Some policy confusions about carbon and biomass energy

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• Biomass as a renewable energy resource

• Issues related to carbon emissions
  – Wood as bioenergy
  – Corn bioenergy and land use change
Wood as Bioenergy: how to treat carbon emissions

• Emissions an environmental “bad.”
• Sequestration and environmental “good.”
• General Rule should be: penalize emissions, reward sequestration.
• So, emissions from fossil fuels should be penalized (e.g., taxed)
• How about biomass (wood)? Yes, it should be taxed too but only if it is rewarded, e.g., subsidized in sequestration.
• What is the difference?
• **Renewability.** US forest Stock
Bioenergy and Land Use: corn ethanol

• Up to 40% corn used for energy
• Drives up prices, reduces exports
• Results in pressures for land use changes abroad (destruction of forest) to obtain new agr. land
• Broader argument to agr. lands generally: using high productivity agr. lands for energy will cause land use changes abroad
• Solution: use marginal lands for biomass
• Estimated 1 million hectares available in the US
• Using non-grain biomass could produce the requisite ethanol without grain.