

2024 POLICY GUIDES

State Energy Policy

Issue

While the state looks to continue to recruit new businesses, the federal government pushes policies to incent use of electric vehicles, and demand for energy is growing exponentially due to the information technology (IT) age, Nebraska must pursue new avenues to boost electricity generation. Policy is needed in this space to ensure NEFB can adequately advocate for our farm and ranch members.

Background

Agriculture is Nebraska's No. 1 industry. Fuel accounts for approximately 2.3% of total farm production expenditures in Nebraska. Additional agricultural energy is expended indirectly by activities like transporting seed, feed, and fertilizer to farms and ranches, and transporting livestock, wheat, and corn to markets. A large amount of energy is also used to manufacture farm inputs such as nitrogen fertilizer and pesticides and processing livestock feeds.

The agriculture sector represents an existing and potential source of energy for Nebraska. Biofuels, particularly ethanol, have and will continue to significantly decrease the nation's reliance on foreign sources of energy for our transportation needs. Renewable natural gas could be an untapped source of energy in Nebraska's livestock industry.

Our state's electric power sector consists of facilities that generate electricity primarily for use by the public. Approximately 58% of the electric power energy feedstocks came from coal. The next most used fuels are nuclear (19%), wind (17%), hydroelectric (3%), and natural gas (3%). Minor amounts come from wood and waste, solar, and petroleum.

Generally, supplies of these fuel types have been readily available to the state's electric utilities. Most utilities are members of the Southwest Power Pool (SPP), a regional transmission organization that oversees the electric grid in all or parts of 14 states stretching from north Texas to North Dakota. Within that area, SPP balances electric supply and demand (load-balancing) to ensure that there is sufficient generation to meet current demand and to maintain adequate power reserves.

Few areas are changing as rapidly as our energy supplies and related demand. Energy production continues to shift as businesses, such as tech companies and other large energy users, commit to using 100% renewable energy. In addition to renewable energy, there are also technological advancements and updated energy regulations the energy industry needs to consider.

Meeting future energy demands may be more challenging. The servers that host all the data on the internet require enormous amounts of energy. Today, there are around 30 billion internet-connected devices in the world. As we rely on the internet to process, use, and store more data, the power it uses is increasing. Experts estimate that by next year, the IT industry could use 20% of all electricity produced in the world.

Farm Bureau Policy

Excerpts from our policy for energy and infrastructure are as follows.

- The state and federal governments and the Nebraska Farm Bureau should work to develop and use alternative sources of energy, including ethanol, soy diesel, hydrogen, wind, hydropower, solar, methane, low pressure steam, and nuclear to supplement the present supply of petroleum.
- We support net billing using avoided costs to pay for electric generation. We believe the use of alternative energies should fit within a comprehensive framework tied to goals and objectives developed by the state.
- We support the use of coal in the production of electricity and oppose additional restrictions on its use in electricity production. While we support and encourage the development of alternative renewable energies, we oppose the creation of a state renewable energy standard mandating a certain percentage of electricity produced from renewable sources.
- We oppose terminating the production of internal combustion power units.
- We believe the development of energy infrastructure, including pipelines, is in the national interest to assure adequate energy supplies provided measures are in place to assure pipeline safety and protect our natural resources.
- We support development of carbon infrastructure and pipelines.
- If rolling blackouts are necessary, we favor having a limit of two hours per meter per 24-hour period to reduce negative consequences.
- We believe Nebraska should continue to support renewable fuel production and develop programs to maintain and grow a viable industry into the future.
- We should protect the interests of Nebraskans while supporting wind and solar development opportunities.

Questions

- Should we be concerned about the state's ability to provide the energy necessary to power Nebraska's largest industry and the rest of the state? Does our existing policy sufficiently address this issue?
- Food security is a matter of human health and national security. Should the state develop priorities for how we generate and distribute energy in emergency situations?
- Will future energy generation be enough to ensure our agricultural economy can thrive?
- Are there measures the state must put in place to ensure we can always power as much of our state as possible?