Developing State Policies Supportive of Bioenergy Development

Technical Progress Report
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Abstract

Working within the context of the Southern States Biobased Alliance (SSBA) and with officials in each state, the Southern States Energy Board (SSEB) is identifying bioenergy-related policies and programs within each state to determine their impact on the development, deployment or use of bioenergy. In addition, SSEB will determine which policies have impacted industry's efforts to develop, deploy or use biobased technologies or products. As a result, SSEB will work with the Southern States Biobased Alliance to determine how policy changes might address any negative impacts or enhance positive impacts.

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Introduction

The federal mission for President Clinton's Executive Order on Developing and Promoting Bio based Products and Bioenergy reads: "To accelerate the creation and early adoption of technologies needed to make biobased products and bioenergy cost-competitive in national and international markets while promoting the efficient use of our renewable natural resources and protecting the environment." Goals in the draft biobased strategic plan address the need to remove barriers and provide incentives, and include suggested policy formulations to "...facilitate enactment of legislation at state levels synergistic with the national goals for biobased products and bioenergy."

This project addresses the need to develop state policies that are supportive of the development, deployment, and use of biobased technologies and products.

Over its lifetime, the Regional Biomass Energy Program has developed close linkages with state energy offices and other state agencies. State officials are key bioenergy stakeholders; especially since elected officials set policies within their states, have power over programs, and control appropriations that can positively or negatively impact the development, deployment, and use of bioenergy. However, career state officials are influential too as they carry out state programs and policies, and provide continuity across changing administrations. State governments are also important, as the federal government cannot, by itself, attain the potential of the region without the cooperation and assistance of the states. It is therefore essential for state officials to understand the benefits of bioenergy and the impact state policies have on bioenergy, and that these policies be supportive.

The Southern States Energy Board is an interstate compact that includes 16 southeastern states and Puerto Rico and the US Virgin Islands. One of the Southern States Energy Board's goals over its 40-year life is to "...develop, promote, and recommend policies and programs on energy, environment, and economics that encourage sustainable development." One way that the Southern States Energy Board accomplishes this goal is to establish task forces comprised of members from its states, the private sector, non-profits, and others. The Southern States Energy Board, which is also the host for the Southeastern Regional Biomass Energy Program, is currently in the progress of setting up a biobased task force, which has been named the Southern States Bio-Based Alliance.

Initially, activities of the Southern States Bio-Based Alliance will be focused on creating awareness, and providing information and education to get its members up to speed and to the same level of knowledge. Once the members of the Southern States Bio-Based Alliance have an appropriate appreciation for bio-based products and bioenergy, one of the first activities of the group will be to review and, if necessary, make recommendations for modifying or adding to their existing policies to make them supportive of bioenergy development, deployment, and use. The Southern States Bio-Based Alliance will also provide a forum for discussing and developing additional bioenergy-related policies when the need arises in the future.

Although not targeted at local government officials, this activity will also impact policies at the local level since local officials frequently follow the lead of their state government in setting local policy.

Goal

The goal of this project is to have state policies within the SSEB region (and nation) that, to the extent possible, positively impact the development, deployment, or use of bioenergy and are consistent among states.

Statement of work

Working within the context of the Southern States Bio-Based Alliance and with officials in each state, a staff member and/or contractor will identify bioenergy-related policies and programs within each state and determine their impact (in any way) on the development, deployment, or use of bioenergy. The staff member and/or contractor will be asked to determine as quantitatively as possible how this impact occurs, and how the legislation originally came to be promulgated.

Additionally and simultaneously, the staff member and/or contractor will be interviewing bio-based industry officials to determine what policies (or lack of policies) have impacted their efforts to develop, deploy, or use biobased technologies or products. The staff member and/or contractor will also try to determine the nature of these impacts and how policy changes might address any negative impacts or increase positive impacts.

