



FACT SHEET

Funding Clean Energy Jobs for Rural America: Essential Elements to an Economic Stimulus Package to Create Jobs, Save Consumers, and Generate Hope for the Future

The Food, Conservation and Energy Act of 2008 significantly expanded funding for USDA energy programs, including construction and development of advanced biofuel refineries, biomass research and development, renewable energy systems, energy efficiency improvements, and the development of next generation feedstocks. Full funding of these programs could help to launch thousands of jobs in the “clean-tech” sector, especially in rural areas.

All too often, however, USDA energy programs are among the first cut when budgets are tight. These short-sighted funding cuts, if continued, will hamper development of next generation biofuels/bioenergy which could spawn thousands of rural jobs, as well as limit job creation in other rural-focused alternative energy and energy efficiency technologies.

It is time to invest in full funding of these programs – both mandatory and discretionary. The six programs mentioned below are authorized at approximately \$332 million/year mandatory and about \$225 million/year discretionary. Securing the mandatory funding for these programs could spawn more than 5,300 jobs per year. By providing for the discretionary funding as part of the stimulus package, nearly 3,800 additional jobs could be created per year.

Rural Energy for America Program

This program provides loans, loan guarantees, and grants to farmers, ranchers and rural small businesses to purchase renewable energy systems and make energy efficiency improvements. Since its inception in the 2002 Farm Bill, the program has awarded funds to nearly 2,000 projects of all types and sizes—from small efficiency projects to large wind farm and biofuel facilities-- in all 50 states. The program is authorized at \$255 million mandatory and \$100 million discretionary funding over four years. No REAP funding should be used to support corn or soy based biofuel facilities.

Biorefinery Assistance Program

The advanced biofuels industry has cited the availability of loan guarantees as the single biggest limiting factor in helping this new green-tech industry move forward, along with the many green-tech jobs it is expected to provide. The Biorefinery Assistance Program is designed to help launch advanced biofuels production, such as cellulosic ethanol (corn ethanol plants are not eligible). Mandatory funding, if left intact, will provide for both grants and loan guarantees - grants for demonstration scale plants to cover up to 30% of costs, and loan guarantees for commercial scale plants (up to \$250 million per plant).

Repowering Assistance Program

This program encourages new renewable biomass development to help break the "chicken and egg" cycle of building next-generation biofuels plants. It also can help commercialize energy crops. It provides grants or other payments to existing biorefineries to modify their fossil fuel boilers to use renewable biomass. The result: a lower carbon footprint and new markets for energy crops, as well as hundreds of new jobs in rural areas.



Brett Hampton, USDA

Biomass Research and Development

Investments in research and development of next generation energy and fuels programs are critical if this sector is to become viable. These programs have frequently gone underfunded in the past and it has hampered America's ability to develop the next generation energy sector. Such an investment will create hundreds of jobs directly in the research related fields, but also help to generate job-creating industries that can create thousands of jobs into the future.

Biomass Crop Assistance Program

The BCAP program will help landowners begin to grow biomass crops to be used in advanced biofuels/bioenergy, as well as helping to fund the collection, harvest, and delivery of cellulosic materials. Currently, the program is authorized for mandatory funding of "such funds as necessary." However, USDA is insisting on doing a full EIS and rulemaking before issuing any notice of funding availability, instead of proceeding with distribution of funds for those activities with no significant impact. This is the only program to help farmers begin to figure out the growing requirements of next generation biomass energy crops. Failure to implement it could mean delays in getting the industry—and all its attendant jobs—rolling.

Community Wood Energy Program

The Community Wood Energy Program provides grants to state or local governments to plan and install wood energy systems to provide power or heat for community facilities such as schools or hospitals. It is a small scale program that can be expected to produce significant economic benefits and jobs in small communities.

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