



Iowa Renewable Fuels Association

GREEN Team

Grassroots RENEWABLE Energy Network

Newsletter for renewable fuels advocates

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July 4, 2011

Issue # 134

New Iowa E15 Incentive Began July 1st

Iowa retailers are the first in the nation to be incentivized for selling E15, a blend of 15 percent ethanol and 85 percent gasoline. Effective July 1, 2011, retailers are eligible for a 3-cent per gallon tax credit for every gallon of E15 sold. Today, E15 can be sold to flex-fuel vehicle owners. Earlier this week the EPA finalized a rule allowing E15 to be sold to all 2001 and newer passenger vehicles later this summer.

“Retailers with blender pumps can take advantage of this new incentive right now,” said **Monte Shaw, Iowa Renewable Fuels Association (IRFA) Executive Director**. “With the EPA in the process of clearing the final hurdles, now is the time for all retailers to evaluate how E15 could fit into their business model. It is important to note that more than 74% of gasoline goes into vehicles eligible to use E15.”

The state of Iowa offers numerous incentives to enhance renewable fuels availability to consumers. In addition to the new E15 incentive, retailers are eligible for:

- E85 tax credit of 10 cents per gallon
- Biodiesel tax credit of 3 cents per gallon for blends of B2 and higher
- E100 tax credit of up to 8 cents per gallon contingent upon a retailer’s achievement of Iowa’s 25% Renewable Fuels Standard
- Infrastructure grants of up to \$50,000 to install biodiesel, E85 and blender pumps.

“Capitalizing on this menu of incentives provides retailers with multiple options for providing their customers with a variety of renewable, domestic fuels,” Shaw said. “Iowans have shown a preference for renewable fuels. These incentives give retailers the tools they need to provide an array of renewable fuels to consumers at the pump.”

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IRFA Issues Statement on EPA’s Final E15 Rule

Background: The EPA recently released its final rule outlining requirements for the sale of E15 to 2001 and newer passenger vehicles.

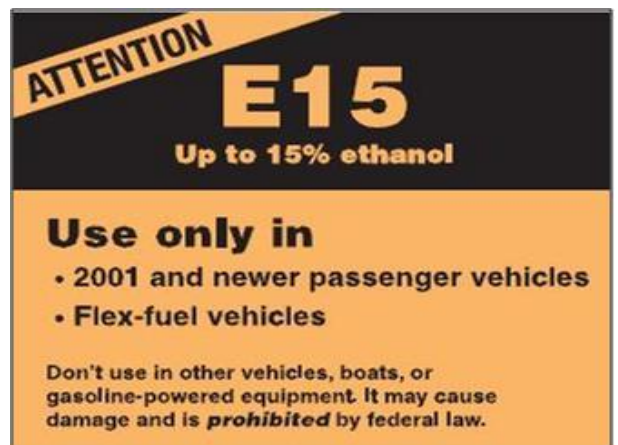
IRFA Executive Director Monte Shaw issued the following comments:

On the E15 rule

“IRFA members are grateful to the EPA for finalizing the rule. It has been a long time coming, and while it is not what we had hoped for in every aspect, it does provide a pathway for moving E15 forward. We believe that Iowa is at the forefront of addressing the remaining issues and that some retailers in Iowa will be offering E15 yet this year to drivers of 2001 and newer passenger vehicles.”

On the mandatory E15 pump label

“The Halloween pumpkin orange ‘draft’ label was apparently left to fade in the sun for a couple of months. That is a ‘peachy’ improvement. And most of the language changes were fair and add clarity. However, IRFA is very disappointed the EPA left in the ‘may cause damage’ warning for vehicles 2000 and older. The EPA admitted that they have ‘insufficient’ data to conclude that damage would occur, so I guess ethanol is guilty until proven innocent. Under the EPA’s rationale E0 (gasoline only) pumps should have a similar warning, because running a car on gasoline certainly degrades the emissions control system over time.”



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Iowa currently has 142 retail outlets offering E85 and 30 blender pumps offering various mid-level ethanol blends for flex-fuel vehicle owners. A list of all E85 stations can be found [on our website](#).