These policies may involve the following aspects or other aspects:

- Financial and other incentives for technology development, testing, demonstration, deployment, and/or use;
- Permitting and licensing processes related to construction of new facilities, modification of existing facilities, and/or use of new products;
- Regulations pertaining to land use and siting (e.g., zoning, height restrictions) of bioenergy facilities; or running utilities to bioenergy facilities;
- Environmental regulations including air and water quality protection related to bioenergy facilities or the production of biomass crops; wildlife management, development of new agricultural and forestry crops, testing new technologies;
- Resources for relevant state agencies and programs including staffing qualifications and needs;
- Policies pertaining to state procurement, specification, bidding, and purchasing requirements to design, finance, and/or build new or modify existing state facilities;
- Policies pertaining to state procurement, specification, bidding, purchasing, and/or use requirements for biomass fuels or bio-based products;
- State educational policies;
- Technical assistance;
- Solid waste management and recycling programs;
- Economic development and industry recruitment;

- Agricultural and forestry production;
- Transportation of biomass feedstocks and bio-based products;
- Taxes including investment, corporate, road use, etc.
- Project financing;
- Utility deregulation including power sales to others, stranded costs, electricity pricing; renewable portfolio standards, and wheeling policies;
- Health and safety;
- Purchase of alternative fuel vehicles and installation of refueling stations.

Once the policies are identified and analyzed for impact, SSEB will host a series of meetings of the Alliance to:

- Share the findings with other states using an interactive meeting forum
- For policies that provide negative impacts, the state representatives will be asked to determine how to *change* their state policies to provide positive impacts based on discussions of successes in other states.
- Also based on successes in other states and the ensuing discussion, the state representatives will determine if they need to *add new* policies in their states. The group will be asked to draft model legislation to fulfill these needs that can be taken back and implemented within their respective states.

Due to the wide range of policies and to keep each meeting manageable, policies that are more closely allied will be lumped together for discussion and meeting purposes. This approach will also make it easier to get officials from the appropriate state agencies to attend the meetings, since they will know that a particular meeting will deal with the topics that are relevant to them.

In addition to attaining the project goal, this project approach will facilitate information sharing and education on state policies and their ramifications, create peer pressure, and ultimately provide more uniform regulations across the region that are supportive of bioenergy development, deployment, and use.

Experimental

Due to the nature of the project, no experimental methods, materials or equipment are necessary.

Results and Discussion

Because the project is in the first quarter of implementation, there are no significant results to report. SSEB during this time began reviewing state energy and environmental legislation related to bioenergy. Since a number of states still are in session and bills are still being introduced, further information will be reported in the 2nd and 3rd quarterly reports.

However, the Southern States Biobased Alliance gubernatorial appointments were made by the majority of the SSEB member states. Also during this reporting period, plans to convene the Alliance were made and an agenda for the first formal meeting of the Alliance was developed. A roster of the gubernatorial appointees and the preliminary agenda are included in the appendices.

Conclusion

Since the Alliance appointees are key state administrative officials and state legislators, their role and collaboration on improving state policies to support bioenergy development should provide the necessary expertise to achieve the goals of the project.

References

No references were used for this report.

Appendices

Southern States Biobased Alliance Roster

Southern States Biobased Alliance Preliminary Agenda for July 12-13, 2001 meeting

Alabama

Senator Zeb P. Little, Chairman
Agriculture and Forestry Committee and
Chairman, Commerce, Transportation, and Utilities Committee

Mr. Norman B. Davis, Jr.
Director, Alabama Department of Economics and
Community Affairs

Arkansas

Senator Doyle Webb, Chairman
Joint Energy Committee

Mr. Daryl Bassett
Office of the Governor

Florida

(vacant)

Georgia

Representative Johnny Floyd, Vice-chairman
Agriculture & Consumer Affairs Committee

Georgia

Mr. Fred Allen, Director
Georgia Forestry Commission

Kentucky

Representative Roger Thomas, Chairman
Agriculture and Small Business Committee

Dr. Ed Ford, Deputy Secretary
Governor's Executive Cabinet

Louisiana

Representative Wilfred Pierre, Chairman
Natural Resources Committee

Maryland

Mr. Frederick Hoover, Director
Maryland Energy Administration

Mississippi

Representative Tyrone Ellis, Chairman
Public Utilities Committee

Mr. Michael Callahan, Commissioner
Mississippi Public Service Commission

Missouri

Ms. Anita Randolph, Director
Division of Energy

North Carolina

Representative Joe Tolson, Chairman
Science and Technology Committee

Mr. Larry Shirley, Director
State Energy Office
Department of Administration

Oklahoma

Honorable Brian C. Griffin
Secretary of Environment

Puerto Rico

(vacant)

