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 feedstock and co-product issues
  – Loans, rebates and tax credits can help commercialize low-carbon projects and match incentives offered by other jurisdictions