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Bipartisan Bill Can Grow Biogas-Related Markets and Investment in Rural America

July 26, 2021 - WASHINGTON - The American Biogas Council (ABC), the trade association for the U.S. biogas industry, praised the introduction of the Agricultural Environmental Stewardship Act by Senators Sherrod Brown (D-OH) and John Thune (R-SD). A companion bill, H.R. 3939, was introduced in the House last month by Representatives Ron Kind (D-WI) and Tom Reed (R-NY). Together, the bills will increase biogas production, promote investment in rural America, grow the markets for renewable natural gas (RNG), renewable heat, and nutrient capture, protect waterways, and make farming more sustainable.

The Senate legislation, introduced on July 22, establishes a 30 percent investment tax credit (ITC) for qualifying biogas and nutrient recovery systems. The tax credit will create parity for a number of biogas-related systems which today can't take advantage of tax benefits that other renewable energy systems enjoy. The result will spur growth in new biogas systems construction and investment, economic activity in America's farmland, and create a wide variety of environmental protections for our air, water and soil.

"The American Biogas Council applauds the leadership of Senators Sherrod Brown and John Thune in recognizing the importance of anaerobic digesters and nutrient recovery technologies in helping farmers turn an environmental challenge into a sustainable opportunity. Digesters and nutrient recovery technologies are materials management powerhouses which turn manure and other organic materials into energy and valuable soil amendments while reducing odor and protecting our air and water. This tax credit will provide a significant boost to agricultural producers wanting to invest in this impactful technology, " stated Patrick Serfass, Executive Director of the American Biogas Council.

The introduction of the Agricultural Environmental Stewardship Act reflects the critical need to support agricultural practices that are both economically and environmentally sustainable. No tax incentive currently exists to incentivize biogas or nutrient recovery systems. A production tax credit under Section 45 of the federal tax code, which used to encourage the production of renewable electricity, has expired. This new ITC would promote the production of biogas when used as renewable natural gas in vehicles and renewable heat, while also supporting nutrient recycling vital to agricultural productivity and reducing emissions from the fossil fuels used to produce synthetic fertilizers.

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 270 companies and 3,100 professionals throughout the biogas supply chain that 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 AmericanBiogasCouncil.org, on Twitter Qambiogascouncil, and on LinkedIn and YouTube.