



# EESI UPDATE

October 2004

Environmental and Energy Study Institute... *working for innovative solutions*

## **Agriculture and Energy**

Renewable energy can be the new cash crop of the 21<sup>st</sup> century. To reap environmental, economic, and public health societal benefits, EESI promotes America's farms as producers of renewable energy (e.g. wind, solar, geothermal and biomass), fuels (like ethanol and biodiesel), and biobased products (solvents, lubricants, building materials, etc.).



EESI has focused on **ensuring success of the Energy Title of the 2002 Farm Bill** as a fully-funded and effective piece of legislation. Recently, EESI provided an update regarding Section 9008 (Biomass Research and Development Grants) awardees. USDA selected 22 projects spanning 17 states from over 400 applicants. In May, EESI alerted its network to USDA's FY04 **Notice of Funding Availability (NOFA) for the Sec. 9006 of the 2002 Farm Bill** (Renewable Energy and Energy Efficiency Systems Grants/Loans Program) as we wanted to encourage as many applications as possible. This \$23 million program makes funds available for agricultural producers and rural small businesses to purchase renewable energy systems and make energy efficiency improvements. USDA received 237 applications (totaling \$36.6 million) from 35 states and we published a release (posted on our website) of the FY04 awards. Last year USDA received 148 applications and funded 77%.

As in previous years, the **Administration's FY 2005 budget request gutted Farm Bill Sec. 9006 and Sec. 6401** (to spur new uses for agricultural products, including renewable energy). This spring, EESI worked with the Sustainable Agriculture Coalition on a letter seeking funding restoration for Sec. 6401, collecting signatures from 19 leading organizations. In July, EESI worked with Rep. Kaptur's (OH) office on an amendment to successfully restore the full \$23 million to Sec. 9006 of the 2002 Farm Bill in the Agriculture Appropriations bill. Under EESI's leadership, 16 Senators and 34 House Members signed letters to their respective Appropriations Committees urging full funding of these programs. We were pleased when Lloyd Ritter, Sen. Harkin's Agriculture Committee counsel said afterwards "**We**

*just won, in large part thanks to your [EESI] efforts.*" Earlier in the spring, EESI organized a broad-based coalition letter, signed by 51 agricultural, environmental, and economic development organizations asking House and Senate appropriators to restore funding for Sec. 9006.

In January, EESI produced and distributed a **Summary of USDA Guidelines for Designating Biobased Products for Federal Procurement**, an overview of USDA's proposed rule to implement Sec. 9002 of the 2002 Farm Bill, which could create a significant market for biobased products by requiring Federal agencies to purchase biobased products that meet various standards.

*"BMA (Biobased Manufacturers Association) wants to congratulate the Environmental & Energy Study Institute ... for their comments ... on the proposed rules for the Federal Biobased Product Preferred Procurement Program... EESI identified several other key issues the final regs need to address, such as insuring that regs ... focus ... on getting federal agencies to compare biobased products with petroleum-based products."*

EESI has promoted passage of a **Renewable Fuels Standard (RFS)**, which requires production of 5 billion gallons of renewable fuels (i.e., ethanol and biodiesel) by 2012 and includes an incentive for cellulosic ethanol. The RFS is a vital step toward ensuring biofuels a foothold in the transportation fuels market and a way to reduce greenhouse gas emissions and oil consumption. EESI helped gain the support of the Sustainable Energy Coalition for the RFS. EESI is the only 'environmental' organization in the national agricultural coalition for the RFS. This provision is part of the stalled energy bill.

**EESI's Executive Director, Carol Werner, testified** on May 6 before the House Small Business Subcommittee on Rural Enterprise, Agriculture and Technology on "The Benefits of Tax Incentives for Producers of Renewable Fuels and its Impact on Small Businesses and Farmers." Carol has spoken at nine conferences across the country this year on these issues including: Energy for Washington's Economy (WA), 4th Annual Harvesting Clean Energy (WA), National Association of Counties, Governors' Ethanol Coalition, a Farm Power workshop in Decatur, IL, Oregon Wind Working Group, Biocycle (PA), NC Biomass Workshop and National

Association of State Energy Officials.

