UGI Launches Joint Venture with Archaea Energy to Develop Renewable Natural Gas Project in Pennsylvania

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WYOMISSING, Pa.--(BUSINESS WIRE)--Feb. 13, 2023-- UGI Energy Services, LLC (“UGIES”), a subsidiary of UGI Corporation (NYSE: UGI), and Archaea Energy Inc. (“Archaea”), a subsidiary of bp (NYSE: BP) announced today that they recently entered into a joint venture, Aurum Renewables, LLC (“Aurum”), to develop a renewable natural gas (“RNG”) project at the Commonwealth Environmental Systems landfill in Hegins, Pennsylvania. Archaea Holdings, LLC, a subsidiary of Archaea, holds a 60% ownership interest, and a subsidiary of UGIES holds a 40% ownership interest in the joint venture.

Under the joint venture, UGIES will contribute its existing 11 megawatt landfill gas-to-electricity facility. Through the joint venture, Aurum will develop a new RNG facility where the landfill gas will be processed to become RNG. Once complete, the project is expected to have the capacity to produce approximately 5,000 MMBtu per day of pipeline-quality RNG. Archaea, an industry-leading RNG company, will lead the development, engineering, construction, and operation of the new RNG facility, and UGIES will take a lead role in marketing the RNG produced by the facility.

“This project represents a meaningful step forward for UGI,” said Robert F. Beard, Chief Operations Officer, UGI. “Demand for RNG is growing, as more individuals and businesses look for an energy source that is safe, cost effective and environmentally friendly. UGI’s investment in Aurum is another example of our commitment to our strategy of making significant investments in renewable energy projects. Additionally, the investment in Aurum supports the Company’s existing greenhouse gas emission reduction plans that are highlighted in our latest environmental, social and governance report,” Beard concluded.

“We are very excited to continue to expand our partnership with UGI, which, as a result of this joint venture, now spans across the full RNG value chain of production, transportation, and commercial offtake,” said Brian McCarthy, Archaea's Chief Financial and Commercial Officer. “This new RNG facility will be one of the largest in the Archaea portfolio and is expected to bring significant environmental and social benefits to southeast Pennsylvania communities. This new facility will also bring global benefits by reducing greenhouse gas emissions and providing a domestically-produced, affordable, low-carbon source of energy.”

About UGI Corporation

UGI Corporation is a distributor and marketer of energy products and services. Through subsidiaries, UGI operates natural gas and electric utilities in Pennsylvania, natural gas utilities in West Virginia, distributes LPG both domestically (through AmeriGas) and internationally (through UGI International), manages midstream energy assets in Pennsylvania, Ohio, and West Virginia and electric generation assets in Pennsylvania, and engages in energy marketing, including renewable natural gas, in the Mid-Atlantic region of the United States and California, and internationally in France, Belgium, and the Netherlands.

Comprehensive information about UGI Corporation is available on the Internet at https://www.ugicorp.com.

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