



West Coast Collaborative **Agriculture Workgroup**

February 13, 2006 Teleconference Meeting Summary

The Agriculture Workgroup met by teleconference on February 13, 2006. This was a regularly scheduled meeting to highlight grants and conferences, update Collaborative activities, and discuss federal budget news.

Peter Murchie, EPA Region 10 and Collaborative co-lead, introduced Lynn Kuo who has taken over for Michelle Roos while Michelle is on a leave of absence. Lynn can be contacted at kuo.lynn@epa.gov or 415-972-3501.

Grants and Conferences

Collaborative Diesel Emissions Reductions RFP

Deadline: March 23, 2006

EPA Regions 9 and 10 are currently soliciting proposals to fund approximately \$3 million in projects that will demonstrate new, innovative or experimental applications, technologies, methods or approaches to reducing diesel emissions as part of the West Coast Collaborative. Projects must fall under one of six categories, including: trucking, marine vessels and ports, construction and distributed generation, locomotives and rail, agriculture, and cleaner fuels. EPA Regions 9 and 10 anticipate awarding approximately 6 to 12 grants or cooperative agreements ranging in size from \$50,000 up to \$500,000. On Monday, February 6, a question and answer session was held. For more information, visit <http://yosemite.epa.gov/R10/AIRPAGE.NSF/grants/WCC+RFP>.

Approximately \$500,000 is designated for agricultural specific projects and another approximately \$500,000 for cleaner fuels, including biofuels. Under the Agriculture category – which includes vehicles (on- and off-road) or equipment (irrigation pumps, generators, heaters, etc.) used on agricultural land and farm buildings – the Agency encourages proposals that demonstrate:

- how new and innovative techniques and methods, clean, renewable vehicle fuel from agricultural sources (such as bio-methane from manure and biodiesel from crops) can be used to replace diesel fuel on or near farms;
- the environmental effectiveness of retrofitting or replacing older agriculture engines using new or innovative technologies; and/or
- the environmental and economic benefits of using experimental or unique approaches to reducing emissions from goods movement activities to and/or from agricultural lands.

Last year there were 50 proposals for approximately half the available funding; EPA anticipates receiving up to 100 proposals this year.

USDA Businesses Emphasizing Renewables

Deadline: March 31, 2006

The U.S. Department of Agriculture (USDA) announced that it will provide more than \$19 million in grants to support renewable energy projects and the development of value-added agricultural business ventures. Grants may be used for planning activities and for working capital for marketing value-added agricultural products and for farm-based renewable energy. Eligible applicants are independent producers, farmer and rancher cooperatives, agricultural producer groups, and majority-controlled producer-based business ventures. Per the announcement, "eligible applicants are independent producers, farmer and rancher cooperatives, agricultural producer groups, and majority-controlled producer-based business ventures."

For more information about the program, contact your State Rural Development Office to obtain additional information and assistance or visit:

<http://www.rurdev.usda.gov/rbs/coops/vadg.htm>

USDA Conservation Innovation Grants (CIG)

Deadline: March 20, 2006

Conservation Innovation Grants (CIG) is a voluntary program intended to stimulate the development and adoption of innovative conservation approaches and technologies while leveraging Federal investment in environmental enhancement and protection, in conjunction with agricultural production. Under CIG, Environmental Quality Incentives Program funds are used to award competitive grants to non-Federal governmental or non-governmental organizations, Tribes, or individuals. CIG enables the Natural Resource Conservation Service (NRCS) to work with other public and private entities to accelerate technology transfer and adoption of promising technologies and approaches to address some of the Nation's most pressing natural resource concerns. CIG will benefit agricultural producers by providing more options for environmental enhancement and compliance with Federal, State, and local regulations. NRCS administers CIG.

CIG has two competitions available in fiscal year 2006 -National and State. The announcement for program funding for the National competition is available below. Each State administering a CIG competition will announce funding availability through separate requests for proposals:

- **Natural Resource Concerns component**--Up to \$10 million available for proposals addressing one or more of the CIG natural resource concerns. This component was also offered in 2004 and 2005.
- **Technology component**--Up to \$5 million available for proposals addressing one or more of the CIG technology or approach categories. This component is new in 2006.
- **Chesapeake Bay Watershed component**--Up to \$5 million available for proposals addressing one or more of the CIG natural resource concerns in the Chesapeake Bay watershed. This component was also offered in 2005.

