

October 30, 2019

The Honorable Chuck Grassley  
Chairman  
Senate Finance Committee  
219 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Richard Neal  
Chairman  
House Ways and Means Committee  
1102 Longworth House Office Building  
Washington, DC 20515

The Honorable Ron Wyden  
Ranking Member  
Senate Finance Committee  
219 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Kevin Brady  
Ranking Member  
House Ways and Means Committee  
1102 Longworth House Office Building  
Washington, DC 20515

Dear Chairmen Grassley and Neal and Ranking Members Wyden and Brady,

The American Gas Association (AGA) is writing in support of H.R. 3744 and S. 2542, both titled the “Agriculture Environmental Stewardship Act.” These bipartisan bills, first introduced in the 115th Congress, are seeking a 30 percent investment tax credit (ITC) for qualifying biogas systems, including farm-based and standalone anaerobic digesters, and nutrient recovery projects to address agriculture waste streams and produce renewable energy. The ITC would advance the development of renewable natural gas (RNG)—a pipeline compatible gaseous fuel derived from agriculture and farming operations, for example, that has lower lifecycle CO<sub>2</sub>e emissions than geological natural gas. Legislation such as H.R. 3744 and S. 2542 helps to advance the research, development, and deployment of next-generation natural gas technologies, such as RNG, and provides further opportunities for achieving lower carbon goals.

AGA, founded in 1918, represents more than 200 local energy companies that deliver clean natural gas throughout the United States. There are more than 74 million residential, commercial and industrial natural gas customers in the U.S., of which 95 percent — more than 71 million customers — receive their gas from AGA members. Today, natural gas meets more than one-fourth of the United States' energy needs.

Many innovative natural gas technologies, such as RNG offer a significant efficiency improvement potential which can contribute to achieving near-term emissions reductions. RNG produced from agriculture and farming operations use anerobic digestion technology to harness the biogas generated through the natural decomposition of waste. The gas is captured, processed and cleaned, and can be injected into the natural gas pipeline system. Since RNG can be used interchangeably with today’s natural gas, it represents a tremendous opportunity to

**George Lowe** *Vice President, Governmental Affairs and Public Policy*

reduce emissions in homes, businesses, vehicles, manufacturing, and heavy industry. AGA expects emissions reduction potential to grow as new technology for producing RNG is commercialized and costs are reduced.

AGA encourages your committees to pass these bills as stand-alone pieces of legislation or as a part of a larger tax extenders package. Thank you for your time, and we look forward to working with you in advancing these bills.

Sincerely,

A handwritten signature in cursive script that reads "George Lowe". The signature is written in black ink and is positioned above the printed name.

George Lowe  
Vice President, Governmental Affairs and Public Policy