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• International alliances with Brazil, Canada, Mexico, Sweden, Thailand and Queensland, Australia

Embargoed until June 11, 2007

For More Information Contact:

Nebraska: Larry Pearce (402) 471-3362

Illinois: Andrew Ross (312) 814-8193

Governors' Ethanol Coalition Praises Energy Independence Act – S. 1419

The 36-member Governors' Ethanol Coalition today strongly praised the *Energy Independence Act – S. 1419* – a merger of four bipartisan U.S. Senate energy bills sponsored by Senate Majority Leader Harry Reid of Nevada. The bill requires a major increase in the use of renewable fuels in America, and reflects recommendations released by the Governors earlier this year intended to reduce America's dependence on imported oil, to cut global warming gases, and to create new jobs in renewable fuels across the country.

"Americans want energy independence, and they want to reduce global warming pollution," said Coalition Vice Chair Illinois Governor Rod R. Blagojevich. "Earlier this year, our bipartisan group of Governors asked Congress to dramatically expand the Renewable Fuels Standard as among the most important steps it could take to achieve these goals. This bill accomplishes that. The Governors' Ethanol Coalition supports this bill as a major step toward a more sustainable and responsible energy future."

In January, the Coalition issued *Ethanol from Biomass: How to Get to a Biofuels Future*. The report provided several national policy recommendations, including: expanding the current renewable fuels standard; creating incentives or requirements for cellulosic ethanol production; boosting federal support for E-85 ethanol fueling infrastructure; and greater federal funding for ethanol research and development. Those recommendations, as well as more recent recommendations regarding the federal farm bill, are available at www.ethanol-gec.org

In 2005, Congress enacted legislation establishing a Renewable Fuels Standard that required a minimum national use of 7.5 billion gallons of renewable fuels by 2012. Subsequently, production of renewable fuels has grown so rapidly that industry experts expect production to exceed that level by the end of this year. The proposed *Energy Independence Act* expands the minimum requirement goal to 8.5 billion gallons of renewable fuels by 2008, 13.2 billion gallons by 2012, and 36 billion gallons by 2022. The bill also provides industries with incentives and loan guarantees to meet these targets, and requires that renewable fuels produced from facilities built after the date of enactment of the Act achieve at least a 20 percent reduction in lifecycle greenhouse gas pollutants when compared to gasoline.

Additionally, the bill provides a minimum timetable for producing ethanol from new resources known as biomass or cellulose—common agricultural wastes or native prairie grasses like switchgrass. This measure will greatly help attract private capital to cellulosic and other advanced biofuel development. This minimum timetable begins with a requirement of 3 billion gallons of such advanced biofuels by 2016; the Governors support strengthening this requirement by starting the timetable several years earlier as Congress considers the bill.

The bill also increases authorizations for federal research and development funding for next-generation renewable fuels by about 50 percent. Section 122 Bioenergy Research and Development funding, for example, is increased from \$525 million to \$775 million.

The majority of ethanol used in America is blended with gasoline at levels between 6% and 10%, and most vehicles are allowed to use no more than 10%; only Flexible Fuel Vehicles (FFVs) can run on blends of up to 85% (known as E-85). In order to utilize more than about 14 billion gallons of ethanol in the U.S., however, blends of greater than 10% will be required. The Governors have therefore been very supportive of increased federal support for E-85 fueling infrastructure and education, another provision of the bill. The Governors' strongly recommend strengthening this provision by emphasizing a more market-oriented approach that would focus state, federal, and private fueling infrastructure and education resources in several key metropolitan markets.

Gov. Dave Heineman (Nebraska) is the current Chair of the Coalition and Gov. Blagojevich (Illinois) is Vice Chair. The Governors' Ethanol Coalition is a bipartisan organization working to promote ethanol market expansion across the nation, and includes the governors of 36 states and representatives from five nations.

The full text of the *Energy Independence Act* is available at: www.thomas.gov

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