



SOLID WASTE AUTHORITY OF CENTRAL OHIO

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**PREPARED TESTIMONY OF MICHAEL C. MENDEL, CHIEF LEGAL OFFICER
SOLID WASTE AUTHORITY OF CENTRAL OHIO**

**BEFORE THE SUBCOMMITTEE ON SELECT REVENUE MEASURES AND
THE SUBCOMMITTEE ON OVERSIGHT**

WAYS & MEANS COMMITTEE

JOINT HEARING ON ENERGY POLICY AND TAX REFORM

Mr. Chairman, Members of the Subcommittees:

I, on behalf of the Solid Waste Authority of Central Ohio, would like to thank the respective Chairman and the members of the Subcommittees for the opportunity to provide testimony on an issue which is of great importance not only to our region, but to the United States.

The Solid Waste Authority of Central Ohio (SWACO) is a unique government-run entity charged with the safe and sanitary management of all solid wastes within its District, an essential public service provided regionally to all of Franklin County, Ohio as well as parts of surrounding counties, and the City of Columbus, the largest city in Ohio. SWACO operates the Franklin County Sanitary Landfill, the largest publicly owned landfill in the State of Ohio, as well as three transfer facilities. Our Sanitary Landfill is the 8th largest publically-owned landfill in the United States, and the 69th largest among all landfills in the country. SWACO's is employing multiple strategies to effectuate a proficient and progressive resource recovery and reuse strategy for our region and our State.

SWACO has transformed the last step in the waste stream process, landfilling, into a source of economic development and energy production through its landfill gas collection system. This system harnesses the landfill gas collected and transforms it into Compressed Natural Gas (CNG) for vehicle fuel and can be cleaned to produce pipeline-quality gas. Further, SWACO promotes the use of CNG as an alternate vehicle fuel which decreases air emissions. Our Landfill alone, presently unharnessed, produces approximately ten (10) million gasoline gallon equivalents ("GGE") of CNG annually. SWACO has transformed the landfill into more than just the final step in the waste stream – it is part of an ongoing cycle of economic development, job creation using renewable resource recovery and energy production.

SWACO supports H.R. 1380, the NAT GAS Act, as well as expanding its definition of, and tax credit for, "alternative fuels" to that of "renewable fuel", as contained in the Energy Policy Act of 1992, in order to promote utilization of additional sources of renewable energy, such as biogas, from readily available sources that provide innovative economic solutions for obtaining fuel and support American energy independence.

It is estimated that by utilizing natural gas to fuel heavy-duty vehicles alone, the United States would reduce its dependence on foreign sources of oil by fifty percent.¹ Our ability to utilize domestic sources and decrease dependence on foreign sources is facilitated by expanding the definition of alternative fuels, for tax credit purposes, to include biofuels, while concurrently increasing economic and technology development, and promoting consistency in legislation.

SWACO's proffered amendment extracts the definition of "renewable fuel" as provided for in the Energy Policy Act of 1992; this is not a proposal for inclusion of terms that are completely new or unfamiliar. Rather, H.R. 1380 and our proposed amendment to this bill remove barriers to job creation and economic development, and put our country on the path to sustained economic recovery and

¹ Recio, Maria, *Obama, T. Boone Pickens push natural gas as energy fix*, McClatchy Newspapers, April 1, 2011.

independence using our own energy and bioenergy sources. Specifically, our proposal seeks to amend the definition of “alternative fuel”, as currently incorporated in H.R. 1380, the ‘New Alternative Transportation to Give Americans Solutions Act of 2011’, to add the definition of “Renewable Fuel” in the Energy Policy Act of 1992, as amended by the Energy Policy Act of 2005, and to incorporate the tax credits, as allowed by H.R. 1380 for “alternative fuel”, for each source of “Renewable Fuel” recommended to be included:

Add Paragraph after H.R. 1380, Title I, Section 101 – Modification of Alternative Fuel Credit, page 4, line 21, to state:

(e) ALTERNATIVE FUEL – Paragraph (d)(2) of section 6426(d) (relating to alternative fuel) is amended by striking “and” after “section 45K(c)(3)”, and inserting “, and (H) any liquid fuel which is natural gas produced from a biogas source, including a landfill, sewage waste treatment plant, feedlot, anaerobic digester, or other place where decaying organic materials is found, or produced from gasification and/or pyrolysis technologies. This term shall include –

