



MICHIGAN STATE UNIVERSITY  
**BOARD OF TRUSTEES**  
Executive Action Summary

Budget & Finance - Attachment 3

**APPROVED**

**DECEMBER 12, 2025**

**BOARD OF TRUSTEES  
MICHIGAN STATE UNIVERSITY**

**Committee Name:** Budget & Finance

**Date:** December 12, 2025

**Agenda Item:** PLAN - Anaerobic Digester Expansion and Renewable Natural Gas Facility Addition

☐

Information

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Review

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Action

**Resolution:**

BE IT RESOLVED, that the Board of Trustees of Michigan State University hereby authorizes the Administration to plan for the project titled “Anaerobic Digester Expansion and Renewable Natural Gas Facility Addition.”

**Recommendation:**

The Trustee Committee on Budget & Finance recommends that the Board of Trustees authorize the Administration to plan for the Anaerobic Digester Expansion and Renewable Natural Gas Facility Addition.

**Prior Action by BOT:**

The Board of Trustees authorized the Administration to enter into a long-term relationship with Consumers Energy to establish a Renewable Natural Gas (RNG) treatment facility to help meet programmatic goals for the previously approved new Dairy Cattle Research and Teaching Center on October 25, 2024.

**Responsible Officers:**

Daniel Bollman, Vice President for Strategic Infrastructure Planning and Facilities

Barbara Kranz, Assistant Provost and Executive Director, Institutional Space Planning and Management

**Summary:**

Consumers Energy has withdrawn from the previously proposed long-term agreement to develop a Renewable Natural Gas (RNG) treatment facility for processing raw biogas produced at MSU’s Anaerobic Digester.

MSU engaged a renewable energy consultant to validate the business model for MSU to build and operate a RNG facility, investigate potential third-party financing of the capital investment, identify potential purchasers of

RNG, and provide market assessment. Based on the findings from the study, MSU proposes to build and operate an RNG facility, located just west of the existing anaerobic digester, to upgrade biogas into pipeline-quality RNG for sale and distribution. This facility would be owned, operated, and maintained by MSU AgBioResearch, generating RNG and associated environmental attributes.

As part of the project, the anaerobic digester will be expanded to double its current capacity, enabling it to handle increased organic waste from the recently expanded dairy herd. The RNG facility will convert this biogas into marketable RNG and environmental attributes, generating significant new annual revenue.

### **Background Information:**

Michigan has committed to ambitious climate change mitigation goals, with a transition to clean energy as a cornerstone of this mission. This project directly supports those objectives and aligns with key themes in the MSU 2030 Strategic Plan, including Innovation for Global Impact & Excellence and Stewardship & Sustainability. It will deliver measurable reductions in greenhouse gas emissions both on campus and beyond.

Anaerobic digestion technology is central to this transition, offering a proven method to reduce emissions while producing renewable energy. Despite its benefits, technological and economic barriers have limited widespread adoption of anaerobic digestors on Michigan dairy farms. MSU has been a leader in this space, becoming the first U.S. university to build and operate an anaerobic digester.

The new and expanded Dairy Teaching and Research Facility will generate additional organic waste, which will be processed by the anaerobic digester to produce increased volumes of biogas. This biogas will then be upgraded to RNG for sale and distribution.

### **Source of Funds:**

Planning for this project will require expenditure for design consultants and cost estimation services. Planning costs are estimated at \$2,250,000 and anticipated to be debt financed, with repayment from revenue generated from the project.

