



Iowa Renewable Fuels Association

# GREEN Team

## Grassroots REnewable Energy Network

Newsletter for renewable fuels advocates

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### USDA Gives \$2 Million for Blender Pumps in 22 States

According to *Ethanol Producer Magazine*, 33 projects in 22 states have been approved for blender pump grants in the latest round of funding to be dispersed through the **USDA’s Rural Energy for America Program (REAP)**. A total of \$27 million in grants and loan guarantees for various energy-related projects were announced by the USDA on Sept. 16. Blender pump projects comprise about \$2 million of that amount. The latest announcement brings the total number of blender pump projects to receive REAP support to 54. In August, the USDA announced 900 smaller REAP awards, of which 21 were granted to blender pump projects.

This was the first year that blender pump projects were eligible to apply for REAP funding. The USDA set a goal in 2010 of establishing 10,000 blender pumps throughout the U.S. in the next five years.

Allowing blender pumps to qualify for REAP funding is one of several strategies the agency has deployed in order to make the 10,000-pump goal more attainable.



Iowa retailers receiving USDA funding:

- **Cresco Fuels, Inc.**, Cresco
- **Johnston Oil & L.P. Co.**, Stacyville
- **Producers Coop Company**, Primghar

Funding of each award is contingent upon the recipient meeting the conditions of the grant. Grants can be used to finance up to 25 percent of a project’s cost, or no more than \$500,000 for renewables projects. For complete story and list of awards [click here](#).

### Open Fuels Standard Act Would Boost Flex-Fuel Vehicle Production

Recently, **U.S. Senator Maria Cantwell** (D-WA) joined **Senator Dick Lugar** (R-IN) in introducing a bill to break oil’s monopoly over the U.S. transportation fuel industry by ensuring that most new vehicles in the United States are capable of running on a range of domestically produced alternative fuels starting in 2015.



U.S. Senator Maria Cantwell

By introducing competition among fuels, the **Open Fuels Standard (OFS) Act** aims to bring about significant reductions in fuel prices paid by U.S. consumers. Transportation fuel choice could also sharply reduce U.S. dependence on foreign oil and reduce the \$200 billion “monopoly premium” the **Department of Energy** calculates U.S. consumers currently pay to **OPEC (Organization of the Petroleum Exporting Countries)** and other foreign oil producers each year through excessive petroleum prices. Keeping this money within U.S. borders would sharply cut the U.S. trade deficit, safeguard U.S. household income, and provide capital and market incentive for investment in new U.S. energy infrastructure.

The Open Fuels Standard Act requires that starting in 2015, 50 percent of new vehicles manufactured or sold in the United States be flex-fuel capable – meaning able to run on non-petroleum fuels such as domestically-produced ethanol or methanol or other alcohols in addition to, or instead of, petroleum-based fuels. In 2018, 80 percent of new vehicles would need to be flex fuel capable. For complete press release [click here](#).

## IRFA Retailer Calculator Available

### *Project 2012 Iowa Renewable Fuels Tax Credits*

The **IRFA** has developed a retailer calculator that will project 2012 Iowa renewable fuels tax credits based on new legislation passed earlier this year. The calculator can be used to project 2012 tax credits based on estimated sales of E10, E85, mid-level ethanol blends, biodiesel blends, and the level achieved in meeting the Iowa Renewable Fuels Standard.

Examples have been created to show the return on investment by installing equipment to offer a variety of ethanol and biodiesel blends. These examples and the calculator can be found on the IRFA website by [clicking here](#). For a fact sheet on Iowa's renewable fuels tax credits [click here](#).

## Iowa Ranks No. 1 in Hog Production

### *Distillers Grains Provides Competitive Edge*

According to **USDA**, hog numbers were up 1 percent in the United States and 4 percent in Iowa compared to the previous year. The nation's hog inventory was 66.6 million head with Iowa's total at 19.6 million, up from 18.9 million the previous year.

No. 2 ranked North Carolina experienced a 7 percent drop in its hog inventory to 8.5 million as producers dealt with high costs for corn that must be shipped into the state. On the other hand, Iowa has a definite advantage due to abundant access to distillers grains.

A co-product of ethanol production, distillers grains is a cost-effective feed ingredient and replacement for corn and soybean meal. The economics of distillers grains have been the "salvation for many pork producers" according to the president of Agri-Nutrition Services. As reported in **Pork** magazine, [a 30% inclusion rate in hog rations with \\$7 corn, saves pork producers nearly \\$20 per ton of feed.](#)

It has also been reported that hog producers are using distillers grains as a cost-saving measure by raising levels of the co-product in rations. In addition, distillers grains can further decrease feed costs by reducing the amount of commercial supplements needed.

