

March 26, 2004

The Honorable David L. Hobson
Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
U.S. House of Representatives
2362 Rayburn House Office Building
Washington, DC 20515-6020

Dear Mr. Chairman:

The Coalition of Northeastern Governors (CONEG) is pleased to provide this testimony for the record to the House Appropriations Subcommittee on Energy and Water Development as it considers FY 2005 funding for the Office of Energy Efficiency and Renewable Energy (EERE) of the U.S. Department of Energy (DOE). While we recognize the many demands being placed upon federal resources in the coming year, we urge the Subcommittee to provide the increased federal funding support for renewable energy programs, particularly the national and regional partnerships that advance research, development, demonstration and deployment of renewable energy technologies. The Governors appreciate the Subcommittee's previous support for one of these partnerships, the Regional Biomass Energy Program (RBEP), and the decision of the EERE to continue this valuable federal-state-private partnership for bioenergy. We request the Subcommittee to fund the EERE's renewable programs at a level that will enable DOE to continue its support of the RBEP program at \$5 million in FY 2005.

Renewable energy plays an increasingly vital role in a strategy to meet the country's near and longer-term energy needs. It is an important component of the diverse mix of fuels essential for a reliable energy supply. Today, biomass provides a larger percentage of the nation's total energy mix than do hydroelectric sources; and it is responsible for more energy output than all other renewable technologies combined. Ethanol and electricity generation from biomass feedstocks contribute over three percent of the nation's energy consumption. In the Northeast, bioenergy produced from the region's forest and agricultural resources contributes to approximately five percent of the region's energy consumption. Some of the most promising technologies which can meet renewable energy needs in the near-term and lessen the nation's dependence on fossil fuels use biomass.

While the CONEG Governors recognize federal support for bioenergy can take many forms, we specifically support a level of funding for the EERE's renewable energy programs that will enable the DOE to continue its support of the Regional Biomass Energy Program and its effective network of regional host organizations at a level of \$5 million in FY 2005. This RBEP network is an important partner in the federal government's multi-faceted initiatives to encourage a diverse energy resource mix and energy efficiency across the country. Funding for the RBEP program will allow this valuable federal-state-private sector initiative to continue – without interruption – the pioneering regional projects and technical assistance networks which help bring bioenergy into regional energy markets across the nation.

The revitalized RBEP encompasses all 50 states in five regional programs. It is an important tool in the nation's effort to realize the opportunities which bioenergy offers for energy production, economic development and sound environmental management. The regional program is uniquely situated to target program resources to the specific biomass opportunities of each part of the country. Through a blend of projects and technical assistance networks, the RBEP identifies opportunities for and helps reduce barriers to the commercialization of biomass technologies; promotes coordinated state and federal public policies in support of bioenergy; and educates consumers on the opportunities and benefits of biomass energy.

The RBEP's success is closely tied to its use of state-based regional organizations to administer and coordinate program resources and activities. These organizations, with their direct ties to elected and appointed state decision-makers and agencies, are uniquely able to leverage federal, state and private sector resources and cooperation across state and federal agencies, among various states, and between the public and private sector. These organizations have:

- the ability to gain governors' and state legislators' attention and commitment to bioenergy;
- the capacity to leverage resources and cooperation for collaborative policy and technical projects from private companies and multiple state and federal agencies – transportation, environmental protection, public utility commission, and agriculture;
- the capability to move quickly to address emerging issues; and
- the ability to offer staff with extensive biomass program management experience.

The CONEG Policy Research Center is pleased to be part of the Northeast Regional Biomass Program (NRBP) and its work to advance renewable biomass energy, the region's most abundant resource. From Maine to Maryland, the NRBP encompasses a wide range of activities that cover all biomass resources and technologies. The NRBP makes possible state-level working groups that promote public-private partnerships for biomass development, and it helps promote policies that support renewable biomass. It encourages demonstrations of leading edge technologies, and conducts public education and outreach that helps condition the marketplace for new bioenergy technologies and biobased products. A major strength of the NRBP is its ability to link biomass

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development to other public policy goals, such as creating new economic opportunities, preserving agricultural or forest lands for current use, and reducing air and water pollution. As Renewable Portfolio Standard programs have and continue to be promulgated in the Northeast states, biomass power has recently begun to be a focus of new and significant project development. The contributions of the NRBP program over the years has played, and will continue to play, an essential role in stimulating and facilitating this market development through its working groups, extensive networking, and leadership of its regional coordinator.

Congressional funding for EERE's renewable energy programs at a level in FY 2005 that will permit \$5 million for the RBEP will allow these partnerships, with their administration by proven host agency organizations, to strengthen the established bioenergy networks that transfer experience and coordinate activities within a state, throughout a region and across the nation.

We thank the Subcommittee for this opportunity to share the views of the Coalition of Northeastern Governors, and we stand ready to provide you with any additional information on the importance of the Regional Biomass Energy Program and the Northeast Regional Biomass Program to the Northeast and the rest of the nation, as well as the vital role biomass can play in meeting the nation's energy needs.

Regards,

/o.s./
Mitt Romney
Chairman
Governor of Massachusetts

/o.s./
John Baldacci
Vice-Chair
Governor of Maine

Identical testimony was also provided to the Senate Subcommittee on Energy and Water Development.