




Environmental and Energy Study Institute



Bioenergy



Climate Protection



Oil Reduction

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EESI Announcements

50th Issue of BCO

In the nine years and 50 issues since EESI began publishing this newsletter, the world of biomass has seen dramatic changes. Exciting new technologies have been developed, new feedstocks and products are announced daily, and biofuels issues have vaulted from a relatively obscure issue to a mainstream topic heard in the nightly news, major newspapers, and the presidential election. Not all of this heightened attention has been positive, however. Concerns over land use changes, indirect greenhouse gas emissions, and rising food prices have become strongly associated with biomass (and especially biofuels) in the eyes of many individuals and groups concerned about deforestation, climate change, and social welfare. These are valid concerns that should not be ignored, but neither do they justify condemnation of biomass and biofuels, nor the misinformation that has been broadly distributed. Instead, these issues and concerns should help direct the future emphasis of biomass policies. That emphasis *must* be on sustainability. By diversifying our feedstock portfolio, expanding research efforts, developing sustainable management practices, and promoting appropriate technologies and appropriate scale, we can help ensure that our biomass resources are used in a way that protects our natural resources, strengthens our communities, provides jobs, and slows the rate of global climate change by reducing our use of fossil fuels.

On September 24, 1999, EESI published the [first issue of Ethanol, Climate Protection, Oil Reduction \(ECO\)](#). Although the early newsletter focused almost exclusively on ethanol, this first issue included such articles as "Why Environmentalists Should Care about Ethanol?" and "What is Cellulosic Ethanol?" At that time, these topics were very new, and they show the emphasis that EESI has always placed on environmental considerations and cellulosic technologies. In December of 2003 ([Issue 21](#)), the name of ECO was changed to BCO to reflect the full range of feedstocks and the many ways in which renewable biomass resources can replace petroleum, coal, natural gas and other fossil fuels. Biomass is a valuable and wonderful resource. It can be used to produce a whole portfolio of liquid fuels, heat, and electricity, as well as chemicals, plastics, foams, fertilizers and other products that would otherwise be made from fossil feedstocks.

Since that first issue of ECO, production of biofuels has more than quadrupled, interest and investment in bioenergy has expanded tremendously, and biomass has become a hot topic on Capitol Hill. Through BCO, EESI continues to monitor this fast and exciting field, providing timely updates on news, science, and federal policy, as well as informative commentary from key players. We are proud of our achievements and we pledge

to continue our efforts to make BCO the most informative, interesting, and useful resource that we can. To that end, we would ask our readers to [download our short survey \(.doc\)](#) and take a few minutes to fill it out. The survey will let us know how we can improve BCO in the future. Please send all completed surveys to jcaputo[at]eesi.org.

Let me close by thanking you in advance for your feedback, as well as your continued interest in EESI and BCO. The close relationship that we maintain with our readers continues to motivate us. As a community, we can work together to inform policymakers, develop renewable solutions, and strive to limit the accelerating dangers from global climate change.

Carol Werner, Editor

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Commentary

Next Steps from the National Clean Energy Summit By Nevada Senator Harry Reid

The National Clean Energy Summit I hosted last month in partnership with the Center for American Progress Action Fund and the University of Nevada, Las Vegas, is a success of which I am quite proud. We defined an ambitious yet attainable set of priorities to give to the next President and Congress, real-world solutions to the enormous energy challenges our country and planet face. We brought together the best and the brightest, a diverse group of energy experts and industry leaders in government, business, science, labor and research, to accomplish this. Most notably, I truly feel we moved beyond just discussion and created action items on which we can move in the very near future.

In plotting a new course for America's clean energy future, there is no shortage of options, but we must match these myriad ideas with support. My home state of Nevada hosts some of the largest natural stores of solar and geothermal energy in the world, and wind and biofuels also present wonderful opportunities to help quickly move away from dirty fossil fuels from unstable sources. I believe the time is here for the federal government to take a leadership role in seeding this industry, thereby starting the engine of business and eventually allowing it to run on its own success.

Our summit included a wonderful opening address by President Bill Clinton, a presentation of the "Pickens Plan" by Texas entrepreneur T. Boone Pickens and thoughtful closing remarks by New York City Mayor Michael Bloomberg, as well as panel discussions featuring business leaders, policy experts, and scientists. Whether we're talking about the importance of saving our pristine natural landscapes, reaping the enormous economic benefits of building and maintaining a green economy or protecting our national security interests by reducing our use of unstable energy sources, what proved abundantly clear at the summit is that everyone can benefit from an immediate and significant move to clean energy.

Among the top priorities from the summit are: renewing long-term federal tax credits for producing renewable energy; setting a national renewable standard for utilities to produce electricity from solar, wind and geothermal sources; modernizing the nation's electrical grid to make it smart and more secure, and capable of transferring and storing clean energy; and ensuring our buildings meet standards for energy efficiency.

It's important to understand that while we cannot simply flip a switch and begin delivering our enormous renewable energy potential to market, the foundation to do so is already in place. In Nevada, the Bureau of Land Management is working hard just to keep up with the large volume of solar applications it is receiving from companies wanting to develop the technology. The next step, of course, involves creating the infrastructure to move this clean energy from the areas where it is produced to the rest of the country. That is why I've introduced legislation to spur the development of green transmission lines dedicated to the transfer of clean energy. It is this kind of collaboration between private industry and the federal government that I believe must happen if we are to take the first steps here.

The up-front costs of the clean energy business are obviously a challenge we must address, and that is why it's

so vitally important that Congress extends long-term tax credits for renewable energy production. I have tried eight times to pass such legislation, and each time, my efforts have been blocked. It's opposition I just don't understand because this move makes so much sense for so many people. I certainly hope to pass this and other comprehensive energy reform when we return to session.

As we turn our solar, wind, geothermal and biomass stores into the fuel on which the clean energy economy runs, I am confident that our coming revolution is the right move for America and for the future of our planet.

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Feature Article

Rising Demand for Wood Pellets and Stoves

With the rising cost of oil, many consumers in the Northeast are looking towards wood pellets as an alternative to oil to heat their homes this winter. Pellet manufacturers in the Northeast have been reporting increasing sales and demand for wood pellets. "In the short term, the demand for pellets is like a gold rush," said George Soffren, general manager of Corinth Wood Pellets LLC in Maine. "But we could sell more pellets than we are making. The demand is there. The problem is that people are panicking and hoarding both stoves and pellets. We're getting calls from Connecticut, New York, New Jersey." Firms as far away as the United Kingdom are also purchasing wood pellets produced in Maine. Along with increasing demand for wood pellets, sales of pellet stoves are rising as well. Dealers in New Hampshire are reporting that sales of pellet stoves have increased by as much as 500 percent since last year even though some customers may not receive their stoves until January. "I have tractor-trailers coming in all the time, loaded with stoves, but they're already sold," said Dave Yakuboff, a dealer at All Basics Stove Shop in Merrimack, New Hampshire. "I've been doing this 25 years, and I've never seen it like this before." According to the Hearth, Patio, and Barbecue Organization and the Pellet Fuels Institute, first-quarter sales for pellet stove rose 54 percent over last year with some manufacturers unable to meet rising demand.

According to some producers, consumers and retailers are overbuying wood pellets, with some consumers unnecessarily purchasing enough wood pellets for two or three years. Charlie Niebling, manager of New England Wood Pellet, says that about one-quarter of customers buy their wood pellet supply in the spring; however this year more and more people are purchasing pellets in the spring due to anxiety about heating oil costs. Many are purchasing wood pellets at such a high volume due to the fear that prices may rise as demand rises. However, according to Matt Bell, co-owner and president of Northeast Pellets LLC, the cost of wood pellets has increased only 12-15 percent in the past five years, which is far below the rise in oil prices over the same time period.

As stated, the rise in demand for wood pellets and stoves is primarily due to rising heating oil costs. According to the Energy Information Administration (EIA), NYMEX futures prices of heating oil have risen from \$3.08/gallon at the end of the winter heating season in March to a high of \$4.10/gallon on July 3rd. This is almost double the price at the same time in 2007. Trends in spot prices of heating oil have followed the same pattern. Even though prices have dropped since the high in early July, they are still substantially higher than a year ago, and Robert Coard, President and CEO of Action for Boston Community Development, Inc. estimated that heating oil may cost as much as \$5.00/gallon this winter.

In response, on July 16, several New England lawmakers signed a letter sent to House Speaker Nancy Pelosi (D-CA) asking for an increase from the roughly \$2.6 billion provided last year in federal home heating assistance. Specifically, for this coming winter, the legislators requested \$9 billion and asked that the eligibility requirements be expanded for the Low Income Home Energy Assistance Program. They also requested at least \$1 billion in aid for the Weatherization Assistance Program which assists low-income homeowners in better insulating their homes. Rep. Edward J. Markey (D-MA) said, "All of this is going to absolutely be needed for this winter. I think as each day goes by and people realize what a catastrophe this winter is going to be for low-income families, it increases the likelihood that we can get a much larger number of dollars than we ever have in history." In the previous week, four New England governors asked that federal government home heating assistance for the region be increased from \$252 million last year to \$1 billion this year.

With rising demand for wood pellets, the question of how widespread a practice this can be and still be sustainable has been raised. According to a preliminary report released by the Maine Governor's Wood-to-Energy Task Force, 10 percent of homes and small businesses in Maine could be heated with wood pellets manufactured locally from trees grown within the state. To supply fuel, Maine Forest Service data estimates that 640,000 tons of green wood would be needed a year. However, obstacles such as labor issues and competition for supply from other industries such as paper could cause the cost of wood pellets to rise as demand rises. As heating oil costs continue to increase, it can be expected that wood pellet utilization will increase in regions such as the Northeast which has an abundance of available biomass and is heavily reliant on petroleum for residential heating. In addition, in contrast to heating oil, wood pellets can be produced domestically and are a low carbon fuel source when produced in a sustainable manner.

