

Developing Renewable Fuels And Clean Diesel Technologies

Today's Presidential Action

Today, President Bush Delivered Remarks On Energy Policy In West Point, Virginia, At A Production Facility For Biodiesel. The President stressed the need to promote greater energy independence through the use of renewable energy sources like biodiesel and ethanol and new technologies like clean diesel.

- **The President Has Called On The Senate To Pass An Energy Bill To Reduce Our Dependence On Foreign Sources Of Energy, And Fuel Our Growing Economy.** Since taking office, the President has stressed the need for a fiscally responsible energy bill that will increase domestic production, diversify our energy supply, modernize our energy infrastructure, and improve energy efficiency and conservation.

Background: Moving Towards Greater Energy Independence Through Biodiesel And Clean Diesel Technologies

Homegrown Energy Sources Like Biodiesel Can Improve Our Energy Security. Farm products and food waste like soybeans and recycled cooking grease can produce biodiesel, a clean-burning automotive fuel. Biodiesel delivers economic benefits by supporting American farmers, not foreign oil producers, and it produces less pollution.

- **Use Of Biodiesel Is Increasing.** In the last five years, sales of biodiesel have jumped 60-fold to 30 million gallons per year. It is now the fuel of choice of 500 major automotive fleets including the Department of Defense and the State of Virginia.
- **Biodiesel And Ethanol Can Help Meet America's Fuel Needs.** A recent study by Oak Ridge National Laboratory projected that biofuels, such as biodiesel and ethanol, could eventually meet about 30 percent of America's transportation fuel needs. Biodiesel can be used blended in any amount in standard diesel engines with no modifications, and ethanol made from corn and other farm materials can be mixed with gasoline to produce an efficient, clean burning fuel.

President Bush's Policies Encourage The Use Of Renewable Fuels Like Biodiesel And Ethanol.

- **The President Approved Tax Credits For Biodiesel And Ethanol.** President Bush signed into law a 50-cent-per-gallon tax credit for producers of biodiesel. He also signed into law a bill that extended federal tax credits for ethanol through 2007.
- **President Bush Also Supports A Flexible, Cost Effective Renewable Fuel Standard.** A national Renewable Fuel Standard will expand the use of biodiesel and ethanol, creating new markets for farm products and greater energy security. Advanced technologies under development could make it possible to produce renewable ethanol from agricultural and industrial waste at a cost competitive with today's gas prices.

Hybrid And Clean Diesel Vehicles Can Reduce Our Demand For Foreign Oil. Energy efficient hybrid and clean diesel vehicles offer the same features consumers desire, but travel much further on a gallon of fuel than conventional vehicles.

- **The President Has Proposed Extending Tax Credits To Clean Diesel Vehicles.** The President's 2006 Budget includes \$2.5 billion over 10 years in tax incentives to consumers for the purchase of hybrid cars and trucks, and as proposed by the President in April, clean diesel vehicles.
- **New Clean Diesel Rules Will Reduce Pollution.** The Bush Administration's Clean Diesel rules will reduce air pollution from diesel engines by more than 90 percent, and reduce the sulfur content of diesel fuel by more than 95 percent, helping all Americans breathe easier.