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April 13, 2015

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Senate Committee on Finance
219 Dirksen Senate Office Building
Washington DC 20510

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Dear Senators Hatch and Wyden:

Melissa VanOrnum
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The American Biogas Council ("ABC") is pleased to offer the following comments to the Senate Committee on Finance.

Patrick Serfass
Executive Director (ex officio)

The ABC's mission is to create jobs, increase environmental sustainability and energy independence by growing the U.S. biogas industry. The ABC represents over 200 organizations across the renewable energy, agricultural, waste and wastewater management, and transportation industries, including facility owners /operators, manufacturers of tanks, engines, and other equipment, engineering firms, project developers, legal and accounting firms, educational organizations and institutions, utilities, financiers and lenders, and local and regional governments.

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Lisa McFadden
Water Environment Federation

Amanda Mott
Wisconsin State Energy Office

Paul Owen
Caterpillar Financial Services

We are responding to the Senate Finance Committee's effort to begin soliciting ideas from stakeholders on how best to overhaul the nation's tax code to make it simpler, fairer and more efficient. Specifically, we are providing suggestions for corporate tax reform to address barriers and opportunities to the growth of the biogas industry.

Paul Relis
CR&R Incorporated

1. Level the Playing Field: Ensure that renewable energy receives the same favorable treatment under federal and state laws as does fossil energy, and that all forms of renewable energy are treated equitably. The Section 45 and 47 renewable energy tax credits have been helpful in the development of the biogas industry, but should be improved in three ways:
 - a. Expand from only electricity production to all forms of energy conversion. We suggest using

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broader, technology-neutral language when defining the PTC/ITC credit. We would suggest basing the credit on a BTU standard, which would allow more technologies to qualify and eliminate the need to update the tax code every time a new technology comes on line.

- b. Redefine renewable energy from anaerobic digestion systems as closed-loop systems in recognition of the return of remaining organic matter to soils.
 - c. Provide biogas-derived renewable energy the same tenure for credit eligibility as other forms of renewable energy. Over the past 10 years, the renewable energy industry has grown and matured significantly, but the inequities of the current tax provisions have made it difficult for the biogas industry to keep pace with wind and solar in terms of growth.
2. Provide Stability for Long Term Investments. Make the credit permanent in order to eliminate the significant uncertainty plaguing the biogas and other renewable energy sectors. Biogas systems take time to be proposed, properly permitted, financed and constructed. Not knowing if the credit will exist or be renewed makes securing financing very difficult. A permanent tax credit, similar to that provided to fossil energy, will enable investment in the essential infrastructure to transition rural and urban communities to a modernized waste management and renewable energy system. Either renewable energy tax credits should also be permanent or the fossil energy tax credits should also require a regular renewal. Furthermore, if the purpose of the tax credits is to give financial incentives to emerging technologies that need support for a limited time period, fossil energy has long passed the point of being a nascent technology. A less desirable alternative would be to provide a renewable energy tax credit that will phase out once a certain national production level has been achieved. At the minimum, provide a longer-term window of credit eligibility such as 10 years before it must be reauthorized again.

We appreciate the opportunity to offer these comments and look forward to a continuing dialogue with the Committee. Should you have any questions or need to contact us, I can be reached at pserfass@ttcorp.com or 1.202.640.6595 x366.

Very kind regards,

A handwritten signature in black ink that reads "Patrick R. Serfass". The signature is written in a cursive, flowing style.

Patrick Serfass
Executive Director