



Iowa Renewable Fuels Association

GREEN Team

Grassroots REnewable Energy Network

Newsletter for renewable fuels advocates

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Iowa Legislature Passes Renewable Fuels Legislation

The **Iowa Legislature** recently completed work on comprehensive renewable fuels legislation that boosts E15 sales and biodiesel producers. The **Iowa Senate** passed the bill by a vote of 48 to 1. The Iowa House passed the bill, SF 531, on a vote of 81 to 13. The bill now heads to **Governor Terry Branstad**.

Included in the bill was a new 3 cent per gallon retailer tax credit for E15 sales. “This provision makes Iowa the leader in E15 public policy,” stated **IRFA Executive Director Monte Shaw**. “With final E15 approval expected from the EPA this summer, Iowa retailers will have an incentive to begin offering E15 on day one. E15 will be an option for Iowa motorists only if Iowa retailers choose to offer the higher blend. The E15 tax credit is an important tool for retailers looking to add lower cost E15 to their product mix.”

The bill also created a short-term production incentive for Iowa biodiesel producers. “The biodiesel industry is really going through a shaking out process right now,” added Shaw. “The states surrounding Iowa have taken aggressive steps to protect their biodiesel producers. This new production incentive will help Iowa biodiesel producers compete with neighboring states. Ramping up Iowa biodiesel production will create thousands of direct and indirect jobs.”

The bill contained a number of other provisions, including:

- Misfueling liability protection for retailers.
- An enhanced E85 retailer tax credit.

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Ethanol Saved Motorists \$800 in 2010 Without Ethanol, Gas Prices Would Rise Almost 92%

Blending ethanol with gasoline resulted in a savings of \$0.89 per wholesale gallon last year, according to a new study conducted by **Iowa State University** and the **University of Wisconsin**. The study also found that increased demand for ethanol lowered pump prices an average of \$0.25, or 16%, over the entire decade (2000-2010).



The impact of ethanol on gas prices in 2010 was even more dramatic due to rising oil prices and ethanol use capturing 10% of the total gasoline pool. Last year, ethanol reduced the American household's gasoline bill by more than \$800, according to the **Renewable Fuels Association**.

“The budget savings provided to motorists who purchase ethanol blends gives them more disposable income to spend on clothing and even mini vacations this summer to explore all that Iowa has to offer,” said **Lucy Norton, managing director of the Iowa Renewable Fuels Association (IRFA)**. “The really exciting finding of the recent study is that Midwesterners benefited the most from ethanol because last year they saved \$1.37 per gallon compared to the national average of \$0.89.” Iowans also have the advantage of additional tax revenues and household income that comes from being the largest ethanol-producing state in the country.

The study also noted that if ethanol was no longer available, gas price increases would be of historic proportions, rising by as much as 92%.

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- An extension of the biodiesel retailer tax credit for blends of B5 and higher.
- \$3 million in annual funding for Iowa's Renewable Fuel Infrastructure Program (which provides grants for installation of blender, E85 and biodiesel dispensers as well as biodiesel terminal infrastructure)
- Modifications to Iowa's 25% Iowa renewable fuels standard and ethanol tax credit.
- Codifying the ASTM fuel specification for biodiesel blends between 6 and 20 percent.

Food Distribution Company to Use Biodiesel

Instead of food versus fuel, this time it's food working with biofuels. Illinois-based food distribution giant **U.S. Foodservice** has announced the acquisition of **WVO Industries of Bluffton, S.C.**, a facility that turns used vegetable oil to fuel, and this article from **ThePacker.com** says the company plans to use the biodiesel to fuel their food distribution trucks at one of their divisions in South Carolina.



By late 2011 U.S. Foodservice officials hope to be converting 5 million pounds of waste oil into 400,000 gallons of biodiesel feedstock annually. About 200,000 gallons would be used annually in fuel for the

division's trucks. The rest could be used for other divisions or as a supply source for outside companies.

"We expect to duplicate the success of the Columbia biodiesel operation at other U.S. Foodservice divisions to offer customers nationwide an opportunity to contribute to the sustainability of our environment by reducing dependence on petroleum and cutting greenhouse gas emissions," said **Michael Frank, vice president of operations excellence**.

In November 2009, U.S. Foodservice began running its 185 tractors and 210 trailers in Atlanta on B5, joining the company's Streator, Ill., and Plymouth, Minn. divisions burning the green fuel.

