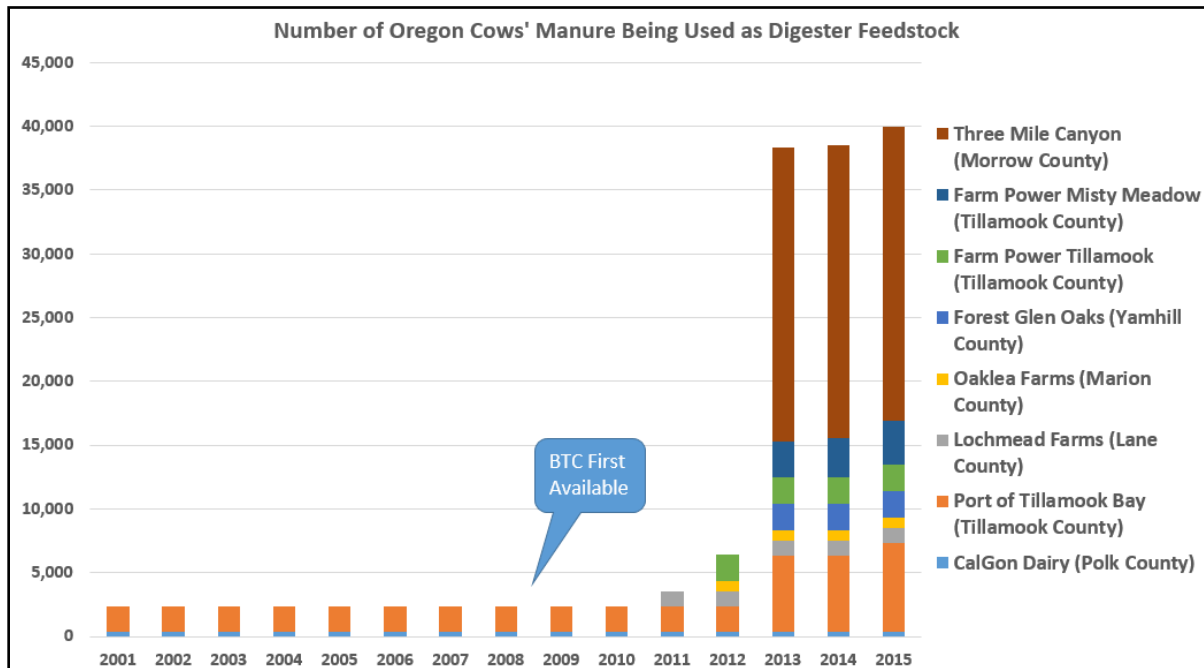


Farm Power Tillamook LLC

www.farmpower.com

My name is Daryl Maas and I am the CEO of Farm Power Tillamook LLC. Our company is a developer and operator of anaerobic manure digesters, which process dairy manure to create renewable energy and other environmental benefits. I am writing to support passage of HB-2072, which extends the sunset of the Biomass Tax Credit for manure digesters.

The Biomass Tax Credit (BTC) has been highly effective at encouraging the growth of Oregon's biogas industry while supporting dairy farming. Since the passage of the BTC, Oregon Dairy farms have invested in systems that convert the manure of over 38,000 milk cows into renewable energy. The Biomass Tax Credit was a major reason my company moved to Oregon and invested a total of over \$9,000,000, where we currently employ 4 workers and support operations on 9 separate dairy farms with approximately 50 employees.



Processing animal manure via anaerobic digestion creates energy, economic development, and environmental benefits to Oregon that greatly exceed the tax-credit costs. The annual economic output from Oregon's fleet of eight existing manure digesters creates approximately \$15,000,000 in value for the state, including:

- Over \$5 million of renewable electricity
- Up to \$2 million in fiber sales or savings
- About \$1 million in direct operational payroll
- Almost \$2 million of marketable greenhouse gas offsets.

The current Biomass Tax Credit is paid based on performance in digesting manure for energy, at a rate of \$3.50 ton of manure delivered to a digester. This rate provides about \$90 per cow per

year. The current Biomass Tax Credit rate for manure was already reduced by the Legislature by 30% in 2015 via SB-1507. This reduction has saved the taxpayers \$2M per year over current policy, while still creating an incentive for further investment in Oregon manure-to-energy projects.

The proposed HB-2072 will extend the BTC for all feedstock types, including manure digesters. We believe the new, 30% lower rate for manure digesters provides a good incentive for building and operating digesters while also saving the Oregon taxpayers' money. Farmers have shown they will invest in this technology and create energy from waste, if the proper long-term incentives are in place. Without such incentives, farmers will not invest in new digesters.

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