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Federal Initiatives Updates

New Legislation

H.R. 6377 - Energy Markets Emergency Act of 2008

June 26, Reps. Peterson (D-MN), Van Hollen (D-MD), Etheridge (D-NC), Boswell (D-IA), Cardoza (D-CA), DeLauro (D-CT), Stupak (D-MI), Larson (D-CT), Welch (D-VT), Matheson (D-UT), Mahoney (D-FL), Barrow (D-GA), McIntyre (D-NC), Holden (D-PA), Miller (D-NC), Butterfield (D-NC), Kagen (D-WI), Hodes (D-NH), Davis (D-CA), Shuler (D-NC), Pomeroy (D-ND), Farr (D-CA), and Lampson (D-TX) introduced H.R. 6377 to direct the Commodity Futures Trading Commission to utilize all its authority, including its emergency powers, to curb immediately the role of excessive speculation in any contract market within the jurisdiction and control of the Commodity Futures Trading Commission, on or through which energy futures or swaps are traded, and to eliminate excessive speculation, price distortion, sudden or unreasonable fluctuations or unwarranted changes in prices, or other unlawful activity that is causing major market disturbances that prevent the market from accurately reflecting the forces of supply and demand for energy commodities. **The bill was referred to the House Committee on Agriculture, where it was reported to and ultimately passed by the House.** The bill was sent to the Senate on June 26. On that same day, Senator Cantwell (D-WA) introduced a **companion bill (S. 3205)** that was referred to the Senate Committee on Agriculture, Nutrition, and Forestry.

H.R. 6383 – Alternative Energy Advancement Act

June 26, Rep. Hayes (R-NC) introduced H.R. 6383 to make available for research and development of alternative energy sources, certain revenue (bonus bids, rents, and royalties) received by the United States for all future oil and gas leases. The bill was referred to the House Committee on Natural Resources, and to the House Committee on Science and Technology.

H.R. 6384 – Americans for American Energy Act of 2008

June 26, Rep. Bishop (R-UT), Boehner (R-OH), Sali (R-ID), Cannon (R-UT), Heller (R-NV), Herger (R-CA), McMorris Rodgers (R-WA), Lamborn (R-CO), Doolittle (R-CA), Renzi (R-AZ), Musgrave (R-CO), Young (R-AK), Alexander (R-LA), Rehberg (R-MT), Cubin (R-WY), Franks (R-AZ), Simpson (R-ID), Peterson (R-PA), Pearce (R-NM), Tancredo (R-CO), Upton (R-MI), Blackburn (R-TN), Walden (R-OR), Shadegg (R-AZ), Walberg (R-MI), Wittman (R-VA), and Myrick (R-NC) introduced H.R. 6384 to provide for a comprehensive plan to develop domestic energy resources, including offshore oil, natural gas, coal, nuclear, efficiency, and renewables. The

bill was referred to the House Committee on Natural Resources, and to the House Committees on the Judiciary, Energy and Commerce, Science and Technology, Ways and Means, Agriculture, Education and Labor, Armed Services, Transportation and Infrastructure, and Oversight and Government Reform.

H.R. 6385 – Apollo Energy Independence Act of 2008

June 26, Reps. Kirk (R-IL), Biggert (R-IL), and Shays (R-CT) introduced H.R. 6385 to provide a large-scale national effort to improve the state of our national security, economy and environment by providing market incentives to reduce our dependence on foreign oil and to produce and deploy alternative energy solutions, including solar, marine renewables, cellulosic ethanol, flex-fuel vehicles, hydrogen fuel cells, plug-in electric hybrids, nuclear, and efficiency. The bill was referred to the House Committee on Ways and Means, and in addition to the House Committees on Science and Technology, Energy and Commerce, Education and Labor, Rules, Natural Resources, Agriculture, Armed Services, and the Budget.

H.R. 6401 – Renewable Energy Jobs and Security Act

June 26, Reps. Inslee (D-WA), Delahunt (D-MA), Honda (D-CA), McDermott (D-WA), and Grijalva (D-AZ) introduced H.R. 6401 to spur rapid and sustainable growth in renewable electricity generation in the United States through priority interconnection and renewable energy payments. The bill was referred to the Committee on Energy and Commerce, and to the House Committees on Science and Technology, and Ways and Means.

H.R. 6412 – Comprehensive Energy Exploration, Price Reduction, and Renewable Energy Investment Act of 2008

June 26, Rep. Musgrave (R-CO) introduced H.R. 6412 to promote the energy security of the United States, through development of offshore oil and natural gas, oil shale, coal, advanced battery technology, and biofuels. Incentives for biofuels include research funds for additives and infrastructure, as well as an amendment to the renewable biomass definition in the RFS allowing for use of most biomass feedstocks. The bill was referred to the House Committee on Natural Resources, and to the House Committees on Energy and Commerce, Science and Technology, Oversight and Government Reform, Armed Services, Foreign Affairs, Ways and Means, and Agriculture.

H.R. 6418 – DRILL NOW Act of 2008

June 26, Rep. Poe (R-TX), Boustany (R-LA), Burton (R-IN), and Lamborn (R-CO) introduced H.R. 6418 to achieve greater national energy independence by terminating longstanding moratoriums on the domestic production of offshore oil and natural gas and to authorize States to petition for authorization to conduct offshore oil and natural gas exploration and extraction in the coastal zone of their State. The act also calls for 25% of revenues to be invested in a Clean and Alternative Energy Fund. The bill was referred to the House Committee on Natural Resources.

S. 3222 – Energy Transition Act of 2008

June 27, Senator Thune (R-SD) introduced S. 3222 to promote the energy security of the United States by developing offshore oil, natural gas, clean coal, and biofuels (including an amendment to the renewable biomass definition in the RFS allowing for use of most biomass feedstocks). The bill was referred to the Senate Committee on Energy and Natural Resources.

H.R. 6450 – ECO Fund Act of 2008

July 9, Rep. Hodes (D-NH) and Perlmutter (D-CO) introduced H.R. 6450 to establish a revolving loan fund to provide loans to States and Indian tribes to provide incentives to install renewable sources of energy, including biomass, for housing and other structures. The bill was referred to the House Committee on Financial Services, and to the House Committee on Energy and Commerce.

S. 3240 – Better Energy Strategy for Tomorrow (BEST) Act of 2008

July 10, Senators Sessions (R-AL), Alexander (R-TN), Allard (R-CO), Barasso (R-WY) and Cochran (R-MS) introduced S. 3240 to promote energy production and security in the United States by requiring the President to develop an energy security strategy to achieve energy independence, climate mitigation, and clean energy. The bill was referred to the Senate Committee on Energy and Natural Resources.

S. 3255 – Over-the-Counter Speculation Act

July 11, Senators Levin (D-MI) and Feinstein (D-CA) introduced S. 3255 to amend the Commodity Exchange Act

to provide for the oversight of large trades of over-the-counter energy and agricultural contracts to prevent price manipulation and excessive speculation. The bill was referred to the Senate Committee on Agriculture, Nutrition, and Forestry.

H.R. 6484

July 14, Rep. Capuano (D-MA) introduced H.R. 6484 for a study, undertaken by the National Academy of Sciences, to determine what measures can be taken to achieve energy independence for the United States without adversely affecting the environment, including what research will be needed in the short, medium, and long term. The bill was referred to the House Committee on Energy and Commerce, and to the House Committee on Science and Technology.

S. 3268 – Stop Excessive Energy Speculation Act of 2008

July 15, Senators Reid (D-NV), Durbin (D-IN), Dorgan (D-ND), Murray (D-WA) and Schumer (D-NY) introduced S. 3268 to amend the Commodity Exchange Act, to prevent excessive price speculation with respect to energy commodities.

H.R. 6552 – Incentivizing Renewable Energy Production Act of 2008

July 17, Rep. Terry (R-NE) introduced H.R. 6552 to provide incentives for the reduction of greenhouse gases, including incentives for anaerobic digestion, bio-based materials, biofuels infrastructure, and renewables research and development. The bill was referred to the House Committee on Ways and Means, and to the House Committees on Oversight and Government Reform, Rules, Energy and Commerce, and Science and Technology..

S. 3291 – Biofuels Pipeline Act of 2008

July 21, Senators Harkin (D-IA) and Lugar (R-IN) introduced S. 3291 to amend the Internal Revenue Code of 1986 to treat certain income and gains relating to transportation, storage, or marketing of biofuels as qualifying income for publicly traded partnerships. The bill was referred to the Senate Committee on Finance.

S. 3303 – Open Fuel Standard (OFS) Act of 2008

July 22, Senators Brownback (R-KS), Salazar (D-CO), Collins (R-ME), Lieberman (I-CT), and Thune (R-SD) introduced S. 3303 to require automobile manufacturers to ensure that not less than 80 percent of the automobiles manufactured or sold in the United States by each manufacturer to operate on fuel mixtures containing 85 percent ethanol, 85 percent methanol, or biodiesel. The bill was referred to the Senate Committee on Commerce, Science, and Transportation. A **companion bill (H.R. 6559)** was introduced on the same day in the House by Reps. Engel (D-NY), Kingston (R-GA), Israel (D-NY), and Inglis (R-SC) and was referred to the House Committee on Energy and Commerce.

H.R. 6566 – American Energy Act

July 22, Reps. Boehner (R-OH), Blunt (R-MO), Putnam (R-FL), McCotter (R-MI), Granger (R-TX), Carter (R-TX), Cole (R-OK), Cantor (R-VA), Dreier (R-CA), Barton (R-TX), English (R-PA), David Davis (R-TN), Myrick (R-NC), Miller (R-MI), Sessions (R-TX), Schmidt (R-OH), Cubin (R-WY), Wilson (R-SC), Latta (R-MI), Issa (R-CA), Duncan (R-TN), Rogers (R-MI), Neugebauer (R-TX), Gringrey (R-GA), Bachus (R-AL), Buyer (R-IN), Wittman (R-VA), Nunes (R-CA), Blackburn (R-TN), Fallin (R-OK), Wamp (R-TN), Drake (R-VA), Royce (R-CA), Radanovich (R-CA), Chabot (R-OH), Brady (R-TX), Scalise (R-LA), Aderholt (R-AL), Westmoreland (R-GA), Bonner (R-AL), McHugh (R-NY), Linder (R-GA), McMorris Rodgers (R-WA), King (R-NY), Shimkus (R-IL), Smith (R-NE), Rogers (R-KY), Smith (R-TX), Wolf (R-VA), Boustany (R-LA), Rohrabacher (R-CA), Tiberi (R-OH), Rogers (R-AL), Foxx (R-NC), Culberson (R-TX), Kuhl (R-NY), Pickering (R-MS), Goode (R-VA), Gohmert (R-TX), Marchant (R-TX), Davis (R-KY), McCarthy (R-CA), Capito (R-WV), Calvert (R-CA), Bachmann (R-MN), McCaul (R-TX), Shuster (R-PA), Bishop (R-UT), Everett (R-AL), Burton (R-IN), Boozman (R-AR), LaTourette (R-OH), Terry (R-NE), Fortenberry (R-NE), King (R-IA), Manzullo (R-IL), Hall (R-TX), Hoekstra (R-MI), Platts (R-PA), Jones (R-NC), Graves (R-MO), Lamborn (R-CO), Kline (R-MN), Sali (R-ID), and Pence (R-IN) introduced H.R. 6566 to bring down energy prices by increasing safe, domestic production, encouraging the development of alternative and renewable energy, and promoting conservation. Among other things, the act includes an extension of the tax credits for renewable energy and refined coal. The bill was referred to the House Committee on Natural Resources, and to the House Committees on the Judiciary, Ways and Means, Energy and Commerce, Armed Services, Oversight and Government Reform, and Science and Technology.