EESI's Agriculture and Energy newsletter *BCO* (*Bioenergy/Climate Protection/Oil Reduction*) reflects its coverage of biofuels (ethanol, biodiesel, biobased products and biopower). *BCO* has more than 800 subscribers. *BCO*'s July issue included a commentary by Dan Manternach on "How Biofuels Can End US Dependence on Mideast Oil".

EESI's factsheet, *Bioenergy: Technologies, Federal, and State Incentives*, covers the creation of energy, fuels, and other products from biomass and the federal and state incentives that support them. For details, see:

<http://www.eesi.org/programs/agriculture/agriculture.htm>

## Energy and Climate Change

Effective climate change policies can decrease global warming while bringing the environmental, economic development and public health benefits of renewable energy and efficiency technologies to society. EESI is fueling use of energy efficiency and sustainable energy and their climate change benefits. Energy efficiency and renewable energy must become cornerstones of national and state energy policy.



While Congress is not likely to pass comprehensive energy legislation this year, we have made significant progress in gaining support for renewable energy and efficiency provisions. In fact, several renewable energy and efficiency components of the **energy bill** enjoyed a high degree of Congressional consensus. Coupled with very high oil and natural gas prices, when the 109<sup>th</sup> Congress resumes the energy debate next year, we will be in a much better place.

### RECENT EESI CONGRESSIONAL BRIEFINGS:

- **State and Local Governments are Taking the Leadership on Addressing Climate Change (Sept. 28)** Mayor R.T. Rybak, Mayor of Minneapolis; Peter Lehner, NY Attorney General's Office; Sonia Hamel, MA Office of Commonwealth Dev't; Amit Ronen, Legislative Asst., Sen. Maria Cantwell (D-WA)
- **Climate Change Post-2100: What are the Implications of Continued Greenhouse Gas Buildup? (Sept. 21)** Dr. Berrien Moore III, Institute for the Study of Earth, Oceans, and Space, Univ. of NH; Dr. Gerald A. Meehl, Climate and Global Dynamics Division, National Center for Atmospheric

Research, Boulder, CO; Dr. Gerald M. Stokes, Joint Global Change Research Institute, Pacific NW Lab, Univ. of MD.

- **The Threat of Abrupt Climate Change (Sept. 15)** Dr. Michael MacCracken, Int'l Assoc. of Meteorology and Atmospheric Sciences; Dr. Richard Alley, Nat'l Academy of Sciences' Committee on Abrupt Climate Change, Penn. State Univ.; Dr. Daniel Grossman, author of 'Climate of Uncertainty' for American Radio Works
- **Congressional Technology EXPO and Policy Forum (Sept. 7)** sponsored by the House and Senate Energy Efficiency and Renewable Energy Caucuses and the Sustainable Energy Coalition.
- **Climate Change in our Backyard: What are the Implications? (July 29)** Dr. Anthony C. Janetos, The H. John Heinz III Center for Science, Economics and the Environment; Dr. Lynne E. Carter, former Regional Liaison, U.S. National Climate Assessment.
- **Jobs and Renewable Energy: Gearing Up for the Future (June 7)** Dr. Daniel Kammen, Univ. of California at Berkeley; Chris Flavin, Worldwatch Institute; Bracken Hendricks, Apollo Alliance.
- **Discussing Climate Change: A Multi-Faceted View of the Climate Stewardship Act (June 3)** Rep. Wayne Gilchrest (R-MD) and Rep. John Olver (D-MA); Brent Yacobucci, Congressional Research Service; Rev. Jim Ball, Evangelical Environmental Network; Dr. Jack Gibbons, former White House Science Advisor; John Cusack, Gifford Park Associates/Environmental Entrepreneurs.
- **The Natural Gas Crisis: Impacts and Potential Solutions (April 22)** Michael Parr, DuPont; Rick Morgan, Public Service Commission of the District of Columbia; Scott Sklar, The Stella Group.
- **Renewable Energy and the 2002 Farm Bill: Status, Opportunities and Challenges (April 22)** Rep. Jim Leach (R-IA); Dr. Keith Collins, US Dept. of Agriculture; Roger Szmraj, Chief of Staff, Rep. Marcy Kaptur (D-OH); Brian Henderson, New York State Energy Research and Development Authority.
- **Energy Efficiency: FY 2005 Budget and Policy Review (Feb. 19)** Bill Prindle, American Council for an Energy Efficient Economy; Jeff Genzer, National Assoc. of State Energy Officials; Eli Hopson, House Science Subcommittee on Energy.
- **Public Health...Energy...the Economy: What's Public Transit Got to do With It? (Jan. 15)** Robert Shapiro, Sonecon, LLC; Sarah Kline, Senate Banking, Housing and Urban Affairs Committee; Dr. Lawrence Frank, U. of British Columbia; Gerald Roper, National Business Coalition for Rapid Transit, Chicagoland Chamber of Commerce.

