

## Federal Legislation and Regional Issues

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## The 25x'25 Vision

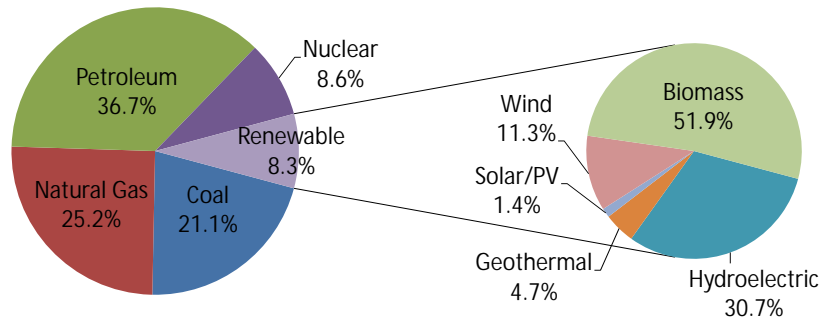
By the year 2025, America's farms, ranches and forests will provide 25 percent of the total energy consumed in the U.S. while continuing to produce safe, abundant and affordable food, feed and fiber.



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## Where We Are Now

U.S. Primary energy consumption by source, 2010 (quad BTU)  
2010 Consumption: 97.95 quad BTU



Source: EIA Monthly Energy Review April 2011



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## Today's Energy Paradigm

- Fossil fuel **resources are finite**
- Global energy **consumption is increasing** (nearly 30% by 2030)
- The world **population is growing** (9.1 billion by 2050)
- Fast-developing **economies** like India and China **are demanding more resources**
- Greenhouse gas **emissions are increasing**  
(World carbon dioxide emissions expected to increase by 1.9% annually between 2001 and 2025)



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## Need a portfolio approach to meeting energy needs:

- Increase energy efficiency/productivity
- Capture wind, solar, hydro, and geothermal energy
- Provide biomass for generating heat and power and for producing liquid transportation fuels



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## Challenges

- Infrastructure remains one of the biggest challenges in bringing renewable energy online.
  - Transmission lines need to be modernized and expanded to tap into rural sources of electricity, especially wind.
  - Biofuels need expanded pipelines, rail, ports and other shipping facilities to get to urban consumers; expansion of blender pumps and flex fuel vehicles are also needed.
- Significant long term *public and private investment* is needed to achieve a new, renewable energy future.
- Regulatory actions and proposals from EPA, DOE, USDA, states, etc.



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## FY11 CR, FY12 Budget and Debt Ceiling

- CR debate a prelude to full budgeting
  - FY11 CR: EPA, USDA, and DOE took cuts
  - EPA: all across; target was GHG authority under CAA
  - USDA: Conservation, Energy Titles (BCAP at \$112M and REAP at \$75M)
  - DOE: Kept most R&D and loan programs intact
- FY12 Budget battle just as ugly
- Increase debt ceiling or nation “defaults”



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## Clean Energy Standard

- Administration goal of 80% CES by 2035
  - Federal standard over state standards
  - Market-based approach to “clean energy” (define?)
- Sens. Bingaman and Murkowski were taking comments on potential CES legislation
  - Need specific renewable energy goals; reduce barriers
  - LCA of all GHGs; partial credit for fossil/nuclear
- Federal action this year not likely



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## RFS2 and Biofuels Incentives

- VEETC and biodiesel credits end Dec. 2011
  - Options going forward: eliminate; phase out; counter cyclical credit; infrastructure and FFVs
- E15 waiver may help address blend wall
  - Many groups suing EPA over issue
- Cellulosic biofuels nowhere near RFS2 targets
- Industry opposes any modification to the RFS2
- REAP now funds blender pumps, etc.



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## GHG and Clean Air Act Concerns

- FY11 CR “riders” sought to strip GHG authority from EPA; did not make it through compromise
- U.S. House voted to remove EPA authority (255-172); Similar amendments failed in Senate
- Sacrifice GHG oversight for a federal CES?
- EPA deferred GHG regulation of biogenic carbon emission sources for 3 years



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## 2012 Farm Bill

- Senate will begin work on 2012 FB this year; ahead of House
- Many current FB programs (BCAP; REAP; BAP; Biomass R&D) do not have baseline funding beyond 2012
- Current budget proposals disproportionately cut ag
- Approps Comm. could use CHIMPs to cut funds
- Battle between Commodity and Cons. & Energy?



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## Unresolved Issues

- National Renewable Electricity Standard (CES)
- Transmission (siting and financing)
- Definition of renewable biomass
- Indirect land use issues
- Expired/expiring tax credits (PTC/ITC)
- What about oil/nat gas subsidies??
- CRs, FY 12 budgets, and 2012 Farm Bill
- RFS2/ethanol blend wall (E15)
- Assessing costs and impacts of GHG regulation and legislative efforts to stop EPA regs



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## What is Mississippi's *vision* for a new energy future?

- Who/How will you participate?
- What is needed for this vision to be realized?
- Who is at the policy table representing your interests?



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**Thank you!**



**25x'25**

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