

# Bioenergy Policies

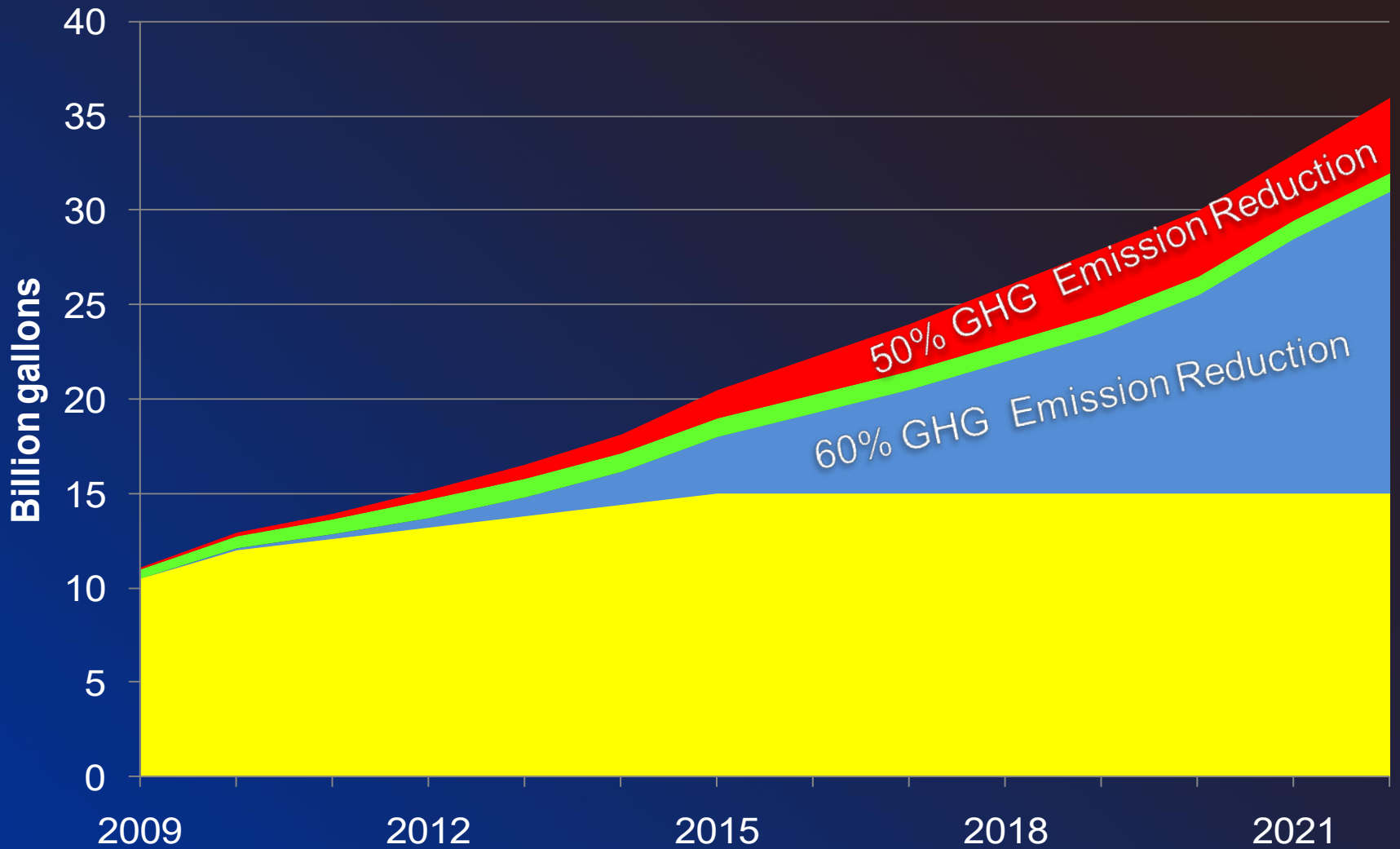
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# Renewable Fuels Standard



■ Conventional Ethanol  
■ Biodiesel

■ Cellulosic Biofuels  
■ Additional Advanced Biofuels



# Cellulosic Biofuel Waiver Provisions

- EPA (in consultation with DOE and USDA) can reduce the cellulosic biofuel mandated volume
- Waiver trigger based on EIA projections
- EPA will also sell cellulosic biofuel credits
  - Price set at  $\text{Max}(\$0.25 \text{ per gallon}, \$3.00 - \text{Average wholesale gasoline price per gallon})$

# Components of 2007 Energy Act

- Up to \$500 million per year in grants for the production of advanced biofuels (with at least an 80% reduction in GHG emissions relative to current fuels)
- Up to \$25 million per year in grants for R&D for biofuel production in states with low rates of biofuel production

# Energy in the Farm Bill

- Grants for the development and construction of advanced biofuel biorefineries, up to 30% of the cost of the project
- Loans for the same, up to \$250 million or 80% of the cost per project

# Bioenergy Program for Advanced Biofuels

- Payments to support advanced biofuel production
- Payment structure to be determined by USDA
- Not more than 5% of the funds can be directed to biorefineries with production capacities above 150 million gallons per year



# Biomass Crop Assistance Program

- To support production of crops for bioenergy and assist with collection, harvest, storage, and transportation of biomass to conversion facilities
- Excluded materials
  - Farm program crops, animal byproducts, food waste, yard waste, algae

# Biomass Crop Assistance Program

- Requires producers and conversion facilities to submit proposal establishing a project area
- Establishes contracts between USDA, producers, and facilities to promote project
- Sets up establishment payments for perennial crops and annual payment to biomass producers





# Biomass Crop Assistance Program

- Payments are also authorized for biomass collection, harvest, storage, and transportation
- Matching payments
  - \$1 for each \$1 per ton paid by conversion facility, up to \$45 per ton, for 2 years

# Other Energy Provisions in the Farm Bill

- Cellulosic biofuel producer tax credit: \$1.01 per gallon
  - Restricted to domestic production
- Waives limits on small ethanol producer credit for cellulosic (\$0.10 per gallon)

Thank you for your time.

Any questions?

