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EWSNews

A Newsletter about the U.S. DOE Ethanol Workshop Series (EWS) activities

U. S. Department of Energy Ethanol Workshop Series Newsletter

The U.S. Department of Energy - Office of Biomass Programs and Office of Energy Efficiency and Renewable Energy sponsored a series of ethanol workshops. The objective of the workshop series was to provide a forum for states to educate stakeholders, government officials and other interested parties to further develop an ethanol industry in their state. This newsletter covers four workshops, which were held in Honolulu, Hawaii; Reno, Nevada; Frankfort, Kentucky; and Sacramento, California. ■

Hawaii Sets the Stage for Ethanol Use and Production

"Ethanol Fuel: Coming to a Car Near You,"

Approximately 120 participants attended a highly informative workshop held November 14, 2002, at the Ala Moana Hotel in Honolulu. The majority of the attendees worked in private industry with a handful from government and academia.

Many of the workshop attendees were surprised to learn that today's cars are designed to use ethanol. Hawaii currently does not have any fuel ethanol production or use, although there are several incentives and an ethanol content requirement in Hawaii State law (pending promulgation of rules).

Mark Yancey from BBI International presented a preliminary review of an economic impact analysis underway on the costs and benefits of ethanol production in Hawaii. The Hawaii Department of Business, Economic Development and Tourism, is analyzing the possibility of satisfying a portion of the state's future transportation energy demand through alternative fuels. The report evaluated three possible ethanol production projects: two that will produce ethanol from molasses and one to use biomass. Although this was an economic impact analysis and not a comprehensive feasibility study, preliminary results look favorable,

The program also addressed specific issues on fuel ethanol production as well as distribution and use of ethanol. Various feedstocks were reviewed including cellulose, molasses, sugar cane and municipal solid wastes. Workshop attendees had the opportunity to view an out-



Sugarcane production has dropped significantly in Hawaii in the last 15 years, but ethanol proponents still say there is enough feedstock availability to sustain a 40-mmgy market.

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door exhibit of alternative fueled vehicles.

Maria Tome, organizer of the workshop, from the Energy, Resources, and Technology Division of the Hawaii Department of Business, Economic Development and Tourism applauded the audience's interest and participation and concluded that ethanol can contribute to the state (and national) economy... and Hawaii's energy future. She strongly encouraged people to see the workshop as just the beginning of continued emphasis toward ethanol in the state.

Future Action Needed to Move the Ethanol Industry Forward in Hawaii:

- ▶ Support of the petroleum companies
- ▶ Government funding; both federal and state incentives; promulgation of mandates
- ▶ Private and public communication and cooperation
- ▶ 2-3 day detailed workshop to continue discussions

In addition to the ethanol workshop, an innovative series of 2-hour evening "mechanic seminars" were conducted in advance of the workshop to promote the use of the fuel to motorists and auto mechanics. The focus of the seminars was fuel specifications, vehicle performance, compatibility issues, manufacturers' warranties, and applications. ■

Nevada Sees Promise in Ethanol

"Developing a Pathway to Rural Economic Development through Ethanol"



Carl Linnell, energy and economic advisor for the Nevada governor's office.

Rising concerns about MTBE contamination in Nevada and the massive future demand for ethanol in California are the issues driving interest in ethanol production in Nevada.

Over 70 people attended Ethanol Workshop at the Atlantis Hotel in Reno, Nevada, January 9, 2003. Those in attendance represented every region of Nevada, which displayed a true cooperative effort in the state for ethanol industry development.

Carl Linnell, energy and economic advisor for the Nevada Governor's Office, said that over two billion dollars are spent on transportation fuels in Nevada annually. He said the Governor's Office has seen rising support for the "biofuels agenda" in Nevada. Linnell also discussed the state's energy security, the problem of rolling blackouts, fuel supply disruptions and other energy concerns. Total state energy expenditures in Nevada are \$4 billion, he said. The state's long-term goal is to export energy - not import - in the next 10 years. Producing ethanol to serve the California market would be consistent with that goal.

It was suggested that the state conduct a feasibility study or an assessment of ethanol production potential from various feedstocks and several different locations in the state. The environmental benefits and issues also need to be further reviewed.

The final session "Developing an Ethanol Industry in Nevada... Where Do We Go from Here?" was an interactive discussion to lay a pathway for industry development in Nevada. Four major areas were identified for further discussion and action steps. ■

Issues Surrounding Market Development:

- ▶ What is the risk to the state from MTBE dumping?
- ▶ Storage implications: Is there enough storage space for separate tanks of ethanol and gasoline?
- ▶ Competition with other alternative fuels such as propane and compressed natural gas.
- ▶ How to further utilize flexible fuel market in fleet vehicles (11,000 vehicles in Nevada)

Support for Ethanol Production:

- ▶ Commission feasibility study for siting an ethanol plant

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- ▶ Need to develop partnerships with oil companies, economic development agencies, and others to find the best location for an ethanol plant
- ▶ Develop legislation for ethanol funding for production
- ▶ Research and assess the most sustainable feedstocks for ethanol production in state
- ▶ Evaluate the importing of corn for ethanol production
- ▶ Review the USDA loan guarantee funds available for ethanol production

Air Quality:

- ▶ Assess the state's ability to maintain air/environmental quality and meet federal requirements
- ▶ Conduct study on life cycle analysis of ethanol production and use in the state

Developing Partnerships:

- ▶ Promote and seek out cooperation with industry associations and commodity groups such as the National Corn Growers Association and others who can provide resources for industry development
- ▶ Form a coalition with Workshop participants to continue communication on steps towards industry development

Speaker presentations can be found at www.bbiethanol.com/doi

Kentucky Sees Opportunities in Ethanol

"Ethanol in Kentucky - A Growing Opportunity"

It was the second time since 1999 that a legislator - in this case, State Senator Joey Pendleton - took center stage as master of ceremonies for an Ethanol Workshop that is part of the U.S. Department of Energy's Ethanol Workshop Series.

