

# Prepared Remarks

## Lt. Governor Patty Judge

### Iowa Renewable Fuels Summit

### January 31, 2008

Good Morning, and thank you Bill for the introduction. Its good to see you again and it's great to be here at the 2<sup>nd</sup> Annual Iowa Renewable Fuels Summit.

Governor Culver sends his apologies that he can't attend today, but a last minute change in schedule meant he couldn't be here.

In fact, he was called to Virginia, where he is currently meeting with Congressional Leaders, including Speaker Pelosi – about the new federal stimulus package.

And though he wishes he could be here, I am glad that he is there, because he is hard at work making sure that any federal economic aid protects our interests and is good for Iowa.

So, he sends his regrets, but asked me to come in his place and express both his and my appreciation for the hard work the Iowa Renewable Fuels Association has done to move Iowa forward.

And I also want to take a moment to say a special word about your Executive Director, Monte Shaw. Monte, as secretary of Agriculture, you and I worked side by side to help promote the renewable fuels industry. You were a great leader then, and you are a great leader today. I am honored that I still get to work with you as Lt. Governor, and continuing our partnership into the future.

Please join me in congratulating Monte for all his hard work as director of this organization.

Today is a great day to live in Iowa. Our economy is strong. Iowans are working in record numbers. Our state reserves have more money in them than any other time in Iowa's history - nearly 600 Million dollars. Our urban centers are experiencing unprecedented growth. And in rural Iowa, communities that were a decade ago struggling to survive are once again thriving.

At a time when the rest of the country teeters of the edge of a recession, Iowa has bucked the trend. We are moving in the right direction and our economy is solid.

And the reason for our strength is in large part due to Iowa's Renewable Fuels Industry. Ethanol and biodiesel have had a tremendous impact upon our economy.

In recent years, this industry has added more than \$8 billion dollars to Iowa's economy, and created or retained more than 53,000 jobs.

And the best part is it is having a direct impact on those closest to the land, our farmers. Land prices are at an all time high, and commodity prices are reaching unheard of levels.

Now, this didn't happen overnight. It took the hard work of many dedicated individuals and organizations – farmers, entrepreneurs, businesses, and politicians – to get to this position. And as a farmer myself, and the former Secretary of Agriculture, I had a front row seat to it all.

I spent many years on the front lines along with many of you fighting to educate Iowans to embrace and accept the powerful potential of renewable energy for our communities.

I traveled the state visiting with businesses and civic organizations to promote a new product called “ethanol” that could power a car on fuel made from corn. Many people dismissed the idea as silly, and I can tell you those were lonely days traveling around Iowa.

But today, every Iowan has come to realize the awesome impact of biofuels on our state.

We are the nation's leader in renewable fuels.

There are more than 28 ethanol refineries in Iowa, producing over 2 billion gallons annually, making Iowa the leader in Ethanol production. And with 18 ethanol biorefineries under construction or planning to expand, we will soon be able to produce another 1.6 billion gallons.

And we are the second leading producer of bio-diesel, with 16 biodiesel refineries capable of producing over 350 million gallons a year.

Iowa is leading the nation and the world in a Biofuels revolution. And as a result, we are now in the middle of heated debate that stretches from Des Moines to Dublin, from Burlington to Beijing.

For the last several months, many articles have been written panning renewables such as ethanol and biodiesel.

Questions have surfaced about the efficiency of using food stuff for fuel.

Is the energy derived from the process worth the energy spent to produce it?

Is it morally right to use food for fuel?

Is increased crop production to serve the biofuels industry going to have a long term negative effect on our soil, our water and air?

I have recently traveled overseas both to Japan and to Europe, and those questions along with questions about the resulting higher food prices from a competitive market were on the minds of the businesses and the government officials with whom I met.

These questions are legitimate – and as a state committed to renewable energy from the crops grown from our rich soil, we must answer them.

But, I am proud to say that we took a giant step towards finding the right answers earlier this year with the creation of the Iowa Power Fund and the Office of Energy Independence last year.

This \$100 million dollar, four year investment will help us discover the next generation of renewable energy.

By focusing on research and development, Iowa will be in the forefront of the green energy revolution for years to come.

We will discover new and better ways to use our crops, and how to use them more efficiently.

