



America's Energy Future



The Role of Agriculture and Forestry in a Reduced Carbon Economy

Energy Future Coalition
March 3, 2009

Washington, DC





America's Energy Future

Our Vision:

By the year 2025, America's farms, ranches and forests will provide 25 percent of the total energy consumed in the U.S. while continuing to produce safe, abundant and affordable food, feed and fiber.

25x'25



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25x'25 Energy Future

- Displaces fossil fuels
- Reduces greenhouse gas emissions
- Sequesters carbon dioxide in the atmosphere
- Delivers renewable energy and climate change solutions



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25x'25 Carbon Initiative

- Organized in spring of 2008
- Led by a work group composed of over forty respected agricultural, forestry and conservation leaders
- Primary goal is to facilitate agriculture and forestry sector dialogue on our role in a reduced-carbon economy and help identify climate change solution sets they can provide



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25x'25 Carbon Work Group

- Farmers and ranchers
- Forest land managers
- Soil scientists
- Agronomists
- Ag economists
- Renewable energy, conservation and business partners



Mission

- Analyze agriculture and forestry's role in a reduced-carbon economy
- Develop recommendations for how each sector can capitalize on efforts to reduce and capture carbon and greenhouse gas emissions



Areas of Focus

- Ag and forestry impacts and opportunities
- Mechanisms to manage GHG emissions
- Consequences of policy choices
- How ag and forestry could best participate in emerging carbon markets
- Cap and trade guiding principles and policy imperatives

