

# Newsletter IEA Bioenergy Task 37: 07/2020 Biogas in North America

### RNG Coalition: RNG on-road fuel use continues to grow

The Coalition for Renewable Natural Gas (RNG Coalition) announced that 39 percent of all on-road fuel used in natural gas vehicles in calendar year 2019 was renewable natural gas. Captured from organic material in agricultural, wastewater, landfill or food waste, RNG produces carbon-neutral and even carbon-negative results when fueling on-road vehicles like short- and long-haul trucks, transit buses, and refuse and recycling collection vehicles. RNG fuel has the lowest EER-adjusted carbon intensity of any on-road motor fuel, as low as -400.1 Over the last five years, RNG use as a transportation fuel has increased 291 percent, displacing close to 7.5 million tons of carbon dioxide equivalent.

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## Ontario Government aims to grow biogas sector by 50% over five years

The Government of Ontario will launch consultations to find ways to boost biogas sector revenues. It is hoped the consultation will identify potential changes that would allow farmers in the province to expand the emerging renewable natural gas market and make the region a 'North American leader' in the biogas sector. Consultations by the Government of Ontario will look at opportunities for biogas upgrading to produce renewable natural gas on-farm, ways to streamline approvals and requirements for off-farm and agricultural feedstocks. The consultations should pinpoint potential changes that could enable Ontario's \$35 million-a-year (€23.7 million) biogas sector to grow by up to 50% over the next five years.

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#### FuelCell Energy: California biogas project begins operations

FuelCell Energy Inc. announced the start of commercial operation of the 2.8 MW fuel cell project located at the wastewater treatment facility of the city of Tulare, California. The project is fueled by biogas. Prior to the fuel cell being installed, the methane rich biogas was flared, which wasted energy and produced emissions. The fuel cell uses a natural chemical reaction versus a combustion approach to generate energy, significantly reducing the NOx, SOx, particulate matter and carbon emissions profile in the San Joaquin Valley. FuelCell Energy's will also supply clean renewable heat to the wastewater facility's anaerobic digesters, providing additional carbon emissions reductions.

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### **Expansion of RNG project in California to largest US biogas project**

Calgren Dairy Fuels and Southern California Gas Co. (SoCalGas) announced that four additional Central Valley dairies have started sending methane produced from cow manure to Calgren's biogas operation in Pixley, where it is processed into high-quality, renewable natural gas (RNG) and injected into SoCalGas' system. The Calgren facility now collects 10 to 12 million m³ methane—a potent greenhouse gas that would otherwise escape to the atmosphere and contribute to climate change—from more than 75,000 cows at 10 dairy farms collecting. The additional dairies are projected to nearly double the amount of RNG produced at the facility, further reducing greenhouse gas emissions and displacing more traditional natural gas.

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## Clean Energy Fuels delivered 143 Mio gallons (0.54 Mio m³) of RNG in 2019

Clean Energy Fuels has announced it delivered 143 million gallons (0.54 million m³) of renewable natural gas (RNG) in 2019. The environmental impact of replacing this volume of diesel fuel with RNG is the equivalent to reducing 745,000 tonnes of GHG emissions corresponding to 158,000 cars. RNG is made by capturing and upgrading biogenic methane produced from the decomposition of organic waste from dairies, landfills and wastewater treatment plants. Sales of the renewable fuel were strengthened by a seven-year contract with UPS for 170 million gallons to fuel its fleet of natural gas heavy-duty trucks in the US, the largest purchase of RNG ever in the US.

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## First large Dairy RNG project in South Dakota

Brightmark, a San Francisco-based waste and energy development company has signed a manure supply agreement with two South Dakota dairy companies, Boadwine Farms Inc. and Mooody County Dairy Limited Partnership, to capture methane produced by nearly 12,000 dairy cows and heifers and convert it into renewable natural gas. The project is anticipated to produce 217,000 MMBtu (63.6 GWh) of renewable natural gas (RNG) each year. The Athena RNG project will include the construction of new anaerobic digesters on three Minnehaha County farms with 11,710 cows producing a total of 55.6 million gallons of manure each year. After the project is complete, the methane generated by this manure will be captured, cleaned, and converted into RNG, which can be used for transportation, cooking, or electricity. The gas will be injected into the local interstate pipeline system for use statewide. This is the latest in a series of biogas projects launched by Brightmark in the past two years. The company also has active projects in Washington, Wisconsin, South Carolina, and New York which actually is extended.

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## SoCalGas welcomes reservation system for biomethane project funding

Southern California Gas Co (SoCalGas) has announced support for the California Public Utilities Commission's (CPUC) new Incentive Reservation System for the CPUC biomethane monetary incentive programme. The reservation system will help to increase transparency about available incentive funding for biomethane interconnection projects in California. According to SoCalGas, there is currently around \$32 million (€29.5 million) in funding available through the incentive programme. The money is

available for eligible projects on a first-come-first-served basis until 31 December 2026, or until the funding runs dry. The new reservation system is a key step to give biomethane developers certainty that the money they applied for will be there at the end of the project. It is also hoped the system can spur additional interconnection projects. California law requires 40% of methane from sewage treatment plants, landfills, dairies and other agriculture to be captured, with provisions for energy delivery to customers as part of the state's plan to cut greenhouse gas emissions.

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## Two Biogas Tax Credits to Drive Industry Growth

As 2020 begins, the biogas industry has a new pair of tax credits to drive project development. The credits can be used for projects that will be developed this year or started operation during the last two years when these credits were expired. This marks a major step forward for the biogas industry which has been at a significant competitive disadvantage due to inequities in the US tax code.

The tax extenders package signed into law on December 20, 2019 included tax provisions extending the Production Tax Credit for renewable electricity and the alternative fuel excise tax credit for biogas projects that provide vehicle fuel. The extension of both of these credits, which had been expired since December 31, 2017, had long been a priority of the American Biogas Council. With the passage of this legislation, biogas now has parity with several other renewable energy technologies which had previously obtained longer term tax credits in 2015 and 2018 respectively and advantage in the tax code.

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