"In reality, family-operated Iowa hog lots are seeing a competitive advantage," said **Lucy Norton, managing director** of the **Iowa Renewable Fuels Association**. "They're replacing high-cost corn and soybean meal with lower cost distillers grains. They're receiving record prices for their corn crop and they have a competitive edge over commercial pork integrators and southeastern hog producers."

## Iowa Receives \$20 Million for Renewable Energy Research

According to **Ethanol Producer Magazine** Iowa's research community has been awarded \$20 million through the **National Science Foundation's (NSF) Experimental Program to Stimulate Competitive Research** with the goal of establishing the state as a leader in renewable energy technology and production. The program directs funds toward states that have not previously received significant funding for research and development. While Iowa is already a leader in renewable fuels, renewable power generation has not received as much attention, according to **Dr. Robert Brown**, an engineering professor at **Iowa State University**. The NSF grant will allow Iowa to improve its research capacity regarding renewable energy, much of which will also ultimately directly benefit biofuels producers.

The five-year research program will be split into four platforms: bioenergy, wind energy, energy utilization and energy policy. The bioenergy platform, which Brown will lead, will focus on the challenges associated with producing large quantities of biomass and applying thermochemical processes to produce liquid or gas products for power or transportation fuels. Brown said researchers elected to target the thermochemical conversion pathway because it has not been studied as extensively as biochemical methods have.

One of the goals of the bioenergy platform is to identify how best to use the lignin produced at cellulosic ethanol plants for process heat. Technologies researched through the program have the potential to advance current approaches to cellulosic ethanol production, according to Brown. Additionally, he pointed out that not all biomass is suitable for cellulosic ethanol production and having the ability to apply thermochemical processes to low-quality biomass to generate energy could be an efficient use of that biomass. For complete story [click here](#).

### Registration Now Open for 2012 National Ethanol Conference



Registration is open for the **National Ethanol Conference: Accelerating Industry Innovation**, to be held Feb. 22 to 24 at the Gaylord Palms Resort in Orlando. The conference is will focused on vital marketing and public policy issues.

Click [here](#) to register now.

## NASCAR Hits One Million Miles on E15

Since the start of the racing season at Daytona 500 in February 2011, **NASCAR** has used **Sunoco Green E15** in all three of its national racing series: the NASCAR Sprint Cup Series, the NASCAR Nationwide Series and the NASCAR Camping World Truck Series. Between practice laps, qualifying and race competitions, one million miles have been driven on E15 by more than 10 dozen race vehicles that make up the fields in NASCAR's top-tier series.



**American Ethanol's** partnership with NASCAR has reached millions of Americans with the message that ethanol is a clean, safe, and job creating alternative biofuel. NASCAR fans are 40 percent more likely to support using ethanol to bolster American energy independence, twice as likely to support the fact that ethanol and the green economy creates hundreds of thousands of American Jobs, and three times more likely to be aware that NASCAR is using ethanol in its race fuel.

American Ethanol is a unique sports-marketing partnership. A coalition of ethanol supporters led by **Growth Energy** and the **National Corn Growers Association**, American Ethanol is working with NASCAR to introduce a cleaner-burning fuel to America.

## EPA Approves Additional Flex-Fuel Conversion Kits

The **U.S. EPA** has approved several conversion kits for legacy vehicles to become flex-fuel capable. The new EPA certified kits are for the 4.6L & 5.4L **Ford** engines, along with the 5.7L & 6.1L **Dodge Hemi** engines.

The vehicles that could be converted to operate on up to 85 percent ethanol blends are:

- Lincoln Continental (2002-1997)
  - Lincoln Town Car (2007-1997)
  - Ford Crown Victoria (2007-1996)
  - Ford Econoline E-150 1/2 Ton (2007-1997)
  - Ford Econoline E-250 3/4 Ton
  - Ford Expedition (2004-1996)
  - Ford Explorer (2004-2007)
  - Ford F-150 3/4 Ton Pickup (2007-1997)
  - Mercury Grand Marquis (2007-1997)
  - Mercury Mountaineer (2007-2004)
  - Mustang V-8 w SOHC (2004-1997)
  - Dodge and Chrysler passenger car and light truck models equipped with 5.7L Hemi motors
- These kits can be ordered [here](#).

## Diversification Key to GPRE's Strong Growth, CEO Says

While speaking at an annual investment conference in New York City, **Green Plains Renewable Energy Inc. CEO Todd Becker** told investors he believes ethanol will continue to be profitable for the long-term.

