

# A BURSTING BUBBLE: WHAT THE RECENT PROBLEMS IN THE GEORGIA BIOFUEL INDUSTRY MEAN FOR WATER RESOURCES RESEARCH AND PLANNING

Jason Evans<sup>1</sup> and Dina Abdulhadi<sup>2</sup>

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AUTHORS: <sup>1</sup>Carl Vinson Institute of Government, Environmental Policy Program; <sup>2</sup>Odum School of Ecology, University of Georgia, Athens, GA.

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**Abstract.** The 2007 Energy Independence and Security Act (EISA) is a federal law that mandates an approximately 4-fold increase in the consumption of liquid biofuels in the United States by 2022. Georgia has been widely viewed as a potential hotspot for near-term development of a new biofuel industry to help meet these demands, including through first generation fuels such as corn ethanol and biodiesel, but more importantly with large-scale production of cellulosic ethanol and other advanced biofuels. While the biofuels industry has been viewed positively as a potential source of much-needed jobs and home-grown energy, it has also been viewed with some concern due to the uncertain – but potentially significant – water use and nutrient-loading implications of land use intensification. However, a number of recent shocks – including bankruptcies, plant closures, and abandonment of proposed projects – to major players among the biofuels industry in Georgia (and elsewhere) strongly suggest that the emergence of this sector in the State will be delayed significantly from what had been projected immediately after the passage of EISA. From a water resource perspective, this lull provides an important opportunity for basic research into water use and water quality impacts of major biomass feedstocks, integration of feedstock water demands into comprehensive watershed planning, and development of appropriate incentives for low input feedstock production.