H.R. 6593 - Domestic Drilling Act

July 24, Rep. Lampson (D-TX) introduced H.R. 6593 to terminate prohibitions on leasing of areas of the Outer Continental Shelf and the Arctic National Wildlife Refuge for exploration, development, and production of oil and natural gas. The Act directs 25% of revenues to a Department of Energy Reserve Fund, to be used in the development of clean domestic energy and renewable energy. The bill was referred to the House Committee on Natural Resources, and to the House Committees on Science and Technology, and Energy and Commerce.

H.R. 6604 – Commodity Markets Transparency and Accountability Act of 2008

July 24, Rep. Peterson (D-MN) introduced H.R. 6604 to amend the Commodity Exchange Act to bring greater transparency and accountability to commodity markets. The bill was referred to the House Committee on Agriculture.

S. 3336 – New Clean Energy Tax Extenders Act

July 25, Senator Dole (R-NC) introduced S. 3336 to amend the Internal Revenue Code of 1986 to reduce U.S. dependence on foreign oil and investing in clean, renewable, and alternative energy by extending renewable energy production tax credits, clean renewable energy bonds, efficiency credits, and other tax credits. The bill was referred to the Senate Committee on Finance.

H.R. 6647 - Energy Fraud and Fairness Reform Act

July 29, Rep. Ruppertsberger (D-MD) introduced H.R. 6647 to direct the Federal Trade Commission to investigate how speculators are driving up the cost of gasoline in the financial markets. In addition, the act provides tax credits for converting petroleum infrastructure and vehicles to alternative, clean fuels and also requires the comptroller general to prepare a report on refinery capacity in the United States. The bill was referred to the House Committee on Ways and Means, and to the House Committee on Energy and Commerce.

H.R. 6653 – Consumer Energy Relief Act of 2008

July 30, Rep. Schakowsky (D-IL) introduced H.R. 6653 to provide energy price relief and hold oil companies and other entities accountable for their actions with regard to high energy prices through a windfall profits tax as well as penalties for price gouging and limits for speculation. The bill was referred to the House Committee on Ways and Means, and to the House Committees on Energy and Commerce, Agriculture, and the Judiciary.

H.R. 6670 – Long-Term Energy Assurance and Security Enhancement (LEASE) Act of 2008

July 30, Reps. Gene Green (D-TX), Cuellar (D-TX), Davis (D-AL), Ortiz (D-TX), Lampson (D-TX), Boren (D-OK), Costa (D-CA), Rodriguez (D-TX), Cramer (D-AL), Gonzalez (D-TX), Cazayoux (D-LA), Foster (D-IL), Abercrombie (D-HI), Hinojosa (D-TX), Melancon (D-LA), and Childers (D-MS) introduced H.R. 6670 to open areas of the Outer Continental Shelf to oil and gas leasing, to direct the Commodity Futures Trading Commission to utilize its authority to curb immediately the role of excessive speculation in energy markets, to require sales of light grade petroleum from the Strategic Petroleum Reserve and acquisitions of equivalent volumes of heavy grade petroleum. The bill was referred to the House Committee on Natural Resources, and to the House Committees on Energy and Commerce, Science and Technology, Transportation and Infrastructure, Education and Labor, and Agriculture.

H.R. 6672 – Rural Energy Equity Act of 2008

July 30, Reps. Herseth Sandlin (D-SD) and Fortenberry (R-NE) introduced H.R. 6672 to amend the Internal Revenue Code of 1986 to provide an exception to the provision which reduces the renewable energy credit for projects receiving grants, subsidies, and other public financing. This act will remove that exception for all projects receiving grants and loan guarantees under section 9007 of the Farm Security and Rural Investment Act of 2002. The bill was referred to the House Committee on Ways and Means.

S. 3380 – Saving Energy Through Public Transportation Act of 2008

July 31, Senators Reid (D-NV) and Clinton (D-NY) introduced S.3380 to promote increased use and improvement of public transportation. The act provides grants that can be used to reduce fares, improve infrastructure, provide commuter services, procure renewable or alternative fuels or for other purposes. In addition, the legislation would establish a program in the DOT to create vanpool pilot and demonstration programs in up to 3 urbanized areas. The bill was referred to the Senate Committee on Banking, Housing, and Urban Affairs.

S. 3389 – Extractive Industries Transparency Disclosure Act

July 31, Senators Schumer (D-NY) and Cantwell (D-WA) introduced S. 3389 to require, for the benefit of shareholders, the disclosure of payments to foreign governments for the extraction of natural resources, to allow such shareholders more appropriately to determine associated risks. The bill was referred to the Senate Committee on Banking, Housing, and Urban Affairs.

H.R. 6692 – Renewable Fuel Pipelines Act of 2008

July 31, Rep. Boswell (D-IA) and Terry (R-NE) introduced H.R. 6692 to amend the Energy Policy Act of 2005 to provide loan guarantees for projects to construct renewable fuel pipelines. The bill was referred to the House Committee on Energy and Commerce, and in addition to the House Committee on Transportation and Infrastructure.

H.R. 6709 - National Conservation, Environment, and Energy Independence Act

July 31, Reps. Peterson (D-PA), Abercrombie (D-HI), Costa (D-CA), Burton (R-IN), Gene Green (D-TX), Brown (R-SC), Lampson (D-TX), Bishop (R-UT), Walz (D-MN), Hayes (R-NC), Foster (D-IL), Capito (R-WV), Boren (D-OK), Drake (R-VA), Cuellar (D-TX), Murphy (R-PA), Altmire (D-PA), Smith (R-NE), McIntyre (D-NC), Sali (R-ID), Boyda (D-KS), Lamborn (R-CO), Ortiz (D-TX), Rogers (R-KY), Herseth Sandlin (D-SD), Kingston (R-GA), Holden (D-PA), Miller (R-FL), Cazayoux (D-LA), Lewis (R-CA), Barrow (D-GA), Wilson (R-SC), Kanjorski (D-PA), Kline (R-MN), Marshall (D-GA), Mica (R-FL), Donnelly (D-IN), McCarthy (R-CA), Davis (D-TN), Terry (R-NE), Murphy (D-PA), Souder (R-IN), Bishop (D-GA), Pence (R-IN), Melancon (D-LA), Broun (R-GA), Bartlett (R-MD), and Taylor (D-MS) introduced H.R. 6709 to greatly enhance the Nation's path toward energy independence and environmental, energy, economic, and national security, by amending Federal policy to increase the production of domestic energy sources (offshore fossil fuels) and to dedicate fixed percentages of the royalties received for conservation programs, environmental restoration projects, renewable energy research and development, clean energy technology research and development, increased development of existing energy sources, and energy assistance for those in need. The bill was referred to the House Committee on Natural Resources, and to the House Committees on Energy and Commerce, Ways and Means, Science and Technology, Education and Labor, Budget, and Rules.

H.R. 6734 – E85 and Biodiesel Access Act of 2008

July 31, Reps. Herseth Sandlin (D-SD) and Shimkus (R-IL) introduced H.R. 6734 to encourage increased access to alternative fuels by amending the Internal Revenue Code of 1986 to increase the alternative fuel refueling credit in qualified states. The bill was referred to the House Committee on Ways and Means.

H.R. 6738 – National Bioenergy Partnership Act

July 31, Reps. Inslee (D-WA), Whitfield (R-KY), Delahunt (D-MA), Scott (D-GA), Carnahan (D-MO), Smith (D-WA), Baird (D-WA), McMorris Rodgers (R-WA), Larsen (D-WA), Bishop (D-NY), and Perlmutter (D-CO) introduced H.R. 6738 to establish a National Bioenergy Partnership to provide coordination among programs of State governments, the Federal Government, and the private sector that support the institutional and physical infrastructure necessary to promote the deployment of sustainable biomass fuels and bioenergy technologies for the United States. The bill was referred to the House Committee on Energy and Commerce.

H.R. 6739 – United States Climate Action Now Act

July 31, Reps. Inslee (D-WA), Bishop (D-NY), Hinchey (D-NY), Baldwin (D-WI), and Welch (D-VT) introduced H.R. 6739 to encourage stronger building energy efficiency codes, promote renewable energy technology deployment, and protect the United States from the effects of climate change. The bill includes adoption of expedited interconnection standards, the establishment of a national bioenergy partnership and national renewable energy zones, and a study on abatement measures for black carbon. The bill was referred to the House Committee on Energy and Commerce.

H.R. 6741

July 31, Rep. Israel (D-NY) introduced H.R. 6741 to amend the Internal Revenue Code of 1986 to modify and extend certain energy-related tax credits, including the production tax credit, the investment tax credit, and the residential energy efficient property credit. The bill was referred to the House Committee on Ways and Means.

H.R. 6756 – Carbon Reduction Technology Bridge Act of 2008

July 31, Reps. Pomeroy (D-ND) and Lewis (R-KY) introduced H.R. 6756 to amend the Internal Revenue Code of 1986 to provide tax incentives for clean coal technology and other coal technologies, including co-firing of biomass and coal. The bill was referred to the House Committee on Ways and Means.

