



Iowa Renewable Fuels Association

# GREEN Team

Grassroots RENEWABLE Energy Network

Newsletter for renewable fuels advocates

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## Branstad, Quinn Express Importance of Biofuels in Letter to House and Senate Leadership

Iowa Governor Terry Branstad, along with Illinois Governor Pat Quinn recently wrote to congressional leadership on the importance of biofuels to Iowa, Illinois, and the economy as a whole. Their letter stressed the importance of biofuels to rural development, job creation, environmental protection, and national security.

“We understand that the debate continues in the U.S. Congress regarding ethanol and biodiesel tax incentives. We recognize that, much like state governments, the Federal government is seeking ways to align spending with revenue. However, we believe that all energy subsidies should be examined holistically – both those for renewable energy and petroleum-based products. It is difficult for renewable fuels to compete in the marketplace when oil companies receive government subsidies.”

They stated that any decreases in federal spending should be shared and fairly distributed across all industries and regions. “If the ethanol and biodiesel tax incentives are to be reduced, such revisions should be done in a way that allows the biofuels industry to compete with petroleum-based fuels while continuing to support our nation’s security, trade balance, environmental and economic strength.”

They also encouraged the U.S. Congress to work with the Obama Administration to help the U.S. renewable fuels infrastructure. “We believe that through tax incentives, grants, and guaranteed loans, federal resources could help increase the number of fuel blender pumps and the build out of multi-use renewable fuel pipelines. Expansion of federal investment in these two areas would increase access to and demand for biofuels and continue to develop a vital and vibrant industry in the Midwest, enabling more Americans to benefit from biofuels.”



Gov. Terry Branstad



Gov. Pat Quinn

## Corn Ethanol is Not Driving up Food Prices, According to a New Study

There is no statistical evidence to support the argument that growth in ethanol production is driving consumer food prices higher, according to a recent study by **Informa Economics**. The report concludes that retail food prices are determined by a complex set of inter-related factors, including supply chain costs for energy, labor, transportation, packaging and other marketing related expenses. The study concludes that “the statistical evidence does not support a conclusion that there is a strict ‘food-versus-fuel’ tradeoff that is automatically driving consumer food prices higher. There has historically been very little relationship between annual changes in corn prices and consumer food prices. The corn price would be considered a statistically insignificant variable in determining what drives the food consumer price index.”

**Bruce Scherr, CEO and Chairman of Informa Economics** said, “Ethanol is not the only driver influencing corn prices, and corn prices have not been the only factor driving consumer food prices. Rather, there is a complex and interrelated set of factors that contribute to corn and food prices. Further, the farm share of the retail food dollar is relatively small. Increases in other marketing bill component prices are contributing to food price increases.”

**Renewable Fuels Association President and CEO Bob Dinneen** added, “Yet again, sound analysis has demonstrated that the farcical food-versus-fuel debate is just that – a joke. “Unfortunately, the effort to scapegoat ethanol in order to continue our addiction to imported oil is not funny. The fact remains that no statistical evidence exists demonstrating a significant link between ethanol, corn prices, and rising food costs.

For the complete study, [Click here](#).

## Commercial Scale Cellulosic Ethanol Plant Receives Conditional Loan Guarantee

**U.S. Energy Secretary Steven Chu** recently announced the offer of a conditional commitment for a \$105 million loan guarantee to support the development of one of the nation's first commercial-scale cellulosic ethanol plants. **Project LIBERTY**, owned by **POET, LLC**, will be located in **Emmetsburg, IA**. The plant will produce up to 25 million gallons of ethanol per year while generating approximately 200 jobs during construction and 40 permanent jobs at the plant upon completion. It will also bring approximately \$14 million in new revenue to area farmers.

"This project will help decrease our dependence on oil, create jobs and aid our transition to clean, renewable energy that is produced here at home. The innovations used in this project are another example of how we are seizing the opportunity to create new economic opportunities to win the clean energy future," said Secretary Chu.

**USDA Secretary Tom Vilsack** said, "Projects like this show that our investments in next generation biofuels are paying off. This project is an important step in the **Obama Administration's** effort to break our nation's unsustainable dependence on foreign oil and move toward a clean energy economy."

Project LIBERTY will use corncobs, leaves, and husks provided by local farmers to produce the ethanol. This plant will displace over 13.5 million gallons of gasoline annually and fulfill more than 25 percent of the projected 2013 Renewable Fuel Standard Requirement for biomass-based cellulosic ethanol.