South Carolina

Representative Charles Sharpe, Chairman
Agriculture, Natural Resources &
Environmental Affairs Committee

Ms. Patricia A. Tangney, Program Coordinator
South Carolina State Energy Office

Tennessee

Ms. Cynthia Oliphant, Director
Energy Division
Department of Economic & Community Development

Senator Ron Ramsey, Chairman
Environment and Conservation and Tourism Committee

Texas

Ms. Susan Combs, Commissioner
Texas Department of Agriculture

Representative David Swinford, Chairman
Agriculture and Livestock Committee

U.S. Virgin Islands

(vacant)

Virginia

Mr. Joshua Lief
Deputy Secretary of Commerce and Trade

Senator John Watkins, Member
Agriculture, Conservation and Natural Resources Committee

West Virginia

Honorable William Sharpe
Senate President Pro Tempore and
Chairman, Energy, Industry and Mining Committee

Mr. Patrick Esposito, Chairman
WV Governor's Energy Task Force
And Senior Energy Advisor to the Governor

Southern States Energy Board
Southern Biobased Alliance Meeting

Westin Francis Marion Hotel
Charleston, South Carolina
July 12-13, 2001

AGENDA

Thursday - July 12, 2001

9:00 a.m. WELCOME AND BRIEF REVIEW OF ALLIANCE GOALS AND PURPOSE OF MEETING

John Clark

Senior Director of External Relations
Office of the Governor
South Carolina

Kenneth Nemeth

Executive Director
Southern States Energy Board

9:15 a.m. THE SOUTHERN STATES ENERGY STRATEGY AND VISION FOR THE ALLIANCE

Governor Jim Hodges, South Carolina

Chairman, Southern States Energy Board

9:45 a.m. The Vision of the National Bio-based Products and Bioenergy Initiative: The Federal Role

Moderator:

James Powell, Director

U.S. Department of Energy
Atlanta Regional Office

The Honorable Spencer Abraham (invited)

Secretary of the U.S. Department of Energy

The Honorable Ann M. Veneman (invited)

Secretary of the U.S. Department of Agriculture

10:45 a.m. Break

11:00 a.m. The Agricultural Sector Role

The current agricultural situation in the SSEB region and farmers' vision for the Alliance

Leland Swenson, President

National Farmers Union

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- 11:20 a.m. *The Forestry Sector Role***
The current forestry situation in the SSEB region and industry's vision for the Alliance

Fred Allen, Director
Georgia Forestry Commission
- 11:40 a.m. *The Industry Role***
The role and vision of the bioenergy and bio-based industries for the Alliance

Bud Sholts, Chair
The New Uses Council
- 12:00 noon Luncheon Keynote Address:**

Energy Security and the Importance of the National Bioenergy Initiative for America

R. James Woolsey, former Director of Central Intelligence
Shea and Gardner
- 1:30 p.m. *The Situation and Opportunity in the South***
Current and Potential Biomass Resources in the South
A review of the types, characteristics (e.g., woody, perennial, drought resistant), and quantities of biomass currently used and potentially available in the SSEB region and current and potential economic impacts of the use.

Janet Cushman
Program Manager, Biomass Feedstock Development Program
Oak Ridge National Laboratory
- 2:15 p.m. *Current and Potential Bioenergy Use in the South***
A review of the types, locations, and numbers of current bioenergy facilities in the SSEB region and their economic impact. A review of future technologies and their applicability to the region will also be covered.

Phillip Badger
Technical Manager, Southeastern Regional Bioenergy Program
General Bioenergy, Inc.
- 3:00 p.m. Break**
- 3:20 p.m. *State Roundtable***
Discussion of past and current state bioenergy and bio-based initiatives by Alliance members
- 4:45 p.m. Public Comment**
- 5:00 p.m. Adjourn**

Friday - July 13, 2001 Formalizing the Alliance

8:30 a.m.	Review and Discussion of Draft Alliance Strategic Plan
10:30 a.m.	Discussion on the Structure and Administration of the Alliance
12:00 noon	Lunch
1:00 p.m.	Discussion of Next Steps and Formulation of a Workplan for the Alliance
2:30 p.m.	Public Comment
3:00 p.m.	Adjourn