

Use of Incentives to Commercialize Biofuels and Support Evolving Technologies

Incentives must be tailored to fit intended goals

- Commercialization vs R&D
- In-state vs out-of-state production

Project scale reflects the commercial/R&D dichotomy

Types of incentives and their possible applicability

- Tradable credit programs like LCFS can be very effective, but must be well thought out and consistently administered
- Grants target specific goals and are especially helpful with evolving technologies
- Loans, rebates, and tax credits help sustainability
- Private capital is an essential component of every incentive

Using fuel ethanol as an example:

- LCFS has been very successful but there are worrisome trends
- Grants can help with alternative feed stock and co-product issues
- Loans, rebates and tax credits can help commercialize low-carbon projects and match incentives offered by other jurisdictions