

ETHANOL COALITION OF MICHIGAN

Spring 2005 Newsletter

The Ethanol Coalition of Michigan (ECOM) unites commodity organizations, fuel suppliers, educators, producers, businesses, government agencies and individuals who are interested in expanding the production and use of ethanol in Michigan.

Ethanol Prices Cheaper than Gasoline at the pump

(See the full story at:
<http://www.startribune.com/stories/535/5325915.html>)

Ethanol prices across the Midwest are \$0.25-\$0.75 lower than that of gasoline at times. Wholesale ethanol prices are around \$1.30/gallon, because of the increased production from ethanol plants coming online across the Midwest. Stations blending in E10 with gasoline are also benefiting those filling up at the pumps, as the low price of ethanol offsets the high cost of filling that 10% with gasoline and brings it down an average of 2 or 3 cents per gallon lower.



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Michigan has 2 public E85 pumps, the BP Amoco in Rochester Hills and Don's Windmill Truck Stop in Dimondale, near Lansing. A visit to Don's on April 13, 2005 verified that E85 was being sold for \$2.09/gallon,

while regular unleaded gasoline sold for \$2.23/gallon.

Midwestern reps float bill to escalate ethanol use

Alex Kaplun, E&E Daily reporter

A bipartisan group of lawmakers took the cover off House legislation that would more than double the domestic use of ethanol over the next seven years -- touting the measure as a significant way to lessen U.S. dependence on foreign oil.

The legislation would phase-in the increased use of ethanol by mandating the use of 4 billion gallons by 2006 and 8 billion gallons by 2012. The bill would also direct administration officials to further increase the use of ethanol after 2012 based on a review of existing use and several other factors.

The bill's sponsors hope to use the legislation to put pressure on the House leadership to advance a more aggressive version of the "renewable fuels standard" in the comprehensive energy bill currently moving through the chamber, according to House aides.

The House energy bill would boost the use of renewable fuels - made up mostly of ethanol - to 5 billion gallons by 2012. This is an amount the ethanol

bill's supporters argue would fall far below the total produced nationwide by that time. Industry officials report about 3.5 billion gallons of ethanol were used in 2004 and that amount will likely surpass 4 billion by Jan. 2006.

The measure is expected to draw opposition from oil-state representatives - specifically Energy and Commerce Chairman Joe Barton (R-Texas) and Majority Leader Tom DeLay (R-Texas) - who say the current level for ethanol is sufficient.

Senate Energy and Natural Resources Pete Domenici (R-N.M.) this week said it is likely the final Senate version of the energy bill will include the higher amount favored by many Midwestern lawmakers. More than 20 senators - including Majority Leader Bill Frist (R-Tenn.) - have already thrown their support behind boosting the standard.

More than a dozen farm and ethanol industry groups backed the House proposal, saying it would help reduce U.S. dependence on foreign oil, drive down energy prices and improve the economy. The groups sent a letter to House Speaker Dennis Hastert (R-Ill.) and Minority Leader Nancy Pelosi (D-Calif.) asking the leaders to support the increased use of ethanol.

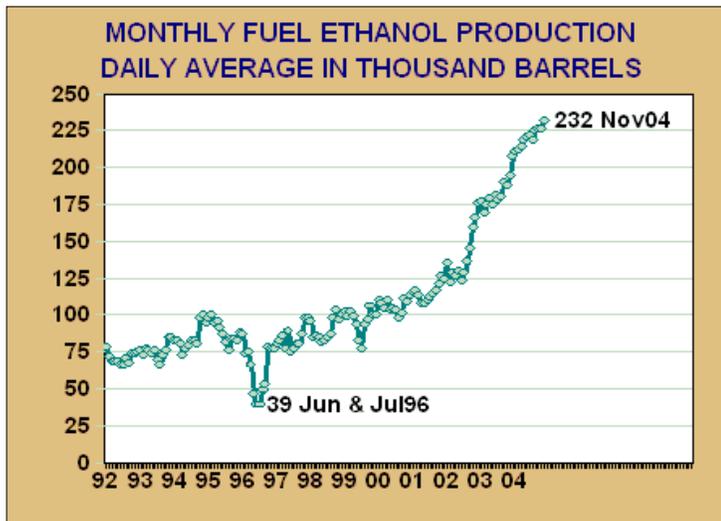
Michigan Ethanol Plants

Company	Location	Size and Nature	Status
Michigan Ethanol	Caro	63 million gallons, denatured	Online
Great Lakes Ethanol	Riga	63 million gallons, denatured	Permits approved by DEQ
Superior Corn Products	Lake Odessa	53 million gallons, denatured	In permitting
Andersons, Inc.	Albion	50 million gallons, denatured	In permitting

U.S. Ethanol Industry Produces All-Time Monthly Record in November

WASHINGTON, DC – The ethanol industry set an all-time monthly production record in November, 2004 of 232,000 barrels day (b/d), according to data released by the U.S. Energy Information Administration (EIA). Production was up 20 percent compared to the previous November when 194,000 b/d of were produced. The prior all-time monthly record of 226,000 b/d was set in September and October of 2004.

The ethanol industry is expected to have produced about 3.4 billion gallons in 2004, from 2.81 billion gallons in 2003. Currently, 81 ethanol plants nationwide have the capacity produce over 3.6 billion gallons annually. There are 16 ethanol plants and 2 major expansions under construction with a combined annual capacity of more than 750 million gallons. (*Renewable Fuels Association*)



Source: Chicago Board of Trade
http://www.cbot.com/cbot/pub/cont_detail/0,3206,1213+17700,00.html

Calendar of Events

May 16 — Iowa State University - "**Tailoring Lignocellulosic Feedstocks for Bioenergy and Biobased Products**" Conference at the Memorial Union. More information: <http://www.ag.iastate.edu/centers/ccur/lignocellulose/home.htm>.

June 16—Greater Lansing Area Clean Cities "**Advancing the Choice**" at Lansing Community College's West Campus. Email Rachanee Kitchell at glacc@hotmail.com for more details.

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