And just as important, our new Office of Energy Independence, which the Power Fund Legislation created, is taking the step towards making Iowa energy efficient.

Under the Direction of Roya Stanley and along with my friend and Power Board Member Lucy Norton and the entire Iowa Power Fund Board, this office will take the steps needed to make Iowa one of the first state's in the nation to declare itself free from foreign oil.

The Power Fund and the Office of Energy Independence are open and ready for business, and we look forward to the new and innovative ideas they will discover.

Creating the Power Fund and this new state agency were not easy. The Governor and I knew it would take a lot of hard work.

But as we began to work with the legislature, we knew we could always count on the support of the Iowa Renewable Fuels Association.

Your help and support were vital to making this program a reality. You made the phone calls to legislators. You wrote the letters to the editor. And you talked with Iowans about the need for this fund.

So, on behalf of Governor Culver, and the entire Culver/Judge Team, I am here today in part to say thank you for all your hard work.

But now the question is, what do we do now?

Well, Iowa must be ready to meet the challenges of a growing bio-economy.

And I'm here to tell you, there will be challenges.

In fact, we are already seeing some of these problems develop.

There is an old adage that says “Be careful for what you wish for.”

Well, for years, we have worked so hard to make Iowa the Biofuels leader.

But this tremendous growth has also raised the price of corn and soybeans, meaning bio-refineries are struggling to remain profitable.

And in some instances, biodiesel refineries have had to shut their doors because of the high cost of beans.

This is a real problem, and one that we must address. Those who invested in these businesses were there for us when we needed them to help grow this industry, and now we must return the favor.

We must find a comprehensive solution, and I’m proud to say this work has already begun.

First of all, we must continue to meet our commitments to the Iowa Power Fund.

Last year, we initiated this fund with a \$25 million dollar investment, and this year must make the second deposit. That is why our budget commits another \$25 million dollars.

The fund will help our producers by supporting the discovery of the next generation of Biofuels production. It is time to look past the corn kernel or the soy bean to new and different ways to make renewable energy.

For example, using switchgrass or corn stover to make ethanol instead of the kernel, will relieve the market pressure on corn for fuel production. This will help reduce the costs for producers and make refining ethanol more cost efficient.

However, this is a tight budget year, and there will be considerable pressure in the legislature to use this money for other purposes. There is no guarantee the full amount we want to spend will be in the final budget presented to our office this Spring.

So, today I am asking you to call your legislator and tell them to support our continued commitment to renewable energy and to our economy.

But the Power Fund is only one piece of the puzzle.

We must also look to Congress for help, and last month, thanks to the work of our good friends in Washington Senator Harkin and Senator Grassley, the federal government delivered.

The new federal energy bill expands the original 2005 Renewable Fuels Standard to 36 billion gallons of ethanol and biodiesel by 2022, which will speed consumption and provide new incentives for Biofuels producers.

In addition, this piece of legislation will take the first steps towards removing delivery barriers.

It calls for a study to look into building a pipeline from where ethanol is produced, like Iowa and the upper Midwest – to where it can be used in larger markets on the coasts. This will reduce shipping costs while meeting the growing demand.

And when combined with the new Farm Bill, which is also working its way through congress, we will be able to provide even greater financial incentives to those who wish to invest in Biofuels production.

The Governor and I are hard at work right now to make sure these measures are addressed. In fact, while the Governor is talking about the economic stimulus package, he is also visiting with our representatives about protecting our Biofuels industry.

But we can't do it alone, and I urge you to call your Congressman and your Senators and tell them to make sure these two important pieces of legislation protect the interests of our state.

Because we know these steps are good not only for our farmers and our Biofuels producers, but they are good for Iowans, and good for every single American!

Iowa's renewable fuels industry has transformed our state.

No longer do Iowans and Americans see corn and beans when they look upon our fields – Now they see unlimited raw energy.

Ethanol and Biodiesel has revolutionized the way American's have seen their energy future, and it all began here in Iowa, with the help of all of you.

The Governor and I are committed to working with you in the coming months and years, to ensure Iowa builds upon the progress we have already made.

I ask that you join with us, and by working together, I am confident Iowa's future will continue to shine bright for generations to come.

Thank you.