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U.S. and China Increase Biofuels Cooperation Ahead of the Third U.S. – China Strategic Economic Dialogue

Marks Third U.S. –China Agreement to Advance Energy Security Reached This Year

BEIJING, CHINA – The U.S. Departments of Energy (DOE) and Agriculture (USDA) and China’s National Development and Reform Commission (NDRC) agreed to strengthen and expand cooperation on biofuels production and use, ahead of the third U.S. – China Strategic Economic Dialogue set to open in Grand Epoch City on Wednesday. This MOU promotes energy security interests between the two countries with the ultimate goal of significantly reducing fossil fuel consumption by increasing the use of clean, renewable fuels such as those derived from biomass. Representing the United States at a signing ceremony in Beijing on Tuesday, U.S. Deputy Secretary of Energy Clay Sell signed the MOU with NDRC Vice Chairman Zhang Xiaoqiang.

“As the two largest energy consumers and automobile markets in the world, we are eager to strengthen cooperation with China to increase the use of renewable and alternative fuels to power our nation’s vehicles,” Deputy Secretary of Energy Clay Sell said following the signing ceremony. “The United States and China face similar challenges to meet rapidly increasing energy demand and through our joint efforts, we are partnering to maximize our nation’s resources and expertise as well as increase energy security, confront climate change and promote economic growth.”

To help achieve the President’s goals and to harness each nation’s expertise, this MOU specifically encourages cooperation in biomass and feedstock production and sustainability; conversion technology and engineering; bio-based product development and utilization standards; and rural and agricultural development strategies. China, the world’s third largest ethanol producer behind the U.S. and Brazil, is the first Asian country to sign a biofuels agreement with the United States to accelerate the development of second generation biofuels.

“As our economies continue to expand, the development of fuels that use biomass resources both in the U.S. and in China is an important way to promote the agricultural sector as well as support rural development,” Acting U.S. Secretary of Agriculture Chuck Conner said. “This agreement furthers our cooperation to expand the development and use of clean energy technologies and seeks to maximize each nation’s resources and expertise.”

Increasing the use of biofuels, particularly the production of ethanol from cellulosic feedstock, has been of particular interest to the United States to help meet growing demand for energy. Earlier this year, President Bush announced his Twenty in Ten Plan, which seeks to reduce U.S. gasoline consumption by 20 percent in ten years through increased production of renewable and alternative fuels and increased efficiency in our transportation sector.

The U.S. is the largest consumer and producer of vehicles in the world. In 2006, China became second largest consumer of, and the third largest producer of, vehicles in the world. China currently has approximately 31 million passenger cars on the road and China is projected to have approximately 200 million passenger cars on the road in 20 years.

“This biofuels agreement with China builds on our work with Brazil, the International Biofuels Forum, and the G8 Global Biofuels Energy Partnership to accelerate and intensify our global cooperation around the development and deployment of biofuels to meet the world’s growing appetite for clean, reliable and affordable sources of energy,” U.S. Department of State Under Secretary for Economic, Energy and Agricultural Affairs Reuben Jeffrey said.

As part of the United States’ broader effort to work with its international partners to expand the development and use of clean, efficient and affordable energy technologies, today’s announcement follows two bilateral agreements signed in September between DOE and China’s NDRC. The first MOU signed by DOE and China’s Ministry of Science and Technology aims to promote large-scale deployment of next-generation efficiency vehicle technologies in the U.S. and China (to view agreement, access: <http://energy.gov/print/5518.htm>), specifically focusing on electric, hybrid-electric, fuel cell, and alternative fuel technologies. The second MOU signed in September by DOE and China’s NDRC aims to significantly increase cooperation and energy efficiency in China’s industrial sector, which accounts for 70 percent of the country’s total energy demand. Building on DOE’s Save Energy Now assessment program that in 2006 identified potential energy cost savings of more than \$585 million and 60 trillion btu per year, DOE will conduct on-site plant audits of the production process and plant energy systems for up to twelve facilities from “The Top 1000” energy enterprises in China (to view agreement, access: <http://energy.gov/print/5495.htm>).

To view a copy of the MOU, visit: www.eere.energy.gov.

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