

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H. F. 509 **DATE:** March 30, 1999
Version: Delete everything amendment
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Subject: Manure digester technology research and biomass mandate payments
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Overview

A 1988 law established a "shared savings" loan program for farmers wishing to demonstrate best management practices and energy self-sufficiency in farm operations. Loans under the existing program can not exceed \$15,000 for a project operated by an individual farmer or \$75,000 for a joint project in which 5 or more farmers are involved. House File 509 expands the program to include interest-free loans of up to \$200,000 for farm manure digester technology demonstration projects. The bill also authorizes up to 75 megawatts of the biomass mandate to be satisfied by a biomass fuel supply agreement.

Section

- 1 Manure digester technology.** Provides that a farm manure digester technology demonstration project is eligible for up to \$200,000 in interest-free loans. These loans may be used to match federal loans or grants. Repayments of loans must remain in the revolving loan account for future projects.
- 2 Biomass mandates.** Modifies the biomass mandate to authorize up to 75 megawatts to be satisfied by conversion of the MNVAP power purchase agreement into a fuel supply agreement.
- 3 Appropriation.** Appropriates \$2,000,000 from the general fund to the commissioner of agriculture to make loans under the shared savings loan program for manure digester technology demonstration projects.