Biofuels Cited as Reducing Oil Imports

The **U.S. Energy Information Administration** released the full version of its **Annual Energy Outlook 2011 (AEO2011)** report on April 26. The report addresses energy markets and industries, including those related to renewable fuels.

Key findings of the report project that the U.S. will be less dependent on imported liquid fuels in the future. This is primarily attributed to increased domestic production of fuels—including biofuels—and greater fuel efficiency. According to information released by the EIA, total U.S. consumption of liquid fuels, including both fossil and biofuels, is expected to increase from approximately 18.8 million barrels per day in 2009 to 21.9 million barrels per day in 2035. "The import share, which reached 60 percent in 2005 and 2006 before falling to 51 percent in 2009, falls to 42 percent in 2035," said the EIA in a press release.

Regarding markets for biofuel, the EIA states that nearly all liquid biofuels are expected to be used in the transportation sector. "Biodiesel blended into diesel, E85 fuel, and ethanol blended into motor gasoline account for 54 percent of the growth in liquid fuel consumption from 2009 to 2035," said the report.

The AEO2011 also addresses biobased electricity production. "Biomass generating capacity grows from 7 gigawatts in 2009 to 20.2 gigawatts in 2035," states the report. "All the growth in biomass capacity occurs in the end-use sectors, mainly at biorefineries, where electricity generation capacity increases as a result of mandates in the federal RFS that require increased use of biofuels. No growth occurs in dedicated biomass generating capacity, because dedicated open-loop biomass plants remain too expensive to compete successfully with renewable capacity."

Cadillac Going Green with E85

Cadillac will offer a new, more powerful engine for the **2012 SRX**, featuring improved acceleration both from standstill and passing. The SRX will not only be more powerful but also environmentally friendly due to the addition of Flex Fuel capability. Owners can now use up to 85% ethanol blends (E85) in the new Cadillac model.



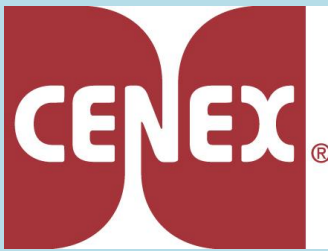
Litigation Resolved in the D.C. Circuit Court

On April 22, 2011, the U.S. Court of Appeals for the District of Columbia (D.C. Circuit) rejected a request for an **En Banc Rehearing of the Renewable Fuels Standard (RFS2)** litigation filed by the **National Petrochemical and Refiners Association (NPRA)** and the **American Petroleum Institute (API)**. This brings the D.C. Circuit's consideration of this matter to a favorable conclusion for the renewable fuels industry.

In December 2010, in a unanimous opinion by **Judge Rogers, from the D.C. Circuit**, the petition by NPRA and the API challenging the RFS2 regulations was denied in full. Joining in the decision were Circuit Judges Ginsburg and Garland.

Then in February 2011, NPRA and API filed a petition in the D.C. Circuit requesting an En Banc Rehearing of the litigation filed by the petroleum industry pertaining to the RFS2 final rule. In general, a petition for an En Banc Rehearing is a request for all the judges that comprise the D.C. Circuit to review a matter previously decided by a three-judge panel of the Court. Should NPRA and API choose to file a petition for certiorari in the Supreme Court, they have until July 21, 2011 to take action.

Grand Re-Opening!



Ampride

215 North Commercial
Eagle Grove

E10, E15, E30 & E85

May 13
10 a.m. – 4 p.m.

Fuel Discounts

Fuel Gift Cards courtesy of IRFA and Iowa Corn

New Blender Pump!

Lakeside Ampride
4040 S. Expressway
Council Bluffs

E20, E40 & E85

Iowa State Develops Renewable Fuels Plant Simulator

Researchers at **Iowa State University** have developed a simulator that allows replication of all the functions of biodiesel and ethanol plants.

According to the school, the **I-BOS (the Interactive Biorefinery Operations Simulator)** will help students in Iowa State's biorenewable resources and technology program learn about biofuel production, as well as helping the biofuel industry train employees.

"This could be the major component of a curriculum for teaching biofuels operators how to run a plant," **David Grewell, an associate professor of agricultural and biosystems engineering** said. "It's like a flight simulator for pilots."

