

WORC

Western Organization of Resource Councils

April 6, 2007

Senator Jon Tester
U.S. Senate
204 Russell Senate Office Building
Washington, DC 20510

Dear Senator Tester,

Western Organization of Resource Councils wants to urgently call your attention to our concerns regarding S. 987, the Biofuels for Energy Security and Transportation Act of 2007. It appears that this will be a major vehicle in Congress for shaping federal biofuels policies. We want to underscore the importance of getting it right the first time when it comes to decision-making on biomass as a major energy source, including not diverting limited federal dollars from biofuels to liquid fuels produced from coal.

WORC is a regional network of seven grassroots community organizations that include 9,700 members and 44 local chapters: Dakota Rural Action (South Dakota), the Dakota Resource Council (North Dakota), the Idaho Rural Council, the Northern Plains Resource Council (Montana), Oregon Rural Action, the Powder River Basin Resource Council (Wyoming), and the Western Colorado Congress.

A Sound Biofuels Policy

WORC has high hopes for the potential for biofuels (renewable fuels from any agricultural crop, forest product or byproduct that can be used to produce a liquid fuel, thermal energy or electricity) to provide a meaningful quantity of clean, renewable energy, at affordable national cost, within a timeframe that is responsive to the urgent and compelling national interests at stake. WORC strongly supports biofuels produced from farms and fields of our rural areas, knowing that their development presents a rare opportunity to infuse rural America with much needed income and economic stability, while reducing our dependence on oil.

However, the rich potential of biofuels can rapidly evaporate if we do not adopt sound public policy to insure their adoption reduces greenhouse gas emissions, minimizes soil and water erosion, and truly contributes new energy, economic growth and environmental benefits.

We offer the following concerns and suggestions for S.987, and strongly urge that you be a voice for the long term viability of a sustainable, renewable bioenergy strategy for this nation:

- **Sustainability Criteria:** The Bill sets forth an ambitious RFS (renewable fuel standard) without grounding the production of the fuels in practices that will ensure they will sustain production and ensure stewardship of the basic resources of soils, water, and the rich diverse ecosystems. (See Sustainability Criteria enclosed)
- **Minimize greenhouse gas production:** The Bill must ensure that biofuels production reduces lifecycle emissions from biofuels by including a carbon standard. Continued CO2 emissions will worsen global warming, causing droughts in the West and huge economic costs around the globe.
- **Energy Independence:** As written S.987 would allow palm oil from Indonesia or sugar cane ethanol from Latin America to achieve the goals set forth in the bill. Self sufficiency and displacement of our dependence on imports is a fundamental principle that must be incorporated into the bill.

- Fuel Efficiency: For renewable biofuels to make a dent in our dependence on foreign oil, they need to be moved forward in tandem with meaningful increases in CAFE standards.

A Vote for Liquid Coal Is a Vote Against Biofuels

Further, we are very concerned about proposals to amend the bill to promote or subsidize expensive, polluting technology to turn coal, a non-renewable resource, into liquid fuels and urge you to oppose any such efforts for the following reasons:

- Although carbon dioxide could be captured (in theory) at a synfuels plant, the resulting fuel produces the same amount of CO₂ as conventional petroleum fuels when burned in internal combustion engines. As a result, even with the best possible carbon capture (90-95%) at the plant, coal-based liquids would produce 8% more CO₂ than petroleum-based fuels they would replace over their full lifecycle (well to wheel). *Without* carbon capture at the plant, liquids from coal would produce approximately twice the greenhouse gases produced by conventional diesel – the worst thing we could do.
- Making liquids from coal is incredibly expensive. Just one liquid coal plant capable of producing 80,000 barrels of fuel a day – smaller than most U.S. oil refineries – would cost \$7-\$8 billion. Biodiesel, starch ethanol and cellulosic ethanol plants are being built today for one-half to one-sixth the cost per barrel of capacity. Every public or private dollar invested in oil shale or coal-to-liquids is a dollar unavailable for much more productive investments in more efficient cars and clean renewable biofuels. What’s more, investments in biofuels plants, wind farms and energy efficiency yield far more fuel, far more economic development benefits, and far more jobs per dollar invested than liquid coal plants.
- Coal to liquids plants require huge volumes of water. The best available estimates are that it would take between 5 and 15 gallons of water to make one gallon of liquid from coal. An 80,000 barrel per day coal to liquids facility would use as much water as a city of 100,000 people. We don’t have enough water to meet the needs of our farmers, ranchers, and townspeople, preserve our fisheries and wildlife, and still supply a large liquid coal industry.

In closing, amendments to inject liquid coal into S. 987 would undercut clean renewable biofuels, accelerate global warming and put our water, environment and communities at risk. We urge you to oppose such amendments, which would subvert the good intention of this bill -- to promote energy independence and economic development through production of clean, renewable fuels. We also urge you to support amendments to S. 987 to ensure that it provides sustainable solutions to our energy needs while maximizing economic benefits to farmers, ranchers and rural communities in our states.

Thank you for your consideration,

Donley Darnell, WORC Chair

Richard Parks, Biofuels Campaign Team Chair

Peggy Utesch, Responsible Energy Campaign Team Chair