



Iowa Renewable Fuels Association

GREEN Team

Grassroots RENEWABLE Energy Network

Newsletter for renewable fuels advocates

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Lack of Congressional Action on Biodiesel Tax Credit

Brings Blue Christmas for IA Biodiesel Producers

Recent lack of congressional action on the extension of the biodiesel tax credit may cause the U.S. Congress to play the part of Scrooge in many Iowa biodiesel producers' Christmases this year.

Iowa Renewable Fuels Association (IRFA) Executive Director Monte Shaw recently responded to reports that the U.S. Senate will not act before the end of the year to extend the federal biodiesel blenders tax credit that expires December 31, 2009:

"I am profoundly disappointed with news reports that Congress will not extend the biodiesel blenders tax credit before it expires at the end of the year. Without the biodiesel tax credit most biodiesel refineries will be forced to shut down production and lay off employees. We all like to enjoy some time off to celebrate the holidays, but Congress' inaction may force biodiesel employees to take a much longer – and unpaid – Christmas break than anticipated.

"It is a painful irony that Congress is still talking about passing a 'jobs bill' but apparently can't pass this simple extension that would save hundreds of green collar jobs in Iowa alone. That will mean lost wages and lost jobs in a period of historically high unemployment. While the clock is ticking, Congress still has time to act. We are hoping and working for a Christmas miracle."

Iowa Power Fund Awards \$3.9 Million for Nation's First Biorefinery Demonstration Facility

The **Iowa Power Fund Board** recently approved a \$3.9 million grant and final contract terms that will help transform the **Renewable Energy Group (REG)** managed biodiesel facility in Newton, Iowa into an integrated biorefinery that will produce high value specialty chemicals and jet fuel from renewable oils and fats.



"The collaborative effort between **Elevance**, **REG** and **Technochem** will demonstrate the ability to convert existing biodiesel facilities with bolt-on technology to produce diversified bio-chemical product streams with feedstocks largely sourced in Iowa," said **Office of Energy Independence Director Roya Stanley**.

The Power Fund grant provides incentive to secure this shovel-ready demonstration project being built in Newton, where it will create 40-50 new skilled positions in 2010.



"In the short run, this Iowa Power Fund grant leverages existing investments in the biodiesel industry and federal funding to ensure that this first-of-its-kind biorefinery is right here in Iowa," said **Monte Shaw, Executive Director of the Iowa Renewable Fuels Association**. "In the long run, this project cements Iowa's reputation as the place for next-generation renewable technology investment."

The biorefinery will be based on Elevance's novel technology, olefin metathesis, which won the Nobel

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Go Green with the 4th Annual Iowa Renewable Fuels Summit

Mark your calendars! The 4th Annual Iowa Renewable Fuels Summit is coming to the Polk County Convention complex on January 25, 2010 from 8:30 a.m. to 4 p.m. Hosted by the Iowa Renewable Fuels Association (IRFA), the Summit is the Midwest's premier event focusing on the importance of renewable fuels for Iowa and the nation. The 2010 Summit is set to raise the bar on the already high standard established by IRFA over the past three years.

The price is right! Once again, the Iowa Renewable Fuels Summit is free and open to the public. The only requirement is pre-registration, a task that can be accomplished quickly and easily on the IRFA website at www.IowaRFA.org.

While last year's Summit drew over 800 people, greater attendance is expected this year to learn about the important role renewable fuels will play in meeting future transportation needs and energy independence. Highlights of this year's Summit will include a keynote address on "Beating the Blend Wall" by **General Wesley Clark*** of **Growth Energy**, a presentation on "Life After the Renewable Fuel Standard" by **EPA Director of Transportation and Air Quality Margo Oge**, a discussion of Iowa's renewable energy future by **Governor Chet Culver*** and Iowa's Republican gubernatorial candidates, and a trade show featuring the latest innovations in renewable fuels technology.

"Whether a biofuels investor or just interested in the renewable fuels industry, the Iowa Renewable Fuels Summit will once again put the hot topics front and center," said **IRFA Managing Director Lucy Norton**.

"There are decisions being made today in Des Moines and DC that will shape the renewable fuels industry for years to come. This conference is our way of keeping everyone up-to-date on these issues—whether E15, alternative biofuels feedstocks or federal and state policies that will influence future demand."

You won't want to miss it! Pre-register for the 2010 Iowa Renewable Fuels Summit today!

