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★ From solar to biofuels, renewable energy poised to soar in 2016

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From solar to biofuels, renewable energy poised to soar in 2016

By [Jonathan H Harsch](#)

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WASHINGTON, Jan. 5, 2016 – After years of fighting for recognition and a level playing field, renewable energy advocates see a great year ahead for their industry.

Thanks to the Paris climate agreement, Congress extending vital tax breaks for renewables, and EPA’s pro-renewables Clean Power Plan, Ernie Shea, president of [Solutions from the Land](#) (SFL), sees great progress and great opportunities. But he also sees more work ahead for renewables because U.S. energy policies remain “overwhelmingly balanced in favor of fossil fuels.” He says the tax breaks, the Clean Power Plan, and EPA’s Renewable Fuel Standard all need fixes to tap the full potential of renewables.

Shea, who is also coordinator of SFL’s [North American Climate Smart Agriculture Alliance](#) (NACSAA) and [25x’25](#) project coordinator, tells *Agri-Pulse* that if voters elect a Republican as the next president, the Clean Power Plan and other Obama climate initiatives could be amended or ended in 2017, threatening the growth of renewables. But he adds, “That doesn’t make the problems go away.”

As the evidence and cost of climate change impacts increase, Shea explains, U.S. and world leaders are recognizing the need to invest in solutions “including lower-carbon biofuels, cleaner sources of power, and carbon sequestration.” He says that regardless of the outcome of the 2016 elections, the many corporate and non-profit groups he works with are committed to “helping the next administration realize that climate change is a major threat multiplier” and “helping states develop their Clean Power Plan implementation plans.”

[Solar Energy Industries Association](#) (SEIA) Communications Vice President Dan Whitten is equally upbeat on renewables. “Where we see the future for solar energy and other renewables would have been unfathomable just a few years ago, but with innovation and favorable policies, the growth we see in solar alone is astounding,” he tells *Agri-Pulse*.

Whitten says by 2022 “Our estimates show that power generation from solar is going to more than triple to 100 gigawatts from 24 gigawatts. That’s enough to power more than 20 million homes. The (tax credit) extension will trigger more than \$125 billion in new private sector spending and add 220,000 jobs, just from solar alone. Other renewables also can expect substantial gains.”

President Obama likes to point out that as part of his determination “to keep some fossil fuels in the ground rather than burn them,” his administration has “multiplied the power we generate from the sun 20 times over” and “tripled the power we generate from the wind.” The Greentech Media (GTM) chart below shows a key driver: solar costs continue to drop.

GTM’s Solar PV System Price Forecast Through 2030



Source: [GTMResearch](#), [The Future of U.S. Solar](#)

Whitten credits the Paris agreement with spurring “greater adoption of renewables around the world,” noting that the accord has already led to launching of the [Global Solar Council](#) and other renewable energy initiatives. He calls it a promising sign that just days after the 196 nations signed the Paris accord, Congress extended renewable energy tax breaks.

Whitten has a long 2016 to-do list, including working with state agencies to implement the Clean Power Plan and working with the Federal Energy Regulatory Commission to upgrade infrastructure to support renewables. But he says the good news is that renewables have solid bipartisan appeal.

“We’ve seen states considered to be Republican strongholds make major solar commitments and congressional lawmakers from both parties supported the investment tax credit last month, so we do see a favorable environment in Congress,” Whitten says. “And because of its broad national appeal, we think Republican and Democratic presidents alike will embrace the economic and environmental opportunities solar provides. Obviously we will be supporting candidates who are

outspoken advocates for solar energy, but we will stay engaged in the policy making process regardless of who wins in November.”

[National Biodiesel Board](#) CEO Joe Jobe tells *Agri-Pulse* that after 2015’s tough challenges caused by policy uncertainty, “2016 has the potential to be one of the best years in our industry.” He adds that “With volumes set for biomass-based diesel for 2016 and 2017 and EPA working already to propose 2018 volumes this spring, this industry can get back on track. Getting the tax incentive reinstated retroactively for 2015 and forward for 2016 will also provide much needed stability.”