- On **July 6**, hosted workshop “Cutting-Edge Biomass Technologies for Mitigating Acute Climate Change.”
- On **May 14**, **EESI**, with the Water Environment Federation and the US Geological Survey held a briefing sponsored by Rep. Ralph Regula (R-OH) on the health of the nation’s surface and ground-water resources and current water management issues.
- On **May 13**, **EESI** and the House and Senate Northeast-Midwest Coalitions, held a briefing on energy efficiency and the challenges being faced in the manufacturing sector.

See our website, [www.eesi.org](http://www.eesi.org) for more information on each briefing.

The most critical need of the renewable energy industries is enactment of the broad-based **Renewable Production Tax Credit (PTC)** covering wind, solar, biomass and geothermal. The PTC expired Dec. 31, 2003 resulting in more than \$2 billion dollars of stalled projects and many lost jobs.

The **Administration’s FY 05 Budget request included a \$23 million cut in renewable energy investments and key efficiency programs, particularly in industrial efficiency**, from last year’s appropriated levels. These program slashes allowed significant increases in the important low-income weatherization program and the Administration’s hydrogen vehicle initiatives while keeping overall funding levels relatively flat. The industrial efficiency cuts are particularly shortsighted when facing so many manufacturing job losses and the high cost of natural gas. EESI, with our Sustainable Energy Coalition (SEC) partners, worked to craft recommendations and ensure that leaders of the House and Senate Renewable and Energy Efficiency Caucuses and Appropriators understand the impact of the proposed cuts and the benefits of increased investments. EESI’s numerous briefings and the Congressional Technology Expo serve as important tools to educate and advocate on energy policy.

**The Climate Stewardship Act – HR. 4067 (Olver – Gilchrest)** is the House companion to S. 139, the McCain-Lieberman bill. Introduced in April, it now has 83 co-sponsors. EESI is part of a working group to build support and awareness around the proposal which takes a modest, but important, first step in regulating carbon and setting up a cap-and-trade-system. **Rep. Olver and Rep. Gilchrest spoke at EESI’s June 3 briefing on their bill.**

Due to the late President Reagan’s viewing at the Capitol, the **SEC/Congressional Renewable Energy and Energy Efficiency Technology Expo** was

cancelled 1 ½ days before it was to be held June 8 – causing quite a blow to organizers, including EESI. **On Sept. 7**, more than 800 people attended the rescheduled event. EESI was on the Planning Committee and invested much time in the organization and outreach for this successful event.

**EESI addressed the Presbyterian working group on climate change** this spring to discuss how local congregations can make a difference by using climate-friendly technologies as well as be strong advocates for climate policy. Additionally, at the request of the House Science Committee, EESI has been provided input for hearings.

EESI publishes our popular weekly electronic newsletter *Climate Change News*, providing updates on scientific literature, governmental actions and conferences to all Congressional offices.

## Smart Growth and Energy



Sustainable community development combats urban sprawl. EESI makes the connections among transportation, energy, land use, urban public health, and the environment.

In April, **EESI spoke about the nexus between energy and smart growth at the American Planning Association’s Annual Conference**, attended by thousands of planners. This session, one of three on energy issues, is a sign that energy and greenhouse gas reduction are gaining interest. At the conference, the San Diego regional council of governments asked EESI for assistance on their new regional renewable energy plan they are developing. EESI is following up with San Diego and will work with APA to provide additional assistance on energy to planners if it can raise the funds to do so.

