

February 12, 2002

The Honorable Max Baucus  
Chairman  
Senate Finance Committee  
219 Dirksen Senate Office Building  
Washington, DC 20510

Dear Chairman Baucus,

On behalf of the Union of Concerned Scientists, we respectfully request your support of provisions in the energy tax bill to extend Section 45(c)(1) coverage to include energy production from animal waste, specifically swine and bovine waste nutrients. Anaerobic digestion and gasification processes allow for the conversion of these wastes into renewable energy in the form of heat and electricity.

Similar language is included in S. 1219, the Providing Opportunities With Effluent Renewables (POWER) Act, sponsored by Senate Charles Grassley.

In our view, encouraging energy production from animal wastes achieves several important goals. First, anaerobic digestion reduces methane emissions, a potent greenhouse gas and significant contributor to global warming. Second, by treating animal waste, farmers are able to better manage their effluents, which lowers operating costs and controls odor. Further, the byproduct of the digestion process is a superior soil fertilizer, which can be sold for additional revenue. In sum, energy production from animal waste improves the environment, reduces operating costs and generates new source of revenue for farming communities.

Through the energy tax provisions -- and the production tax credits specifically -- the Congress seeks to provide market-based incentives to diversify our energy mix and promote clean renewable energy sources. Expanding Section 45(c)(1) to cover animal waste -- along with other renewable energy sources such as wind, geothermal, biomass, ocean and solar -- will provide significant environmental benefits, improve agricultural waste management and provide new sources of revenue for farmers.

We urge your full support of language to expand the energy production tax credit to animal waste as part of the energy tax bill. Thank you for your consideration.

Sincerely,

Alan Noguee  
Director, Clean Energy Program  
Cc: Senator Charles Grassley