Resolution Supporting Pipeline Quality Biomethane Development as a Renewable Gas Resource in the Clean Energy Economy

WHEREAS, Critical legislation is under consideration in the U.S. House of Representatives and the U.S. Senate that seeks to create clean energy jobs, achieve energy independence, mitigate the effects of climate change, and transition to a clean energy economy; *and*

WHEREAS, The transformation to a clean energy economy and sustainable American economic and international policy leadership will require properly designed market incentives, as well as increased investment in human and technological capital; *and*

WHEREAS, Transitioning to a clean energy economy will require a robust portfolio of cost-effective and environmentally benign renewable energy resources that achieve greenhouse gas reductions and provide safe, affordable, and reliable energy to consumers; *and*

WHEREAS, According to the Energy Information Administration, natural gas consumption accounted for 23.9 percent[1] of total primary energy consumption (99.4 quads) in the United States in 2008, and will continue to be a strategic resource that delivers significant greenhouse gas reductions, enables the development of intermittent renewable resources such as wind and solar, and provides a foundational fuel for residential, commercial and industrial end-use; *and*

WHEREAS, Emerging renewable sources of natural gas have great potential to complement the critical role of traditional natural gas supplies in the clean energy economy; *and*

WHEREAS, Biogas is derived from the decay of organic materials through anaerobic digestion and thermal gasification, and varies in chemical composition but is primarily comprised of methane, a greenhouse gas which is at least 20 times more potent than carbon dioxide when directly released to the atmosphere;[2] *and*

WHEREAS, Methane from renewable gas can be captured, cleaned, and converted into biomethane through the use of proven gas conditioning technologies, transported by the existing gas pipeline system, stored and/or delivered for productive use in renewable electricity generation, clean transportation, or commercial, industrial and residential end use; *and*

WHEREAS, Biogas from manure, agricultural and food waste, landfills, wastewater treatment facilities, sustainable biomass, and other viable sources could provide a significant renewable gas resource, which, when conditioned into pipeline quality biomethane, is interchangeable with conventional natural gas,[3] efficient in the use of existing natural gas storage, transmission, and distribution infrastructure, and is a suitable renewable fuel for use in the transportation sector and in today's most efficient combined-cycle natural gas-powered electric generation facilities; *and*

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1 *Electric Power Monthly*. United States Energy Information Administration, 15 Oct. 2009. Web. 3 Nov. 2009. <http://www.eia.doe.gov/emeu/mer/pdf/pages/sec1_7.pdf>

2 Eaves, Michael, Clean Energy. "Biomethane Renewable Natural Gas: California Energy Commission Workshop on Natural Gas and Propane Vehicles." September 18, 2009.

3 Renewable Energy Institute, "EPA Moves Closer to Regulating Greenhouse Gas Emissions." 18 April 2009.

WHEREAS, Federal incentives are available for renewable electricity from solar, wind, biomass, and geothermal resources, but are not available for the development or production of renewable pipeline quality biomethane; *and*

WHEREAS, The current Renewable Electricity Production Tax Credit provides a per-kilowatt-hour production tax credit for wind and geothermal projects, and a per-kilowatt-hour production tax credit for on-site generation from biomass and landfill gas projects;[4] *and*

WHEREAS, The current Business Energy Investment Tax Credit[5] provides a 30 percent federal investment tax credit or grant for solar, wind and fuel cell facilities, and a 10 percent investment tax credit or grant for geothermal, microturbines, and combined heat and power energy facilities; *and*

WHEREAS, Renewable pipeline biomethane facilities do not qualify for investment tax credit incentives under the Business Energy Investment Tax Credit, and renewable pipeline biomethane production does not qualify for production tax credit incentives under the current Renewable Electricity Production Tax Credit; *and*

WHEREAS, There are current legislative proposals under consideration in the U.S. House of Representatives and the U.S. Senate that would support the development of renewable pipeline quality biomethane by providing incentives that are comparable to existing incentives for the development of other forms of renewable electricity; *now, therefore be it*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its 2010 Winter Committee Meetings in Washington, D.C., supports the role and development of biogas, and in particular, pipeline quality biomethane, as a feasible renewable fuel in an effort to capture methane greenhouse gas emissions and simultaneously provide an alternative source of renewable energy; *and be it further*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners supports federal incentives for the development of pipeline quality biomethane that are *en par* with incentives currently afforded to other resources for the production of renewable electricity; *and be it further*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners urges the U.S. Senate and the U.S. House of Representatives to approve legislation as a means to provide unequivocal support for pipeline quality biomethane development in order to achieve significant greenhouse gas reductions in the transition to a clean energy economy.

Sponsored by the Committee on Gas
Adopted by the NARUC Board of Directors February 17, 2010

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[4] *The American Jobs Creation Act of 2004* (H.R. 4520) expanded the Production Tax Credit (PTC) to include additional eligible resources: geothermal energy, open-loop biomass, solar energy, small irrigation power, landfill gas and municipal solid waste combustion -- in addition to the formerly eligible wind energy, closed-loop biomass, and poultry-waste energy resources. However, while this includes anaerobic digestion for landfill gas, it does not apply specifically to biomethane production for pipeline use. *See* http://www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=US13F&re=1&ee=1 for more information.

[5] The federal business energy investment tax credit available under 26 USC § 48 was expanded significantly by the *Energy Improvement and Extension Act of 2008* (H.R. 1424), enacted in October 2008. However, this does not apply specifically to facilities for biomethane pipeline facilities. *See* http://www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=US02F&re=1&ee=1.