

191 FERC ¶ 61,200  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Mark C. Christie, Chairman;  
David Rosner, Lindsay S. See,  
and Judy W. Chang.

Green Plains

Docket No. IN25-2-000

ORDER APPROVING STIPULATION AND CONSENT AGREEMENT

(Issued June 13, 2025)

1. The Commission approves the attached Stipulation and Consent Agreement (Agreement) between the Office of Enforcement (Enforcement) and Green Plains Inc. (Green Plains). This order is in the public interest because the Agreement resolves on fair and equitable terms Enforcement's investigation (Investigation) under Part 1b of the Commission's regulations, 18 C.F.R. Part 1b (2024), into whether Green Plains' natural gas bidweek trading at MichCon during four months in 2023 violated section 4A of the Natural Gas Act (NGA), 15 U.S.C. § 717c-1, and the Commission's Anti-Manipulation Rule, 18 C.F.R. § 1c.1.

2. Green Plains stipulates to the facts in Section II of the Agreement but neither admits nor denies the alleged violations in Section III of the Agreement. Green Plains agrees to: (a) pay restitution of \$19,069, plus interest, to be allocated as described in the Agreement; (b) pay a civil penalty of \$927,990 to the United States Treasury; (c) implement certain compliance improvements as described in the Agreement and provide compliance monitoring reports as detailed in the Agreement; and (d) be subject to a trading restriction as provided in the Agreement.

**I. Facts**

Enforcement and Green Plains have stipulated and agreed to the following facts.

3. Green Plains is an ethanol fuel producer headquartered in Omaha, Nebraska, and purchases natural gas to use in ethanol production.

4. Green Plains has natural gas storage rights at MichCon and, during winter, Green Plains sells its gas inventory during bidweeks. Bidweek for each month occurs during the last three business days of the month immediately preceding the delivery month. During bidweek, market participants transact gas contracts for delivery and settlement each day of the following month.

5. MichCon is a major physical gas hub in North America. During bidweek at the MichCon hub, participants trade monthly gas at fixed price and at physical basis. The volume weighted average price of the reported transactions forms the IFERC MichCon index, published by Platts each month.

6. Since 2023, Green Plains has had an overall natural gas storage capacity of approximately six billion cubic feet.

7. Green Plains was a significant seller of physical gas during bidweek for four months in 2023 (January, February, March, and April) with its transactions accounting for 32.70%, 25.86%, 30.40%, and 36.17% (respectively) of volumes reported to the Platts IFERC MichCon index. Green Plains does not independently report its transactions to Platts.

8. Green Plains held short financial positions that settled on the IFERC MichCon index in January, February, March, and April 2023, with peak bidweek financial exposures of 115,000 MMBtu/d, 402,500 MMBtu/d, 367,500 MMBtu/d, and 257,500 MMBtu/d, respectively.

9. During four months in 2023 (January, February, March, and April), Green Plains sold monthly physical gas during bidweek at MichCon at a loss or negligible profit, while holding leveraged short financial basis positions that settled off the IFERC MichCon index.

10. Green Plains engaged in the above 2023 trading after Green Plains explained to Enforcement's Division of Analytics and Surveillance (DAS) that Green Plains would implement compliance enhancements when DAS inquired about substantively similar MichCon bidweek trading during four months in 2021 (February, March, November, and December). While Green Plains did implement compliance enhancements, Green Plains failed to strictly implement said compliance enhancements. Since 2023, Green Plains has implemented additional compliance measures, as described more fully in the Agreement.

## **II. Violations**

Enforcement made the following determinations.

11. Enforcement determined that Green Plains violated section 4A of the NGA, 15 U.S.C. § 717c-1, and the Commission's Anti-Manipulation Rule, 18 C.F.R. § 1c.1. Specifically, Enforcement determined that, as part of a manipulative scheme, Green Plains sold gas at a loss or negligible profit during bidweek in four months in 2023 (January through April) to benefit Green Plains' short leveraged financial positions that settled off the IFERC MichCon index. Green Plains' trader responsible for these bidweek sales managed natural gas storage located at MichCon on behalf of Green Plains and entered into short financial positions at that same location knowing that Green Plains would need to sell gas from storage during winter months. Although a financial short can

be a hedge for gas in storage, Green Plains' financial positions were often orders of magnitude larger than its quantity of gas in storage.