Biodiesel Distribution and Infrastructure Webinar

Webinar Registration:

Storing, blending, and distributing liquid fuels requires physical assets that have been put into service with careful analysis. Join the **National Biodiesel Board** to learn from seasoned professionals how to implement best practices that will allow for strategic development of your distribution terminal. With biodiesel now taking a leadership role as a blending component under RFS-2, terminal operators are evaluating strategies to reassign assets or add assets to take advantage of this growing business segment. The strategies presented will enable participants to improve business practices associated with receiving, storing, blending, and shipping biodiesel in a safe, ratable, and competitive fashion. This is a must session for those currently handling or planning on working with biodiesel fuel at any level of the petroleum supply chain.

Please register for one of the following workshops:

[Thursday, July 7, 2011 11:00 AM - 12:00 PM EDT](#)

[Thursday, July 14, 2011 11:00 AM - 12:00 PM EDT](#)

[Thursday, July 21, 2011 11:00 AM - 12:00 PM EDT](#)

FTC to Investigate Possible Petroleum Price Fixing

The **Federal Trade Commission** has told members of Congress that it has started an investigation of the oil and gas industry for anti-competitive conduct and potential price manipulation.

“I am not convinced that these price increases were necessary or reflected true market conditions.” said **Sen. Jay Rockefeller (D-WV)**. For full article, [click here](#).

On NPRA's comments

“Big Oil will stop at nothing to protect their federal 90% petroleum mandate – including raising the specter of another anti-E15 lawsuit. They are clearly afraid that, given the choice, consumers will choose ethanol blends. Further, NPRA's claim that they remain committed to selling “safe” fuel, as opposed to blends like E15, is laughable.

This is the industry that chose lead over ethanol, chose MTBE over ethanol, and now would like to choose known human carcinogens like benzene over ethanol. Finally, I'm not a lawyer so we're going to have to look into whether NPRA's absurd comments on the inevitability of damage from misfueling are libelous.”

On the Environmental Working Group (EWG) comments

“Sadly, some so-called environmental groups continue to fear farmers more than oil sands refiners. Ethanol takes less energy to refine and has a much lower greenhouse gas profile. Ethanol takes less water to produce. Ethanol reduces tailpipe emissions of smog forming pollutants, particulate emissions and human carcinogens. Yet the EWG is disappointed the E15 pump label wasn't a stronger warning and that the EPA didn't mandate similar labels for E10. Interestingly, the EWG didn't suggest similar warnings for gasoline-only fuels. It is disappointing how many so-called environmental groups have become pawns for Big Oil.”

Isuzu to use Biodiesel B20

Isuzu Commercial Truck of America, Inc. in California has recently confirmed that all of its new 2011 and forward diesel engines be compatible with use of up to 20 percent biodiesel (B20) blends. They expect to sell roughly 10,000 to 11,000 diesel units in the U.S. during 2011.

“This is especially significant, as Isuzu Commercial Truck is the first Asian manufacturer to approve B20 for U.S. market spec engines,” said the **National Biodiesel Board**.

Isuzu Commercial Truck's **Retail Marketing Manager Brian Tabel** said that Isuzu's announcement of B20 support is the result of three key factors: growing consumer demand for the fuel, an extensive and cooperative research project on B20 biodiesel blends by Isuzu engineers in the U.S. and Japan, and improved biodiesel fuel quality and industry support in the U.S. under the assurances of **American Society of Testing and Materials specifications for B6-B20 biodiesel blends (ASTM D746)**.

Ethanol Does Help Iowa Cattle Industry

The following is an Op-Ed submitted to the *Iowa Farmer Today*, by the Iowa cattlemen. As members of the **Iowa Cattlemen's Association (ICA)**, we must speak up about the opinion piece in the *Iowa Farmer Today*, May 28 by **U.S. Sen. Dianne Feinstein, D-CA**. [In that piece provided by the Association \(NCBA\), she bashes ethanol subsidies.](#)

That is not our viewpoint and does not represent the ICA's official policy. Iowa cattle producers have dissented with NCBA policy on ethanol since it was first adopted in 2007. Although the national organization has softened its stance against ethanol since then, members of the ICA have always maintained ethanol production in the state benefits the state's economy as a whole and provides a valuable feed alternative to Iowa's cattle producers. In fact, the number of cattle on feed in Iowa has grown steadily since the mid-1990s, and economists have tied that to the feeding options available through ethanol co-products like distillers grains. One-third of the corn that goes into an ethanol plant comes back out as high-quality livestock feed.