## E85 Grand Openings:

**Wednesday July 20, 2011**

Kum & Go  
1301 8<sup>th</sup> Street  
West Des Moines, Iowa

*E85 for 85 Cents from 11am – 1 pm*

**Wednesday July 27, 2011**

Kum & Go  
1373 Pierce Street  
Sioux City, Iowa

*E85 for 85 Cents from 11am – 1 pm*

## Five Ethanol Myths, Busted

There are many common misconceptions surrounding ethanol - listed below are five. Click the link at the bottom to see the full article and the counterpoints of **Argonne National Laboratory**:

- 1: Ethanol requires more energy to make than it yields: *False*
- 2: Ethanol production reduces our food supply: *False*
- 3: Ethanol crops and production emit more greenhouse gases than gasoline: *False*
- 4: Ethanol requires too much water to produce: *False*
- 5: Cars get lower gas mileage with ethanol: *True: But fuel economy is offset by lower ethanol prices.*

[Ethanol Myths Link](#)

## Biodiesel Legislation Introduced in Senate and House

In June, legislation was introduced in the **U.S. Senate and House of Representatives** to extend and reform the biodiesel tax incentive. The **Biodiesel Tax Incentive Reform and Extension Act** would extend the \$1 per-gallon biodiesel tax incentive for three years, and restructure the credit from a blender's tax credit to a producer's tax credit.

The current tax legislation is set to expire at the end of the year and this new legislation as introduced would provide an extension of the credit through 2014.

On December 31, 2009, the tax incentive was allowed to lapse and legislation wasn't passed until December of 2010. During that time many biodiesel plants suffered. Jobs were lost, and overall production dropped to 315 million gallons. Since the credit was reinstated, 2011 biodiesel production has increased and the industry is on pace to produce over 800 million gallons this year.

"We are poised for a record year of production this year, and this bill would provide the market and investor certainty that the industry needs to continue building on that progress," said **Gary Haer, Chairman of the National Biodiesel Board and Vice President of Sales and Marketing for Renewable Energy Group®**. "It will help us create thousands of new jobs while improving the environment and displacing foreign oil with a renewable, low-carbon fuel that's produced in virtually every state in the country," Haer added.

## Renewable Fuels Infrastructure Board Accepting Grant Applications

The **Renewable Fuels Infrastructure Program** has been appropriated additional funding by the **Iowa Legislature**. The program, now managed by the **Iowa Department of Agriculture (IDALS)**, will receive \$3 million annually to assist with infrastructure expansion to provide motorists with more alternative, domestic fuel choices.

Iowa retailers may apply for cost-share grants to assist with the installation of biofuels infrastructure. Grants cover 70% of installation expenses for E85 and biodiesel dispensers and blender pumps up to a maximum of \$50,000. Grants up to \$100,000 are available to cover 50% of biodiesel terminal storage equipment for B99-B100. All grants are subject to approval by the Renewable Fuels Infrastructure Board. An application and resource materials are available on **IRFA's** website at [http://www.iowarfa.org/ethanol\\_values.php](http://www.iowarfa.org/ethanol_values.php).

Questions about the program should be directed to **Harold Hommes** with IDALS at 515-242-6237 or [harold.hommes@iowaagriculture.gov](mailto:harold.hommes@iowaagriculture.gov).

## SDSU Helping Ethanol Plant Efficiency

The **South Dakota State University (SDSU) Agriculture and Biosystems Engineering Department** is helping



to improve the efficiency of ethanol plants. They recently invested in small scale, corn milling and ethanol processing equipment to let ethanol plant managers test process adjustments in order to optimize efficiency.

“This small equipment allows them to test small adjustments and see how they work without the expense or risk associated with testing adjustments in a large ethanol plant,” said **Van Kelley, Agricultural and Biosystems Engineering Department Head**. “If adjustments aren’t made correctly at a plant processing 100,000 bushels of corn per day – it ends up being an extremely expensive mistake.”

SDSU recently hosted a two-day seminar for over 20 engineers and managers who got to try out the new equipment. They used the processing equipment to test many different operating parameters: moisture content, temperature, and time.

## Iowa Congressmen Ask Boehner, Pelosi for Common Sense on Renewable Fuels

Iowa Congressmen **Dave Loebsack, Leonard Boswell, Bruce Braley, Tom Latham, and Steve King** recently wrote a letter to **Speaker of the House John Boehner** and **Minority Leader Nancy Pelosi** asking for a long term, common sense approach to renewable fuels incentives. Below are excerpts from their letter:

“Ethanol has provided a good start while laying the groundwork for the development of a domestic biofuels industry. Biodiesel’s commercialization followed and other advanced biofuels are rapidly being developed. The recent votes in the Senate and House were short-sighted and failed to take into account well thought out proposals to reform the support structure for the ethanol industry and provide certainty to allow the biofuels industry to grow and mature further. Multiple reform proposals have been introduced in the Senate and legislation to reform biodiesel support was recently introduced in the House and Senate. These proposals represent common-sense measures to contribute to deficit reduction while continuing basic support for the biofuels industry and support expansion of alternative fuels infrastructure, which the President also supports.”

