

Biobased Products and Transportation

within the Midwest Region

The following document contains materials taken directly from the platform adopted by the Midwestern Governors Association and signed on to by the twelve governors within the region including:

- M. Michael Rounds, Chair, South Dakota
- Jennifer Granholm, Vice Chair, Michigan
- Jim Doyle, Wisconsin
- Rod Blagojevich, Illinois
- Mitch Daniels, Indiana
- Chet Culver, Iowa
- Kathleen Sebelius, Kansas
- Tim Pawlenty, Minnesota
- Matt Blunt, Missouri
- Dave Heineman, Nebraska
- John Hoeven, North Dakota
- Ted Strickland, Ohio

Goals

- (1) Reduce the region's dependence upon fossil fuel for transportation purposes and
- (2) Increase the utilization of regionally produced biofuels and other low-carbon advanced transportation fuels for all transportation energy consumed in the region

Objectives

- Develop the Midwest's capacity to produce biofuels and other low-carbon advanced transportation fuels
- Accelerate strategies for improving the efficiency of biofuel production and use
- Develop, demonstrate, and commercialize a variety of bio-mass utilizing technologies
- Pursue innovative opportunities to increase the supply of biofuels while improving water quality, soil quality, and wildlife habitat
- Build infrastructure to allow the bioeconomy to expand

Policy Options

The following policy options can help the Midwest Region to meet these objectives:

(1) Market Pull and Distribution Infrastructure

- Promote Broad Renewable Fuels Standards
- Include specific carve-outs for lower-carbon advanced biofuels
- Create incentives to increase demand for fuel-efficient lower-carbon vehicles
- Expand state government's use of biofuels and advanced transportation fuels
- Develop regional quality standards for biodiesel and other fuels
- Adopt retail tax incentives to encourage retailers to sell biofuels, advanced transportation fuels and biobased products

(2) Advance Conversion Technology Commercialization

- Mitigate risk in developing next-generation technologies

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- (3) Broaden Existing Bioenergy Incentives and Create New Incentives Promoting Biomass
 - o Including different liquid fuels, natural gas, heat, and electricity
- (4) Develop Next-Generation Regulation for New Technologies
 - o Provide regulatory exemptions to allow experimentation
- (5) Provide Technical Assistance to Advanced Technology Projects
 - o Fund front-end engineering and design studies and other feasibility studies
- (6) Increase Regional Research Collaboration
 - o Coordinate state and private research to develop an information clearinghouse on advanced bioenergy research and demonstration projects
 - o Promote regional commercial-scale demonstrations of various biomass feedstocks
- (7) Develop the Midwestern Infrastructure for the Manufacture of Biobased Products
 - o Support research for determining how the biomaterials supply chain can mature and how new products can achieve economic viability
- (8) Develop Midwestern Biobased Products
 - o Adopt biobased product procurement rules at the state level
 - o Participate in regional biobased product procurement program
 - o Create a regional certification program
- (9) Overcome the Difficulty of Biomass Feedstock Logistics
 - o Employ technical assistance and incentives to projects that are seeking to develop a supply of cellulosic biomass for bioenergy projects
- (10) Create a Uniform, Regional Low-Carbon Fuels Policy
 - o Implement at the state level as a standard
 - o Report annually on progress
 - o Convene affected stakeholders to develop the common policy
- (11) Develop Incentives to Increase Fuel Efficiency and Reduce Greenhouse Gas Emissions
- (12) Create Local Wealth
 - o Ensure that the benefits of biofuels, advanced transportation fuels, and biobased product development accrue to public and private entities in the communities where they are produced
 - o Give bonding authority or access to bonding funds to co-ops, municipal utilities, and other local and community-owned entities to fund biomass projects
 - o Wherever possible, make the opportunity available for local ownership in projects receiving public investments
- (13) Promote a Perennial Biomass Supply
 - o Support the development of a perennial biomass supply
 - o Encourage landowners to grow perennial crops and supply products to a bioenergy plant in a way that targets improvements in soil/water quality, wildlife habitat, soil erosion, and carbon sequestration
- (14) Create Collaborative Workforce Development Programs
 - o Collaborate between industry, governments, and educational institutions to develop curriculum at all levels of the educational system on biofuels, advanced transportation fuels, and biobased products