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Moving Forward Act Can Boost Biogas Industry

June 23, 2020 - WASHINGTON – The American Biogas Council (ABC) praised the release of the long awaited infrastructure package by the U.S. House of Representatives entitled, *The Moving Forward Act* (H.R.2). The \$1.5 trillion proposal to rebuild U.S. communities with infrastructure and innovation includes several tax provisions on which the ABC has long labored to create a more equitable environment where natural market forces can work to build more biogas systems. Because the biogas industry intersects with so many sectors of our economy, when the Moving Forward Act helps boost the biogas industry, it will also surge growth in agriculture, wastewater and municipal recycling infrastructure, access to more renewable energy, and more.

Biogas systems recycle organic material into renewable energy and soil products using a natural microbial process called anaerobic digestion. Currently, the US has 2,000 operational biogas systems, and the potential to build nearly 15,000 new biogas systems. If fully realized, these new biogas systems will directly catalyze at least \$45 billion in capital deployment which would result in approximately 374,000 short-term construction jobs to build the new systems and 25,000 permanent jobs to operate them. Indirect impacts along supply chains would be even greater.

“The American Biogas Council (ABC) thanks the House for responding to our requests to create more parity in our tax code. The Moving Forward Act can create an environment where the biogas industry can create billions of dollars of new investments to build new recycling and renewable energy infrastructure and simultaneously protecting our air, water and soil,” said Patrick Serfass, Executive Director of the ABC. “The biogas industry plays one of the most underappreciated roles in the renewable energy industry, creating your choice of non-stop renewable electricity, gas, and/or heat, plus natural soil products from recycled organic waste.”

In particular, the Moving Forward Act includes three tax provisions of importance to the ABC including: the creation of an investment tax credit (ITC) for RNG- and heat-based biogas systems; the extension of the Section 45 production tax credit (PTC), and related ITC, for electricity-biogas systems; and the extension of the Alternative Fuel Excise Tax Credit for biogas and renewable natural gas used as a vehicle fuel. Furthermore, the bill also recognizes the volatility caused in tax equity markets by the coronavirus and establishes an elective payment for those entities utilizing the PTC or ITC.

Without the Moving Forward Act, the US tax code only supports a sector of the biogas industry which has rarely benefited from a tax credit extended into the future which would enable developers and investors to build more new projects. During these times, other renewable and fossil energy technologies have often benefited from long extensions of their tax credits impacting their entire industry and accelerating growth in those sectors while making it difficult for others to obtain financing. The Moving Forward Act takes a major step towards correcting many of those inequities.

Related resources:

H.R. 2 - The Moving Forward Act: [Section by Section](#) | [Bill Text](#) | [Fact Sheet](#)

About the American Biogas Council

The American Biogas Council is the only national trade association representing the entire biogas industry in the U.S. We represent over 200 companies in all parts of the biogas supply chain who are dedicated to maximizing the production and use of biogas from organic waste. Biogas systems protect our air, water and soil by recycling organic material, like food waste and manure, into renewable energy and soil products. Learn more online at www.AmericanBiogasCouncil.org, Twitter [@ambiogascouncil](https://twitter.com/ambiogascouncil), and [LinkedIn](https://www.linkedin.com/company/ambiogascouncil).