Iowa Renewable Fuels Association

GREEN Team

Grassroots REnewable Energy Network

Newsletter for renewable fuels advocates

5505 NW 88th Street #100 • Johnston, IA USA 50131-2948 • 515-252-6249 • FAX 515-225-0781

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The Iowa Biodiesel Fuel Quality Standard

The Iowa Legislature is working to boost Iowa's economy and our Nation's security by enacting a **Biodiesel Fuel Quality Standard**. The legislation, this week, has passed the Senate Ways and Means Committee by a vote of 11 to 5 and will now go to the full Senate for debate. The **B5 Biodiesel Standard** would require a 5% blend of biodiesel in diesel fuels sold in Iowa.

We have reached a crucial time for the biodiesel industry. The potential for biodiesel in Iowa is great, but that success relies on your support. Together, we can make Iowa the nation's renewable energy leader. Your support of Iowa biodiesel is critical to the success of Iowa's economy.

By supporting a **B5 Standard**, you're not only supporting a renewable fuel that will help reduce America's dependence on foreign oil and help reduce environmental pollutants, you're supporting an industry that makes a significant contribution to Iowa's economy by expanding the economic base, generating income, supporting and sustaining green collar jobs and generating tax revenue.

We ask you to please visit our **Iowa Biodiesel Standard Legislative Action Center** on our website, and take the time to email or call your state senator or representative. You can visit this site at http://www.iowarfa.org/legalactioncenter.php.

This effort will not be successful without the help of Iowans who want to see a cleaner, greener, safer future. So whether you work at a biodiesel plant, are invested in a biodiesel plant, know the impact a biodiesel plant has had on your community, are tired of sending our money overseas for oil or if you just want to breath cleaner air, the time to have your voice heard is now.

The Food vs. Fuel Fight Continues

The so called Food vs. Fuel debate originated when the **Grocery Manufacturers Association**'s hired a multi-million dollar PR firm to launch a baseless attack using the ethanol industry as a scapegoat for rising food cost. **Senator Charles Grassley** continued to "Fuel the Truth" during an address to the Senate.

Charles Grassley

Senator Grassley stated that "the fact is, the ones responsible for the high cost of food are the companies whose names stare back at you on the grocery store shelves. And, they've never hidden their motives during this smear campaign. It was stated clearly at the time that the smear campaign was about 'protecting their bottom line.'

"Consumers are still seeing the impact of that pocket-lining by big food companies. While commodity prices have dropped by half since their highs last summer, food prices are still at record highs.

"Even the price of oil has dropped by $100 a barrel, yet food companies continue to keep prices high. You don't need to take my word for it.

"Grocery store chains are now fighting back. **Supervalu**, **Safeway** and **Wegmans** are just a few chains that are speaking publicly against the price increases pushed on them by **Kellogg's, General Mills, Kraft, Nestle** and others.

"An article in the Los Angeles Times on March 2 stated, 'One large grocery company operating in Southern California has seen the wholesale price for a carton of Kellogg's Corn Pops rise about 17 percent

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Algae-Based Biodiesel to be Mainstream by 2020

According to an article in the April Edition of **Biodeisel Magazine**, Houston-based biofuels analyst **Will Thurmond** has predicted that the first large-scale algae production destined for the **U.S. Department of Defense** will begin in 2011 and the first commercial-scale algae biodiesel production will start the following year.

During a recent webinar summarizing his soon-to-be published algae report entitled "Algae 2020: Next Generation Biofuels Markets and Commercialization Outlook," Thurmond comments on the algae-based biodiesel pilot and demonstration projects due to be launched in 2010, saying "It will be expensive at first."

"There is a lot of hype around algae," Thurmond admitted, but after discussion with experts and surveys of many companies, he projects algae production to begin scaling up to commercial levels between 2013 and 2015, with the cost dropping and market share rising and, by 2020, Thurmond expects algae to become a mainstream commodity for biodiesel, bio crude and ethanol.

Given its yield potential, algae is being seriously considered by the U.S. Department of Defense, he said in a review of market factors. "If Saudi Arabia stopped selling petroleum to the United States, the U.S. military, which is the largest single consumer of petroleum in the world, would be impacted."

A second major market driver is the European Union where more than 50 percent of all vehicles run on diesel. That compares with the United States where passenger vehicles overwhelming use gasoline, although the trucking and shipping industries rely upon diesel.

Iowa is part of this algae revolution with **Green Plains Renewable Energy**, a 50 million gallon ethanol plant in **Shenandoah, Iowa**, entering in a joint venture to commercialize algae production as part of its commitment to "next" generation biofuels.