*Invited

To register go to
<http://www.iowarfa.org/2010Summit>

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Prize in chemistry in 2005, to convert soybean oil, inedible corn oil, animal fats and other raw materials into jet fuel, high value specialty chemicals and biodiesel. The plant will be used to evaluate a variety of renewable feedstocks, produce products for market development and develop data which can be applied in the design of a commercial scale unit.

"The Iowa Power Fund has played a key role in bringing together the parties involved with this biorefinery. Their support is expediting commercialization of industry-leading biorefining technology in Iowa, building new specialty chemicals demand for Iowa's products and creating new jobs in a growing industry," explained **Elevance Renewable Sciences, Inc.'s CEO, K'Lynne Johnson**.

"With the Iowa Power Fund's support, REG looks forward to moving quickly to complete the demonstration facility in order to begin production of renewable specialty chemicals and jet fuel alongside high quality biodiesel production in Newton," said **REG's Chief Executive Officer, Jeff Stroburg**. "With almost fifteen years of renewable fuels industry experience, this grant helps our Iowa business continue to build on our foundation of supporting Iowa agriculture and green collar jobs."

EPA Expected to Finalize RFS2 Rules in Early 2010

The **Environmental Protection Agency (EPA)** is not expected to finalize regulations for the expanded **Renewable Fuels Standard (RFS2)** until early next month, which would place implementation of the regulation around March, sources confirmed to **OPIS**.

EPA's plan originally planned to begin RFS2, requiring 36 billion gal/yr of biofuel by 2022, on January 1, 2010, but asked for additional comments on whether a later start date would be necessary. Biofuel advocate groups urged EPA to complete the rulemaking at the earliest opportunity, while others advocated that EPA take time with the proposal, and perhaps postpone the rule until January 1, 2011, at the earliest.

Renewable Fuels Association President Bob Dinneen is hoping EPA will complete the RFS2 rules by January, **spokesman Matt Hartwig** explained.

"We are working to finalize the RFS2 rule as quickly as possible. It will be released in 2010," said **EPA spokeswoman Deb Berlin**.

NBB Releases Study on Critical Importance of Biodiesel Tax Credit

The **National Biodiesel Board (NBB)** recently released a study conducted by renowned economic analyst, **John M. Urbanchuk**. The study examined the economic impact of the biodiesel industry and the negative consequences of allowing the federal biodiesel tax credit to lapse. The biodiesel tax incentive is currently set to expire on December 31, 2009.

“Since it was enacted in 2004, the biodiesel tax incentive has allowed the nation to reap the economic, energy security and environmental benefits associated with commercial scale production and use of biodiesel,” stated **Manning Feraci, Vice President of Federal Affairs for the NBB**. “Allowing the credit to lapse will compound the already daunting challenges facing the industry and will cost the nation another 23,000 jobs in addition to the 29,000 jobs that were shed in 2009.”

The biodiesel tax incentive is designed in a manner that makes biodiesel price-competitive with petroleum diesel fuel in the marketplace. The incentive is structured so that the value of the incentive is reflected in the market price of the fuel. Urbanchuk’s analysis concludes that without the biodiesel tax incentive, there will be: a major loss of jobs and income, increased demand for petroleum diesel, a degradation of energy security, decreased demand for soybean oil and lower soybean prices leading to a negative impact on farm income, stranded investment as biodiesel capacity is idled and lost tax revenue for states and local governments.

“Biodiesel production is consistent with an energy policy that values the creation of green jobs and the displacement of petroleum with domestically produced, low carbon fuel. Action by Congress to extend the incentive before the end of the year is absolutely necessary if we as a nation are to continue realizing the benefits of domestic biodiesel production,” concluded Feraci.

[Click here](#) to read the full report by Urbanchuk

New E85 Pump Location

21st Century Coop
Hwy 92
Massena, IA

* Offering E10 and E85

Groundbreaking Cellulosic Biofuel Technology Moves toward Commercialization

The **Energy & Environmental Research Center Foundation (EERC)** and **Whole Energy Fuels Corp.** are poised to commercialize a cellulosic biofuel technology developed at the EERC at the **University of North Dakota**. Whole Energy is receiving global, exclusive licensing rights to EERC’s technology, which converts biomass and other recycled material into liquid biofuels.



“This project presents an exciting opportunity for the EERC, as it is one of the very first involving production of advanced fuel additives from cellulosic feedstocks,” said **EERC Senior Research Advisor Ed Olson**. “This technology will ultimately be used to improve engine performance using a renewable product, both in gasoline and diesel engines. In the case of diesel fuel, our additives will boost the cetane levels, improve flow properties and, most importantly, reduce particulate emissions.”