12. Enforcement determined that, as a result of its MichCon bidweek trading, Green Plains obtained an additional profit of \$19,069 on its financial positions that settled off of the IFERC MichCon index for the first four months of 2023.

13. Enforcement further determined that gaps in implementing Green Plains' FERC compliance program contributed to the violations. When DAS initially contacted Green Plains in 2021, Green Plains did not have an effective FERC compliance program. In early 2023, Green Plains did not fully comply with Green Plains' revised FERC compliance program.

### **III. Stipulation and Consent Agreement**

14. Enforcement and Green Plains have resolved the Investigation by means of the attached Agreement.

15. Green Plains stipulates to the facts set forth in Section II of the Agreement, but neither admits nor denies the violations described in Section III of the Agreement.

16. Green Plains agrees to pay restitution in the amount of \$19,069 plus interest within ten days of the Effective Date of this Agreement, to be allocated to Chevron Natural Gas, a division of Chevron USA Inc. (\$1,719, plus interest), Sequent Energy Management LLC (\$2,614, plus interest), Six One Commodities LLC (\$4,234, plus interest), TC Energy Marketing Inc. (\$3,903, plus interest), and Vitol Inc. (\$6,599, plus interest).

17. Green Plains agrees to pay a civil penalty of \$927,990 to the United States Treasury in three equal installments of \$309,330.

18. Green Plains agrees it will continue to implement certain compliance measures, as set forth in the Agreement, for a period no shorter than three years following the Effective Date of the Agreement.

19. Green Plains agrees to submit annual compliance monitoring reports to Enforcement for three years following the Effective Date of the Agreement, with a fourth year at Enforcement's discretion.

20. Green Plains agrees not to trade monthly fixed price and physical basis at MichCon during bidweek if Green Plains holds a related financial position that settles on the IFERC MichCon index.

#### **IV. Determination of Appropriate Sanctions and Remedies**

21. In recommending the appropriate remedy, Enforcement considered the factors in the Revised Policy Statement on Penalty Guidelines,<sup>1</sup> including the fact that Green Plains cooperated with Enforcement during the Investigation.

22. The Commission concludes that the Agreement is a fair and equitable resolution of the matters concerned and is in the public interest, as it reflects the nature and seriousness of the conduct and recognizes the specific considerations stated above and in the Agreement.

23. The Commission also concludes that Green Plains' civil penalty is consistent with the Revised Policy Statement on Penalty Guidelines.

24. The Commission directs Green Plains to make the restitution payments as required under the Agreement within ten days after the Effective Date of the Agreement.

25. The Commission directs Green Plains to pay the civil penalty as required under the Agreement and consistent with the payment plan set forth therein.

26. The Commission directs Green Plains to comply with the provisions in the Agreement including requiring Green Plains to continue to implement certain compliance measures for a period of no less than three years and to submit compliance monitoring reports for three years, with a fourth year of a compliance monitoring report at Enforcement's discretion.

#### **The Commission orders:**

The attached Stipulation and Consent Agreement is hereby approved without modification.

By the Commission.

( S E A L )

Carlos D. Clay,  
Deputy Secretary.

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<sup>1</sup> *Enforcement of Statutes, Orders, Rules and Regulations*, 132 FERC ¶ 61,216 (2010) (Revised Penalty Guidelines).

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Green Plains Inc.

Docket No. IN25-2-000

**STIPULATION AND CONSENT AGREEMENT**

**I. INTRODUCTION**

1. The Office of Enforcement (Enforcement) of the Federal Energy Regulatory Commission (Commission) and Green Plains Inc. (Green Plains) enter into this Stipulation and Consent Agreement (Agreement) to resolve a nonpublic, preliminary investigation (the Investigation) conducted by Enforcement pursuant to Part 1b of the Commission's regulations, 18 C.F.R. Part 1b (2024), into whether Green Plains' natural gas bidweek trading at MichCon during four months in 2023 violated section 4A of the Natural Gas Act (NGA), 15 U.S.C. § 717c-1, and the Commission's Anti-Manipulation Rule, 18 C.F.R. § 1c.1.

