



**American Biomass
Energy Association**



**AMERICAN
BIOGAS
COUNCIL**



**AMERICAN
LOGGERS
COUNCIL**



**WASTE TO ENERGY
ASSOCIATION**

Renewable Energy Industry Associations Displeased with Treasury’s Final Rule on “Tech Neutral” Tax Credits

Statement from Renewable Energy Associations in Response to Treasury Rule Effectively Withdrawing Their Eligibility to Earn Investment Tax Credits and Production Tax Credits Despite Stellar Environmental and Economic Impact

January 9, 2025

Our organizations are extremely disappointed by the Department of the Treasury’s interpretation of sections 45Y and 48E of the tax code that were released in a Final Rule Tuesday evening. The new rules effectively withdraw our industries’ eligibility for critical tax credits that make clean, affordable renewable energy more accessible to Americans. The Treasury’s decision to defer real consideration of our technologies in the form of “future guidance” excludes our members for the time being from access to the new versions of the Investment Tax Credit and Production Tax Credit.

Our members nationwide have relied on the ITC and PTC to help make large investments in their communities. When we build new facilities or modernize aging ones, we create significant employment bases in our communities and put baseload electricity on the grid. With domestic energy demand at an all-time high and hard-working Americans feeling the pinch of an inescapable affordability crisis, renewable energy industries such as ours provide critical economic and resource stability.

Congress was clear that this was to be a “tech-neutral” tax credit. Treasury’s Final Rule strays far from any concept of neutrality, picking winners and losers with a half-hearted promise of “future guidance” on life cycle analyses of combustion technologies and the alternate fates of renewable feedstocks. It is stunning that after years of public debate and many months reviewing public comments about the proposed rule, no detailed justification was given, just a promise to show their work at a later date.

We look forward to working with Congress on a legislative remedy for the misapplication of Sections 45Y and 48E and are eager to engage with the incoming Trump administration on regulatory reforms as well.

Quotes from Industry Leaders

Carrie Annand, Executive Director of the American Biomass Energy Association, said, “What is ‘tech neutral’ about revoking eligibility for biomass, which meets the criteria of zero emissions on a lifecycle basis and has relied on the PTC and ITC for the last 20 years? In its last Appropriations bill and in every Appropriations bill since 2018, Congress has directed the federal government to consider biomass a carbon neutral energy source. The final rule for 45Y and 48E disregards the will of Congress.”

Patrick Serfass, Executive Director of the American Biogas Council, said, “By failing to recognize the benefits of biogas-derived electricity, Treasury’s new rules show a complete disregard of climate

science and a lack of understanding that biogas systems reduce carbon emissions more than any other technology. As a result, these rules—which Congress intended to be technology neutral—pick winners and losers, while departing from logic and sound GHG accounting.”

Tom Hogan, Executive Director of the Waste to Energy Association, said, “Waste-to-energy (WTE) is defined as renewable energy in over 30 states and at the federal level for 45 years. It is a critical solution for local governments to address non-recyclable portions of municipal solid waste. As a greenhouse gases mitigation technology according to the US EPA, IPCC and climate scientists around the world, this decision to not make a decision feels like playing politics with local governments’ need for solid waste solutions.”

Scott Dane, Executive Director of the American Loggers Council added, “Biomass power plants are some of the only outlets to utilize forest byproducts and reduce hazardous fuels while producing renewable energy. Not recognizing biomass power, as the rest of the developed countries do, as a renewable energy, eligible for the same tax credits that other less consistent sources receive, is only based on “political” science. The American Loggers Council looks forward to working with the new Administration to correct this ill-conceived opinion.”

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