Ethanol currently makes up 10 percent of the U.S. fuel supply. Becker said it would be difficult for refiners to replace that volume, noting that up to 80 percent of the U.S. refining capacity is now producing Conventional Blendstock for Oxygenate Blending, which is an 84 octane fuel that cannot be distributed to retailers without first being blended with ethanol. Refiners have made CBOB a "solid part of their strategy" because it is more profitable for them to produce, according to Becker. "If ethanol went away tomorrow they would have a very big problem in the United States supplying 87 octane," he said. "In fact, I don't think they'd be able to do it."

Corn oil extraction has proven to be a particularly profitable diversification technique for the company. All of GPRE's plants are now producing corn oil by extracting it from the distiller grains. "You're taking something that's worth about 9 cents a pound and converting it to something that's worth about 36 cents a pound net, so you're turning a low-value feed product into something that's a high-value energy product," Becker said.

## Renewable Energy Group® names Daniel Oh President & Chief Executive Officer

**Renewable Energy Group's Board of Directors** today announced its succession plan for a seamless transition of the company's leadership positions.

The board offered unanimous approval of **Jeffrey Stroburg's** request to transition from the dual position of **Chairman of the Board and Chief Executive Officer** to the sole role of Chairman of the Board. **Daniel J. Oh, President and Chief Operating Officer**, will transition to the role of **Chief Executive Officer and President** and join the **Board of Directors**.



Daniel J. Oh

"Over his last five years with the company, Mr. Oh has played a key role in driving the business forward. We have complete confidence in Mr. Oh's ability to execute our corporate strategy," the board shared in a statement following the vote.

## Abengoa Begins Building 23 MMgy Cellulosic Ethanol Plant

On Sept. 20, **Abengoa** announced it has received the air permit for the 23 MMgy multi-feedstock facility to be built in southwest Kansas near Hugoton. The plant is expected to be complete in about two years, which is also when the first full-scale harvest will be expected from 20,000 acres of switchgrass to be established through a **USDA Biomass Crop Assistance Program (BCAP)** project that was approved in late July.

Abengoa has been working toward commercializing its cellulosic ethanol production process for a decade and has been rewarded with many positive outcomes throughout the summer: signing feedstock supply agreements with area farmers for corn stover and wheat straw, receiving **BCAP** project area approval for switchgrass, and finally receiving an offer from the **U.S. DOE** on its \$133.9 million loan guarantee application.

Abengoa **CEO Manuel Sanchez** said the completion of this first cellulosic project will serve as a stepping stone toward the expansion of cellulosic capabilities at all of the company's production facilities.

### New Blender Pump Stations!

First Cooperative Association  
102 South Main Street, Aurelia  
Offering E10, E20, E30 & E85

Taygold Convenience Store  
210 Broadway, Clearfield  
Offering E10, E30 & E85

## AlphaJet Announces New Technology for Making Advanced Renewable Drop-in Jet Biodiesel

**AlphaJet Inc.** announced that the company has developed and successfully demonstrated a highly cost-effective catalytic method for making jet biofuel from renewable products such as plant and animal triglycerides and/or fatty acids.

**AlphaJet's BoxCar™** catalytic de-oxygenation process significantly reduces capital and operation costs because it does not require hydrogen to remove the oxygen from the feedstocks. For complete story [click here.](#)

## Iowa Congressmen Receive Recognition for Ethanol Support

Iowa congressional leaders were recently recognized for their support of the ethanol industry with the "Fueling Growth" award from **Growth Energy** during the ethanol organization's second annual **Legislative Conference** in Washington D.C.

According to Growth Energy, the awards are meant to recognize the leadership of policy makers "in fostering our country's energy independence, through the production and use of ethanol as a fuel to displace foreign oil."



Growth Energy Tom Buis, Senator Harkin, POET Jeff Broin



Siouxland Energy Bernie Punt, POET-Coon Rapids Howard Roe & Lynn Phillips, Rep. Latham, POET Broin, Growth Energy Buis



Syngenta Jack Bernens, Absolute Energy Rick Schwarck, Siouxland Energy Punt, Congressman Boswell, POET-Coon Rapids Roe, POET-Hanlonton Kelly Hansen, POET-Coon Rapids Phillips



Absolute Energy Schwarck and Congressman Braley



Sukup Mfg. Steve Sukup, Siouxland Energy Punt, POET-Coon Rapids Phillips, Congressman King, POET-Coon Rapids Roe, Big River Resources Defenbaugh, Absolute Energy Schwarck



POET-Coon Rapids Roe, Absolute Energy Schwarck, POET-Coon Rapids Phillips, Green Plains Renewable Energy Steve Bleyl, Senator Grassley, Siouxland Energy Punt, Big River Resources Defenbaugh, Sukup Mfg. Steve Sukup



Absolute Energy Schwarck and Congressman Loeb sack