Sen. Feinstein quoted a study by the **Center for Agricultural and Rural Development (CARD)** at **Iowa State University**. Perhaps if she'd read CARD's April 2011 report that actually looked at the impact of ethanol subsidies on corn prices, she would have come across the information that general increase in corn prices "would have occurred without ethanol subsidies." That study shows ethanol subsidies increased corn prices just 14 cents over a five-year period when ethanol production was expanding rapidly. Market forces, such as increasing worldwide grain demand, and oil prices, are the real reasons for the price increases.

Many Iowa farmers believe ethanol subsidies can be transitioned out gradually, and we support that responsible approach rather than Sen. Feinstein's dump-and-run tactics. Just look at the how the ethanol excise tax credit keeps U.S. dollars working in the United States. That credit — the **Volumetric Ethanol Excise Tax Credit (VEETC)** — costs taxpayers \$4.8 billion per year. However, the ethanol industry pays \$8.4 billion annually in tax revenue, which is a net gain of \$3.6 billion to the U.S. economy. With the increased value of corn, government farm payments have been reduced by \$8 billion per year. Now, we're at a net gain to the U.S. economy of \$11.6 billion.

Every dollar that stays in this country to support U.S. energy production has the opportunity to turn over multiple times in local economies to generate jobs, and support schools and Main Street businesses. The ethanol industry continues to lobby Congress for an extension of VEETC.

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E10 Sales Remain Flat, but Iowans Saved \$50 Million with Ethanol so far this Year

Ethanol Can Save Money for Iowans During July 4th Weekend

The **Iowa Renewable Fuels Association (IRFA)** recently announced that Iowans choosing E10 blends have saved over \$50 million during the first five months of 2011. **Iowa Department of Revenue** fuel sales figures released this week showed ethanol sales steady at 75 percent of total gasoline sales, totaling over 500 million gallons from January through May. E10 blends averaged a 10-cent savings compared to E0 (non-ethanol gasoline) during that time.

"With the busy Fourth of July weekend upon us, it is important to remember that Iowans choosing E10 will keep more money in their wallets," stated **IRFA Executive Director Monte Shaw**. "With high crude oil prices driving up the cost of nearly everything we buy, from food to clothing, it is nice to know ethanol is helping to reduce high gasoline prices."

A recent study by the **Center for Agricultural and Rural Development (CARD)** at **Iowa State University** found that consumer savings from ethanol goes far beyond the price reduction at the pump. In 2010, Midwestern consumers saved an average of \$1.37 per gallon because ethanol expanded the fuel supply and helped to drive down the cost of all gasoline products, regardless of ethanol content.

"Today, 25 percent of the gasoline produced from domestic resources is ethanol," continued Shaw. "Having ethanol as an affordable, domestic alternative to high priced foreign oil is paying big dividends – for consumers, for jobs, and for energy security."

Iowa is the leader in renewable fuels production. Iowa has 41 ethanol refineries capable of producing nearly 3.7 billion gallons annually. In addition, Iowa has 12 biodiesel facilities with the capacity to produce 315 million gallons annually.

24th Annual Ethanol Conference [REGISTER NOW!](#)

The annual ACE conference will be held August 22-24 in Des Moines, IA. This year's event will feature breakout sessions, general session, networking opportunities, and special guest speakers. Visit www.ethanol.org for a list of featured topics and speakers.

Registration covers all meetings, networking events and meals offered throughout the event.

- Ethanol Producers: \$99
- ACE Members: \$199
- Non-Members: \$249

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Although this has been a very divisive issue in the cattle industry, we think it is of utmost importance to Iowa. Ethanol production has had a very positive impact on Iowa's cattle sector and the role that sector has in the state's economy.

