Effectiveness of State Incentives for Adoption of Anaerobic Digestion Systems in the U.S.

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The objective of this study is to examine the effectiveness of state-level incentives in promoting the adoption of anaerobic digestion (AD) systems in the U.S. We compile a panel data for 38 states in the U.S. from 2002 to 2014 on the state-level adoption rate of AD systems, LCV house energy votes, and incentive programs to promote the adoption of AD systems. We compare the effectiveness of financial incentives and state mandates.

**Results**

After running a panel fixed effects model, we find:

- State-level adoption rates for AD systems are significantly greater with performance-based incentives.
- In contrast, interconnection and net metering did not statistically significant increase the adoption of AD.
- The number of adopters increased over time.
- Tax and loans are excluded from the regression due to lack of variation over time.

**Background**

- 247 operational farms in 38 states have implemented anaerobic digestion (AD) systems.
- 948 million kWh equivalent of energy generated.

**References**

3. [http://biogas.ifas.ufl.edu/uses.asp](http://biogas.ifas.ufl.edu/uses.asp)
4. [http://www.dsireusa.org/](http://www.dsireusa.org/)

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