



RNG COALITION ISSUES – May 23, 2017 Capitol Hill Meeting

THE RNG COALITION

- The Coalition for Renewable Natural Gas (RNG Coalition) provides public policy advocacy and education on behalf of the North American renewable natural gas industry.
- We are an association of 80+ companies & organizations. (Listed in leave-behind folder).
- We advocate for increased utilization of renewable natural gas so that present and future generations will have access to domestic, renewable, clean fuel and energy supply.
- Our members produce more than 90% of the renewable natural gas in North America.

RENEWABLE NATURAL GAS

- Renewable Natural Gas (RNG) is biomethane that is upgraded to natural gas quality standards such that it may blend with, or substitute for, geologic natural gas. RNG is derived from non-fossil, organic waste.
- When organic material decomposes it emits a biogas comprised mostly of carbon dioxide and methane.
- The most abundant sources of organic matter available for RNG production are found in landfills, at wastewater treatment plants, and near livestock. Increasingly, municipalities are diverting MSW to anaerobic digesters to produce biogas, and ultimately RNG.
- RNG is transported throughout North America using existing natural gas pipelines.
- RNG is most commonly used as an ultra-low-carbon transportation fuel, to generate renewable electricity or heat, and to produce renewable hydrogen.

RNG AS JOB CREATOR, ECONOMIC DRIVER

- RNG is creating U.S. jobs, economic investment, and a clean and diverse fuels portfolio.
- RNG is becoming a major job creator in communities across America. The average RNG project brings \$16 Million in development investment and creates 173 direct and indirect jobs.
- RNG is a domestic fuel. It is sourced from waste in communities across the country and currently fuels more than 20% (by vol.) of medium & heavy duty NGVs (esp. trucks & buses).
- The RNG industry has built more production facilities in the last five years (31) than in the previous twenty-five years (22).
- We support the continuation of the EPA-administered Renewable Fuel Standard (RFS).
- Since 2014, RNG has accounted for 98% of RFS-qualified, cellulosic biofuel.

LEGISLATIVE PRIORITIES

Support

S. 988 (Brown, D-OH) - Agriculture Environmental Stewardship Act. This bill would amend the Tax Code (Internal Revenue Code of 1986) to make qualified biogas property and qualified manure resource recovery property eligible for the energy credit and to permit new clean renewable energy bonds to finance qualified biogas property. Introduced on April 27, the bill was referred to the Senate Finance Committee.

Oppose

H.R. 1314 (Goodlatte, R-VA) - RFS Elimination Act of 2017. This bill seeks to eliminate the RFS. The bill was introduced March 2 and was referred to the House Energy and Commerce Committee. It has 64 cosponsors (64R, 0D). A version of the bill was introduced in the previous Congress and was not acted upon. The Committee has taken no action on H.R. 1314 since its introduction.

H.R. 1315 (Goodlatte, R-VA) - RFS Reform Act of 2017. This bill would effectively cripple the market creating qualities of the RFS under the guise of reform. It requires the RVO for Cellulosic Biofuel to be based on the prior year's actual production, while removing all Congressional targets for advanced and cellulosic biofuel volumes through 2022. It reduces the mandated total annual renewable fuel volumes in the U.S. fuel supply by 15 billion gallons per year through 2022. It prohibits EPA from approving the introduction into commerce of gasoline that contains greater than 10-volume percent ethanol. This bill was introduced March 2 and referred to the House Energy and Commerce Committee. It has 48 cosponsors (43R, 5D). The House has taken no action on H.R. 1315 since its introduction. A version of the bill was introduced in the previous Congress and was not acted upon.

H.R. 776 (Sensenbrenner, R-WI). This bill would require the U.S. EPA to limit the total volume of cellulosic biofuel in transportation fuel under the RFS to what is commercially available, until the EPA submits to Congress a comprehensive study on cellulosic biofuel and the environmental and economic impacts of producing such fuel. The bill has no cosponsors. It was referred to the House Energy & Commerce Committee and the Science, Space, and Technology Committee.

Additional Tax Issues

Congress should level the playing field for using natural gas as a transportation fuel, including:

- A five-year renewal of .50¢ alternative fuel tax credit (retroactive for 2017).
- Extension of the alternative fuel infrastructure credit for 5 years.
- Removal of the \$30,000 cap on the infrastructure credit.
- Adjust the 12% Federal Excise Tax (FET) on HD natural gas powered trucks.
- Equalization of the tax treatment of LNG in marine transportation.

