



Energy Brief: While there is rising uncertainty in the market, RNG development momentum remains strong.

The U.S. renewable natural gas (RNG) sector continued its rapid expansion in 2025, highlighted by record facility growth across North America. According to the Coalition for Renewable Natural Gas, 2025 marked the second consecutive year of historic development, with 130 new RNG facilities added, surpassing the previous year's record of 114. This surge reflects accelerating investment in RNG projects as developers meet rising demand for lowcarbon fuels.

At the macro level, the US RNG market is navigating a period of heightened policy uncertainty as stakeholders await clarity from the Environmental Protection Agency on upcoming Renewable Volume Obligations (RVOs). The timing and structure of the next RVO update are particularly important for RNG producers, given the central role of D3 RIN values in project economics and financing. Many developers have slowed or paused development until EPA provides firmer guidance, underscoring how regulatory cadence continues to shape the pace of RNG deployment.

Additionally, the broader global natural gas market is experiencing volatility and continuing to rebalance, with supply loss due to the closure of the Strait of Hormuz and damage to the Ras Laffan LNG facility in UAE offset by expanding U.S. LNG capacity and easing natural gas supply constraints from the Permian Basin. While these trends primarily affect conventional gas markets, they indirectly shape RNG economics by influencing the pricing dynamics for the underlying natural gas. As RNG developers and fleet operators look ahead, the combination of record facility growth, new project announcements, and improving market fundamentals positions the U.S. RNG sector for continued expansion in the coming quarters.

In spite of these uncertainties, project level activity has remained strong, with new partnerships and infrastructure announcements underscoring the RNG sector's momentum. Notably, Cape May County in New Jersey partnered with Waga Energy to develop a new landfill based RNG production facility, adding to the growing pipeline of municipal private collaborations aimed at monetizing waste sector methane.