2. Green Plains stipulates to the facts in Section II but neither admits nor denies the alleged violations in Section III. To resolve the allegations, Green Plains agrees to pay: (a) \$19,069, plus interest, in restitution to be allocated as provided more fully below; and (b) a civil penalty of \$927,990 to the United States Treasury. Green Plains also agrees to be subject to compliance monitoring as provided more fully below; and to be subject to a trading restriction as provided more fully below.

**II. STIPULATIONS**

Enforcement and Green Plains hereby stipulate and agree to the following facts.

3. Green Plains is an ethanol fuel producer headquartered in Omaha, Nebraska, and purchases natural gas to use in ethanol production.

4. Green Plains has natural gas storage rights at MichCon and, during winter, Green Plains sells its gas inventory during bidweeks. Bidweek for each month occurs during the last three business days of the month immediately preceding the delivery month. During bidweek, market participants transact gas contracts for delivery and settlement each day of the following month.

5. MichCon is a major physical gas hub in North America. During bidweek at the MichCon hub, participants trade monthly gas at fixed price and at physical basis. The volume weighted average price of the reported transactions forms the IFERC MichCon index, published by Platts each month.

6. Since 2023, Green Plains has had an overall natural gas storage capacity of approximately six billion cubic feet.

7. Green Plains was a significant seller of physical gas during bidweek for four months in 2023 (January, February, March, and April) with its transactions accounting for 32.70%, 25.86%, 30.04%, and 36.17% (respectively) of volumes reported to the Platts IFERC MichCon index. Green Plains does not independently report its transactions to Platts.
8. Green Plains held short financial positions that settled on the IFERC MichCon index in January, February, March, and April 2023, with peak bidweek financial exposures of 115,000 MMBtu/d, 402,500 MMBtu/d, 367,500 MMBtu/d, and 257,500 MMBtu/d, respectively.
9. During four months in 2023 (January, February, March, and April), Green Plains sold monthly physical gas during bidweek at MichCon at a loss or negligible profit, while holding leveraged short financial basis positions that settled off the IFERC MichCon index.
10. Green Plains engaged in the above 2023 trading after Green Plains explained to Enforcement's Division of Analytics and Surveillance (DAS) that Green Plains would implement compliance enhancements when DAS inquired about substantively similar MichCon bidweek trading during four months in 2021 (February, March, November, and December). While Green Plains did implement compliance enhancements, Green Plains failed to strictly implement said compliance enhancements. Since 2023, Green Plains has implemented additional compliance measures, as described more fully in Paragraph 21.

### III. VIOLATIONS

Enforcement made the following determinations.

11. Green Plains violated section 4A of the NGA, 15 U.S.C. § 717c-1, and the Commission's Anti-Manipulation Rule, 18 C.F.R. § 1c.1. As part of a manipulative scheme, Green Plains sold gas at a loss or negligible profit during bidweek in four months in 2023 (January through April) to benefit Green Plains' short leveraged financial positions that settled off the IFERC MichCon index. Green Plains' trader responsible for these bidweek sales managed natural gas storage located at MichCon on behalf of Green Plains and entered into short financial positions at that same location knowing that Green Plains would need to sell gas from storage during winter months. Although a financial short can be a hedge for gas in storage, Green Plains' financial positions were often orders of magnitude larger than its quantity of gas in storage.
12. As a result of its MichCon bidweek trading, Green Plains obtained an additional profit of \$19,069 on its financial positions that settled off of the IFERC MichCon index for the first four months of 2023.
13. Gaps in implementing Green Plains' FERC compliance program contributed to the violations. When DAS initially contacted Green Plains in 2021, Green Plains did not have an effective FERC compliance program. In early 2023, Green Plains did not fully comply with Green Plains' revised FERC compliance program.

