



New Farm Bill Headed to Conference Committee

House Agriculture Committee Chairman Collin Peterson (D-MN) says a new farm bill, which would contain significant renewable energy provisions, can be completed by the end of January. Collin's optimism stems from the Senate's passage last Friday of its own version of farm legislation, after weeks of political brinkmanship that often left the measure in doubt. The House passed its version in July. A House-Senate conference committee is expected to be named and work quickly as soon as lawmakers return from their holiday recess mid-January. However, the farm legislation under consideration contains some tax provisions that could draw a White House veto, so negotiations could be slowed. While work on a new farm bill is underway, the 2002 Farm Bill will be extended to March 15th under language in an omnibus spending bill adopted, 76-17, by the Senate late Tuesday night and expected to get final passage in the House today. The extension continues funding for most programs in the 2002 Farm Bill in order to avoid budgetary changes before the new bill can be completed. The extension will not extend the 2002 commodity support programs to the 2008 crop year, which will be covered by the new Farm Bill.

Among the renewable energy provisions found in the Senate version of the farm bill is \$260 million over five years for the Rural Energy for America Program (REAP, previously called Section 9006), which offers grants and loan guarantees to agricultural producers and rural small businesses to help with purchasing renewable energy systems and to make energy efficiency improvements. REAP would also provide \$40 million for a new grant and loan guarantee initiative focused solely on building and evaluating on-farm and community-based animal manure-to-energy facilities, such as methane digesters. (The House version would provide \$500 million for 9006 programs over the life of the new farm bill; the *25x'25 Action Plan: Charting America's Energy Future*, calls for \$250 million annually for 9006 spending.) The Senate version also provides \$227 million to initiate dedicated biomass crop production through incentive payments to farmers to cover production, harvesting, transport and storage costs for advanced biofuels. A new program to help communities assess their energy systems and formulate strategies for improvements is also included, as is a regional crop research program of side-by-side bioenergy crop experiments at 10 dispersed land-grant universities, funded at \$45 million. The measure also includes a new Community Wood Energy Program that offers competitive, cost-share grants for communities to supply public buildings with energy from sustainably harvested wood.

The \$555 billion omnibus spending bill set for final approval this week ties up 11 of the 12 annual appropriations measures traditionally passed by Congress separately, and also includes foreign aid spending for the fiscal year that began Oct. 31. The measure contains funding for a number of energy efficiency and renewable energy programs, including \$168 million for solar energy programs, \$198 million for biofuels programs, \$10 million for hydropower projects and a \$20-million earmark for geothermal energy programs.

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