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American Biogas Council Praises House Introduction of the GREEN Act

November 19, 2019 - WASHINGTON - The Ways and Means Committee in the House of Representatives has released a discussion draft of the Growing Renewable Energy and Efficiency Now (GREEN) Act including several provisions that support the biogas industry. The Committee describes the bill as “a comprehensive approach to tackling climate change by using the tax code to extend and expand renewable energy use and reduce greenhouse gas emissions.”

The GREEN Act includes three initiatives that the ABC has sought, including: the creation of an investment tax credit (ITC) for RNG- and heat-based biogas systems; the extension of the Section 45 production tax credit, and related ITC, for electricity-biogas systems; and the extension of the Alternative Fuel Excise Tax Credit for biogas and renewable natural gas used as a vehicle fuel.

“The biogas industry greatly appreciates the Ways and Means Committee’s response to our requests to create parity in our tax code. The lack of equity has slowed growth of our industry and the GREEN Act is a clear signal that its authors agree it’s time to get more biogas systems built,” said Patrick Serfass, Executive Director of the ABC. “Our economy will be stronger and our climate better protected when we use these incentives to build more biogas systems to recycle organic material into renewable energy and soil products.”

The comprehensive inclusion of incentives for all sectors of the biogas and renewable natural gas (RNG) industries signals that we’ve reached a greater understanding of the benefits that biogas systems can bring beyond renewable electricity. Biogas systems also produce renewable fuel and heat, recycle organic waste, foster cleaner air, protect our watersheds and provide farms additional income streams through the production of renewable natural gas and sustainable fertilizers. This is a major step in the right direction, and we remain hopeful that the bill will pass the House, advance in the Senate and be signed into law by President Trump.

Specifically, the GREEN Act includes an extension of the Section 45 Production Tax Credit for biogas to electricity for five years until 2024. It also includes a retroactive two years for these projects since the credit expired on December 31, 2017. The Act also establishes a new 30 percent ITC for RNG- and heat-based biogas systems (The Agricultural Environmental Stewardship Act) for five years through 2024 and a phase down until 2026. The Act also extends the 50 cent per gallon Alternative Fuels Excise Tax Credit through 2021, with a phase down until 2024.

Click the following links for the discussion draft of the GREEN Act, a section-by-section summary of the legislation and a pdf of this release.

About the American Biogas Council

The American Biogas Council is the only national trade association representing the entire biogas industry in the U.S. We represent over 200 companies in all parts of the biogas supply chain who are dedicated to maximizing the production and use of biogas from organic waste. Biogas systems protect our air, water and soil by recycling organic material, like food waste and manure, into renewable energy and soil products. Learn more online at www.AmericanBiogasCouncil.org, Twitter @ambiogascouncil, LinkedIn and on YouTube.