Editor's note: This was submitted by five Iowa Cattlemen's Association members. Rick Hansen — Hansen Feedlot, Hinton, Kent Pruismann — Iowa Cattlemen's Association past president, Rock Valley, Dave Bierman — Marcus, Greg Popkes n Popkes Oil, Rock Rapids, Randy Vant Hof, Vant Hof Concrete Inc., Sioux Center

IRFA OP-ED in Des Moines Register
on Ethanol and Iowa Caucuses.

[Click here for the full story.](#)

Iowa Farmers Projected to Harvest More Corn This Year

According to USDA's recent Acreage Report, American farmers planted 92.3 million acres of corn this spring, despite record flooding in some areas and extremely wet conditions in others. It is important to note that while corn acres are at their second-highest level since 1944, total principal planted crop acreage is only 1% above 2010 and slightly lower than 2009.

Based upon USDA's latest projections of average corn yield of 158.7 bushels/acre and 8.49 million harvested acres, it would mean a 2011 harvest of 13.47 billion bushels – nearly 300 million more bushels of corn than the USDA was projecting in its most recent supply/demand estimates. This would mean 2011/12 carryout stocks could be very close to 1 billion bushels. If average yields are closer to the historical trend of 162 bushels/acre, we would see a crop of 13.75 billion bushels.

"American farmers answer the bell time and time again, and this year's growing season is no exception, stated **Geoff Cooper, Vice President of Research and Analysis**. "Despite flooding and other adverse weather during planting, farmers exceeded expectations and are on pace to once again meet the demands on corn for feed and fuel. Flooding in key corn growing areas may slightly alter the final harvested acreage number, but based on this report, it is realistic to expect a record corn crop in 2011. The takeaway from this report is that U.S. farmers continue to apply the most efficient and effective technologies to produce record or near-record crops year in and year out."

Commercial Biorefinery Coming to Iowa

DuPont Danisco Cellulosic Ethanol (DDCE), a wholly-owned subsidiary of **DuPont**, has entered into an agreement to purchase a parcel of land in **Nevada, Iowa**, adjacent to **Lincolnway Energy LLC's** conventional ethanol plant. It is DDCE's next step toward building one of the world's first commercial-scale biorefineries to produce fuel-grade ethanol from cellulose, in this case stover - dried cobs, stalks and leaves left after grain harvesting. DDCE is successfully producing cellulosic ethanol at its pre-commercial facility in Vonore, Tenn., and is scaling up the process to globally license its end-to-end production system.

"We're producing cellulosic ethanol sustainably and economically today, and the market is ready and interested to deploy large-scale biorefineries," says **Joe Skurla, CEO of DDCE**. "We are purchasing the site next to Lincolnway because it will meet the business needs for our project, and provides potential economic and environmental synergies for both facilities." The DDCE process is designed to make fuel from a variety of cellulosic biomass. This includes wheat and corn stover, and energy crops, including switchgrass.

DDCE also is launching its 2011 Stover Collection Program to enable a cost-effective supply of stover for the biorefinery project. The company is working closely with local grain producers to obtain commitments and collect thousands of tons of stover from Iowa fields this fall. DDCE is collaborating with **Pioneer Hi-Bred**, also a DuPont Company, and **Iowa State University**, to establish best practices in harvesting, storage, and transportation, and assure the agronomic and environmental integrity of cornfields. The cellulosic ethanol industry will provide opportunities for farmers to add value to their croplands.

[DDCE](#) develops and licenses comprehensive solutions for producing cellulosic ethanol, a renewable fuel source that meets global needs for reducing fossil fuel dependence. DuPont and Danisco launched the company in 2008 to integrate their advanced biofuels technologies. Today, DDCE is a global leader in development and deployment of farm-to-fuel systems for converting stover and energy crops to fuel. DuPont acquired a majority stake in Danisco A/S in May 2011. DDCE will now operate as a wholly-owned subsidiary of DuPont.

[DuPont](#) is a science-based products and services company. Founded in 1802, DuPont puts science to work by creating sustainable solutions essential to a better, safer, healthier life for people everywhere. Operating in more than 90 countries, DuPont offers a wide range of innovative products and services for markets including agriculture and food; building and construction; communications; and transportation.