avg. TX home can be **Carbon free** for **\$25** /yr
- **Responsibly Sourced Gas**
- **Hydrogen** gas may play a key role in a decarbonized energy future.

RNG is compatible with current gas supply, pipeline delivery systems, and customer end-use applications.

- No burden on consumers to convert equipment and appliances.

Energy options drive reliability, affordability, and consumer choice

Atmos advocates a diverse energy portfolio strategy

We are:

- Developing tariffs that offer customers **lower** or **zero** carbon options through direct sourced RNG and Carbon Offsets
- Atmos will seek regulatory support/approval for:
 - Tariffs, and
 - Infrastructure investment to support bringing RNG to market

Natural Gas Bills Lowest Among Residential Utilities



Natural Gas
\$48

Water
\$116

Cable/Satellite TV
\$110

Electric
\$115

Mobile Phone
\$101

Sources:

- Natural Gas \$48. *FY2020 Atmos Energy enterprise-wide average monthly residential bill*
- Water \$116. *Circle of Blue (www.circleofblue.org); 2019 average monthly residential bill of 30 major U.S. cities-does not include sewer or storm water*
- Cable/Satellite TV \$110. *Q4 2019; Leichtman Research Group, [Pay-TV in the U.S. 2019](#)*
- Electric \$115. *Energy Information Administration (www.eia.gov); 2019 average monthly residential bill*
- Mobile Phone \$101. *Bureau of Labor Statistics (www.bls.gov); 2019 average monthly service bill for one line*

Cheaper and Cleaner TODAY

Natural Gas vs Electric

Affordability



Environment



Average annual savings of a home with natural gas in Dallas compared to an all-electric home.¹



In Dallas, a home with natural gas produces 11% less carbon emissions than an all-electric home.¹

Decarbonization will continue
across both the natural gas and electric industry sectors

¹based on Energy Star Certified Home v3.1 revision 10, currently in effect in TX

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