

Congress can tap into the power of ag energy to cut carbon pollution. It should allocate a portion of carbon allowance sale proceeds to fund low carbon ag energy initiatives.

These initiatives also will fill a **major gap** in our carbon-fighting strategy: low carbon ag energy projects **cut carbon pollution**, but many of them likely **will not qualify for offset credits**.

The American Clean Energy and Security Act of 2009 uses allowance proceeds to supplement some low-carbon ag conservation programs. Missing from ACES, however, are incentives for low carbon agriculture-based energy.

Agriculture gains from providing low carbon energy solutions. Using allowance revenue for ag energy accelerates implementation, cuts carbon pollution, and boosts rural economic development.

### **Major Low Carbon Benefits**

Many low carbon ag energy solutions **significantly reduce carbon pollution** compared to fossil fuel generation. For example:

- Wind, solar and geothermal power generate carbon-free electrical power.
- Biomass for heat and power emits less carbon than coal, oil and natural gas. Advanced cellulosic biofuels produced from energy crops also emit less carbon.
- Energy efficiency -- using less energy to produce the same output -- cuts carbon emissions from all fossil fuels.

Research and development on new ag energy technologies will yield even more carbon reductions in the future.

### **Profitable Global Warming Solutions**

Apart from their carbon benefits, these initiatives **save money for farmers and others and can increase income**.

Ag-related income grows from energy savings, power sales, and new energy crop markets, reducing or outweighing any cost impacts.

Advanced biobased transportation fuels reduce price hikes and mitigate supply shortages of petroleum fuels.

More efficient lighting, motors, heating, cooling and grain drying could cut at least 10% of total ag energy use, **saving farmers \$1 billion per year**.<sup>1</sup>

Locally-produced energy also keeps **far more money in the community** – more farmer income, local company profit, jobs, and spending.

### **Types of Initiatives**

USDA should use allowance proceeds to fund a range of low carbon ag energy initiatives, such as:

- Research and development to accelerate advanced technology for lower-carbon biofuels and biopower.
- Rural community clean power and energy efficiency investments.
- Consistent and strong funding for low carbon advanced biofuels production.
- Low-carbon renewable energy/energy efficiency investments.

### **Accelerate Low Carbon Ag Energy Development**

Fighting climate change **requires fast action** - more quickly than is now occurring. Incentive programs funded from sales of carbon pollution allowances can accelerate low carbon ag energy throughout rural America.

Agriculture can be a net winner in the climate bill: Expanding low carbon ag energy initiatives is good for agriculture, good for rural economic development and good for fighting climate change.

<sup>1</sup> <http://www.aceee.org/pubs/ic053full.pdf>