



Midwestern Agricultural Landscapes and Ecosystems Services: Problems and Opportunities - Federal Policy

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Conference on Enhancing Mississippi
Watershed Ecosystems with Perennial
Bioenergy Crops
Minneapolis, MN
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Perennial bioenergy crops can be a critical part of win-win strategies to:

- reduce nutrient pollution and restore water quality
- conserve water and soil resources
- mitigate climate change and adapt to its harmful effects
- mitigate flooding
- restore and protect biodiversity and wildlife habitats
- restore productive fisheries
- reduce fossil fuel dependence
- advance rural and national energy security
- sustain rural economies and create jobs

Why is federal policy important?

It is a huge project across dozens of states

- To clean up watersheds and hypoxic zones
- To shift agriculture toward more sustainable practices
- To shift a fossil petroleum-based economy toward sustainably produced renewables

Why is federal policy important?

It will require lots of new players:

- Much more engagement in conservation
- Thousands of biomass producers
- Hundreds of advanced biorefineries
- Lots of investors and \$\$ billions

What do producers need?

- RD&D - Proven cultivars and production systems
- Education and extension
- Technical assistance
- Incentives for pioneers
- Insurance and risk management
- Markets for biomass

What do biorefiners need?

- RD&D - Proven technologies
- Reliable, large, low-cost supplies of biomass
- Assured markets for their products
- Incentives for pioneers
- Investors in it for the long haul

What do investors need?

- Technological certainty
- Economic certainty
- Regulatory certainty
- Policy certainty
- Risk management

Federal policies and programs have been addressing these issues for decades

- Farm Bill conservation and energy programs
- Renewable Fuel Standard
- DOE bioenergy R&D
- EPA initiatives
- This Hypoxia Task Force meeting

We have come a long way.

Today, the federal government is at an historic political juncture.

What roles should the federal government play?

- protecting the environment
- promoting conservation
- promoting renewable bioenergy
- addressing climate change

On the chopping block now:

- USDA conservation programs expire this year and next
- EPA budget
- DOE Office of Science and Energy Efficiency and Renewable Energy programs

Many programs are already being squeezed by the across-the-board budget sequester.

2008 Farm Bill energy programs expired in 2012

- Biomass Research and Development Initiative
- Biomass Crop Assistance Program
- Biorefinery Assistance Program
- Bioenergy Programs for Advanced Biofuels
- Rural Energy for America Program

The Renewable Fuel Standard may be reformed or repealed

- Mandates minimum of 16 billion gallons cellulosic biofuel and 5 billion gallons of advanced biofuels by 2022.
- Helps create new markets for perennial (and other) biomass production.
- Biofuels from perennial crops can cut life cycle GHG emissions 80% or more.
- Industry just getting up and running now after five difficult years of uncertainty.
- One of the few and most significant GHG reduction policies in place in the U.S. today.
- Will not be achieved without strong, long-term policy commitment.

Biofuel production tax incentives expiring this year:

- Cellulosic ethanol production tax credit - \$1.01/gallon
- Biodiesel and renewable diesel production tax credit - \$1.00/gallon
- Small agri-biodiesel producer production tax credit - \$0.10/gallon

All of these federal policies and programs are at risk today.

- Yes, some policy instruments may be imperfect and need fixing.
- Yes, there may be better ways to advance environmental and energy goals.
- But policymaking at the federal level remains critically important – presenting both significant opportunities and challenges.

- Now is the time to build upon what has been achieved so far.
- Returning to larger hypoxic zones and greater fossil fuel dependence are not sustainable solutions.