Register Now

13th Annual Distillers Grains Symposium
April 22-23, 2009
Des Moines
http://www.distillersgrains.org/symposium/

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since June–despite a 52 percent plunge in corn prices from their peak that month.'

"The chief executive for Safeway was quoted as saying, 'It's disingenuous to consumers that all commodity costs are coming down, interest rates are coming down, everything is coming down, and the national brands are taking their prices up.'

"The chief executive for Supervalu described the situation as a 'battleground' with manufacturers right now over prices. I'm pleased to see others in the food supply chain call on these food producers to lower prices in light of the large drop in commodity prices."

Renewable Fuels Infrastructure Board Approves More Biofuels Grants

The **Renewable Fuels Infrastructure Board** recently approved 21 grants totaling $926,400 for E85 and biodiesel. The grants will enable the installation of 10 E85 dispensers, seven of which are blender pumps, seven biodiesel dispensers, three biodiesel terminals and one biodiesel tank wagon.

"The desire to offer a variety of cleaner-burning fuel choices to motorists remains strong," said **Lucy Norton, Managing Director of the Iowa Renewable Fuels Association (IRFA).** "We're extremely pleased with the number of retailers who have stepped up their offerings of E85, mid-level blends and biodiesel so Iowa can come closer to reaching its energy independence goals."

Following is a list of grant recipients:

Station	City	Type of Fuel
Heart of Iowa Coop	Gilbert	E85 Blender
The Corn Crib	Shelby	E85
The Corn Crib	Shelby	Biodiesel
Central States Petroleum	Council Bluffs	Biodiesel Tank Wagon
Bob's Farm Center	Conrad	Biodiesel Terminal
Hy-Vee Gas	Newton	E85
Green Plains Grain	Spencer	E85 Blender
Green Plains Grain	Spencer	Biodiesel
Green Plains Grain	Milford	E85 Blender
Waterloo Oil Company	Waterloo	B100 Terminal
Clarinda Coop Company	Clarinda	E85 Blender
Clarinda Coop Company	Clarinda	Biodiesel
Dyno Oil Company	Hartley	E85 Blender
Dyno Oil Company	Hartley	Biodiesel
Kum & Go	Des Moines	E85
Kum & Go	Des Moines	Biodiesel
Kum & Go	Tipton	Biodiesel
Kum & Go	Tipton	E85
First Cooperative Assoc.	Sioux Rapids	E85 Blender
First Cooperative Assoc.	Sioux Rapids	Biodiesel
C.W. Terminal Biodiesel	Ottumwa	Biodiesel Terminal

POET Joins Magellan Midstream Partners to Assess Dedicated Ethanol Pipeline

Magellan Midstream Partners, L.P. announced that it has signed a joint development agreement with **POET** to continue assessing the feasibility of constructing a dedicated ethanol pipeline. The proposed ethanol pipeline system would safely and efficiently deliver ethanol from the Midwest to distribution terminals in the northeastern United States.

"We are pleased POET has joined the team to explore the feasibility of constructing a renewable fuel pipeline system," said **Don Wellendorf, Magellan's president and chief executive officer**. "POET adds valuable experience as a leader in ethanol production, marketing and logistics to this project."

POET chief executive officer Jeff Broin said, "This agreement with Magellan is an important step in improving long-term transportation economics for our facilities and consumers. A project of this nature would provide benefits throughout the ethanol industry, agricultural community and the economy in general."

The proposed common carrier pipeline system would gather ethanol from production facilities in Iowa, South Dakota, Minnesota, Illinois, Indiana and Ohio to serve terminals in major Northeastern markets. The project, preliminarily estimated to cost in excess of $3.5 billion, would span approximately 1,700 miles and would take several years to complete.

Although there are many hurdles to overcome to make this ethanol pipeline project a reality, Magellan and POET are optimistic that the obvious need for a pipeline to deliver ethanol from the Midwest to distribution terminals in the northeastern US may lead to a viable and successful project.

Renewable Fuels Promotional Assistance

The Iowa Corn Promotions Board, Iowa Renewable Fuels Association & Iowa Soybean Association are teaming up to partner with retailers of E85 or Biodiesel for grand opening promotions!

Retailers are Eligible for up to $1000 in promotional advertising and materials!

Retailers are encouraged to contact Lucy Norton at lnorton@IowaRFA.org or call (515) 252-6249 at least 40 days prior to the planned grand opening.

IRFA Reminds Schools to Apply for $5,000 Worth of Grants

The **Iowa Renewable Fuels Association (IRFA)**, in November, announced the **Biodiesel Backer Award**, consisting of two $2,500 grants available to schools in Iowa. Schools are encouraged to apply for the grants by June 30, 2009. In order to be eligible for the grant, a school has to educate their community about biodiesel and incorporate biodiesel and renewable fuels into their school programming.