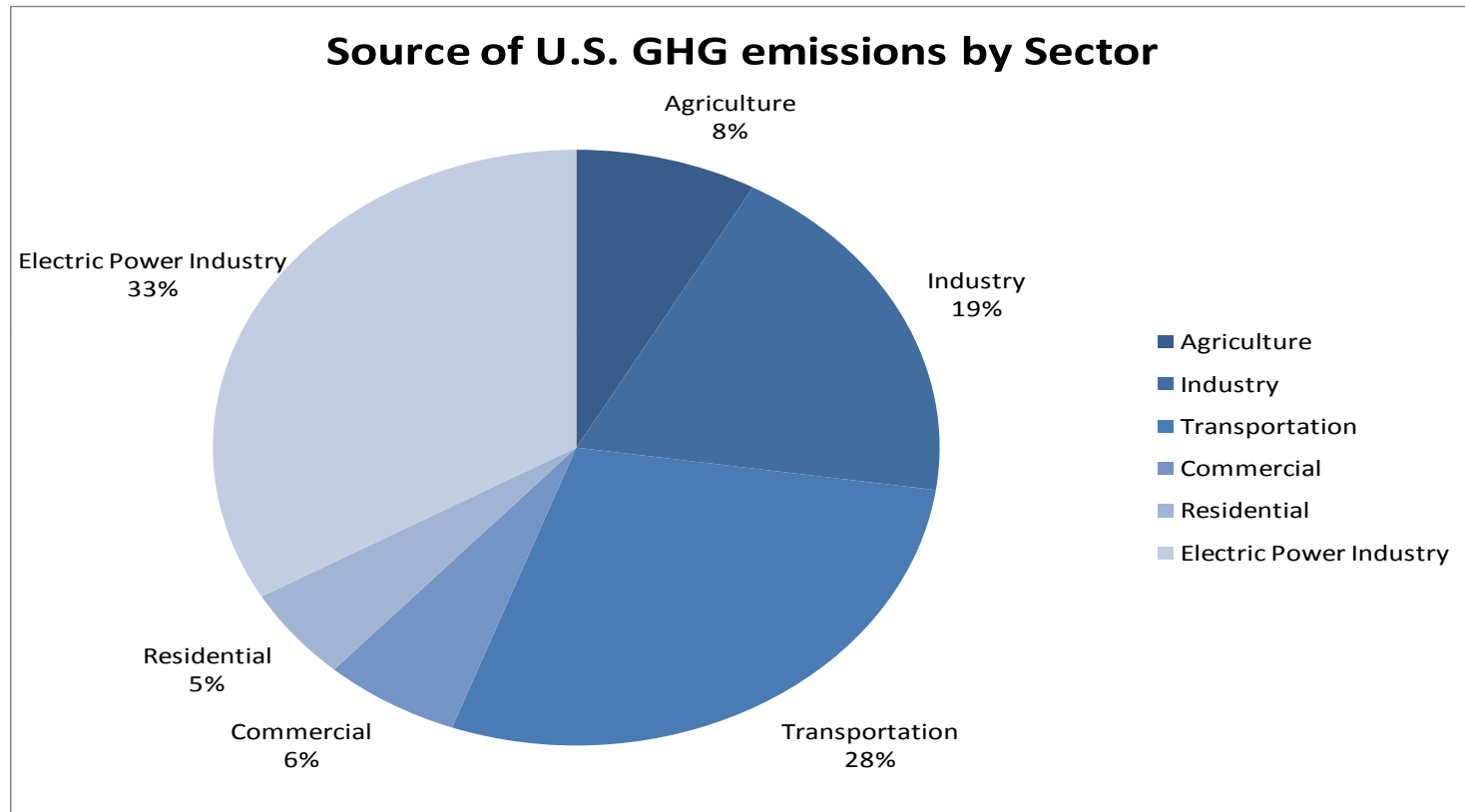


Reduction Opportunities

- **Sequestration**
 - Conservation tillage and crop rotations
 - Cover crops
 - Grazing practices
- **Avoided emissions**
 - Biofuel production
 - Thermal bio-power and bio-heat
 - Renewable electrical power
- **Emission reductions**
 - Manure management
 - Fertilizer practices