H.R. 6758 – Furthering Renewable Energy and Exploration (FREE) Act

July 31, Reps. Rogers (R-AL), Bonner (R-AL), Everett (R-AL), Alderholt (R-AL), Bachus (R-AL), Marshall (D-GA), Hayes (R-NC), Knollenberg (R-MI), Wamp (R-TN), Westmoreland (R-GA), Schmidt (R-OH), McCrery (R-LA), Rehberg (R-MT), Alexander (R-LA), Shadegg (R-AZ), Boustany (R-LA), Price (R-GA), Bishop (R-UT), Pearce (R-NM), Deal (R-GA), Broun (R-GA), Conaway (R-TX), Musgrave (R-CO), Goode (R-VA), Nunes (R-CA), Turner (R-OH), Radanovich (R-CA), Dent (R-PA) and Mario Diaz-Balart (R-FL) introduced H.R. 6758 to direct the Secretary of the Interior to promptly commence an oil and gas leasing program for public lands within the Coastal Plain of Alaska with 25% of the revenues of such program to be used for the Biomass Research and Development Initiative (Sec. 9008e of the Farm Security and Rural Investment Act of 2002). The bill was referred to the House Committee on Natural Resources, and to the House Committee on Agriculture.

H.R. 6759 – Renew Through Green Jobs Act of 2008

July 31, Rep. Space (D-OH) introduced H.R. 6759 to amend the Internal Revenue Code of 1986 to extend the renewable electricity production credit and to require the Secretary of Labor to establish a program to provide for workforce training and education at institutions of higher education, in the fields of renewable energy and efficiency, green technology, and sustainable environmental practices. The bill was referred to the House Committee on Ways and Means, and in addition to the Committee on Education and Labor.

H.R. 6781

August 1, Reps. Goodlatte (R-VA), Cantor (R-VA), Wolf (R-VA), Tom Davis (R-VA), Goode (R-VA), Forbes (R-VA), Wittman (R-VA) and Drake (R-VA) introduced H.R. 6781 to authorize the State of Virginia to petition for authorization to conduct natural gas or crude oil (or both) exploration and extraction activities in any area that is at least 50 miles beyond the coastal zone of the State; 50% of the public revenues from such exploration will be placed in a Clean Energy Fund in the Treasury. The bill was referred to the House Committee on Natural Resources.

H.R. 6787 – Healthy Forests Restoration Amendments Act of 2008

August 1, Reps. Walden (R-OR), Herseth Sandlin (D-SD), Bishop (R-UT), Hastings (R-WA), McMorris Rodgers (R-WA), Rehberg (R-MT), and Simpson (R-ID) introduced H.R. 6787. A bill to amend Healthy Forests Restoration Act of 2003 to expand the areas of Federal land on which hazardous fuel reduction projects may be conducted under that Act. The bill was referred to the House Committee on Agriculture, and in addition to the House Committee on Natural Resources.

H.R. 6815 – Metro Economies Green Act (MEGA)

August 1, Rep. Lee (D-CA) introduced H.R. 6815 to establish grant programs to encourage energy-efficient economic development and green job training and creation (including jobs and economic opportunities in biomass and biofuels), and to establish the Metro Area Green Institute to produce and disseminate best practice information to economic and workforce development initiatives undertaken by metropolitan communities nationally. The bill was referred to the Committee on Education and Labor.

H.R. 6823 – Promoting Real Opportunities (PRO) for Energy Security Act

August 1, Rep. Reichert (R-W) introduced H.R. 6823 to authorize the Secretary of Energy to acquire advanced biofuels for the Strategic Petroleum Reserve when the average weighted price of oil exceeds \$75 per barrel for 3 consecutive days. The bill was referred to the House Committee on Energy and Commerce.

H.R. 6824 – Energy View Into Securing Independence for Our Nation Act

August 1, Rep. Roskam (R-IL) introduced H.R. 6824 to provide for the development of advanced and alternative energy and increased domestic energy production to achieve American energy independence in 15 years. The Act extends tax credits for renewable energy and energy efficiency, provides for drilling in the arctic and the outer continental shelf, promotes nuclear energy, and provides standby loans for coal-to-liquids projects. The bill was referred to the House Committee on Energy and Commerce, and to the House Committees on Science

and Technology, Natural Resources, and Ways and Means.

H.R. 6830 – Healthy Forests, Healthy Planet Act of 2008

August 1, Reps. Shuler (D-NC) and DeFazio (D-OR) introduced H.R. 6830 to authorize the Secretary of Agriculture and the Secretary of the Interior to assist in the development and coordination of markets for biomass and carbon trading for private forest landowners, to assure sustainable forest practices in the use of biomass and carbon trading activity, and to enhance the relationship between Federal lands and private forest lands on a regional basis in the biomass and carbon trading markets, and for other purposes. The Act also modifies the stewardship contracting authority, to remove funding barriers from the anti-deficiency act and the cancellation ceiling problem. The bill was referred to the House Committee on Natural Resources, and to the Committees on Ways and Means, and Energy and Commerce.

EPA Denies the RFS Waiver Request

On August 7, 2008, U.S. Environmental Protection Agency (EPA) Administrator Stephen L. Johnson announced that EPA would deny a request submitted by the State of Texas to reduce the nationwide Renewable Fuels Standard (RFS). Working with the Departments of Energy and Agriculture, EPA considered more than 15,000 public comments and determined that the RFS is not causing "severe harm" to the economy. This means that the total volume of renewable fuels mandated by law to be blended into the fuel supply will remain at 9 billion gallons in 2008 and 11.1 billion gallons in 2009.

Jetta Wong, EESI's Senior Policy Associate for the Sustainable Biomass and Energy Program, said this about EPA's decision, "EESI is glad to see that EPA denied the waiver. It is reassuring that EPA's analysis confirmed what many universities and experts have been staying, which is that the RFS was NOT causing severe harm to the U.S. or the Texas economy."

The Energy Policy Act of 2005, which established the RFS program, includes provisions to enable the EPA Administrator to suspend part of the RFS if its implementation would severely harm the economy or environment of a state, region, or the entire country. In a letter sent to EPA on April 25, 2008, Governor Rick Perry of Texas requested that the EPA cut the RFS mandate for ethanol production in half [noted above], citing recent economic impacts in Texas.

Sources: [EPA Press Release](#)

[EPA Fact Sheet](#)

USDA Awards More Than \$2.7 million in Rural Business Enterprise Grants

On June 30, USDA Agriculture Secretary Ed Schafer announced that 15 organizations representing a total of seven states had been selected to receive more than \$2.7 million in Rural Business Enterprise Grants that focus on job creation and economic development. Secretary Schafer said, "These funds underscore USDA's commitment to foster a healthy business climate in rural areas. Helping small and emerging rural enterprises thrive is critical to our mission to deliver economic opportunity to rural communities." While RBEG funding is not limited to disaster areas, competitive priority consideration was given to the 15 grant recipients who are located in presidentially declared disaster areas.

Among the projects receiving grants, two of the organizations, Institute for Washington's Future and Sno/Sky Agricultural Alliance, both of Washington State, received grant awards in the amounts of \$28,650 and \$96,806 respectively for biofuel-related projects. The Institute for Washington's Future of Seattle will use the grant to study the feasibility of a Duvall dairy farmer's ability to serve as an intermediary between farmers and Cathcart Way, a county-run operation that serves as a regional facility to dry, crush, and prepare seed crops for conversion into fuel. Sno/Sky Agricultural Alliance of Monroe will use the grant to grow and store large quantities of crops that will be used as feedstock to make biodiesel. The grant will cover a third of the costs to construct up to six silos for canola, mustard, and other oilseed crops harvested by its six members and will be built on land next to the old Honor Farm in Monroe and a new biogas digester plant, currently under

construction.

Source: <http://www.usda.gov/2008/06/0174.xml>
<http://www.heraldnet.com/article/20080705/NEWS01/629787965>

FAA and the X-Prize Foundation Announce Collaboration to Promote Renewable Aviation Fuels

On July 10, the Federal Aviation Administration (FAA) announced that it will be collaborating with the X-Prize Foundation to craft a strategy for creating financial incentives for developing alternative renewable aviation fuels. "The race to refuel American aviation is on, and our hope is that the X-Prize will jump-start investment and spur innovation," said Transportation Secretary Mary Peters. "It will be a competition that everyone wins, because a breakthrough in alternative jet fuels is a potential game-changer that could bring lower airline fuel costs, greater U.S. energy independence, and cleaner air." The X-Prize will work in coordination with FAA's NextGen program, created to promote renewable aviation fuels, to determine a strategy for implementing prize incentives as well as identify sponsors for the prize. The goal of this collaboration is to encourage the development of alternative fuels while avoiding the use of food crops or land use changes that may increase greenhouse gasses. It is expected that the competition for the prize will occur over three to eight years. "Again and again, aviation has shown this nation its resilience," concluded Peters. "I am confident that, even with the difficult times that we are now facing, this industry — with the right incentives — can retool, refuel, and cope with any kind of crisis that faces us today, or into the future."

Source: <http://www.amtonline.com/article/article.jsp?siteSection=1&id=5918>

U.S. International Trade Commission Releases Report on Biotechnology in the Chemical and Biofuel Industries

The U.S. International Trade Commission recently released a report titled, "Industrial Biotechnology: Development and Adoption by the U.S. Chemical and Biofuel Industries," that reported the United States is increasing its use of industrial biotechnology from pharmaceuticals to plastics and ethanol to biodiesel. The report found that the liquid biofuel industry experienced significant growth from the 2004 to 2007 time period in terms of the number of ethanol and biodiesel producers, production facilities, and value of biofuel shipments. The bio-based chemical industry, including pharmaceutical and other chemical producers, also experienced growth although not as much as the biofuel industry. The report stated that "innovation is important to the future competitiveness and productivity of both industries."

Other highlights include that research and development and investment in cellulosic ethanol technologies has been an important focus as the biofuel industry seeks to expand feedstocks used and types of biofuels produced. Feedstock costs and availability and limited access to capital were cited as the significant impediments to the development of industrial biotechnology in the biofuel industry. Ethanol and biodiesel experienced the most growth in shipments; the value of corn ethanol shipments more than doubled and the value of biodiesel shipments increased by over 2000 percent. The report stated that "industrial biotechnology can benefit the U.S. economy by allowing the substitution of liquid biofuels for conventional liquid fuels, potentially reducing crude petroleum imports; stimulating the development of rural economies as a result of increased agricultural feedstock consumption; and providing environmental benefits, including sustainable production, reduced greenhouse gas emissions, and less waste generation."

Sources: http://www.usitc.gov/ext_relations/news_release/2008/er0715ff2.htm
<http://hotdocs.usitc.gov/docs/pubs/332/pub4020.pdf> (.pdf format)

USDA Awards \$6.9 Million in Renewable Energy and Energy Efficiency Loans and Grants

On July 22, USDA Agriculture Secretary Ed Schafer announced that 27 individuals and businesses

representing a total of seven states had been selected to receive \$6.9 million in loans and grants through the USDA Rural Development's Renewable Energy Systems and Energy Efficiency Improvements Program, which was established under Section 9006 of the 2002 Farm Bill. These loans and grants will help agricultural producers and rural small business owners save energy and improve operations by providing funding for projects that create renewable energy systems and improve energy efficiency.