And like a good flight simulator, the virtual control room is calibrated to match real-world performance. It's based on differential calculations that describe the fundamental transport phenomena and incorporate the principles of mass and energy conservation. The simulations also take into account more than 20 specific production attributes including moisture, starch content, contaminants, temperature and particle size. All the attributes change as biomass is converted into biofuel. And they can be changed by instructors, giving students experience with a variety of production conditions. The virtual control room is now written to simulate the operation of ethanol and biodiesel plants. It keeps track of energy consumption, production efficiency and fuel quality. It also features interactive video clips from real biofuel plants that give students a good look at the entire production process.

Grewell says the simulator will also help operators in case of an emergency at the plant.

Frontline and SGC Energia Form Partnership

Frontline BioEnergy and SGC Energia recently announced that the companies have completed a set of transactions that will bring new capital investment to Frontline, a gasification technology and project development firm based in Iowa.

The scope of these transactions includes an agreement for SGC



Energia to license Frontline gasification and gas conditioning technologies and a multi-year contract for Frontline to provide a range of engineering services to support SGC Energia.

Frontline is a leading developer and licensor of air and oxygen-blown, pressurized, bubbling fluid bed gasifiers, proprietary **PMFreeGas™** hot gas filtration and other gas conditioning technologies that are well suited for biomass and waste to energy projects. Frontline's range of applicability extends into advanced biofuels and bio-products.



In addition to supporting SGC's strategic initiatives, Frontline will continue to develop its own businesses of supplying gasification systems to bioenergy, Waste-to-Energy and advanced biofuels project developers as well as developing its own projects.

Ethanol Groups Welcome Bill Transforming Current Ethanol Tax Policy

The **American Coalition for Ethanol (ACE), Growth Energy, the National Corn Growers Association (NCGA), and the Renewable Fuels Association (RFA)** praised the legislation offered by a bipartisan group of senators, led by **Iowa Senator Chuck Grassley**, to responsibly transition and transform current ethanol tax policy. This legislation would decrease the current blender's credit, also known as **VEETC**, for a two-year period before transitioning to a tax credit that would adjust based on the price of oil. Importantly, this legislation would also improve upon current tax credits for the installation of blender pumps and ethanol fueling infrastructure. Additionally, the bill would extend tax credits for small ethanol producers as well as for advanced and cellulosic ethanol.

Original cosponsors of the **Domestic Energy Promotion Act of 2011** include: **Senator Kent Conrad (D-ND), Senator Mike Johanns (R-NE), Senator Amy Klobuchar (D-MN), Senator Al Franken (D-MN), Senator Tim Johnson (D-SD), Senator Tom Harkin (D-IA), and Senator Ben Nelson (D-NE).**

IEA Report Confirms Biofuels Can Enhance Energy Security While Reducing GHG Emissions

A recent report from the **International Energy Agency (IEA)** confirmed that sustainable biofuels could displace over a quarter of the world's transportation fuels by 2050.

The IEA report stated that, "by 2050, biofuels could provide 27% of total transport fuel" and "the projected use of biofuels could avoid around 2.1 gigatonnes of CO2 emissions per year when produced sustainably." According to **Bo Diczfalussy**, the **IEA's Director of Sustainable Energy Policy**, this means that biofuels "will eventually provide one fifth of emission reductions in the transport sector."

"This report reaffirmed the long-standing principle of the **Global Renewable Fuels Alliance (GRFA)** that through the development of new technology and refined industry practices, biofuels can help secure the world's energy future," said **GRFA spokesperson, Bliss Baker**. "The IEA has confirmed that biofuels can reduce GHG emissions and improve energy security without jeopardizing food security," added Baker.

The IEA's "Technology Roadmap: Biofuels for Transport" was compiled with help from representatives of government, industry, academia and non-governmental organizations. The GRFA agrees with and supports the IEA's key action that we must "create a stable and long-term policy framework so biofuels are able to attract increased investor attention, allowing for the sustainable expansion of biofuel production."

"The GRFA also endorses another key IEA action to guarantee funding and support so that advanced biofuel technologies can reach commercial production in the next 10 years and demonstrate their ability to achieve cost and sustainability targets," added Baker.

Scholarship Opportunity!

American Coalition for Ethanol

presents

\$1000 ACE Scholarship

http://www.ethanol.org/pdf/contentmgmt/ACE_Scholarship_Application.pdf