The current renewable fuel standard, requiring 36 million gallons of biofuels be used in transportation fuel by 2022, including at least 21 billion gallons of advanced biofuels such as cellulosic biofuels, creates a gigantic market for cellulosic biofuels. **Atul Deshmane, CEO and President of Whole Energy**, is excited to capture this market opportunity and build on more than 15 years of experience in the alternative fuels industry. “**Mercurius Biofuels**, a new company formed with our help to develop and commercialize advanced biofuel technologies, plans to build and operate a pilot plant to demonstrate what may be the most energy- and carbon-efficient process for making a cellulosic fuel.”

BBI International Presents

the

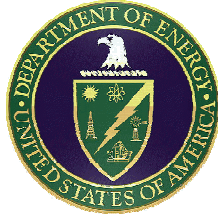
INTERNATIONAL
BIOMASS
CONFERENCE & EXPO
a Biomass Magazine event

May 4-6, 2010
Minneapolis, MN

<http://www.biomassconference.com/ema/DisplayPage.aspx?pageId=About>

DOE Issues Final Rule on Loan Guarantee Program

U.S. Secretary of Energy Steven Chu recently announced the final rule for the DOE's **Loan Guarantee Program**. The revised rule was designed to increase participation from private investors and banks as well as to support more innovative energy technologies. This announcement came on the same day that Chu released another \$100 million for a second round of ARPA-E funding.



“This much needed change will provide greater flexibility to the Loan Guarantee Program and help us to support more projects at a better value to taxpayers,” said Secretary Chu. “This is part of our commitment to ensuring businesses are able to access the support they need to create jobs and contribute to a clean energy economy.”

The new rules came as a result of more than 2,100 comments from interested parties during the 30-day comment period. Under the updated rule, the Loan Guarantee Program will be able to consider financing projects in conjunction with other lenders as well as provide loan guarantees to projects with multiple stakeholders.

Copies of the proposed rule are available from the Department's Loan Guarantee Program at www.lgprogram.energy.gov.

Culver to Become Chair of National Governor's Biofuels Coalition

Iowa Governor Chet Culver, currently vice-chair of the **National Governors' Biofuels Coalition**, will become chair of the 36-member coalition in January of 2010.

The Governors' Biofuels Coalition earlier this year recommended to Obama that his administration focus on biofuels market development and sustainability. Obama recently cited the coalition as a key factor in his “Biofuels Directive,” which is aimed at expanding the production and use of biofuels in the United States.

As a part of the recent EPA announcement, President Obama indicated that his administration's **Biofuels Interagency Working Group** is developing a biofuels sustainability plan to ensure that future expansion of biofuels production remains environmentally and economically sustainable and would work closely with the national Governor's Biofuels Coalition on these issues.

Farmland Prices Takes First Downward Turn in a Decade

Iowa landowners have enjoyed seeing the value of their property rise by an average of 145 percent over the last decade but this trend recently took a downwards turn and value fell 2 percent, the first drop since 1999.

The drop, according to **Iowa State University economist Michael Duffy**, was the result of the drop in corn, soybean and livestock prices. He also attributed the decline to a 15 percent drop in commodity prices through 2008 after a gain of 64 percent the previous year.

Duffy, who has done the survey since the early 1980s, said the decline did not come as a surprise. “I thought the drop would be more around 5 percent.”

Farm values are considered a prime gauge of the health of Iowa's agriculture. Sharp rises equal rising incomes for farmers. Conversely, falling values usually are bad news for farmers' wallets.

For example, the 50 percent drop between 1978 and 1987 paralleled the worst economic downturn for Iowa agriculture since the Great Depression in the 1930s. As Duffy noted, “farmland is the largest single asset in the state of Iowa.”

Biodiesel Completes Capitol Christmas Tree Journey

This year, the 125-year-old, 85-foot blue spruce Capitol Christmas Tree was transported 4,000 miles from Apache-Sitgreaves National Forest in Arizona to the nation's capitol on trucks fueled by B5.

“It is significant that the Capitol Christmas Tree was delivered with biodiesel because economic development, carbon reduction and energy security continue to dominate national priorities,” said **Joe Jobe, CEO of the National Biodiesel Board**. “Biodiesel helps us achieve all of those things.”



The trucks carrying the tree and its accompanying 10,000 handmade ornaments and 80 companion trees that will be placed in offices throughout the Capitol Complex made their way across the country using the BioTrucker system going from biodiesel station to biodiesel station to pick up donated biodiesel along the way.