IRFA created the Biodiesel Backer Toolkit to help schools in this endeavor. The toolkit includes a variety of informational materials as well as communication tools that will assist schools in teaching their community about biodiesel. These include fact sheets, brochures, curriculum, PowerPoint presentations and a public service announcement. The Biodiesel Backer Toolkit can be found at www.iowarfa.org/educators.php.

Using biodiesel in your child's school bus fleet can help reduce greenhouse gas emissions, benefiting the environment and giving your children cleaner air to breath. Biodiesel is a cleaner burning fuel made from natural, renewable resources such as vegetable oil and animal fats. It is blended with petroleum diesel to create a biodiesel blend. Biodiesel is simple to use, biodegradable, non-toxic and free of sulfur; which is vital to protecting our children and our environment.

Biodiesel provides many environmental benefits. A 20% biodiesel blend reduces hydrocarbon emissions by 20%, carbon monoxide emissions by 11% and smog by up to 10%. In 2006, emissions reductions attributed to biodiesel use were equivalent to the removal of 350,000 passenger vehicles from America's roadways.

Iowa is the leading producer of biodiesel with 14 plants whose annual capacity is nearly 318 million gallons of biodiesel annually from products grown in the state. Encouraging your school to fill their buses with biodiesel is a step toward a healthier community, a cleaner environment and a more energy independent nation.

Grand Opening!

Clarinda Coop
520 S Schenck
Clarinda, IA 51632

April 3rd 11am-4pm
April 4th 9am-1pm

Free Food!

Great Prizes!

Valero Energy Has Winning Bid to Purchase VeraSun Plants

Valero Energy Corporation has announced that its bid to buy ethanol plants from **VeraSun Energy Corporation** has been accepted by the bankruptcy court overseeing the assets' auction.

In addition to the five plants and a sixth site under development in Valero's original bid, the bankruptcy court approved Valero's purchase of two additional ethanol plants from VeraSun. Together, the plants have an annual production capacity of 780 million gallons.

As North America's largest petroleum refining and marketing company, Valero is a leading buyer of ethanol for blending in its gasoline, and its purchase of the plants will give Valero a dedicated supply of ethanol.

The purchase of the plants in the original bid – in Charles City, Fort Dodge and Hartley, Iowa; Aurora, South Dakota; Welcome, Minnesota; and the site under development in Reynolds, Indiana – is expected to close on April 1. The purchase of the additional plants – in Albion, Nebraska and Albert City, Iowa – is expected to close shortly afterward, subject to regulatory approval. Valero plans to operate all of the plants through its subsidiaries.

"These are high-quality, relatively new assets in good locations for buying feedstocks," said **Valero Chairman and Chief Executive Officer Bill Klesse**. "We expect increases in the Renewable Fuels Standard to continue. We are also pleased to have such quality people join Valero."

New E85 Location

Agriland FS
425 Highway 1 & 92 North
Washinton, IA 52353
(319) 653-5423

Sunoco CEO Elsenhaus Urges NPRA to Support GHG Regulation

At the **National Petrochemical and Refiners Association's (NPRA)** annual meeting held in San Antonio on March 22-24, **Lynn Laverty Elsenhaus, CEO of Philadelphia-based Sunoco** argued that "the U.S. oil refining industry risks losing a voice in the climate change debate if it doesn't support regulation of greenhouse gases and give more support to expanding biofuels and other alternatives."

Elsenhaus said the industry must reach a common ground on climate change legislation and other thorny issues or risk losing its influence in policy proposals that could affect the industry's future. She suggested the industry back a carbon tax and "sizable" increase in the federal gas tax so the country can afford to maintain its roads and bridges.

"We need to be part of the solution rather than part of the problem," Elsenhaus said in her speech to the NRPA. The **president of the association, Charles Drevna**, agreed that the industry needs to reach a consensus before going forward in the climate change debate.

Arkansas Considers Biodiesel Standard

Arkansas Representative Tiffany Rogers has introduced a biodiesel standard in the state legislature based upon the existing Minnesota biodiesel standard.

This biodiesel standard will require all diesel fuel in the state of Arkansas to be blended with 5 percent biodiesel beginning January 1, 2010.

Rogers said **HB 1790** has been referred to the Joint Energy Committee and she has requested it be addressed by the end of March.

The bill would, according to Rogers, create 1,500 jobs at no cost to taxpayers. "HB 1790 is good for our economy, good for our environment and a good start to establishing our independence from foreign oil," Rogers said. "In short, it is good for all of Arkansas."