



Georgia can do more to promote biofuels

By **SCOTT HITCH**

With Earth Day fast approaching, we are all reminded that it really is up to us to be the best stewards of this home we all share. Georgia is making some of the right moves to become a leader in the creation and production of cleaner sources of alternative energy, but not enough.

However, Aiken, S.C., across the Savannah River from Augusta, is a great place for a biodiesel plant. South Carolina now offers a tax credit of 20 cents to 30 cents per gallon for production of biofuels (ethanol and biodiesel), for up to 25 million gallons per year, and a five cent per gallon retail rebate. Retailers and dealers receive a tax credit for 25 percent of the cost of biofuels equipment.

These incentives have just attracted a new \$1.4 million biodiesel plant from Georgia. Farmers & Truckers Biodiesel's new plant will move into a renovated kaolin warehouse across the state line, and it likely won't build a second facility it had planned for Georgia.

In Tennessee, recently announced grants and loans will create a statewide biofuel refueling station network, increase production of biofuel feedstock, and foster the use of biofuels in government vehicle fleets. Florida just awarded millions in biofuels research grants and current legislative proposals there include additional production and retail incentives as well as a man-

date for biodiesel use in state vehicles.

Meanwhile, Georgia's lawmakers have again largely passed up the opportunity to bring real biofuel development to Georgia. Regrettably, Georgia is fast falling behind our neighboring states, both in terms of policy and regulation as well as providing meaningful incentives for the production of renewable fuels.

Only two current Georgia bills appear likely to become law. One bill, endorsed by Gov. Sonny Perdue, provides a 4 percent sales tax exemption for equipment purchases at newly constructed biofuels facilities through mid-2009. Another, introduced by Sen. Ross Tolleson (R-Perry), will partially fund retail fueling equipment for ethanol blended fuel.

Other biofuels bills could have done much more. One would have provided up to \$250,000 in incentives for every new biofuel production facility. Another would have required public school, local and state government vehicle fleets to use either ethanol or biodiesel when "reasonably available." Neither will pass this legislative session.

However, despite the lack of meaningful incentives to date, Georgia remains well-positioned to become a primary producer of biodiesel and cellulosic ethanol. Both Georgia Tech and the University of Georgia's Biorefining and



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Carbon Cycling Program are leading centers for biofuels research. Making biofuels from Georgia's abundant poultry fats and pine trees instead of the Midwest's soybeans and corn can help balance our needs for food, energy and a sustainable environment. Imagine the boon to Georgia if our state laws and regulatory policies really backed biofuels.

There are almost 50 retail stations selling fuel containing ethanol or biodiesel in South Carolina. In Georgia there are only three.

To stimulate the market, we should exempt biofuels blends from state fuel taxes, provide meaningful incentives for investing in biofuels distribution infrastructure, and mandate biofuels use in state vehicles. We should also expand tax incentives to encourage carbon-free biofuels production at both existing and new biofuels facilities.

It's past time for Georgia's leaders to actively encourage biofuel production and use by promoting associations between local biofuel producers, researchers, farmers and other feedstock sources and by providing the financial incentives and regulatory framework to build a robust biofuels retail market. Before it's too late, let's focus our efforts on innovative solutions that will help Georgia's economy, environment and energy supply now and for generations to come.