

# Achieving Energy Security, Rural Economic Development and Environmental Protection Through Farm-Based Renewable Energy: An Agenda for Renewing Rural America

In these days of national crisis and on-going farm crisis, our nation's leaders are setting aside old battles and recommitting themselves to America's vital interests with a new sense of the interdependence of all Americans and of all nations. We are calling upon them to lead a bold national shift in America's economy toward greater energy efficiency and use of farm-based renewable energy.

By doing so, we seek to create increasing diversity and flexibility in the kinds of energy resources that we use, expand the wealth of rural communities and family farms, increase domestic energy resources in a way that improves environmental quality in our nation, and begin to shoulder our fair share of responsibility for reducing damage to the world's environment through a dramatic reduction of greenhouse gases.

We are calling for a major economic shift to support farm-based clean energy resources, aided by appropriate incentives, stimulus, standards and investments from Federal and state governments that will help spur private investment. This shift of our energy system will add meaningful security if it significantly reduces reliance on foreign oil and vulnerable refineries, and coal and nuclear power plants. Farm communities need this revitalization now. Therefore, we call for a shift toward farm-based clean energy efficiency and renewable energy resources, especially low-cost wind power in the near term. We recommend that the shift in our nation's energy system should be rapid and sustained.

*"...We have only scratched the surface of developing farm-based sources of renewable energy-ethanol, biodiesel, biomass, wind, methane,*

*hydrogen...Anything we can produce from a barrel of oil, we can also produce on our farms."* Senator Tom Harkin, Chair, Senate Agriculture Committee, June 28, 2001.

*"If the hundreds of billions of dollars that now flow into a few coffers in a few nations were to flow instead to the millions of people who till the world's fields, most countries would see substantial national security, economic and environmental benefits."* Senator Richard Lugar, Ranking Minority member, Senate Agriculture Committee, and R. James Woolsey, former CIA director, January 1999.

The undersigned groups acknowledge the key roles of the Environmental and Energy Study Institute and the Environmental Law and Policy Center in the development of this policy agenda.

Renewable Portfolio Standard for Electricity/Renewable Fuels Standard:

Establish two federal minimum content standards for renewable energy, one for electricity and one for transportation fuels. Adopt a Renewable Portfolio Standard for electricity, requiring an increasing percentage of electricity supplied by utilities to be derived from renewable sources, until it reaches 20% by 2020. Require an increasing percentage of liquid fuel to be derived from biomass, moving increasingly toward the goal of producing biofuels from cellulosic plant materials, reaching 5% of fuels by 2015. We call upon the appropriate committees of Congress, Congress as a whole, and the President to achieve these renewable energy goals.

Technical Assistance for Farm-Based Renewable Energy Development and Energy Efficiency Audits: Provide funding for regional and state-based agencies, not-for-profit organizations, land-grant universities and tribal and historically black colleges to provide education and technical assistance to small and medium-sized farmers for assessment (including wind monitoring for landowners), development and marketing of renewable energy resources, especially wind, solar and biomass power, and for energy efficiency audits that can lead to improvements that will avoid wasteful energy use and save farmers money.

Financial Assistance for Farm-Based Development of Wind Power and Other Renewable Energy Resources and for Energy Efficiency Improvements: Provide financial assistance to farmers to develop wind power, solar energy, biomass energy and other renewable energy production, and to implement energy efficiency improvements identified in energy audits, possibly through existing programs such as the Environmental Quality Incentives Program, the Rural Business-Cooperative Service, or a new approach such as the Conservation Security Program.

New Farmer Wind and Solar Power Development Enterprises: Expand funding and purposes of the Rural Business-Cooperative Service to make grants and loan guarantees to cooperatives, limited liability corporations, and other rural businesses to undertake financial feasibility studies and initiate wind and solar power development projects.

Support Development of Wind Power by Rural Electric Cooperatives and Members: Support Rural Electric Cooperatives to develop wind power and other renewable energy, through preferential loan treatment, reduced interest rates of the Rural Utility Service (RUS), standardized interconnection procedures and non-discrimination in transmission rates and services. Allow farmers and rural businesses access to lowest-rate RUS loans for on-farm renewable projects.

CRP and Energy Security: Allow harvesting of wind power and biomass for energy and bio-products on Conservation Reserve Program (CRP) land with modest reduction in payments, allowing some economic use of CRP land, provided that it not reduce the wildlife and conservation benefits of the program.

Incentive Programs for Biomass: Expand existing credit programs supporting bioenergy and adopt targeted new programs to encourage the use of appropriate agricultural biomass for the production of electricity.

Fund Biomass Research and Development: Fully fund existing research, development and demonstration biomass energy initiatives under the Biomass Research and Development Act of 2000. Increase funding within the Bioenergy and Energy Alternatives program for the development of biofuels and energy crops.

Federal Purchasing Programs: Require all federal agencies to increase their use of renewable energy, especially wind power, as well as biofuels, and bio-based products.

Equipment Testing for Biofuels: Provide funding and assistance to equipment manufacturers to test and certify their engines to use biofuels in nonroad equipment.

Feasibility Studies for Value-Added Agricultural Enterprises: Provide clear statutory authority for the Rural Business-Cooperative Service to include renewable energy projects in grant and cost-sharing programs for value-added agricultural enterprises.

Farm-based Hydrogen Research: Provide a competitive grant program to eligible entities to assess the viability of hydrogen and fuel cell technologies for remote or off-grid rural applications, and to power farm operations and energy needs.

10/23/01)

*(Version*

## Original Signatories

American Corn Growers Association  
American Corn Growers Foundation  
American Wind Energy Association  
Center for Rural Affairs  
Clean Water Action (North Dakota, Michigan and  
Minnesota)  
Environmental Law and Policy Center  
Environmental and Energy Study Institute  
Hoosier Environmental Council  
Institute for Agriculture and Trade Policy  
Intertribal Council on Utility Policy  
Iowa Citizen Action Network  
Iowa Environmental Council  
Minnesota Farmers Union  
Minnesota Project  
Minnesotans for an Energy-Efficient Economy  
Nebraska Farmers Union  
Northern Great Plains Inc.  
South Dakota Farmers Union  
Union of Concerned Scientists  
Windustry Project  
Wisconsin's Environmental Decade