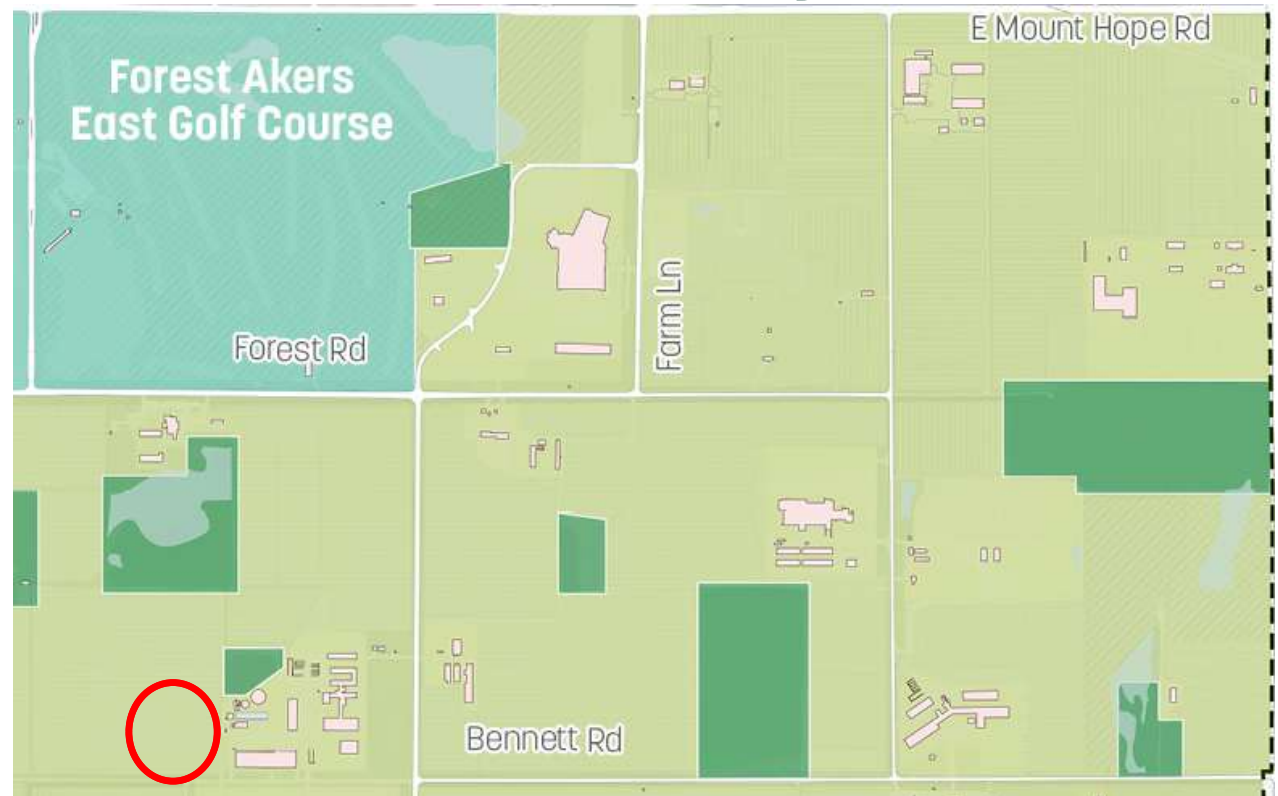
The Administration will bring forward a funding plan for full project costs, including the opportunity for investment tax credits, when seeking authorization to proceed.

### **Resource Impact:**

Annual revenue generated by the RNG facility will contribute to Dairy Teaching and Research Facility debt service payments.

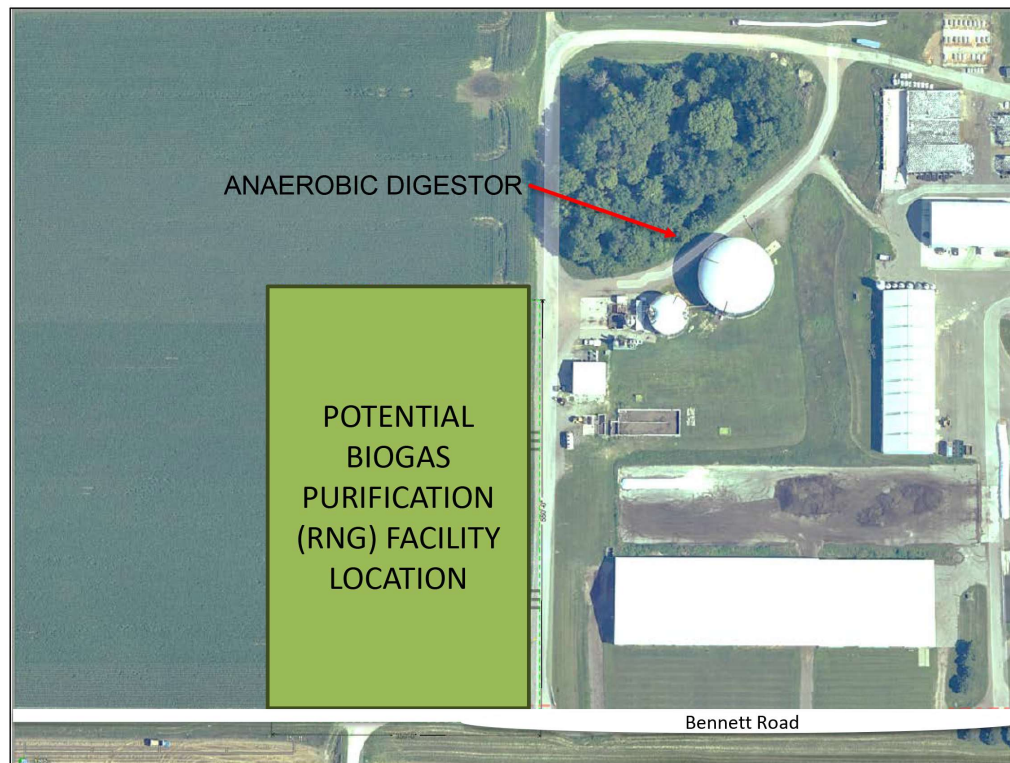
# Anaerobic Digester Expansion and Renewable Natural Gas Facility Addition

- North Academic District
- Central Academic District
- South Academic District
- Residential District
- Athletic and Recreation District
- Agriculture District
- Mixed Use District
- Natural Areas District
- Service District



December 12, 2025

# Anaerobic Digester Expansion and Renewable Natural Gas Facility Addition



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