

Michigan Ethanol Working Group News



Who We Are

The Ethanol Working Group (EWG) is a coalition of private and non-profit organizations, universities, and local and state government agencies interested in the promotion of ethanol in Michigan.

Contact Information

If you are interested in receiving the Michigan EWG News and/or have ethanol-related information you would like to submit for this publication, contact Kelly Launder, Michigan Biomass Energy Program Coordinator at (517) 241-6223 or by email at: klaund@michigan.gov

Additional ethanol information is available on the Michigan Biomass Energy Program website at <http://michiganbioenergy.org> and the Corn Marketing Program of Michigan website at www.micorn.org

Ethanol Tax Issues

At the January EWG meeting a representative from the Michigan Department of Treasury spoke to the group about the distribution flow of ethanol in Michigan, tracking of ethanol, and how fuel is taxed in Michigan. An April, 2001 statute changed state tax law on ethanol (Public Act 403 of 2000). The definition of gasoline now includes ethanol blends. Ethanol is tracked by monthly reports submitted by the 23 fuel terminals in Michigan. In Michigan ethanol is taxed the same as gasoline (19¢ per gallon) and there are currently no state tax incentives or credits.

Ethanol Plant Update

Michigan Ethanol, LLC will be announcing the placement of a General Manager in the next month or so for the Caro ethanol plant. In the second quarter of the year the plant will begin the hiring process for approximately 38 plant positions.

Additional Updates

Michigan Funding Opportunity

The Michigan Biomass Energy Program (MBEP) recently issued a Request for Proposals (RFP) for state projects in the following categories: *Biofuel/Bioenergy Education, Biofuels Infrastructure, and Biomass Technology Development and/or Demonstrations*. The maximum grant award is \$20,000 except for Education projects, which have a maximum grant award of \$5,000. If you're interested in receiving the RFP contact Kelly Launder, MBEP Coordinator at (517) 241-6223 or by email at klaund@michigan.gov.

Kettering University Develops E-85 Snowmobile

Kettering University recently completed a MBEP/DOE funded project to convert a four-stroke snowmobile to run on ethanol blends of up to 85%. Running on E-10 the snowmobile achieved emission reductions of over 97% when compared to a standard snowmobile. Researchers estimated that additional emission reductions of up to 15% can be achieved when operating the snowmobile on E-85.

Michigan Fleet Education

EWG member Andy Schneider, Energy Marketing Director for GrowMark, will be making a presentation on e-diesel, soy-diesel, and E-85 to the Michigan Department of Transportation facility mechanics during a June meeting.

Record Ethanol Production in 2001

Another record was set when U.S. ethanol production reached an all time high of 1.77 billion gallons in 2001. Production in 2002 is expected to continue to beat previous production records as almost 20 new plants are currently being constructed. (Renewable Fuels Association, [Ethanol Report](#), 28 January 2002.)