Secretary Schafer said, "The Bush administration is committed to providing more energy from within our nation's borders, and these loan and grant combinations announced today will help accomplish this important goal." Funding through this program may support a wide variety of renewable energy and energy efficiency projects, including endeavors related to biomass (i.e. anaerobic digesters), geothermal, hydrogen, solar, and wind energy. Awarded projects ranged from constructing an anaerobic digester on a dairy farm in Wisconsin to improving energy efficiency at a maple syrup business in Vermont to creating energy savings up to 51.47 percent through the purchase of a Grain Systems (GSI) dryer and wet holding tank in Iowa.

Source: <http://www.usda.gov/wps/portal/usdahome?contentidonly=true&contentid=2008/07/0192.xml>

DOE Awards Two Small-Scale Biorefinery Awards

On July 14, the Department of Energy (DOE) announced the recipients of two small-scale biorefinery projects for federal funding of up to a combined \$40 million over five years. Grants were awarded to Flambeau River Biofuels, LLC which is planning to produce approximately 6 million gallons per year of Fischer-Tropsch diesel fuel from byproducts from an adjacent paper and pulp mill. The second grant was awarded to Verenum Biofuels which is planning to produce 1.5 million gallons per year of cellulosic ethanol from various waste products such as sugar cane bagasse and other agricultural residues. This facility was recently commissioned in May. These biorefineries are to be located in Park Falls, WI and Jennings, LA respectively and are part of the final round of selections for DOE's small-scale biorefinery solicitation, which has awarded seven other projects this year totaling \$200 million.

Source: <http://www.energy.gov/news/6413.htm>

The IRS Withdraws Rule Restricting Open-Loop Biomass From Tax Credits

On June 25, the Internal Revenue Service (IRS) announced that it has withdrawn a rule in Section 45 of the Internal Revenue Code which restricted the tax credits for energy generated by open-loop biomass. This "netting" fuel restriction was established by the IRS in 2006 even though Congress included open-loop biomass as eligible for the tax credit in 2004. Open-loop biomass is commonly utilized in paper mills which can generate up to 64 percent of their own electricity and wood product mills which can generate 74 percent. According to Donna Harman, President and CEO of the American Forest & Paper Association, "As a result of this decision, the forest products industry's considerable contribution to the nation's production of renewable, carbon-neutral energy can now benefit from the Section 45 tax credit as Congress intended."

Source: http://www.afandpa.org/Template.cfm?Section=Press_Releases1&template=/PressRelease/

USDA and DOE Award Over \$10 Million in Bioenergy Feedstock Research

On July 31, USDA Agriculture Under Secretary for Research, Education and Economics Gale Buchanan and Energy Department Under Secretary for Science Raymond Orbach announced that 10 universities representing a total of eight states had been selected to receive more than \$10 million for research in biomass genomics to further the development of cellulosic biofuels. Under Secretary Buchanan said, "USDA is committed to fostering a sustainable domestic biofuels industry at home in rural America. These grants will broaden the sources of energy from many crops as well as improve the efficiency and options among renewable fuels."

Under Secretary Orbach added, "Cellulosic biofuels offer one of the best near- to mid-term alternatives we have,

on the energy production side, to reduce reliance and imported oil and cut greenhouse gas emissions, while continuing to meet the nation's transportation energy needs. Developing cost-effective means of producing cellulosic biofuels on a national scale poses major scientific challenges--these grants will help in developing the type of transformational breakthroughs needed in basic science to make this happen." Under the joint DOE-USDA biomass genomics research program that started in 2006, DOE's Office of Biological and Environmental Research will provide \$8.8 million and USDA's Cooperative State Research, Education and Extension Service will provide \$2 million over a three year period.

Source: <http://www.usda.gov/wps/portal/usdahome?contentidonly=true&contentid=2008/07/0202.xml>

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State Initiatives Updates

New York State Planning to Award \$750,000 for a Biomass Roadmap

The New York State Energy Research and Development Authority (NYSERDA) has announced that it is seeking proposals to develop and conduct a Renewable Fuels Roadmap and Sustainable Biomass Feedstock Study for New York. This "Roadmap" is expected to assess environmental, capacity, technology, efficiency, and economic issues for renewable fuels. Proposals should suggest possible strategies for dealing with negative impacts and ensuring sustainable feedstock production. This Roadmap will also help identify the fuels, feedstocks, and other factors that would be of the greatest benefit to New York State. NYSERDA is planning to award a total of \$750,000 for one contract with no cost sharing contract required. The deadline for proposal submissions was August 12, 2008.

Source: <http://www.nyserda.com/funding/1249rfp.pdf> (pdf format)

Biofuel Legislation Signed in Pennsylvania

On July 10, Governor Ed Rendell of Pennsylvania signed legislation creating new incentives and requirements for biofuels. New biofuel percentage requirements will go into effect once in-state production meets a certain level. These requirements are also dependent on in-state production of cellulosic ethanol. "Pennsylvanians are struggling with higher fuels costs," said Governor Rendell. "Record-high fuel prices are straining family budgets and pinching the bottom lines of our businesses. We need to reduce our dependence on foreign oil and keep our energy dollars in Pennsylvania, to invest in our economy and create jobs." In addition to new biofuel requirements, this legislation will also invest \$5.3 million in biodiesel production as well as a 75 cent per gallon subsidy on production, capped at \$1.9 million per year per producer.

A study commissioned by PennFuture by LECG LLC analyzed the legislation and concluded that it would contribute approximately \$1.5 billion to the Pennsylvania economy and create as many as 25,775 new jobs throughout the state. "Pennsylvania can be to cellulosic ethanol what corn-based ethanol was to Iowa and the Midwest," said Governor Rendell. "Pennsylvania has an abundant supply of cellulosic ethanol feedstocks, including switchgrass, woodchips, municipal waste and agricultural waste. This alternative fuel law ensures that Pennsylvania farmers and businesses will fully realize the benefits of these resources."

Sources: <http://www.marketwatch.com/news/story/pennsylvania-governor-rendell-signs-biofuels/story.aspx?guid=%7BA6BE1A43-18F7-4850-B005-0E1E49FED268%7D&dist=hppr>

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Research and Technology Updates

Report Released Detailing Biomass Harvesting and Fire Prevention

On June 19, the Institute for Agriculture and Trade Policy (IATP) released a report which concluded that forest

biomass harvests conducted in Minnesota show that harvests could reduce the cost of fire prevention while increasing biomass fuel supply. "While the test harvests took place in Minnesota, we believe many of the lessons from this research will be applicable around the country," said Don Arnosti, co-author of the report. "If we are smart about how we harvest biomass, we can reduce fire risks, cut forest management costs and provide a source of renewable fuel." The study was conducted to look at economic and operational issues as well as environmental constraints of concern to those involved with biomass harvesting. When comparing costs of conventional fire reduction methods with biomass removal options, it was concluded that the biomass model reduced costs in six of the nine test harvests conducted.

"We found that biomass removal can reduce fuel treatment costs and may be a viable approach for forest managers," said Dr. Dalia Abbas of the University of Minnesota. "Key factors to consider for whether a biomass harvest makes sense include: the practicality of the harvest guidelines, the area of the site harvested, site terrain and accessibility, number of machines involved in the biomass harvest and the hauling distance of machinery to the forest and of biomass from the forest to the plant." Other factors affecting the viability of biomass harvests include the distance to market, size and efficiency of operations, and the type of equipment being used.

Sources: <http://www.iatp.org/iatp/press.cfm?refID=103060> (pdf format)
<http://forestrycenter.org/library.cfm?refID=103061> (pdf format)

Brazilian Company Develops Technology to Produce Water From Sugar Cane Ethanol Production

Brazil-based biofuels company Dedini has announced that it has developed new technology that allows sugar cane based ethanol facilities to produce water as a byproduct. Currently mills in Sao Paulo, Brazil's most efficient cane producing state, consume approximately 475 gallons of water to process one ton of sugar cane. "This is the mill of the future as environmental concerns are getting bigger and bigger," said Dedini operations vice president Jose Luiz Oliverio. "There's a general awareness nowadays that water is a valuable product and some areas already face water restrictions." The water produced in this process is of better quality than water from nearby rivers and could potentially be used to irrigate cane fields and further improve productivity according to Oliverio. The cost of implementing this technology is about 10-20 percent higher than the conventional process and can currently be applied only to sugar cane.

In addition, Dedini also recently announced that it has sold four ethanol distilleries to the Venezuelan state oil company PDVSA. Venezuela, which currently imports ethanol to be blended with gasoline, plans to build 14 facilities by 2012 producing 20,000 barrels of biofuel per day according to Dedini.

Sources: <http://uk.reuters.com/article/environmentNews/idUKN0234991420080702?sp=true>
<http://www.reuters.com/article/oilRpt/idUKN0241104820080702>

Study Released Investigating the Use of Distillery Grain as a Weed Repellent

In a study published in the February 2008 edition of *HortScience*, dried distillers grains with solubles (DDGS) produced from ethanol production was evaluated as a weed deterrent for potted ornamentals. When DDGS was applied to the soil surface, no negative effect was seen on the plants. Dr. Rick Boydston, an agronomist with the Agricultural Research Service (ARS), explains "grains applied to the surface at rates that gave good coverage of the soil (800 and 1600 g/m²) reduced the number of common chickweed and annual bluegrass. Weed control was not perfect, but could reduce the amount of hand-weeding typically required." However, when DDGS was mixed into potting media it was found to be toxic to transplanted plants. It was concluded that DDGS may be useful for reducing weed grown in ornamentals when applied to the soil surface, but additional research is necessary. Dr. Boydston views new uses for DDGS as important, stating "identifying new uses for byproducts like distillers grains could increase the profitability of ethanol production."

