



News from

Congressman Ron Kind

REPRESENTING WISCONSIN'S THIRD
CONGRESSIONAL DISTRICT

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FOR IMMEDIATE RELEASE

Thursday, April 26, 2007

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Rep. Kind Introduces Legislation to Promote Biogas Development

Tax Incentives and Guaranteed Loans will Jumpstart Renewable Energy Development from Animal Waste

Washington, D.C. – U.S. Rep. Ron Kind has introduced legislation that would take billions of gallons of fossil fuels out of use by developing renewable energy from animal waste. The bill would provide tax incentives and guaranteed loans for small businesses to promote biogas – a substitute for natural gas created by the anaerobic digestion of animal waste and other organic bi-products.

“By providing modest federal support for this technology, we can jumpstart the development of renewable energy from what is now regarded as waste,” Rep. Kind said. “I recognize that biogas is just one part of our larger course to energy independence, but its one that will invest in rural communities, protect our environment from harmful greenhouse gases, and grow our economy.”

Biogas is produced through the anaerobic digestion (AD) of animal wastes and other agricultural or organic wastes and is composed of at least 60 percent methane (the principal ingredient of natural gas). Methane itself is 23 times more powerful than carbon dioxide as a greenhouse gas, and can be burned to generate electricity. Biogas can be used as is on the farm, co-located with another facility such as an ethanol plant, or it can be cleaned up to be used as a renewable substitute for natural gas, propane or other fossil fuels.

The bill, the Biogas Production Incentives Act of 2007 (HR. 2038) would encourage greater production of biogas for energy purposes by:

- Providing biogas producers with a tax credit of \$4.27 for each unit (mmBtu) of biogas they produce;
- Providing loans, loan guarantees, and/or grants to aid the collection and transport of biogas, or to purchase or construct equipment or facilities to collect and transport biogas;
- Creating a counter-cyclical safety net for biogas producers by providing payment from Commodity Credit Corporation funds to qualified biogas producers only when the annual average daily prices of natural gas falls below a certain level.

(more)

The Environmental Power Corporation, which operates a digester at Five Star Dairy in Elk Mound, Wisconsin has estimated national biogas production potential as the energy equivalent of approximately 2.5 billion gallons of heating oil per year. Biogas production also offers environmental benefits such as a reduction in the greenhouse gas emissions of both carbon dioxide and methane and improved water quality through better manure management.

Wisconsin already has 16 farm digesters currently operating, generating enough electricity to power 4,000 homes. It is estimated if all 186 farms in the state with 500-999 cattle installed digesters, it would generate enough energy to power 22,000 homes. This also does not include the many farms with fewer cows.

“Wisconsin has a reputation for innovation in agriculture, and our farmers are leading the way in helping reduce our dependence on foreign fossil fuels,” Rep. Kind said. “But the potential is still great, and this legislation would help large and small-scale farms alike get past the major financial obstacles associated with installing this technology – and get started making their own, clean and renewable energy.”

The legislation is co-sponsored in the House by Congressman Devin Nunes (R-CA). Companion legislation was introduced in the Senate by Ben Nelson (D-NE).