

Overview of Bioeconomy and Transportation Working Group

MGA



Midwestern Governors Association

OBJECTIVES

- Develop the Midwest's capacity for production of biofuels and other low-carbon advanced transportation fuels to advance national energy independence, add value for consumers, revitalize rural economies and the region's manufacturing base, and decrease greenhouse gas emissions.
- Accelerate strategies for improving the efficiency of biofuels production and use, reduce fossil fuel inputs, minimize GHG emissions, decrease water use and strengthen the existing biofuels industry.
- Develop, demonstrate and commercialize a variety of biomass-utilizing technologies and other low-carbon advanced fuels covering a portfolio of energy products and biobased products.

Quantitative Goals

- By 2012: Advanced cellulosic and other low-carbon transportation fuels should be commercially produced in the region.
- By 2025: At least 50 percent of all transportation energy consumed in the region will be supplied by regionally produced biofuels and other low-carbon advanced transportation fuels.
- By 2025: Average fossil fuel inputs in the production of conventional biofuels in the region will be reduced by at least 50%.
- E85 pumps:
 - 15% by 2015
 - 20% by 2020
 - 33% by 2025

Expansion of focus on transportation

- Initial focus only on biofuels and bioenergy
- Summer 2008, BTAG group proposed to MGA steering committee addition of expertise on other transportation issues.
- Staff and participants recruited several additional participants.

BT-1. Low Carbon Fuels Strategies

- 1.1 Market Pull and Distribution Infrastructure
 - Create a Green Fuel Retailers program (tax incentives and grants for low carbon fuel sales)
 - Consistent with fuels considered “low carbon” in 1.2
- 1.2 Low Carbon Fuels Policy
 - Midwestern Low Carbon Fuel Policy draft recommendations
- 1.3 Vehicular Fuel Efficiency
 - Model a region-wide Eco-Driver program after the proposed Michigan Eco-Driver program to be implemented in all MGA states
 - Supplement CAFÉ standards through other policies that promote “low carbon” vehicles

BT-2 Transportation Issues

- 2.1 Vehicle Miles/Demand Management
 - Pricing/pay-as-you-drive insurance
- 2.2 Expand Travel Choices
 - Regional high speed rail
 - Transit
 - Bike infrastructure
- 2.3 Transportation Demand and Land use
 - Tools for local govt's to avoid creating new vehicle trips
- 2.4 Freight Transportation
 - Improve efficiency in the region's freight rail system
 - Modeled after CREATE project in Chicago

BT-3 Research and Technology

- 3.1 Advanced Conversion Technology Commercialization
 - Promote “advanced transportation technology” commercialization, consistent w/ “low carbon” definitions for LCFS
- 3.2 Technical Assistance to Advanced Technology Projects
 - Toolbox of options for state gov’ts, extension
- 3.3 Increase Regional Research Collaboration
 - Regional collaboration on “advanced transportation technology” research, consistent w/ “low carbon” definitions for LCFS.

BT-4 Biobased Products

- 4.1 Biobased Product Development
 - Progress has been made in passing state bioproduct preferences in the MW
 - This policy suggests some next steps for moving beyond state gov't procurement
- 4.2 Regional Infrastructure for Biobased Product Manufacturing
 - Focus on transportation logistics, eliminating bottlenecks

BT-5 Biomass

- 5.1 Perennial Biomass Supply
 - Various mechanisms for supporting the regional deployment of perennial energy crops
- 5.2 Biomass Feedstock Supply Logistics
 - State support of development of biomass feedstocks

BT-6 Wealth Creation and Jobs

- 6.1 Bioeconomic Wealth Creation
 - Supporting development of next generation biofuels and investment in improved conventional biofuels
 - Focus on maintaining regional wealth and intellectual property
- 6.2 Bioeconomic Workforce Development
 - Collaboration among state workforce development agencies

Cross-cutting Issues

- BT-7 Bioenergy Incentives
- BT-8 Next-Generation Regulation

Implementation Priorities in 2008

- Low Carbon Fuel Standard
 - Partnered with North Central Bioeconomy Consortium
 - Working Group chaired by IA Ag Sec. Bill Northey
 - Multi-stakeholder group
 - Developed consensus recommendations on how to implement a regional LCFS
 - Recommendations, and list of participants, are in your packets
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LCFS Participants

- Mary Beth Stanek, General Motors
- Robert Craig, Michigan Department of Agriculture
- Charles Griffith, Ecology Center of Michigan
- Peter Taglia, Clean Wisconsin
- Chris Deisinger, Energy Foundation
- Gary Radloff, Wisconsin Department of Agriculture, Trade, and Consumer Protection
- Dennis Banasiak, Iowa State University Bioeconomy Institute
- Robert Brown, Iowa State University Bioeconomy Institute
- Shelby Neal, National Biodiesel Board
- Steve Taff, University of Minnesota
- Bruce Babcock, Iowa State University CARD
- Simla Tokgoz, Iowa State University CARD
- Kelly Davis, Renewable Fuels Association
- Pam Porter, WI Farmer's Union
- Doug Judge, Thomson Environmental Consulting
- **Tom Mowrer, Renewable Energy Group**
- **Eric Jensen, Izaak Walton League of America**
- **Steve Falck, Renewable Energy Group**
- **Randy Olson, Iowa Biodiesel Board**
- **Scott Hedderich, Pioneer Hi-Bred**
- **Kerri Johanssen, Environmental Law and Policy Center**
- **Bill Northey, Iowa Secretary of Agriculture**
- **Matt Caswell, BP**
- **Mark Calmes, Archer Daniels Midland**
- **Rick Robinson, Iowa Farm Bureau**
- **Julie Vyskocil, Iowa Renewable Fuels Association**
- **Sen. Kathy Sheran, Minnesota State Senate**
- **Mary Blanchard, Virent**
- **Ken Cassman, University of Nebraska - Lincoln**
- **Jack Huggins, The Nature Conservancy**
- **Sanjana Ahmad, Pew Center on Global Climate Change**

LCFS cont...

- Series of webinars:
 - LCA methodology;
 - EPA, CARB, European Commission
 - State policies in Midwest
- Meeting in Des Moines, IA, hosted by IA Dept. of Ag.
- Many conference calls and lengthy debate on the key issues.

LCFS cont...

- Draft recommendations have passed the LCFS working group.
- Summary:
 - Sets up a process for developing the rules for a regional program
 - Proposes a Regional Coordinating Body to supervise the process
 - Proposes a Scientific and Technical Committee to answer key questions
 - Gives direction on what decisions these entities must make

Implementation cont...

- Biobased Product Procurement
 - MGA worked with the National Association of State Procurement Officials
 - ISU hosted a meeting in March 2008
 - Group presented its recommendations to MGA in July
 - Most Midwestern states are going forward with creating biobased product procurement preferences consistent with USDA Biopreferred program.

Next steps

- LCFS work continues
- BTAG will identify further implementation priorities for 2009

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