For more information, visit <http://www.nrcs.usda.gov/programs/cig/index.html>.

Biodiesel Finance and Investment Summit will convene leading project developers, investors, lenders, EPC contractors, and others in the biodiesel finance and investment community to share their perspectives on what it takes to achieve successful biodiesel financing in 2006 and beyond. New York City, February 27-28, 2006. <http://www.infocastinc.com/biodiesel.html>

The *Harvesting Clean Energy Conference VI* is the Pacific Northwest's premiere event bringing together the agriculture and energy industries. Rural landowners, business leaders, agency staff and researchers gather to advance opportunities for agricultural producers and rural communities to profitably diversify into clean energy production and other bio-product markets. Spokane WA, February 27-28, 2006. <http://www.harvestcleanenergy.org/conference/index.html>

Finally, EPA's National Clean Diesel Campaign (<http://www.epa.gov/cleandiesel/>) wants to explore a nationally focused agriculture group. EPA is beginning to work with USDA, the Agriculture Clean Air Task Force, and other partners to determine the best way to develop a national meeting for the agricultural sector.

National Biodiesel Conference and Expo Report Out

Last week in San Diego the four-day National Biodiesel Conference and Expo had more than 40 sessions covering topics such as fuel quality standards, federal and state legislation updates, European marketing strategies, trends in BioHeat and opportunities in agricultural uses of biodiesel. Dana Warn, EPA Region 10, gave a brief summary of the conference.

Some of the notable highlights included:

- An increase in conference participation from 400 people in 2003 to 2,000 in 2006
- Biodiesel fuel production tripled from 25 million gallons in 2004 to 75 million gallons in 2005
- A session on biodiesel in California focused on concerns with NOx emissions
 - a new report from the Army suggests NOx emissions may not increase in biodiesel as previously thought
 - Texas (which has similar ozone problems as California) is supporting research into biodiesel additives to reduce NOx
 - some other research suggests NOx emission increases are engine specific
- OEMs currently recommend B5 because it meets existing ASTM standards; however, the National Biodiesel Board is trying to develop a statement supporting B20. There were no official announcements or timelines detailed at the conference.
- Some conference information should be posted on the website www.biodiesel.org

President's FY 2007 Budget Request

On February 6, 2006 the President announced his proposed FY07 budget. The President's budget included \$50 million for the Clean Diesel Initiative, also known as the National Clean Diesel Campaign, in which the West Coast Collaborative is a significant participant. The \$50 million, which includes Clean School Bus USA, SmartWay, and diesel retrofit grants, is a \$35 million increase from last year. Overall, there was a 4% decrease in the EPA budget, so the increase in diesel funding is especially notable. The diesel mitigation program is a highlight nationally and the West Coast Collaborative has been an important part of the momentum nationally.

The West Coast Collaborative has received a large portion of the national funds – the current \$3 million RFP represents 60% of FY 06's national diesel retrofit funding.

Success on the West Coast is fostering similar efforts in other regions. Consequently, the West Coast Collaborative may not get as high a percentage of the national funding, but we hope to receive an increase in funding overall.

EPA also recognizes that some Collaborative partners may have concerns with other aspects of the budget; in particular the President's budget includes a \$35 million decrease in state funding. Of the \$35 million decrease, approximately \$17 million is reduced from PM fine monitoring network funding, \$17 million is reduced from 105 monies, and a smaller reduction comes from regional air partnerships. All those in the Collaborative believe and hope that state and diesel priorities can both be funded.

USDA also communicated some of the highlights from their FY07 budget. For example, USDA's core investment in energy-related projects increased to \$85 million from \$67 million in 2006. This funding includes resources to support renewable energy research and demonstration projects and additional efforts to support energy development and transmission across public lands. In addition, the budget provides in excess of \$250 million each year in fiscal years 2006 and 2007 for renewable energy and energy efficiency projects through Rural Development's loan and grants programs.

This FY07 proposed budget now goes to Congress for the appropriations process. For more information, visit: <http://www.westcoastcollaborative.org/congress.htm>.

Attendees

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