

Remarks of Heather Zichal
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I'm here today to talk in broad strokes about how the Administration approaches about energy policy. As the President has said, there are no easy, overnight solutions to our energy challenges. But we do know there are steps we can take right now to help address the energy challenges we face today and put America on a path towards greater energy independence in the future. And that's what we've been focused on.

Shortly after the President took office, we unveiled an all-of-the-above energy strategy for America. We said let's produce more oil and gas, but let's also produce more biofuels; let's build more fuel-efficient vehicles; and let's generate more solar and wind power and other sources of clean, renewable energy.

Since then, our dependence on foreign oil has gone down every year the President has been in office. America is now producing more oil than at any time in the last eight years. We're producing more natural gas now than at any time in our history. At the same time, we've doubled the amount of energy we generate from renewable sources like wind, solar, and geothermal. We've dramatically increased the fuel efficiency of our cars and trucks and weatherized more than a million homes across the country. And today, thanks to many of the people in this room, America is producing more homegrown biofuels than ever before.

Let's be clear about what all of that means. For thousands of Americans, it means high-quality jobs. For American families, it means cleaner, safer, and more affordable energy choices. It means we're becoming more energy secure, while positioning the United States as a global leader in clean energy.

Now, that progress didn't just happen on its own. The Administration has been taking aggressive action since day one. And I'll be honest – it hasn't always been easy. We've been met with resistance along the way. Your industry knows a little something about that. And that's because there are some who would prefer to keep on doing the same old things we've always done on energy, and yet somehow expect to get a different result.

But that's not what this moment calls for. It's not the right time to sit back as clean energy tax credits expire and workers get laid off. We need to invest in American technology and innovation. It's not the time to keep subsidizing the biggest oil and gas companies that are making near-record profits. We need to level the playing field. And it's certainly not the time to be slashing investments in clean, renewable energy when China and Germany and India have all decided they want those industries and those jobs. We have to compete and continue building on the promising trends we've seen in our own clean energy sector, including the renewable fuels industry.

As I said earlier, we are producing more biofuels right now than at any point in our history. In fact, production has increased more than 40 percent over the last three years. So this is an industry that's creating jobs and driving economic growth – especially in rural America – but to the benefit of *all* America. That's because this industry is helping to protect our environment and bring the country closer to energy independence.

For all of those reasons, this Administration has been committed to building a robust biobased economy, with biofuels included as a pillar of the President's "all-of-the-above" energy strategy. That's why, for example, we stand firmly behind the Renewable Fuel Standard, which we think is a critical tool to promote continued growth in the renewable fuels industry in the years ahead. And we've taken a number of steps to encourage deployment of the biofuels technologies we have in hand today, while also accelerating the development of new fuel technologies in our labs and at commercial scale.

On the deployment side, the Department of Energy and the Environmental Protection Agency have been working to create new opportunities for today's biofuels to play a bigger role in transportation. For example, the Administration has provided a path forward for E-15. In addition, the Department of Agriculture has funded more than 130 projects that are currently producing enough renewable fuel to keep 5 million vehicles on the road every year. And to help develop the infrastructure needed to bring biofuels to the marketplace, last year USDA provided financial assistance to support 250 blender pumps across the country.

In a parallel effort, we are working to rapidly develop and deploy the *next* generation of advanced biofuels – everything from cellulosic fuels to algae oils. DOE has invested over \$1 billion – which has been cost shared by \$1.7 billion in private sector investment – to support 29 biorefineries, including a number of commercial scale projects. USDA has also helped to push the envelope when it comes to advanced biofuels. To date, they have supported efforts to build more than a half dozen advanced biorefineries across the country.

To build on those efforts, just last week the Administration announced new investments to speed the development of "drop-in" biofuel substitutes for diesel and jet fuel. This is part of the broader effort by the Navy, DOE, and USDA to support the commercialization of drop-in biofuels that can meet the fuel needs of the United States military and the commercial aviation and shipping sectors.

It shouldn't come as a surprise that the U.S. military is stepping up to the plate. That's business as usual for them. That's what they do. Now, to be clear, the Department of Defense isn't embracing clean energy and renewable fuels because it *sounds* good. They're doing it because it makes sense from an operational and national security perspective.

Unfortunately, that hasn't stopped some in Congress from putting forward short-sighted legislation that would undermine the military's ability to invest in alternative fuels. And this gets to my point earlier – that some folks, especially here in Washington, are resistant to change, even when it's so clearly needed.

As Secretary of Defense Leon Panetta put it, “these efforts could *deprive* commanders of the flexibility they need to meet tactical and operational needs and make us *more* exposed to potential supply disruptions and future price volatility of petroleum products.” If you don’t find that compelling enough, consider this: every time the price of oil goes up by a dollar, it costs the Navy – just the Navy – an additional \$30 million in fuel costs.

So the U.S. military isn’t waiting around to reduce their reliance on oil. In December of last year, the Navy made the single largest purchase of biofuels in government history. And just last week, the Great Green Fleet – which is the first Carrier Strike Group that will operate on alternative fuels – set sail for the South Pacific to participate in the Rim of the Pacific Exercise, the largest naval exercise in the world. The Air Force is also using more and more alternative fuels to power aircraft – including fighter jets like the F-18. The Army is testing new energy technologies for combat vehicles. And they are working to launch a Green Warrior Convoy, which will demonstrate those technologies, including advanced biofuels.

I also want to mention quickly – since biomass isn’t just about biofuels – efforts at the Federal level to grow demand for biobased products. Today, the development of biobased products, using not just corn, soybeans, switchgrass, wood, sugar cane, algae, and a host of other non-food feedstocks are driving the growth of new industries in the U.S. There are now thousands of biobased products in the market and more are entering the marketplace every day. And through initiatives like USDA’s BioPreferred Program, we are working to drive innovation and create jobs in Rural America by prioritizing the use of biobased products in the Federal government.

Now before I conclude, I’d like to leave you with a few thoughts. Moving forward, we all know there’s a lot more work to be done to create a more robust bioeconomy – and more broadly – a clean energy economy. But all of the progress I’ve talked about today is a testament to what we can do when we don’t let the absence of an overnight solution to our energy challenges serve as a reason to do nothing at all.

So we’ve got to keep at it. Congress in particular needs to get beyond the short-termism and short-sightedness that causes boom and bust cycles in clean energy. We can’t build these industries up only to tear them back down. The United States is not going to win the clean energy race if we’re only planning ahead one year at a time. Instead, we need to take the long view, make a sustained effort, and swing for the fences. Over the long haul, that’s the only way we’ll solve America’s toughest energy challenges.