



Southern Bioenergy Roadmap Briefing Paper

Bioenergy in the South

- √ In 2007, 46 percent of the nation's electricity fueled by biomass was generated in the South with Alabama, Florida, Georgia, and Louisiana leading the region.
- √ The economic contributions of biopower production in 2007 included \$7.3 billion in company revenues, \$4.3 billion in labor income, and over 110,000 jobs for the region.
- √ In the South, there are 41 biodiesel plants that produce 22 percent of the nation's biodiesel; 12 operating ethanol plants that produce 6.4 percent of the nation's ethanol; 534, or 23 percent of the nation's biodiesel and E85 fueling stations.
- √ Southern states have developed policy initiatives to encourage the development of the bioenergy industry including consumption standards, tax incentives, subsidies, and loans.

Southern strengths

- √ The South holds 44 percent of the energy in the nation's forestlands, 31 percent of the nation's energy in crop, mill, and urban waste residues, 28 percent of the nation's energy in biogas, and 19 percent of the nation's energy in croplands.
- √ Southern forests had nearly 10 billion dry tons of live biomass inventory in 2006 and showed a net annual growth of more than 13 billion cubic feet, accounting for nearly 44 percent of the U.S. total.
- √ There are 24 wood pellet manufacturers in the South, 29 percent of all wood pellet manufacturers in the U.S.
- √ Thirteen states provide incentives to promote bioenergy development, such as tax breaks, subsidies, grants and/or loans.
- √ Research in bioenergy is occurring in every Southern state with centers affiliated with universities, non-government organizations, industry, and government entities.

Southern weaknesses

- √ Only 6.4 percent of the nation's ethanol is produced in the South, with a majority of the South's plants (operational and planned) found in Missouri due to the state's supply of corn as its feedstock.
- √ Southern bioenergy experts cited the cost and availability of bioenergy feedstocks, lack of public policy, and lack of public understanding as significant barriers to the bioenergy industry in the South.
- √ Only three of the 30 states with mandatory or voluntary renewable electricity standards in the U.S. are found in the South.
- √ While the South only produced a small fraction of the nation's ethanol, it consumed 33 percent of the nation's E85. Consumption of all alternative fuels in the South fell between 2003 and 2006 by 15 percent, while the nation's alternative fuel consumption increased by nearly four percent.

Recommendations

1. Improve the supply, demand, and regulatory environment for the biopower and biofuels industries in the South.

A key component in the development of any emerging industry, such as petroleum, aerospace, biotechnology, and now bioenergy, is the implementation of policies that improve the supply, demand, and regulatory environment of the industry.

2. Invest in the development of commercial biopower and biofuels facilities in the South.

To mitigate the risk entrepreneurs and existing industries make when investing in emerging industries, there is a need for direct investment in pilot and commercial biopower and biofuel facilities in the South.

3. Educate Southern leaders and the public on the economic and environmental benefits of the South.

To support current and future initiatives of the region's leaders and communities, a critical step is to provide government and community leaders, farmers, foresters, rural communities, and the general public with the most up-to-date information regarding biopower and biofuels.