U.S. GHG Emissions

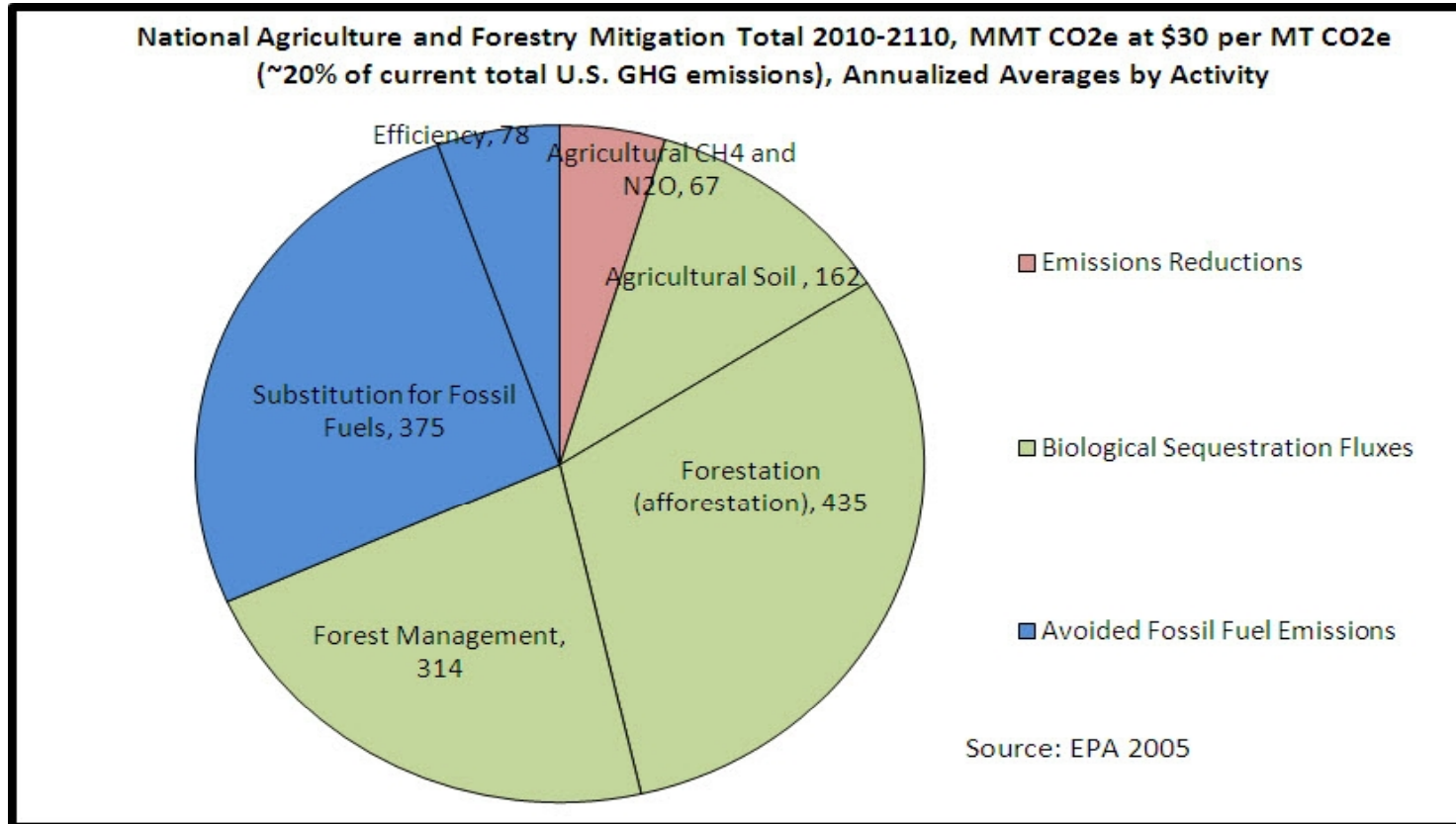


Ag and forestry are responsible for **8 percent** of total U.S. GHG emissions.

(Data Source: EPA, 2007a)



Emission Reductions



Ag and forestry have the potential to offset **10 - 25 percent** of total annual U.S. GHG emissions.



Foundational Assumptions

- Carbon accounting and offsets are complementary to the goals of 25x'25.
- The cost of inaction warrants action.
- Sufficient science and political momentum exist to warrant action now.
- Both adaptation and mitigation must be included.
- Sustainability must be a consideration.
- The requirements of the entire global community must be addressed.



Policy Vehicles Explored

- Biofuel Incentives
 - Renewable Fuel Standard
 - Low Carbon Fuel Standard
- Carbon Tax
- Clean Air Act regulation of GHG emissions
- Cap and Trade System



