



August 16, 2022

## Message from ABC Board Chair Bernie Sheff, PE

Dear ABC Members,

As many of you are already aware, last Friday, the U.S. House of Representatives passed landmark legislation, the *Inflation Reduction Act*, which contains many legislative priorities for which the ABC has worked for the better portion of a decade. It has been YOU, the ABC members, who have served in the trenches with our policy experts to get these items passed. Quite frankly, we couldn't have done it without you.

To this end, I wanted to share some of the milestones and ABC member contributions that were part of this monumental legislation:

### [30% Investment Tax Credit for RNG and Heat from Biogas – Introduced in 2010](#)

The ABC has been working on this legislation since its founding in [2010](#). It has been a major part of our asks during every fly-in. Through your efforts, we were able to get this important priority in the House's *Build Back Better* bill and in Senator Ron Wyden's Finance Committee mark-up this last year. These efforts enabled the legislation to be included in the *Inflation Reduction Act* leading to its passage.

### [Production Tax Credit/Investment Tax Credit for Renewable Electricity from Biogas – Working to Secure Parity since 2015](#)

Biogas has had this credit since 2005 but its duration has never been for longer than 2 years. In comparison, the wind and solar industries received a 5-year extension in 2015 making it more difficult to finance biogas projects because of the lack of tax credit certainty. Since late 2015, the ABC and you, our members, have been working to achieve parity with our brethren in the renewables industry and get a longer term credit. That's exactly what occurred in the IRA. This credit was extended for the same period of time as the other renewables and just like them, we will transition to a technology neutral tax credit that will be based on emissions. Just like the ITC for RNG/heat above, this is a huge win for the biogas industry.

### [Increased Funding for Rural Energy for America Program \(REAP\) and Reserve Fund for Underserved Technologies – Focused on this Goal since 2018](#)

The IRA contains approximately \$1.7 billion for the Rural Energy for America Program (REAP) and approximately \$304 million for grants and loans for underutilized renewable energy technologies – such as biogas systems - and for technical assistance with REAP applications. REAP is one of USDA's most widely subscribing programs but has consistently been run out of funding and has therefore underfunded biogas systems. The ABC has been working since 2018 to secure additional funding for the program as well as ensure that biogas systems get a fair shake at getting their projects funded. With your help, the IRA addresses both of those problems.

There's more work to be done as Treasury and the USDA move forward on issuing guidance for the Tax Credits and proposed rules for the REAP program our efforts have paid dividends with the passage of the IRA. It could not have been done without the support of our members and for that, we are eternally grateful. We hope we can count on your continued support as we advocate for biogas during the implementation phase. It is time to engage. Always remember: a rising tide lifts all boats. Let's raise the tide!

As always, if there is anything you need from the ABC or me directly, please feel free to reach out.

With my sincere appreciation,

Bernie