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ABC Praises House Introduction of the Agriculture Environmental Stewardship Act (H.R. 2853)

WASHINGTON, DC—The American Biogas Council, the trade association for the U.S. biogas industry, praises the recent introduction of the <u>Agriculture Environmental Stewardship Act</u> (H.R. 2853), House companion legislation to Senate bill 988. The House bill was introduced by Congressmen Ron Kind (D-WI-3) and Tom Reed (R-NY-23) with 22 original bipartisan cosponsors. That list of supporters recently grew to 25 including Rep. Susan Delbene (D-WA-01), Jackie Walorski (R-IN-02), Elise Stafanik (R-NY-21), Mark Pocan (D-WI-02), Dan Newhouse (R-WA-4), Peter Welch (D-VT), Mike Simpson (R-ID-2), Kurt Schrader (D-OR-05), Glenn Thompson (R-PA-05), Joe Courtney (D-CT-2), David Valadao (R-CA-21), Bob Gibbs (R-OH-07), Todd Rokita (R-IN-04), Thomas Rooney (R-FL-17), Jodey Arrington (R-TX-19), Rod Blum (R-IA-01), Lloyd Smucker (R-PA-16), John Katko (R-NY-24), Steve Stivers (R-OH-15), Mac Thornberry (R-TX-13), Chris Collins (R-NY-27), Tim Walz (D-MN-01), Sean Duffy (R-WI-07), and John Faso (R-NY-19).

This bill, along with the Senate companion bill, (S. 988) introduced in early May, will increase agricultural viability by helping to deploy new nutrient recovery and biogas systems that recycles organic material into baseload renewable energy and healthy soil products. The Act provides a 30 percent investment tax credit (ITC) for qualifying biogas and nutrient recovery systems.

"For a healthy economy, we need healthy soils and clean waterways. Biogas and nutrient recovery systems help us achieve cleaner, healthier soil and water and the Agriculture Environmental Stewardship Act will increase the deployment of these systems," said Patrick Serfass, Executive Director of the American Biogas Council. "We thank Congressmen Reed, Kind and the other co-sponsors of this bill for recognizing the far reaching benefits of sustainable farming where organic material and nutrients should be recycled to create beneficial soil products, baseload renewable energy and jobs."

The introduction of H.R. 2853, and the significant bipartisan support it has already received, reflects the critical need to support economically and environmentally sustainable agricultural practices that protect waterways and enrich soils. At the present time, there are no tax incentives to encourage biogas or nutrient recovery systems. A previous production tax credit under section 45 of the federal tax code which promoted the use of renewable electricity expired at the end of 2016. This new credit would promote the production of pipeline quality natural gas and compressed renewable natural gas vehicle fuel as well as nutrients which are essential to agricultural production.

"By creating incentives to make biogas and manure resource recovery technologies more affordable the Agricultural Environmental Stewardship Act will encourage more widespread use of manure digesters. This benefits society by decreasing nutrient runoff in waterways, decreasing farm odors, and improving water quality," said Jim Mulhern, President and CEO of the National Milk Producers Federation.

The Algae Biomass Organization's Executive Director, Dr. Matt Carr has also shared his organization's support. "By supporting investments in algae-based and other nutrient management systems, the

1211 Connecticut Avenue NW, suite 650 | Washington, DC 20036-2701 202-640-6595 | info@americanbiogascouncil.org | www.americanbiogascouncil.org Agriculture Environmental Stewardship Act will help farmers recycle valuable ag nutrients back into their operations and reduce the burden on taxpayers of recovering those nutrients downstream. It's a winwin for everyone."

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Why is nutrient recycling important?

To have both healthy watersheds and soils, sustainable agricultural practices are critical. When excessive amounts of nutrients are applied to soils within the short window available between planting crops and crop growth, the crops cannot adequately absorb the nutrients. Consequently, those nutrients often run into waterways, especially during heavy rains that often occur in spring and fall. In water, excess nutrients can create harmful algal blooms that starve fish and desirable aquatic plants of the oxygen they need to thrive. By deploying nutrient recovery systems, we can keep these unhelpful nutrients out of our waterways and allow farms to apply nutrients when and where they are needed throughout the year.

Connection between nutrient recovery and biogas systems

While some nutrient recovery systems can process raw manure instead of digested manure, nutrient recovery is enhanced technically and economically when processing digested manure in tandem with a biogas system. <u>Biogas systems</u> transform manure and other organic residuals, like food waste, using a natural, microbial process (not too different from what happens in a cow's stomach). This digestion produces a digestate containing all of the nutrients but in more bioavailable forms. Since the digested material is already warm, homogenous and broken down as it leaves the biogas system, nutrient separation is more efficient and the reliability of separating or concentrating the nutrients from the digestate is increased. This allows farmers and landscapers greater control of how much of each nutrient (e.g., nitrogen, phosphorus, and potassium) they apply to the soil.

U.S. Biogas Market

Currently, the United States has more than 2,200 sites producing biogas, and still, the potential for growth of the U.S. biogas industry is huge. A recent industry assessment conducted with the USDA, EPA and DOE as part of the Federal Biogas Opportunities Roadmap estimates nearly 14,000 sites are ripe for development. If fully realized, these new biogas systems could produce enough energy to power 3.5 million American homes and reduce emissions equivalent to removing up to 15.4 million passenger vehicles from the road. It would also result in an estimated \$40 billion in construction spending, creating approximately 335,000 short-term construction jobs and 23,000 permanent jobs to operate the biogas systems and manage ongoing business activities.

About the American Biogas Council

The American Biogas Council is the only national trade association representing the entire biogas industry in the U.S. The ABC represents over 200 companies covering the entire biogas supply chain who are dedicated to maximizing the production and use of biogas from organic waste. Find us online at www.AmericanBiogasCouncil.org, Twitter @ambiogascouncil, LinkedIn in the AmericanBiogasCouncil.org, Twitter @ambiogascouncil, LinkedIn in the AmericanBiogasCouncil.org, Twitter @ambiogascouncil, LinkedIn in the AmericanBiogasCouncil.org, Twitter @ambiogascouncil, LinkedIn in the AmericanBiogasCouncil.

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