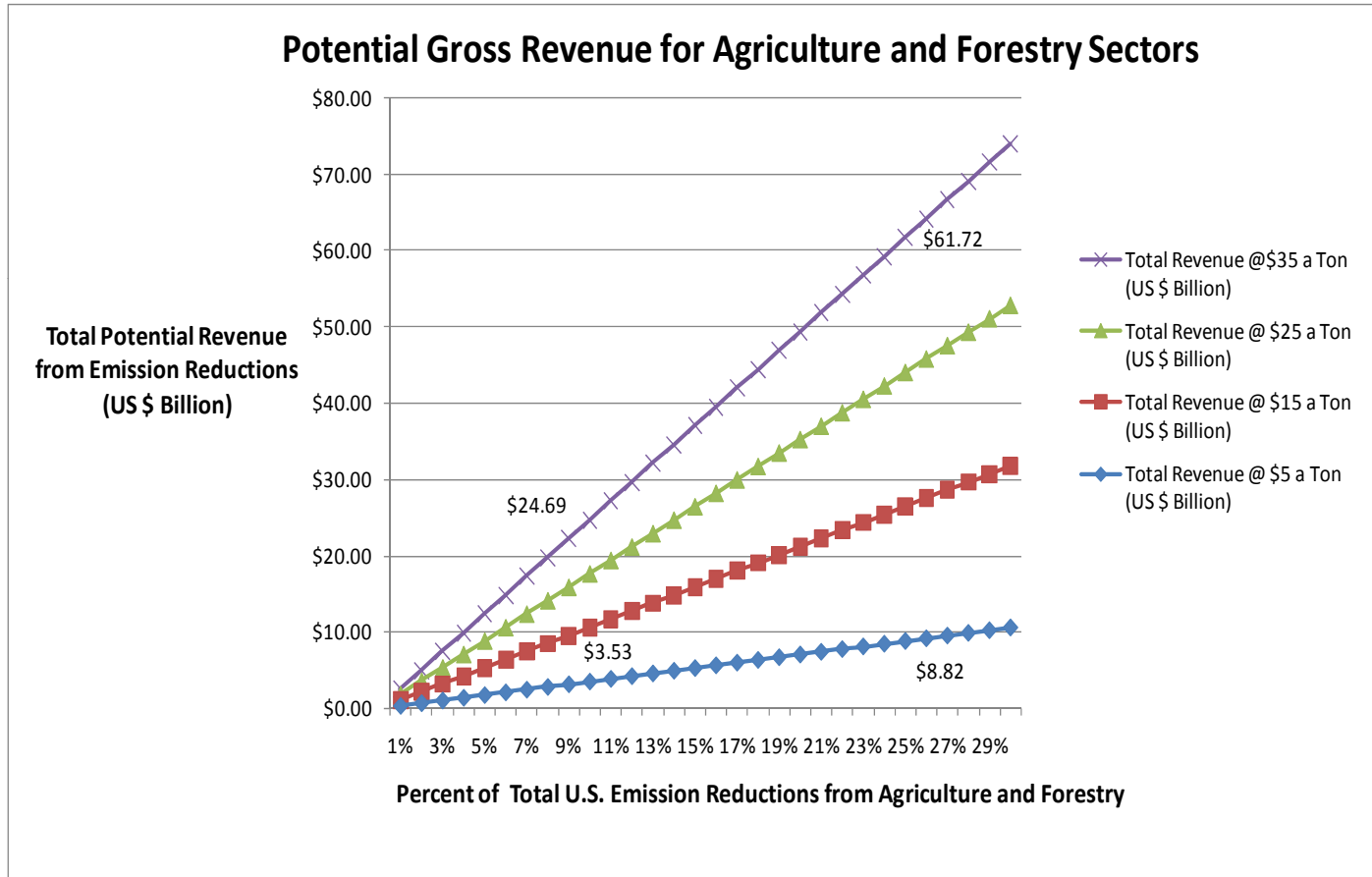
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Key Cap and Trade Offset Issues

- Baselines
- Additionally
- Fungible Qualified Offsets
- Leakage
- Permanence
- Verification and Registration
- Early Actors



Potential Gross Revenue





Preliminary Guiding Principles

- Agriculture and forestry support the “reemergence” of a carbohydrate economy.
- We will strive to produce emissions reductions that are complementary to our role as stewards of the land while protecting and enhancing the economic value of our land assets.
- Significant investment in R&D and education are needed to actualize GHG market opportunities.



Guiding Principles (cont.)

- Within a cap and trade system agriculture and forestry must be identified as uncapped sectors and be allowed to participate via an offset program to the fullest available extent given our potential to produce hundreds of millions of tons of offsets per year.
- Climate change benefits should be acknowledged and counted in the full suite of ecosystem services that agriculture and forestry provide.



Next Steps

- Currently soliciting input on draft primer.
- One-on-one and small group briefing sessions with ag and forestry leaders.
- Preliminary recommendations will be spotlighted at the 25x'25 National Summit scheduled for April 1-2, 2009 in Washington, DC.
- Final report- May/June 2009
- State Alliance Forums- spring/summer
- Partner/stakeholder engagement- ongoing



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25x25

Mark your calendar!

2009 National Summit

March 31 - April 2, 2009

Washington, DC

Key Areas of Focus:

Reduced Carbon Economy

Woody Biomass

Community Wind Development

Sustainability

