



**Working with more than 95 community wastewater treatment and stormwater management agencies
to protect Oregon's water**

107 SE Washington, Suite 242

Portland, Oregon 97214

(503) 236-6722 www.oracwa.org Fax (503) 236-6719

28 April 2015

House Committee on Revenue
Representative Phil Barnhart, Chair
Oregon State Capital
Salem, OR 97310

Submitted by e-mail to: lro.exhibits@state.or.us

RE: HB 2449 – Biomass Producer Tax Credit

Representative Barnhart and Members of the Revenue Committee:

The Oregon Association of Clean Water Agencies (ACWA) is a private, not-for-profit professional organization of Oregon's wastewater treatment and stormwater management agencies, along with associated professionals. Our 120+ statewide members range in service population from Riddle to Portland. Our members are dedicated to protecting and enhancing Oregon's water quality in a sustainable manner and provide wastewater treatment and stormwater management services to 2.4 million Oregonians and serve 62% of Oregon's homes and businesses.

Oregon ACWA supports House Bill 2449 that would provide a tax credit to biomass producers. The wastewater utilities in Oregon are particularly interested in biomass producers that collect food-related Fats, Oils and Grease (FOG) to deliver it to our treatment plant facilities as anaerobic digester feedstock.

FOG is a valuable energy resource when properly captured and a sewer pipe clogger when not...

FOG from homes, restaurants, and other food service establishments is a problem when released to the sewer collection system, clogging pipes and causing overflows. The City of Portland estimates that it spends \$100,000 per year cleaning and repairing sewer lines clogged by grease and about \$12 million a year to treat wastewater with high concentrations of food waste and FOG.

Three Oregon communities currently accept FOG as a digester feedstock - - Clean Water Services, Gresham, and Pendleton. More communities are actively evaluating accepting this waste to generate more energy at the treatment plant.

Gresham Wastewater Plant – Net Energy Zero

The City of Gresham wastewater treatment plant is one of a handful of wastewater treatment plants in the US that are net energy zero and the only one in the Pacific Northwest. Gresham's innovative approach to contracting with grease haulers, coupled with construction of FOG receiving facilities, has allowed this pioneering facility to maximize their use of FOG as an energy feedstock. Since implementing these innovations, the Gresham plant now receives about 10,000 gallons of FOG per day from three contracted haulers, which roughly doubles biogas production at the treatment plant. The doubled biogas production doubled the on-site electricity production, allowing the wastewater plant to fully power itself, after extensive energy conservation measures, along with a ground-mounted solar array.

Clean Water Services

The Clean Water Services Durham Advanced Wastewater Treatment Facility in Tigard recently completed the construction of a new energy production facility that includes FOG as a feedstock. The use of FOG will enable the facility to produce 60 percent of the energy it needs to operate. The facility currently receives approximately 50,000 gallons per week of FOG from four haulers, and will be capable of receiving 100,000 gallons per week when it operates at capacity.

The City of Pendleton is eager to have additional haulers deliver FOG to its wastewater treatment plant digester, and additional financial incentives would be helpful

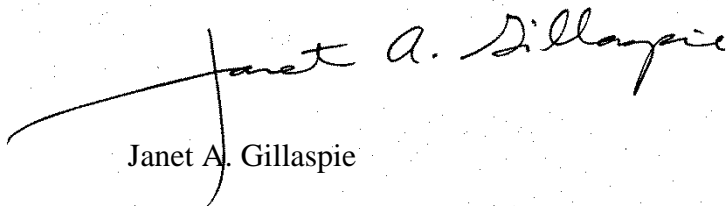
Additional Communities Interested

A variety of Oregon communities with anaerobic digesters are exploring how FOG can be beneficially reused at the wastewater treatment plant including the Metropolitan Wastewater Management Commission that serves Eugene, Springfield and portions of Lane County; the City of Corvallis; Clackamas County Water Environment Services; and the City of Hood River. Providing tax credits for FOG producers to bring FOG to the treatment plant to generate energy, rather than landfilling it, will provide additional incentives for local communities to upgrade or install biogas co-generation units to digest FOG. Our wastewater treatment plants are also interested in partnering with the Oregon Department of Energy on possible pilot projects to continue to demonstrate the viability of receiving FOG and other wastes to improve the biogas output of existing digester systems.

Summary

A biomass tax credit can help provide an incentive to properly collect FOG before it clogs sewer pipes and by delivering it to local wastewater treatment plants with digesters, provide a valuable energy resource for local communities.

Very Truly Yours,



Janet A. Gillaspie
Executive Director