Jobe says the Paris climate talks initiated “a science-based discussion on our earth’s changing climate” and as part of this new awareness, 36 countries have made biofuels a key component of their climate action policies and 64 countries have biofuels mandates. In the U.S., he adds, “Biodiesel is the only Advanced Biofuel that is being commercially produced across the country and is poised to play a significant role in reducing the emissions of our transportation fuel supply.”

Jobe’s goals for 2016 include switching biodiesel’s \$1 tax incentive for 2016 from a blender’s credit to a production credit, to incentivize domestic rather than foreign production.

Another Jobe goal is to increase bipartisan support for renewables. “Renewable energy opponents have in recent years spent huge amounts of money and effort to try to make it a partisan issue,” he says. “In spite of that, most of the Republican candidates for president have expressed some level of support for renewable energy and the RFS (Renewable Fuel Standard) and all of the Democratic candidates have. It is critically important that all of us in the renewable energy sector work as hard as possible in this election year to outreach to candidates of both parties from president on down to make the case for common sense, renewable, domestic energy policy.”

[American Coalition for Ethanol](#) (ACE) Executive VP Brian Jennings says ethanol’s prospects have never been brighter. “Ethanol is the cleanest and most affordable source of octane on the planet, evidenced by strong global demand – despite the cool-down in the global economy – and the fact that we are talking with automakers about how ethanol’s octane can help them comply with future CAFE-GHG (fuel economy) standards,” he says.

“Ethanol plants are becoming biorefineries, and the industry is constantly looking for ways to diversify and improve operations by creating new products and reducing carbon intensity” he says. “As a result, biofuels are well-positioned to satisfy many public policy goals in the future.” He’s hopeful that after extending tax credits which should facilitate more installation of blender pumps and more use of higher ethanol blends, Congress will remove an “outdated” vapor pressure restriction to make E15 (15 percent ethanol) and higher blends available year-around.

[Growth Energy](#) CEO Tom Buis sees 2016 “breaking the so called blend wall, increased domestic consumption as a result of lower gas prices, and more retailers offering E15 and higher blends.” He also expects increased exports following the Paris agreement as more countries mandate ethanol blends to meet their carbon targets.

Buis says his 2016 goals include removing regulatory barriers to higher blends, having EPA raise biofuels volume requirements to statutory levels, and getting more blender pumps installed. As for the 2016 elections, he says it’s vital that “the next president support the Renewable Fuel

Standard, and remove barriers to allow market access for E15 and higher blends.”

Celebrating Congress’s solidly bipartisan December votes extending renewable energy tax credits, [American Wind Energy Association](#) (AWEA) CEO Tom Kiernan promises “to keep this American wind power success story going.”

“With predictable policies now in place, we will continue advancing wind turbine technology, driving down our costs and passing the savings on to American families and businesses in all corners of the country,” he says.

Pointing to the Energy Department’s prediction that U.S. wind energy will double from nearly 5 percent of U.S. electricity today to 10 percent by 2020 and reach 20 percent by 2030, Kiernan expects continued record-setting growth. “Wind energy is the biggest, fastest and cheapest way we can cut carbon pollution here in the U.S.,” he says, adding that in individual states, wind has disproved wind’s critics by supplying over 60 percent of electricity demand while maintaining grid reliability.



[Renewable Energy Group](#) President and CEO Daniel Oh says that renewed federal support for biomass-based diesel through 2017 will continue industry growth “by encouraging higher blends and usage of advanced biofuels throughout North America.” He points out that “While the Paris agreement is not binding, I think in general this is a positive for advanced biofuels because it gives us more of a global stage to show how biomass-based diesel is better for the environment and for energy security.”

As a measure of biofuel benefits, Oh says that “Over the last three years, 83 percent of REG biofuel was produced from waste fats, oils and greases that reduced greenhouse gas emissions by more than 80 percent compared to petroleum diesel.” He sees these benefits growing because EPA’s new Renewable Fuel Standard volumes “provide a positive growth trajectory for biomass-based diesel through 2017 that should easily be met, especially when you combine that with the re-instated \$1 per gallon federal incentive for this year.”

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