“However, many ill considered proposals have also been put forward. It is important to focus on ensuring common sense reforms are actually considered instead of short sighted political ploys which may actually harm the U.S. economy. There should also be recognition that biodiesel and ethanol, while both biofuels, are different and should be treated as such for purposes of considering reforms. A multi-year approach to reform, inclusive of all alternative fuels, will provide our domestic industries certainty and the ability to plan for the future – two goals which we hear about frequently from a range of businesses as being essential for them to make informed decisions on investments and hiring.”

## B100 Fuels British Sports Car

The new British-born **Trident Inceti** can travel up to 100 miles on a single gallon of fuel and up to 2,000 miles on a full tank. The company credits its outstanding fuel mileage on its patented technology



called torque multiplication. According to the company, this “flex-fuel” sports car can run on any blend of biodiesel including B100. The car can reach speeds of up to 200 mph. It sports a 6.6 liter V8 turbo diesel engine, giving it enough power to go from 0-60 mph in 4 seconds. Its current cost is \$150,000.

## IRL Moving to E85 Next Year

**Randy Bernard, CEO of the Indy Racing League** says that the League has been working to create a lot more buzz and excitement this year. Things must be working as the **Iowa Corn Indy 250** race took place in front of a sellout crowd.



Randy Bernard (left), seen shaking hands with Craig Floss, Iowa Corn CEO (right)

When asked to comment on the relationship with **Pioneer** and the **Iowa Corn Growers**, he said, "The fact that we've got a great title sponsor here with Iowa Corn Growers and that we run ethanol... this is the type of sponsor that we love to be working with because ethanol is a very important part of our business and next year we're going to E85 to show pump relevancy."

## ExxonMobil to Offer Biodiesel Blends in Texas

**ExxonMobil** will begin to sell biodiesel-blended **ultra-low-sulfur diesel (ULSD)** for the first time at four rack terminals in **Texas** this summer, according to a recent **OPIS** news article. The company will offer ULSD with up to a 5 percent biodiesel blend at their terminals in Irving and North Houston and via third party terminals in Tyler and Pasadena.



"As America's first fully commercialized Advanced Biofuel, the biodiesel industry looks forward to working with ExxonMobil and other petroleum partners to continue to seamlessly improve the infrastructure and grow the domestic diesel fuel pool," said **Joe Jobe, CEO of the National Biodiesel Board**.

As biodiesel production volumes continue to increase in 2011, investments in the infrastructure to deliver biodiesel to the end customer have also increased and there is speculation that the move to biodiesel blended ULSD was to meet the rising Renewable Fuel Standard.

## New Ethanol Blender Pump and Biodiesel Station

Mid-Iowa Co-op  
1260 Highway 96  
Gladbrook, Iowa

*Offering E10, E15, E30, E85, and B20*

## Some Federal Fleets are Ahead of the Curve, Using Biodiesel

The recent **White House** order which requires federal government agencies to move toward alternative fuels is already turning up results. In urban and rural settings across the nation, dozens of federal institutions, local governments, universities and others are already using biodiesel to help green their fleets. Here are just a few examples of government successes with biodiesel:

- **U.S. Capitol, Departments of Energy, Agriculture** as well as **EPA Shuttles and State Department Vehicles** in Washington D.C. are running on B20.
- **Grand Canyon National Park:** South Rim diesel vehicles and equipment run on B20. These include backhoes, bobcats, snowplows, ambulances, pick-ups, and more. Two biodiesel pumps are available at the filling station, which provides B20 for Grand Canyon staff and park concessionaires to use.
- **Yellowstone National Park:** 300 vehicles, boilers, and other diesel equipment at the world's first and most famous National Park – Yellowstone – run on B20. The Park is also home to public B20 pumps.
- **Rocks National Lakeshore:** This Michigan park uses B20 in a wide-range of diesel vehicles and equipment.

## First B20 Powered School Bus Retired

When Medford, New Jersey's 1998 International school bus retired at the end of June, it reached a milestone in the process. The bus was the first in New Jersey, and possibly the country, to be filled with B20. Over the course of its life, it consumed over 28,000 gallons of biodiesel and exposed hundreds of young people to a cleaner-burning advanced biofuel that not only helped protect their health, but hopefully taught them something about the importance of alternative fuels.



On November 17, 1997, the bus was first filled with B20. It logged 190,000 miles and never had any major engine work. It still has its original fuel injectors and pump. The only reason the bus is retiring is because of New Jersey's mandatory school bus retirement age.