Sources: http://www.eurekalert.org/pub_releases/2008-07/asfh-ebp070208.php
<http://hortsci.ashspublications.org/cgi/content/abstract/43/1/191>

Researchers Pursuing the Use of Distillery Grain in Plastics

In research done by Kurt Rosentrator of U.S. Department of Agriculture's North Central Agriculture Research Laboratory in South Dakota, and Robert A. Tatara, from the Northern Illinois University's Department of Technology, it has been found that the high fiber content and molecular structure of DDGS make it suitable for use in plastics. Blends between 25-50% DDGS have shown promise for inclusion in plastics and blends of up to 95% DDGS have been made. DDGS is being pursued as an alternative to traditional plastics as well as other bio-based fillers such as bamboo, corn stover, and soybean hulls. This research followed up work which was published in 2007 in the *Journal of Polymers and the Environment*.

Rosentrator has assured livestock producers that his research is not intended to divert feed away from the livestock industry. According to Rosentrator, only the components left after feed is extracted are used. "We've only taken a couple steps down that path right now, but that's ultimately where I'd like to see this go," he says. "So can you provide the animals their livestock feed and biodiesel, if you pulled the oil out, and other things, and then what can you do with what's left?" Production of DDGS was 17 million tons this past year and is expected to rise as biofuel production expands further.

Sources: http://www.prw.com/homePBP_NADetail_UP.aspx?ID_Site=818&ID_Article=24926&mode=1&curpage=0

<http://www.ingentaconnect.com/content/klu/joee/2007/00000015/00000002/00000052;jsessionid=3d3ffbph0gh0j.victoria>

Bewley, Matt. "USDA Has No Plans to Divert Distiller's Grains from Feed Troughs." In: Agweek Magazine. Redorbit.com 8 July 2008

Researchers Investigate Using Cattails and Hog Waste for Biofuels

Researchers at North Carolina A&T State University are looking at using hog manure and cattails for biofuel production. Cattails can grow large and thick around hog waste lagoons, absorbing nitrogen and phosphorus from the waste and purifying the lagoon water. The cattails can then be harvested and converted into cellulosic biofuels; meanwhile the hog manure can be converted into heavy oils which could be used in boilers. Without harvesting the cattails, they would eventually die and fall into the lagoon. "We have an abundance of supply of these materials, and they are low-cost and can provide us a local supply," said Abolghasem Shahbazi of the university's biological engineering program. Shahbazi also says that funding has increased recently, partially due to the Biofuels Center of North Carolina which was created in 2007 by the North Carolina General Assembly. Shahbazi is a board member of the Center. Earlier in July, the Center issued more than \$2.25 million in grants and loans.

Source: http://www.news-record.com/content/2008/07/27/article/new_source_of_ethanol_look_at_cattails_at_is

Biobased Lubricants Studied as a Replacement for Motor Oil

Professors and students at the Rose-Hulman Institute of Technology in Indiana are researching the use of natural vegetable oils as a replacement for conventional and synthetic motor oils in two-stroke engines. Several different types of oils have been developed and have even been shown to have superior lubricating properties to the synthetic oils currently commercially available. In addition to lubricant oils, researchers are looking at various biofuels which can be produced from canola oil, animal fat, and waste frying oils such as butanol. Butanol can be produced from the same materials that produce ethanol, but butanol contains more energy per gallon than ethanol and has similar performance properties to conventional gasoline. "This cutting-edge research in bio-fuels and bio-lubricants provides valuable insight on how we can limit the use of foreign oil," said Michael Mueller, head of Rose-Hulman's Department of Chemistry. In addition to these topics, they are also looking at the exhaust emission from the use of biofuels as well as issues involving biodiesel production.

Source: http://www.tribstar.com/features/local_story_204181815.html

University of Georgia Develops New Biomass Pretreatment Technology

The University of Georgia's Bioenergy Task Force has announced that it has developed new technology to increase biofuel yields from cellulosic sources. This new technology features a fast and acid-free pretreatment process that is reported to increase the amount of simple sugars released from inexpensive biomass by at least ten times. This would potentially avoid the use of many environmentally detrimental and expensive chemicals such as strong acids. The use of these chemicals can slow down production as well as create unsafe byproducts that must be removed and disposed of. It is hoped that by increasing yields, biofuels facilities will have more feedstock options for production.

"By allowing for the use of myriad raw materials, this technology allows more options for ethanol facilities trying to meet nearby demand by using locally available, inexpensive starting materials," said technology manager Gennaro Gama. "This would greatly reduce the costs and carbon footprint associated with the delivery of raw materials to fermentation facilities and the subsequent delivery of ethanol to points of sale. Local production of ethanol may also protect specific areas against speculative fluctuations in fuel prices." This technology is available for licensing from the University of Georgia Research Foundation, Inc. which filed a patent application.

Source: <http://www.sciencedaily.com/releases/2008/07/080728192938.htm>

Research Done on Miscanthus for Biofuel Production

Research done at the University of Illinois has shown that the perennial grass Miscanthus can produce more biomass for biofuel production than either corn or switchgrass. "What we've found with Miscanthus is that the amount of biomass generated each year would allow us to produce about two and a half times the amount of ethanol we can produce per acre of corn," said University of Illinois crop sciences professor Stephen Long, who led the study. The study reports that while switchgrass or corn would require 25 percent of the current U.S. cropland to produce enough ethanol to offset 20 percent of gasoline, Miscanthus would only require 9.3 percent of current agricultural acreage. Although the growing season for switchgrass and Miscanthus is comparable, Miscanthus has been found to have a 1.0 percent efficiency of conversion of sunlight into biomass which is higher than that of switchgrass.

Other conclusions from the research are that Miscanthus productivity was highest in poor soils and can help to sequester carbon in soil. Difficulties in planting Miscanthus can be overcome by mechanization which can plant up to 50 acres per day. "Keep in mind that this Miscanthus is completely unimproved, so if we were to do the sorts of things that we've managed to do with corn, where we've increased its yield threefold over the last 50 years, then it's not unreal to think that we could use even less than 10 percent of the available agricultural land," Long said. "And if you can actually grow it on non-cropland that would be even better." The full article has been published in *Global Change Biology*.

Sources: <http://www.ens-newswire.com/ens/jul2008/2008-07-31-091.asp>http://www.ethanolproducer.com/article.jsp?article_id=3334&q=&page=all

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News Briefs

Report Claims Biofuels Can Be Part of a Sustainable Energy Future

Scientists from the Carnegie Institution and Stanford University have reported that biofuels can be a sustainable part of the world's energy future, especially if bioenergy agriculture is developed on currently abandoned or

degraded agricultural lands. Using these types of land for energy crop production would both avoid competition with food production because existing croplands would not need to be converted, and preserve carbon-storing forests because new land would not need to be cleared. Christopher Field, director of the Department of Global Ecology at Carnegie, stated, "Our study shows that there is clearly a potential for developing sustainable bioenergy, and we've been able to identify areas where biomass can be grown for energy, without endangering food security or making climate change worse."

Using historical land-use data, satellite imaging, and ecosystem models, the scientists estimated the global availability of abandoned crop and pastureland suitable for sustainable bioenergy production at approximately 1.8 million square miles, which is nearly half the land area of the United States. This potential yield is dependent on local soils and climate, and specific energy crops and cultivation methods in each region. The researchers estimated that the worldwide amount of harvestable dry biomass is roughly 2.1 billion tons, with a total energy content of about 41 exajoules. This amount of energy (one exajoule is a billion billion joules, which is equivalent to around 170 million barrels of oil) would account for about 8% of worldwide energy demand. The report also stated that sustainable bioenergy is likely to satisfy no more than 10% of demand in energy-intensive economies like North America, Europe, and Asia, but could provide more in some developing countries such as Sub-Saharan Africa.

Sources: <http://www.enn.com/business/article/37483>
<http://pubs.acs.org/cgi-bin/sample.cgi/esthag/asap/html/es801609k.html>

EIA Releases Forecast on Biofuel Production in 2030

On June 25, the Energy Information Administration (EIA) said that biofuels, including ethanol and biodiesel, will be "an increasingly important source" of global energy supplies over the next two decades. According to their latest long-term forecast, worldwide biofuel production is expected to rise from 1.3 million barrels per day in 2010 to 2.7 million barrels per day in 2030. EIA estimates that renewable fuels may account for 8.5 percent of global energy use by 2030. The United States is expected to account for close to half of that growth with estimated U.S. biofuel production rising from 500,000 barrels per day in 2010 to 1.2 million barrels per day in 2030. Previously, EIA's estimate in 2005 was that worldwide biofuel production would reach 1.7 million barrels per day by 2030, which would account for 7.7 percent of global energy use.

Sources: <http://uk.reuters.com/article/oilRpt/idUKN2544946120080625>
<http://www.eia.doe.gov/oiaf/ieo/index.html>

Metabolix Announces Agreement to Supply Bioplastics to Labcon North America

On June 30, Metabolix Inc. announced that Telles, a joint venture with Archer Daniels Midland Company, has reached an agreement with Labcon North America to supply bioplastics for the production of laboratory supplies. Labcon will use Telles's Mirel bioplastics in the production of a new pipet reloading system. "Labcon's product launch demonstrates business equipment as one of our strategic short term applications for which Mirel will be utilized," said Bob Findlen, Vice President of Sales and Marketing at Telles. "Until today, bioplastics in general have had limited capability in injection molding applications." Labcon is currently the leading provider of disposable plastic laboratory products which are commonly thrown away or reclaimed through Labcon's recycle program. "There has been growing concern within our industry that the disposal of traditional plastics is too wasteful," said Jim Happ, president of Labcon. "We can now offer customers the opportunity to lower their carbon footprint with our Pagoda line of products and many have indicated that they will switch to our new products made from renewable resources. We envision this as the first of many products in our Pagoda line that will utilize Mirel." Labcon also will begin a composting program to complement this initiative, according to Happ.

Source: <http://www.tradingmarkets.com/.site/news/Stock%20News/1724974/>

Florida's Second Citrus-to-ethanol Plant Announced

Florida Power and Light announced plans to build a cellulosic ethanol plant in Polk County, Florida, that will use citrus as a feedstock. Dr. Bill Widmer, U.S. Department of Agriculture, has developed a way to turn citrus pulp into ethanol in a laboratory in Winter Haven, Florida. The company expects their plant to be operational within two years.

This marks the second announcement for plans to build a citrus-to-ethanol plant in Florida. The other citrus-to-ethanol plant is being planned for the Auburndale area by Southeast Biofuels LLC, a subsidiary of Xethanol Corporation. Governor Charlie Crist stated, "This is another example of Florida companies leading the way in bringing about alternative sources of energy while helping its citizens, businesses and economy."

