



Renewable Fuels Standard/Renewable Portfolio Standard

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Expanding the use of renewable fuels can provide important new uses opportunities for agricultural producers and can help reduce our country's dependence on foreign oil markets, the volatility of which affects few groups more than farmers. In order to help these markets grow, NAWG and other agricultural organizations are considering support for renewable fuels and renewable portfolio (or electricity) standards.

Renewable Fuels Standard

NAWG supports an expanded renewable fuels standard, or RFS, that became law in late 2007. This RFS calls for refiners to blend 36 billion gallons of renewable fuels into the U.S. transportation fuel supply by 2022, with 21 billion gallons from cellulosic feedstock sources. NAWG believes this requirement is essential to providing the stability needed to attract robust investment in biomass production research and cellulosic ethanol commercialization.

The RFS and RPS incentivize markets for renewable fuels, helping to create jobs and make the U.S. less dependent on volatile oil markets – and volatile oil prices.

NAWG does not believe indirect land-use changes should be taken into account when calculating reductions in greenhouse gas emissions. This erroneous view of how farmers around the world make production decisions puts an undue burden on developed farmers, and no similar standard exists for oil produced, mostly overseas.

Renewable Portfolio (Electricity) Standard

A national renewable portfolio standard (RPS), also known as a renewable electricity standard (RES), would require electrical utilities and other suppliers to provide some of their supply with renewable energy from wind, solar or biomass sources. RPS requirements already exist in more than half of U.S. states and there is a great deal of interest in approving a national standard. Proposals pending in Congress would require 20 to 25 percent of electricity sold annually to be generated from a renewable energy resource.

NAWG is examining support for the concept of an RPS because of the potential for job creation, particularly in areas that could produce biomass crops on marginal land. One estimate found that tripling the use of biomass energy could provide \$20 billion in new income for rural communities. Additionally, incorporating renewable energy into the electrical system could reduce the need for natural gas, which is a key component in fertilizer.

Learn More

More information about the importance of cellulosic ethanol is available at www.wheatworld.org/cellulosicethanol. Learn more about the RFS from the Renewable Fuels Association at www.ethanolrfa.org/resource/standard/ or the RPS from the Ag Carbon Markets Working Group at www.agcarbonmarkets.com.

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