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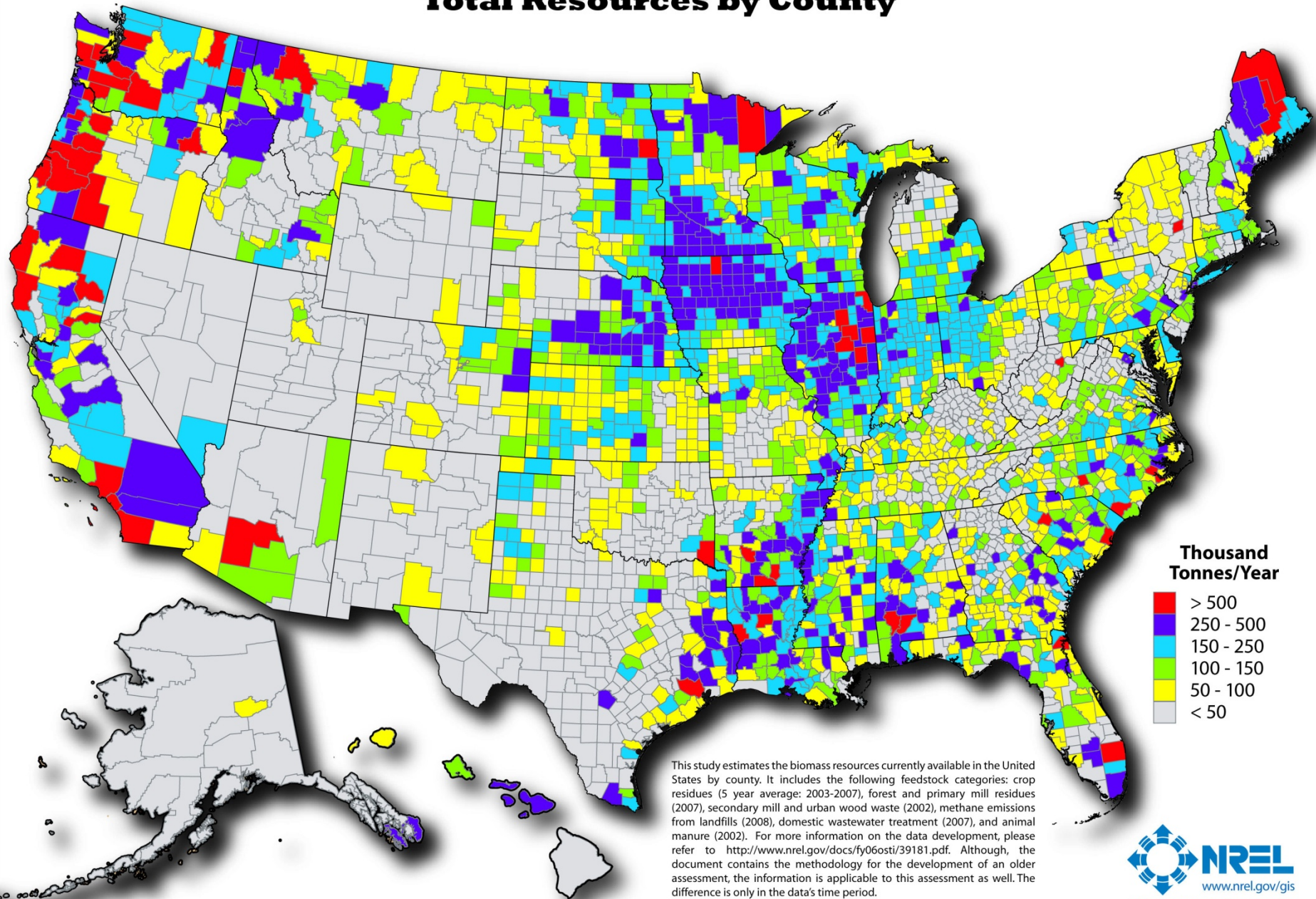
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Biomass Resources of the United States

Total Resources by County



This map was produced by the
National Renewable Energy Laboratory
for the U.S. Department of Energy.

Potential county-level resources at \$60 per dry ton or less in 2030, under baseline assumptions

(Source: U.S. Department of Energy. 2011. *U.S. Billion-Ton Update*)