#### **IV. REMEDIES AND SANCTIONS**

14. For purposes of settling any and all claims, civil and administrative disputes, and proceedings arising from or related to Green Plains' conduct evaluated in Enforcement's Investigation, Green Plains agrees with the facts as stipulated in Section II of this Agreement, but neither admits nor denies the violations described in Section III of this Agreement. Green Plains further agrees to undertake obligations set forth in the following paragraphs.

##### **A. Civil Penalty**

15. Green Plains agrees to pay a civil penalty of \$927,990 to the United States Treasury, by wire transfer, pursuant to the payment plan set forth below.

##### **B. Restitution**

16. Green Plains agrees to pay restitution in the amount of \$19,069 plus interest within ten (10) days of the Effective Date of this Agreement to be allocated to Chevron Natural Gas, a division of Chevron USA Inc. (\$1,719, plus interest), Sequent Energy Management LLC (\$2,614, plus interest), Six One Commodities LLC (\$4,234, plus interest), TC Energy Marketing Inc. (\$3,903, plus interest), and Vitol Inc. (\$6,599, plus interest).

##### **C. Payment Plan**

17. Green Plains shall make the civil penalty payments on the following terms (Payment Plan).

18. Green Plains shall pay the civil penalty over a period of three (3) years. In the first year Green Plains shall pay the sum of \$309,330 to the United States Treasury, due ten (10) days after the Effective Date of this Agreement, as defined herein. On the first and second anniversaries of the first payment, Green Plains shall pay \$309,330 to the United States Treasury.

19. If Green Plains seeks to pay some or all of the remaining civil penalty sooner than such amounts would otherwise become due under the Payment Plan, it shall contact Enforcement. Green Plains and Enforcement will work in good faith to determine the terms and effect of any such advanced payment.

20. Green Plains shall promptly notify Enforcement when making payments pursuant to the Agreement by providing proof of payment. Proof of payment shall include both the

date and the amount and shall be sent by email to the Director of the Office of Enforcement and Enforcement shall promptly confirm receipt.

**D. Compliance**

21. Since 2023, Green Plains has implemented the following compliance measures, which it agrees it will continue to implement for a period no shorter than three years following the Effective Date of this Agreement:

- a. Green Plains' compliance team will internally track and review Green Plains' market concentration, physical positions, and financial positions related to natural gas trading.
- b. Green Plains will conduct FERC-specific natural gas trading compliance training annually for all trading desk and risk management personnel with external experts and/or outside counsel. Green Plains will conduct quarterly natural gas trading compliance meetings and will include natural gas trading compliance in risk committee meetings.
- c. Green Plains will otherwise enforce the compliance measures set forth in Green Plains' Adjustments and Limitations Letter and Revised Natural Gas Compliance Program Manual, as provided to Enforcement on November 8, 2024, as these documents may be updated to conform with the present Agreement.

22. Green Plains shall submit annual compliance monitoring reports to Enforcement for three years following the Effective Date of this Agreement. The first annual compliance monitoring report shall be submitted one year after the Effective Date of the Agreement. The second annual compliance monitoring report shall be submitted one year from the date of the first report. The third annual compliance monitoring report shall be submitted one year from the date of the second report.

23. After the receipt of Green Plains' third annual compliance monitoring report, Enforcement may, at its sole discretion, require Green Plains to submit a fourth annual report due one year from the date of the third annual report.

24. Each compliance monitoring report shall (1) identify any known violations of Commission regulations that occurred during the applicable period, including a description of the nature of the violation and what steps were taken to rectify the situation; (2) describe all compliance measures and procedures Green Plains instituted or modified during the reporting period related to compliance with Commission regulations; and (3) describe all Commission-related compliance training that Green Plains administered during the reporting period, including the dates such training occurred, the topics covered, and the procedures used to confirm which personnel attended.



25. Each compliance monitoring report shall also include an affidavit executed by an officer of Green Plains stating that it is true and accurate to the best of his or her knowledge.