**EESI’s recently published landmark paper, *Energy and Smart Growth: It’s about How and Where We Build***, commissioned by the Funders Network for Smart Growth and Livable Communities, examines the connections between smart growth, energy and global climate change. EESI played a pivotal role in bringing the energy issue to the attention of the Funders’ Network and working with them to gain the support of funders in a broad array of energy projects.

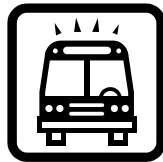
With support from the National Institute of Environmental Health Services (NIEHS) and the

American Public Transportation Association (APTA), EESI conducted the second in a series of briefings to bring the voice of the public health community into transportation, energy and land-use policy and to emphasize the importance of including health, energy and climate change considerations into the TEA-21 reauthorization - **“Public Health, Energy and the Economy: What has Public Transit Got to Do with it?”** A briefing summary for the first in the series, the *Public Health Effects of Sprawl: A Compelling Case for Addressing Public Health in Transportation and Land Use Policy* is now available. EESI will be organizing a third briefing on the topic of children’s health, which should galvanize bipartisan support.

EESI is advocating increased coalescing of the energy and smart growth communities. For example, EESI is participating on the **Green Building Council/Natural Resources Defense Council/Congress for the New Urbanisms advisory committee** for the development of a new LEED certification for green buildings that will include greater attention on energy efficient/smart growth locations, in addition to building design.

## Transportation

“Clean” vehicles and public transit can reduce U.S. oil imports and decrease pollution. EESI is advocating for advanced vehicle technologies (such as hybrids) and cleaner, renewable fuels (like ethanol and biodiesel), which cut air pollution, greenhouse gas emissions, and oil use.



Reauthorization of the **Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21)**, the six-year surface transportation bill that provides federal funding for highway and transit projects, is now a year late. EESI is defending both the Congestion Mitigation and Air Quality (CMAQ) Improvement Program (CMAQ) and the Clean Fuels Formula Grant Program. CMAQ is the largest source of federal funding for clean vehicle deployment, authorized at an annual average of \$1.35 billion. The Clean Fuels Formula Grant Program specifically authorizes funding for the deployment of cleaner buses. Reauthorization has been fraught with disagreements over funding levels. On September 30, the Conference Committee approved an extension until May 31, 2005.

EESI solicited recommendations from its National Clean Bus Network to improve the **Clean Fuels Formula Grant Program** and to establish a new clean bus purchase incentive in the Capital Investment Grants Program (Sec. 5309).

EESI has been providing technical assistance to members of its **National Clean Bus Network**. Several Clean Cities Coordinators have asked EESI to work closely with the Federal Clean Cities Office to share resources and support each other’s work. Brett Rosenberg, Clean Air Mayors Campaign (US Conference of Mayors), requested analysis and information regarding clean bus alternatives. An EESI article profiling the Salt Lake City successes appeared in the Clean Air Mayors Newsletter, distributed to 1,183 US cities. EESI provided information about federal funding sources for clean bus deployment to ISE Research and GM-Allison Transmission, two hybrid-bus manufacturers, which they will use to develop proposals for potential purchasers. The Alternative Fuels Data Center (AFDC), an internet portal operated by the Department of Energy, posted the EESI Fact Sheet on Clean Buses on their website.

In May, EESI organized a campaign in response to a **proposed rule by the California Air Resources Board (CARB) to phase in particulate matter control technology on publicly-owned fleets**. Although well intended, this rule could potentially interfere with several government fleets currently using biodiesel in California (to reduce oil use and greenhouse gas emissions). California consumes 25 percent of all the US biodiesel and 60 percent of biodiesel is used in federal fleets, so this rule could make a significant impact on the biodiesel market. EESI contacted local governments and issued an action alert and submitted its own comments, co-signed by several other groups, urging CARB to ensure that this rule would not negatively affect the use of biodiesel in California. CARB is holding further workshops on October 8.

The **EESI Update** is a free periodic electronic newsletter of the Environmental and Energy Study Institute, designed to keep EESI supporters informed of EESI’s latest activities and accomplishments. If you received a paper copy of this newsletter and prefer to receive an electronic copy, please send your email to [RLampi@eesi.org](mailto:RLampi@eesi.org). Our privacy policy protects your email. It will not be sold, traded or otherwise compromised.