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Landfill Gas

The availability of tax credits for new LFGTE projects under Section 29 of the federal tax code has expired, effectively removing the most important financial incentive from the board. Coupled with energy-market uncertainties engendered by industry deregulation, it's hard to see more than a dismal future for the beneficial reuse of what EPA characterizes as one of the most pernicious of greenhouse gases unless Congress decides to take action quickly.

It's more than a shame. It's a disgrace, made all the more galling by the fact that the practice of cluttering the landscape with fields of double-ugly wind-powered generators is given a federal sinecure while LFG is collected at significant cost to the public and then flared to the absolute benefit of no one. I don't know about you, but I see this as yet another failure on the part of EPA to acquaint Congress with the role of tax incentives in the establishment of financially viable LFGTE projects, and their relationship to the control and possible reduction of greenhouse gas production. Fortunately, however, Congress--which has no greater reason for faith in the ability of EPA to provide wise counsel on environmental issues than the rest of us--is looking at options that could breath new life into sagging LFGTE programs.

The first of these, proposed by Congressmen Phil English and William Coyne, both of Pennsylvania, seeks to extend by five years the Section 29 tax credits for LFG, livestock gas, and coal-derived synfuel that can meet specific emissions reductions of SO₂ and NO_x. A second opportunity under consideration by Senators Jeffords (R-VT) and William Roth (R-DE), involves an amendment to include LFGTE within the scope of Section 45 of the federal tax code that currently provides for a 1.5¢/kWhr tax credit for wind and closed-loop biomass projects. The bills involved are HR 1401 and S 1459, both of which seek to change the Section 45 deadline for placing projects into service from June 30, 1999 to June 30, 2004.

The first thought I'd like to impart here is that we're not talking about impossible dreams--rather a potentially successful strategy as demonstrated by a group of foresters who were able to get California Congressman, Wally Herger, to add biomass to his bill (HR 4407) introduced on August 5, 1998. There is not space in this column to go into all the ramifications of these initiatives, but detailed information is available through the Solid Waste Association of North America, by contacting its Legislative Analyst, David Tubman, at (301) 585-2898. Congress is expected to deal with tax legislation prior to its adjournment on October 9, 1998, so it is imperative that those wishing to offer input to their representatives do so without delay.