- (i) (a) cellulosic biomass ethanol and ‘waste derived ethanol’, meaning ethanol derived from any solid waste materials which have been processed, reused, and reconstituted; and**
- (ii) biodiesel (as defined in section 312(f) of the Energy Policy Act of 1992 (42 U.S.C. 13220(f)) and any blending components derived from renewable fuel (provided that only the renewable fuel portion of any blending component shall be considered part of the applicable volume under the renewable fuel program established by this subsection)” after “(as defined in section 45K(c)(3))”.**

Add Paragraph after H.R. 1380, Title I, Section 102 – Extension and Modification of New Qualified Alternative Fuel Motor Vehicle Credit, page 5, line 9, to state:

(b) ALTERNATIVE FUEL – Paragraph (4)(B) of section 30B(e) (relating to new qualified alternative fuel motor vehicle) is amended by adding “, or any natural gas produced from a biogas source, including a landfill, sewage waste treatment plant, feedlot, anaerobic digester, or other place where decaying organic materials is found, or produced from gasification and/or pyrolysis technologies. This term shall include –

- (i) (a) cellulosic biomass ethanol and ‘waste derived ethanol’, meaning ethanol derived from any solid waste materials which have been processed, reused, and reconstituted; and**
- (ii) biodiesel (as defined in section 312(f) of the Energy Policy Act of 1992 (42 U.S.C. 13220(f)) and any blending components derived from renewable fuel (provided that only the renewable fuel portion of any blending component shall be considered part of the applicable volume under the renewable fuel program established by this subsection)” before the period at the end.**

There are approximately 1,754 active landfills in the United States according to the U.S. EPA; while the number of landfills has steadily decreased over the years, the average size has increased.² Landfills, the second largest cause of methane gas emissions, represent key sources for the recovery of biogas as an alternative energy source to produce electricity and heat, use as a natural gas substitute, or as transportation biofuels.

² EPA, Municipal Solid Waste Generation, Recycling, and Disposal in the United States: Facts and Figures for 2009; U.S. EPA Landfill Methane Outreach Program (LMOP), at <http://www.epa.gov/lmop/basic-info/index.html>.

Technologies such as landfill gas collection systems, anaerobic digesters, and gasification/pyrolysis technologies not only decrease greenhouse gas emissions (GHGs), agricultural wastes, and environmental pollution in air and water, but also reduce dependence on domestic and international fossil fuels for energy requirements. The production of renewable energy and utilization of byproducts from such technologies further increases their attractiveness and allows industries to become more economically competitive because of a more judicious use of natural resources.³

Major companies in the private industry are using landfill gas to power and/or heat their manufacturing plants and run their industrial boilers.⁴ This represents a significant opportunity for growth and partnership among the public and private sectors, as well as the non-mutually exclusive concept of economic development, while promoting the introduction of valuable resources and products into the marketplace.

The proposed tax credit in H.R. 1380 is distinct from current ongoing subsidies for other energy sources. It utilizes a one-time tax credit for infrastructure development and implementation to incentivize private sector investment. This type of one-time credit, which will promote economic development and job growth for a new portion of the energy sector, should be part of a comprehensive energy strategy for to achieve energy security and independence for the United States.

The harnessing of renewable sources of natural gas can have significantly positive effects on the economy and the environment, as new jobs will be created to develop the infrastructure for and expand the use of these cleaner, cost-effective resources. Further, biogas production and power technologies, considered 'carbon-neutral', concurrently mitigate wastes while producing renewable energy and high-quality renewable fuels.

The proposed amendments and definition provide incentives for feasible, comprehensive energy infrastructure development and implementation necessary to promote economic growth and independence, sustainable methods of resource recovery and reuse, and environmental stewardship.

On behalf of SWACO, I would again like to thank the Chairman and members of the Subcommittees for the opportunity to provide testimony on this important issue. We are more than happy to provide any additional information at your request.

³ Alternative Energy News: Anaerobic Digestion of Biomass (August 25, 2008), at <http://www.alternative-energy-news.info/anaerobic-digestion-biomass/>

⁴ Greenwire: ALTERNATIVE FUELS: Company claims progress on turning natural gas into gasoline (November 2010).
Greenwire: RENEWABLE ENERGY: How one energy-hungry company learned to love landfill gas (E & E Publishing, October 2007).

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