26. Upon request by Enforcement, Green Plains shall provide to Enforcement documentation supporting the contents of its reports.

#### **E. Trading Restriction**

27. For a period of two years from the Effective Date of this Agreement, Green Plains agrees not to trade monthly fixed price and physical basis at MichCon during bidweek if Green Plains holds a related financial position that settles on the IFERC MichCon index.

#### **V. TERMS**

28. The “Effective Date” of this Agreement shall be the date on which the Commission issues an order approving this Agreement without material modification. When effective, this Agreement shall resolve the matters specifically addressed herein that arose on or before the Effective Date as to Green Plains and any affiliated entity, and their respective agents, officers, directors, or employees, both past and present.

29. Commission approval of this Agreement without material modification shall release Green Plains and its trader and forever bar the Commission from holding Green Plains, any affiliated entity, any successor in interest, and their respective agents, officers, directors, or employees, both past and present, liable for any and all administrative or civil claims arising out of the conduct covered by the Investigation, including conduct addressed and stipulated to in this Agreement, which occurred on or before the Agreement’s Effective Date.

30. Failure by Green Plains to make the restitution, interest, or civil penalty payments, or to comply with the compliance obligations agreed to herein, or any other provision of this Agreement, shall be deemed a violation of a final order of the Commission issued pursuant to the NGA, 15 U.S.C. § 717, *et seq.*, and may subject Green Plains to additional action under the enforcement provisions of the NGA.

31. If Green Plains does not make the required civil penalty and restitution payments described above within the times agreed by the parties, interest will be calculated pursuant to 18 C.F.R. § 35.19a(a)(2)(iii)(A), (B) from the date that payment is due, in addition to the penalty specified above and any other enforcement action and penalty that the Commission may take or impose.

32. This Agreement binds Green Plains and its agents, successors, and assignees. This Agreement does not create any additional or independent obligations on Green Plains, or any affiliated entity, its agents, officers, directors, or employees, other than the obligations identified in this Agreement.

33. The signatories to this Agreement agree that they enter into the Agreement voluntarily and that, other than the recitations set forth herein, no tender, offer or promise of any kind by any member, employee, officer, director, agent or representative of Enforcement or Green Plains has been made to induce the signatories or any other party to enter into the Agreement.

34. Unless the Commission issues an order approving the Agreement in its entirety and without material modification, the Agreement shall be null and void and of no effect whatsoever, and neither Enforcement nor Green Plains shall be bound by any provision or term of the Agreement, unless otherwise agreed to in writing by Enforcement and Green Plains.

35. In connection with the civil penalty and restitution provided for herein, Green Plains agrees that the Commission's order approving the Agreement without material modification shall be a final and unappealable order assessing a civil penalty under section 22(a) of the NGA, 15 U.S.C. § 717t-1(a). Green Plains waives findings of fact and conclusions of law, rehearing of any Commission order approving the Agreement without material modification, and judicial review by any court of any Commission order approving the Agreement without material modification.

36. This Agreement can be modified only if in writing and signed by Enforcement and Green Plains, and any modifications will not be effective unless approved by the Commission.

37. Each of the undersigned warrants that he or she is an authorized representative of the entity designated, is authorized to bind such entity, and accepts the Agreement on the entity's behalf.

38. The undersigned representative of Green Plains affirms that he or she has read the Agreement, that all of the matters set forth in the Agreement are true and correct to the best of his or her knowledge, information and belief, and that he or she understands that the Agreement is entered into by Enforcement in express reliance on those representations.

39. This Agreement is executed in duplicate, each of which so executed shall be deemed to be an original.

Agreed to and Accepted:

JANEL  
BURDICK

Digitally signed by JANEL  
BURDICK  
Date: 2025.06.12 11:47:50  
-04'00'

Janel Burdick  
Director, Office of Enforcement  
Federal Energy Regulatory Commission

Date: 06/12/25



Todd Becker  
President and CEO  
Green Plains Inc.

Date: February 28, 2025

Document Content(s)

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