

## ADD ANAEROBIC DIGESTER TO PACE PROGRAM

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**Senate Bill 375 (as reported from committee w/o amendment)**

**Sponsor: Sen. Darwin L. Booher**

**House Committee: Agriculture**

**Senate Committee: Local Government**

**Complete to 12-13-17**

Analysis available at  
<http://www.legislature.mi.gov>

*(Enacted as Public Act 242 of 2017)*

**BRIEF SUMMARY:** Senate Bill 375 would amend the Property Assessed Clean Energy (PACE) Act by adding anaerobic digester energy systems to the PACE program.

**FISCAL IMPACT:** Senate Bill 375 would have a minimal fiscal impact on local units of government generally. The fiscal impact for each local government would be directly related to the local government's usage of anaerobic digesters in its PACE plan and their impact on development and property values. Local governments retain discretion regarding the creation of PACE programs.

### **THE APPARENT PROBLEM:**

Currently, PACE promotes the use of renewable energy systems and energy efficiency improvements through a program to finance or refinance energy projects. The program allows the utilization of many different renewable energy resources, including biomass. However, the program does not currently allow for the use of anaerobic digester energy systems. This bill would allow a program to utilize an anaerobic digester.

### **THE CONTENT OF THE BILL:**

Under the bill, an “anaerobic digester” would mean a device for optimizing the anaerobic digestion of biomass for the purpose of recovering biofuel for energy production.

“Anaerobic digester energy system” would mean an anaerobic digester and the devices used to generate electricity or heat from biogas produced by the anaerobic digester or to store the biogas for the future generation of electricity or heat.

The bill would also add “anaerobic digester energy system” to the definition of “energy project,” and a local unit of government would be required to obtain verification that a system was properly installed and operating as intended at the completion of an energy project.

If enacted, the bill would take effect 90 days after enactment.

MCL 460.933 and 460.939

***HOUSE COMMITTEE ACTION:***

No amendments or substitutes were offered or adopted in committee.

***ARGUMENTS:***

***For:***

Supporters of the bill argue that biomass is currently defined under PACE as an acceptable renewable energy resource. Because anaerobic digesters use biomass as a renewable energy resource, these energy systems should be considered under a PACE program. Additionally, a local unit of government may still deny the use of an anaerobic digester in its district under the PACE program.

***Against:***

No arguments were presented in opposition to the bill.

***POSITIONS:***

A representative from the following organizations indicated support for the bill:

- Michigan Environmental Council (11-1-17)
- Michigan Recycling Coalition (11-1-17)
- Michigan Energy Innovation Business Council (12-6-17)
- Michigan Farm Bureau (12-6-17)

A representative from the Michigan Energy Innovation Business Council spoke in support of the bill. (11-1-17)

Legislative Analyst: Emily S. Smith  
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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.