Sources: <http://www.myfoxtampabay.com/myfox/pages/News/Detail?contentId=6871144&version=1&locale=EN-US&layoutCode=TSTY&pageId=3.2.1>

Senator Grassley Forced to Cancel Meeting with GMA Food Company Leaders

In a June 6 letter, Cal Dooley, president and CEO of the Grocery Manufacturers Association (GMA), requested a meeting with Senator Chuck Grassley (R-IA) who was the first senator to voice opposition to the ethanol smear campaign launched by the GMA. Senator Grassley invited Mr. Dooley, U.S. Secretary of Agriculture Ed Schafer, and 15 CEOs of companies that are prominent members of the GMA to a roundtable discussion on current biofuel policies and their impact on commodity and food prices. Senator Grassley was forced to cancel this meeting because only one chief executive officer, Land O'Lakes' Chris Policinski, responded to his invitation.

Senator Grassley was appreciative of Policinski's effort to attend the meeting but was displeased that his counterparts at the other fourteen companies were unwilling to participate. The Senator commented, "I'm sympathetic to people who are hurting, but to put the blame on ethanol and stop a biofuel just as it's making traction in the market is not going to help the situation. In fact, if you take away ethanol, you're going to drive up the cost of energy and food even more. We've got events around the world having a much greater impact on the price of food and gas. We need to stop scape-goating ethanol and be intellectually honest about the real causes behind the increased food prices."

Sources: http://www.biodiesel.org/resources/PR_supporting_docs/20080623_grassley_leaders.pdf (pdf format)
http://ethanolproducer.com/article.jsp?article_id=4373

EPA to Crack Down on Violators of the Renewable Fuels Standard

The Environmental Protection Agency is working to crack down on violators of the Renewable Fuels Standard who are not properly reporting whether or not they meet the renewable volume obligations. Beginning in September of 2007, companies were required to be using renewable identification numbers (RINs) to identify and track each gallon of biofuel produced. However, many companies still do not have adequate reporting programs. In a January survey completed by RINSTAR Renewable Fuel Registry, a New Mexico-based clearinghouse for RINs, 81 percent of companies failed to meet the EPA's reporting requirement for RIN data which is a 39 percent increase from October. As the renewable fuel requirements increase and become harder to meet, the EPA will need to have a working system according to Graham Noyes, former vice president of sales and business at Imperium Renewables.

Source: <http://www.sustainableindustries.com/energy/22773379.html?page=1>

EU Legislators Propose to Cut Back Biofuel Target

In 2007, the European Union (EU) set a target for 10 percent of transport fuel to come from renewable sources such as biofuels by 2020. Due to recent criticism that biofuels derived from crops are contributing to deforestation and raising food prices, EU legislators recently proposed to cut back that target. The Environment Committee of the European Parliament called for a lower target of 4 percent of transport fuel to come from renewable sources by 2015, with a major review to occur prior to increasing the target to 8 to 10 percent by 2020. Although the committee's vote on this proposal is not binding, it will add pressure on the European Commission to issue a revised proposal. Juan Delgado, a research fellow specializing in energy and climate change at Breugel, a research organization in Brussels, stated, "I think when we will look back we will say this was the beginning of a turning point for Europe on biofuels. It will be very difficult now for Europe to stick by its targets."

Despite the recent criticism on biofuels, the European Commission has vowed to stick by its 10 percent target. Michael Mann, a spokesman for the European Commission, stated, "If you don't have targets, you don't make progress in combating climate change," Mann said. "You have to start on first-generation biofuels to get your productive capacity going but move as soon as possible to biofuels that are not in direct competition with food." Mann commented that higher food prices have been caused by many factors including increased demand for meat and dairy products in China and India in particular, two years of bad harvests worldwide, speculation, and export restrictions on food commodities.

Sources: <http://www.iht.com/articles/2008/07/07/business/fuel.php>
<http://uk.reuters.com/article/environmentNews/idUKL0864046520080708>

Green Energy Resources to Offer Wood Biomass Carbon Credits to Power Producers

Green Energy Resources, Inc. has announced that it is seeking partnerships with biomass power producers, cellulosic ethanol producers, and wood pellet manufacturers to be a part of their carbon credit system. Green Energy Resources carbon credits are available through their urban tree certification system sourcing of wood biomass which qualifies under the methane avoidance criteria established by the United Nations Clean Development Mechanism (CDM). It is expected that the credits could add \$10-30 in value for every ton of wood purchased through Green Energy Resources. Green Energy Resources reports that their wood biomass meets all EU regulatory requirements and is compliant with the Kyoto Protocol.

Source: <http://www.earthtimes.org/articles/show/green-energy-resources-to-offer,457210.shtml>

Ethanol from Kudzu

Kudzu, whose vines can grow one foot per day up to 100 feet long, was first introduced from Japan into the United States as a forage crop and ornamental plant at the 1876 Philadelphia Centennial Exposition. From 1935 to the mid-1950s, the Soil Conservation Service encouraged farmers in the Southeast to widely plant the climbing, semi-woody perennial vine to combat soil erosion. They were soon faced with a plant which was growing out of control, smothering native plants, and uprooting entire trees.

After researching for the past decade, Doug Mizell, of Cleveland, Tennessee, has found a way to turn the 'vine that ate the South,' Kudzu, efficiently into ethanol. He claims it takes 10 to 15 pounds of plant material to make a gallon of fuel at a cost of about \$1.30 per gallon. Tom Monahan, a co-founder with Mizell of Tennessee Agro*Gas Industries, is currently looking for funding to build the first demonstration plant. He said a major fuel distributor would like to purchase two-thirds of their first year's production to blend into gasoline sold throughout the Tennessee Valley. They are hoping to bring Mizell's refining process to market by 2009.

Sources: http://www.wdef.com/news/cleveland_tennessee_based_kudzu_ethanol_preparing_for_production/07/2008
<http://www.nature.org/initiatives/invasivespecies/features/art8864.html>

Bourbon Distillery to Produce Biogas from Waste

Ecovation, Inc. has constructed a stillage treatment solution at the Maker's Mark Distillery in Kentucky to produce biogas and other products from waste streams. The facility will process the liquid portion of the whole stillage and process waters to produce biogas capable of generating 165 million BTUs, which will offset 20-25 percent of the facility's natural gas usage. "It's a fixed-film, pulsed fluidized bed anaerobic digestion technology," said Mark Motylewski, vice president of global accounts for Ecovation. "We're separating the grains out much like the distilleries do with a centrifuge, but we use a screw-press instead. The technology also has an aerobic polishing treatment process to take out nitrogen compounds in the effluent that gets discharged." In addition to biogas, a wet cake will be produced which can then be sold as animal feed "at a healthy profit and will be produced at a lower cost." Maker's Mark is the first distillery to use this technology. "It's not just the feel-good aspect of it, and it's not just the idea of being a good steward," said Kevin Smith, Maker's Mark master distiller. "It's also the idea that there is some business application. If we continue to grow, we'll make more of our own natural gas and there will be a cost savings there." "We hope this will be the future for distilleries," Motylewski said. "As distilleries look to replace older, less efficient assets and as they look to more energy efficient solutions, we hope this will be the answer for them."

Sources: http://www.biomassmagazine.com/article.jsp?article_id=1775

Lannen, Steve. "Maker's Mark makes fuel from byproducts." Lexington Herald-Leader 1 July 2008

Rising Fuel Costs Hampering Ability to Harvest Beetle-Kill Biomass

Rising fuel costs are hampering the ability to harvest pine trees killed by mountain pine beetles for energy utilization. The costs of removing dead trees are largely dictated by the cost of truck operations which are rising with diesel prices. Mitigation projects in some areas of Colorado are being contracted at \$1,300 an acre, but some areas without roads have costs as high as \$10,000 an acre. It is hoped that if a market for wood pellets develops, the cost of removing the material could drop to \$500-600 an acre. With technology improving to allow clean-burning stoves to operate even on days when wood-burning is banned along with the relatively low cost of wood pellets, the practice is expected to become more common in areas with available fuel such as beetle kill. There is also a proposed plan in Colorado to use portable pyrolysis technology to produce fuel where the material is harvested, thereby decreasing transportation costs.

Source: <http://www.timberbuysell.com/Community/DisplayNews.asp?id=2920>

Cargill Breaks Ground on a Soy-Based Foam Facility in Chicago

On July 8, Cargill, Inc. announced that it has broken ground on a facility in Chicago to produce soy-based foam for automotive, furniture, and bedding products. The plant will produce soy polyols used in making urethane products. According to Cargill, for every one million pounds of soy polyols replacing petroleum-based polyols, 2,200 barrels of crude oil are displaced. The global market for polyols is currently over 10 billion pounds. This facility is expected to open by late November, and according to Cargill "will be the first world-scale biobased polyols plant ever built."

Sources: <http://www.reuters.com/article/marketsNews/idUSN0831137020080708>

Miller, James P. "Cargill breaks ground on Chicago soy foam plant." Chicago Tribune 8 July 2008

GM Announces Plan to Increase E85 Distribution Infrastructure

General Motors has announced that it will be working with the National Governors Association to expand the nationwide infrastructure and distribution network for E85. It is planned that expanded infrastructure will be in place when next generation biofuels from non-grain sources become available. According to GM, they will help connect fuel retailers with grants for pump installations as well as help determine the best location for E85

pumps based on flex-fuel vehicle registration. In addition, GM is increasing production of flex-fuel vehicles with an expected 18 flex-fuel models to be available for 2009 and a plan to make 50% of vehicles flex-fuel by 2012. "The infrastructure development for E85 needs to expand now if the nation is to be ready for the significant growth in ethanol coming from new sources," said Beth Lowery, GM's vice president of environment, energy and safety policy. "We need a range of alternatives to offset growing energy demand in this country and globally."

Source: http://www.automotive-business-review.com/article_news.asp?guid=E1B7AA9E-CB40-4F5F-8B4D-F1B2587FEFE1

Partnership Announced to Produce Energy from Horse Waste

MaxWest Environmental Systems and the Florida Thoroughbred Breeders' and Owners' Association (FTBOA) have announced a partnership to convert horse waste into renewable energy. Marion County Florida is known as the "Horse Capital of the World" and contains over 431 Thoroughbred breeding and training farms with more than 35,000 horses. This has created a problem of how to properly dispose of the manure generated which can contaminate surface and ground water supplies if not disposed of properly. Under this partnership, manure will be mixed with wood waste in MaxWest's integrated gasification system to produce syngas. It is expected that the expected \$30 million facility would process upwards of 100,000 tons of stall and wood waste per year to produce approximately 7.2 megawatts of electricity daily.