"We've got a promising fuel source that could really help improve our state's agricultural economy if we do all we can to promote and expand the ethanol market," said Pendleton, "It's important for state leaders to recognize this is a key to diversifying our state's agricultural interests."

Approximately 75 people gathered in Frankfort on February 3, 2003, to learn more about ethanol and what it can mean for Kentucky. Following an initial overview of ethanol, the presentations narrowed down to be more Kentucky-specific with a synopsis of ethanol developments - both past and present - in the state.

One small ethanol plant has been in production in Louisville since 1991 using waste liquids such as beer, orange juice and sodas as feedstock. The facility recycles beverage containers as part of the overall program. The newest ethanol player in Kentucky is Commonwealth Agri-Energy, LLC, a 20-mmgy plant, which broke ground in late January near the community of Hopkinsville in the western part of the state.

At lunch, two more state legislators participated, Roger Thomas and Ernie Harris, chairs of Kentucky's House and Senate agriculture committees, both expressed support for the benefits of ethanol. The keynote luncheon speaker was Bob Dinneen, president and CEO of the ethanol industry's national trade organization, the Renewable Fuels Association. Dinneen provided insight on the energy bill and other factors that impact the growing ethanol industry nationwide. A Minnesota panel discussed case studies that helped demonstrate how experiences in a Corn Belt state relate to Kentucky as well, bringing significant environmental, community and statewide rewards.

Using the valuable background information provided during the day, Todd Barlow, of the Kentucky Corn Grower's Association, and Brian Alvey, of the Kentucky Farm Bureau, led participants through a brainstorming session identifying issues, possible solutions and action items to increase the development of the state's ethanol industry. ■



State Sen. Joey Pendleton

Workshop Supporting Organizations and Sponsors

Hawaii

U.S. Department of Energy, Office of Fuels Development
 Western Regional Biomass Energy Program
 City and County of Honolulu
 Hawaii Department of Agriculture
 Hawaii Department of Business, Economic Development & Tourism
 Hawaii Department of Health
 Hawaii Natural Energy Institute
 JN Automotive Group
 Honolulu Clean Cities
 ED&F Man Alcohol
 Hawaiian Commercial & Sugar Company

Nevada

Ford Motor Company
 Truckee Meadows Clean Cities Coalition
 Nevada State Motor Pool
 Las Vegas Regional Clean Cities Coalition
 USDA
 University of Nevada Reno Environmental Health & Safety
 Clark County Department of Air Quality Management
 Nevada Association of Counties
 Nevada Department of Agriculture
 Nevada Division of Environmental Protection
 Nevada Commission on Economic Development
 Nevada State Office of Energy
 Nevada State Parks
 Nevada Lt. Governor's Office
 Washoe District Health - Air Quality Management Division
 Fagen, Inc.
 Renewable Fuels Association

Kentucky

Kentucky Corn Growers Association
 Kentucky Farm Bureau
 Kentucky Division of Energy
 Kentucky Clean Fuels Coalition
 ICM, Inc.
 Alltech, Inc.
 Vendome Cooper & Brass Works, Inc

California

California Energy Commission
 California Department of Food & Agriculture
 California Farm Bureau
 California Renewable Energy Partnership
 California State University - Fresno
 Fagen, Inc.
 Novozymes North America
 Benchmark Ethanol
 Genencor International
 Great Valley Center

California Ethanol Workshop Draws Over 200

"Developing Ethanol's Role in California's Energy, Economic & Environmental Future"

The Ethanol Workshop in California became one of the largest contingencies that has ever gathered to discuss ethanol in California. Over 210 people attended the California Ethanol Workshop held in Sacramento, April 14-15, 2003.

The rural economy and agriculture became the focus of the workshop, bringing together farmer organizations, energy and environmental groups, policy makers and stakeholders to discuss the steps needed to support ethanol industry development in the state.

"Ethanol is a problem solver for California," exclaimed Jack King, California Farm Bureau Federation, who said he looks forward to the day when this many farmers can gather to talk about ethanol.

California is not only the leading agriculture state but, according to the California Energy Commission, it now has the largest ethanol market in the country. The rural communities could use more value-added industries to boost their economy. "This would be a huge benefit to areas experiencing high unemployment rates, which is as high as 42 percent in the San Joaquin Valley," said to Dr. Ellen Burnes, California State University-Fresno. "A 40-mmgy plant would generate 41 full time jobs, 300 local jobs and add \$8 billion to the local economy," explained Burnes.

California has the right market, the right feedstocks, the right resources and a public that is receptive to renewable energy. The California Ethanol Workshop made it apparent that the interest for ethanol development in the state was very high. The hurdle seems to be a consensus among decision makers on what is needed to move the industry forward. ■



Bill Jones, Chairman, Pacific Ethanol

These events are sponsored by the U.S. Department of Energy - Office of Biomass Programs and Office of Energy Efficiency and Renewable Energy.