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American Biogas Council Disappointed by House Tax Reform Package

WASHINGTON, D.C. - The American Biogas Council (ABC) released the following statement in response to the introduction of H.R. 1, the House's Comprehensive Tax Reform proposal. The legislation is the first attempt since 1986 to reform both the individual and corporate mandate.

"The biogas industry is disheartened by the House's tax reform proposal as it does not address the urgent need to extend the Section 45 Production Tax Credit for open loop biomass, the technology under which biogas qualifies. Furthermore, other baseload technologies also clustered under Section 45 - closed loop biomass, hydropower, geothermal power and waste to energy - were all disregarded when addressing the needs of the renewable energy industry," said Patrick Serfass, Executive Director of the American Biogas Council.

Tax incentives for biogas and anaerobic digestion technologies expired at the end of 2016, while tax credits for wind and solar renewable electricity resources - industries with which biogas directly competes - were provided long-term extensions at the end of 2015. Additionally, the House proposal granted extensions for technologies within the Section 48 Investment Tax Credit - fuel cells, small wind, combined heat and power, and geothermal. They received the same extension that solar received creating tax credits for many renewable energy technologies, but not baseload renewables like biogas, biomass, hydropower and waste-to-energy. This continued disparity in treatment puts biogas and anaerobic digester development at a competitive disadvantage and will increase the already negative impact on biogas project development and the industry's ability to attract additional investment.

The ABC is hopeful that Congress will stop picking winners and losers in the renewable energy space and that when the Senate acts it will create parity among all renewables and not just continue to support some. As the House Tax Reform Proposal addresses renewable energy tax provisions, we urge Congress to address the needs of all the renewable technologies who have seen their credit expire, including those in the Section 45 Production Tax Credit.

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 in all parts of the biogas supply chain who are dedicated to maximizing the production and use of biogas and digestate from organic waste. Find us online at <u>www.AmericanBiogasCouncil.org</u>, Twitter <u>@ambiogascouncil</u>, LinkedIn in the American Biogas Council group and on <u>YouTube</u>.

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