MaxWest's system has been put into use before with facilities in West Virginia, British Columbia, as well as Sanford, Florida. This facility could utilize materials other than manure and wood waste with yard waste, construction debris, and municipal solid waste also being possible feedstocks. "The Florida Thoroughbred Breeders' and Owners' Association is to be commended for its leadership in solving problems while also generating renewable power," said Charles Bronson, Florida Commissioner of Agriculture. "As you know, it is this type of project that I support as part of my Farm to Fuel™ Initiative. In fact, my staff had the opportunity to meet with representatives of MaxWest and was impressed with their waste-to-energy-system."

Sources: <http://www.ocala.com/article/20080727/OPINION/596043563/1001/News01&title=Horse+waste+gasification+plan+looks+viable>
http://www.businesswire.com/portal/site/google/?ndmViewId=news_view&newsId=20080728005596&newsLang=en

DuPont Announces Partnership with the University of Tennessee to Construct a Cellulosic Biorefinery

DuPont Danisco Cellulosic Ethanol, LLC has announced a partnership with the University of Tennessee to construct a pilot-scale biorefinery in Vonore, Tennessee. This facility is expected to utilize corn cobs and switchgrass as its primary feedstock to produce approximately 250,000 gallons of cellulosic ethanol annually. "This announcement marks an important step forward in our goal to leverage the best of Tennessee's agricultural and academic resources in a way that will maximize our potential as a farm-based fuels leader," said Tennessee Governor Phil Bredesen. Site preparations are scheduled to begin this fall, and production is expected to begin in December 2009 and will be partially funded by a \$40.7 million commitment from the State of Tennessee.

Mascoma Corporation originally was going to construct a larger five-million gallon per year facility in coordination with the University of Tennessee but that project has been replaced by this announcement. According to University of Tennessee Executive Vice President David Milhorn, DuPont Danisco are "just much better aligned - technology wise, capability wise and philosophically from a business standpoint. They will bring resources and capabilities to bear here that will allow us to accelerate the development of our ethanol program." Mascoma currently has other projects in development in New York and Michigan; however it is currently unclear what the status is of a \$26 million grant from the Department of Energy that was awarded to Mascoma earlier this year.

Sources: http://biz.yahoo.com/ap/080723/tenn_biofuels_dupont.html?.v=2

http://www.dupontdanisco.com/news_tennessee.html

Recycled Animal Feed Demand in Japan Increases

Japan disposes of approximately 20 million tons of food waste a year, leftovers which used to be dumped in landfills where it decomposed and produced the greenhouse gas methane. Government legislation passed in 2001 stimulated the creation of a food recycling industry that now turns food scraps into animal feed and fertilizer, or ships waste to facilities where methane gas is produced to power industrial plants. Today, Japan's food industry recycles more than 70 percent of their leftovers – about half is turned into pellets, less than five percent is turned into methane, and the rest is turned into fertilizer.

Japan's food recycling industry is facing greater demand for pellets made from recycled leftovers for pigs and poultry due to recent price hikes in corn and soy meal prices, the main ingredients in animal feed. Farmers were at first reluctant to use recycled animal feed, but rising feed prices have caused farmers to start using the pellets, which are about 50 percent cheaper than regular animal feed. Hideki Sato, a spokesman at Sugayo Co, which currently raises 20,000 pigs, said, "We could have faced a critical situation this year if we didn't produce feed by ourselves." Within the past year, compound feed prices have risen 20 percent. While recycled feed currently only accounts for one percent of feedstocks in Japan, its use doubled from 2003 to 2006 to about 150,000 tonnes.

Source: <http://www.enn.com/agriculture/article/37737>

Hoover Prepares Wood Waste to be Converted into Ethanol

Gulf Coast Energy Inc.'s wood waste-to-ethanol pilot-scale facility in Livingston, Alabama, was expected to have gone online in mid-August and be capable of producing 350,000 gallons of ethanol annually. The fuel will be sold at a reduced rate to the city of Hoover, Alabama, which already is using leftover cooking oil to produce biodiesel at a cost of \$0.75 per gallon. The city, whose employees have been busy collecting enough downed trees, branches, and limbs from storms to produce 350,000 gallons of biofuel, is expecting to save at least one dollar per gallon on fuel compared to what it is spending now and is planning for its entire fleet of over 340 vehicles to become self-sufficient in energy by the end of the year.

The city of Hoover, estimated population of just under 70,000, recently sent over 8 tons of wood waste from a landfill to the Livingston facility. Once a chemical used in the production process that is currently on back order is received by Gulf Coast Ethanol, the material will be turned into ethanol via a gasification process at a conversion rate of 215 gallons per ton of wood chips and sold back to Hoover for use as E85 fuel. Mayor Tony Petelos envisions consolidating resources to develop a system for grinding up wood waste and shipping it to Livingston. He is interested in creating a regional partnership among cities in the Birmingham-Hoover metro area that want to put their wood waste to use. Regarding disbelievers, the mayor said, "We hope by Christmas to prove these skeptics wrong when we're buying fuel at less than \$3 a gallon." Gulf Coast Ethanol plans to expand on-site to a \$90 million 45 million gallon-per-year facility that could be online within the next 14 to 16 months.

Sources: <http://www.al.com/news/birminghamnews/index.ssf?/base/news/1217232913254890.xml&coll=2>
http://www.gulfcoastenergy.net/index.php?option=com_content&task=blogcategory&id=1&Itemid=35

BlueFire Ethanol Granted Permit to Construct Biorefinery in California

Los Angeles County in California has granted a conditional-use permit to BlueFire Ethanol, Inc. to construct a cellulosic ethanol biorefinery in Lancaster, California. This facility is expected to produce up to 3.2 million gallons of cellulosic ethanol annually from a variety of waste materials such as woodchips, yard waste, and portions of municipal solid waste. This facility is expected to break ground in the near future, with operations beginning in late 2009. In addition, BlueFire has received the first installment of a \$40 million grant from the

Department of Energy to construct a larger \$17 million biorefinery in Southern California. As with the Lancaster facility, this facility will utilize waste products as the primary feedstocks. "We are thrilled by the progress on these two plants," said Arnold Klann, CEO of BlueFire Ethanol. "Yet, at the same time, they are a glimpse of what can be, and we look forward to continuing to utilize the latest in innovative and eco-friendly technology to increase significantly the production of renewable fuels."

Sources: <http://www.marketwatch.com/news/story/bluefire-ethanol-receives-first-installment/story.aspx?guid=%7B1B074B7F-7CEF-40DA-ABCF-9ABFC95A35C6%7D&dist=hppr>

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Upcoming Events

2008 IUCN World Conservation Congress

On October 5-14, the International Union for Conservation of Nature will hold its annual World Conservation Congress in Barcelona, Spain. Several topics will be addressed including ecosystem management, biodiversity, and climate change. One of the questions that will be addressed is what the role of biofuels will be in addressing increasing global energy demand.

http://cms.iucn.org/news_events/events/congress/index.cfm

Eighth Annual BioCycle Conference on Renewable Energy from Organics Recycling

A comprehensive three-day Conference in Madison, Wisconsin to be held on October 6, 7, 8 — "Renewable Energy From Organics Recycling" — is being organized by the editors of *BioCycle*, the magazine for Advancing Composting, Organics Recycling and Renewable Energy. "There is tremendous opportunity for generating sustainable, renewable energy from the organic wastes being disposed by cities, farms and industry," says Nora Goldstein, Executive Editor of *BioCycle*. "These sources of renewable energy reduce our dependence on fossil fuels and don't rely on crops used for food." This event will be *BioCycle*'s 8th Annual Conference on Renewable Energy From Organics Recycling, bringing together project managers, policy makers, technology providers, investors, utilities, consultants, farmers and researchers who are building the infrastructure required for sustainable renewable energy. This infrastructure includes anaerobic digesters processing manure, municipal solid waste, biosolids and food waste from industrial and commercial entities. These facilities are selling electricity and renewable natural gas to utilities around the country, as well as reducing their own energy costs. Other innovative projects are producing vehicle fuel from biogas and crop residues, and biodiesel and nutritional supplements from harvested algae. Conference tours on Wednesday, October 8, 2008 will visit several anaerobic digesters, as well as a field trial that is experimenting with harvesting methods for corn crop residues that maintain soil health.

Conference cosponsors include: Environmental and Energy Study Institute; Focus On Energy -- Renewable Energy Program.

<http://www.jgpress.com/conferences1/conferences1.html>

Event	Date	Location	Further Information
Biomass Power Forum	Sept. 18-19	Houston, TX	http://www.platts.com/Events/2008/pc836/

Biomass South 2008	Sept. 22-23	Raleigh, NC	http://www.ces.ncsu.edu/nreos/forest/feop/biomass-south/2008.html
Advanced Biofuels Workshop	Sept. 28-30	Minneapolis, MN	http://www.advancedbiofuelsworkshop.com/ema/DisplayPage.aspx?pageld=Home
2008 IUCN World Conservation Congress	Oct. 5-14	Barcelona, Spain	http://cms.iucn.org/news_events/events/congress/index.cfm
Eighth Annual BioCycle Conference on Renewable Energy from Organics Recycling	Oct. 5-8	Madison, WI	https://www.jgpress.com/conferences1/archives/8th_annual_biocycle_conference
Industrial Applications of Renewable Resources: A Conference on Biobased Technologies	Oct. 13-16	Cincinnati, OH	http://www.aocs.org/meetings/ia/
European Biofuels Expo and Conference	Oct. 15-16	Newark, Nottingham (UK)	http://www.biodiesel-expo.co.uk/
Transition to a Bioeconomy: Environmental and Rural Development Impacts	Oct. 15-16	St. Louis, MO	http://www.farmfoundation.org/news/templates/template.aspx?articleid=401&zoneid=34
The Changing Biodiesel Market: Alternative Feedstocks and Retrofitting Plants for Alternative Products	Oct. 17	Cincinnati, OH	http://www.aocs.org/meetings/change_sc/
International Distillers Grains Conference & Trade Show	Oct. 19-21	Indianapolis, IN	http://www.distillersgrainsconference.com/ema/DisplayPage.aspx?pageld=Home

JatrophaWorld Hamburg 2008	Oct. 20-21	Hamburg, Germany	http://www.cmtevents.com /eventschedule.aspx?ev=081031
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