



Walter Wright, Jr.
wwright@mwlaw.com
(501) 688.8839

Senate Finance Committee Hearing: Recycling/Biogas Equipment Manufacturer Testifies Regarding Renewable Tax Credits

Arkansas Environmental, Energy, and Water Law Blog

06/28/2016

The Senate Finance Committee held a June 14th hearing titled *Energy Tax Policy in 2016 and Beyond* ("Hearing").

Steve Miller, Chief Executive Officer of Bulk Handling Systems and Zero Waste Energy, LLC (collectively "BHS") testified in support of the extension of the biogas tax credit.

BHS is stated to supply equipment that includes anaerobic digesting technology which:

... transforms organic materials – such as source-separated organics, and yard waste and food waste separated from the municipal solid waste stream by recycling equipment – into biogas that is used to produce electricity or compressed natural gas to fuel vehicles. The remaining solid organic material in our systems is used to reduce nutrient-rich compost for agricultural use. In addition, our company is involved in the conversion of the remaining elements of the waste stream into an EPA-approved Engineered Fuel product out of waste, which is suitable for use by utilities to produce electricity as a clean burning supplement to coal.

Mr. Miller noted that:

... despite the overall attractiveness of the products we create, our development has been slowed by low prices for electricity, oil and natural gas. Since the renewable products that we produce compete with these fossil fuels, we have been challenged to provide our Customers the economics needed to fund projects.

The testimony expressed concern about the company's technology's ability to compete for "scarce investment dollars against solar and wind".

Mr. Miller stated that wind and solar had received long-term extensions as opposed to biogas credits which were only extended to the end of 2016. Further, he noted the biogas tax credits only apply to the renewable energy portion of the project which poses problems which affects the overall economics of an endeavor.

Mr. Miller asked that the Senate Finance Committee consider:

- Extend the PTC for biogas technologies for five years with no phase out
- Give those technologies an equal credit to wind per kilowatt-hour
- Ensure that the legislation that allows technologies to convert a PTC into an ITC is extended

- Allow biogas that is used as transportation fuel to qualify for both the PTC and ITC – currently it only qualifies if used for electricity
- Include the cost to develop the compost and nutrient recovery technology portion of the renewable energy project. Extension of the credit to include compost technologies would significantly expand the development of waste to energy and compost facilities.

A copy of Mr. Miller's testimony can be [downloaded here](#).