ETHANOL COALITION OF MICHIGAN

Summer 2007 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.

New Ethanol Plant to Put Michigan First in Race to Turn "Wood to Wheels"

Governor Jennifer M. Granholm and Mascoma Corporation CEO Bruce A. Jamerson announced that the Massachusetts-based company will build a cellulosic ethanol plant in Michigan in its race to be the first in the nation to produce ethanol from wood on a commercial scale. The plant will turn the state's abundant, non-food plant life into clean-burning fuel. The Michigan Economic Development Corporation (MEDC) is working with Mascoma on a tax incentive package for the project. The full value of state incentives to bring the plant will not be known until final site selection is made.

Unlike most current ethanol production operations, Mascoma's Michigan cellulosic plant will make ethanol from mainly wood chips and other non-food agricultural crops. According to Mascoma CEO, a cord of wood, about 5000 pounds, can yield 150 gallons of ethanol. Most of the nation's ethanol facilities now in production, or under construction, convert corn and other food crops into fuel. Because cellulosic ethanol production uses non-food agricultural feedstock, many experts claim that it is critical to producing ethanol on a scale that could substitute for imported oil.

Mascoma chose Michigan for the new plant based on the abundance of forestry and agricultural materials and the expertise found at Michigan State University and Michigan Technological University who will partner with Mascoma on the project to develop and hone scientific processes and Michigan feedstocks for cellulosic ethanol production.

Michigan State will provide expertise in areas including pretreatment technology for cellulosic ethanol production and assistance with energy crops that can be utilized by the biorefinery. Michigan Tech will provide expertise through its "Wood to Wheels" initiative. This includes optimization of forestry feedstock materials for energy use, knowledge of sustainable forestry management practices, and access to its automotive engineering laboratories for analysis of the biofuels produced at the project site.

The MEDC and NextEnergy established a cellulosic biofuels working group to help craft strategy for the promotion of this industry in Michigan. They identified and targeted Mascoma as the lead company to partner with in generating renewable fuels from Michigan's forestry resources. The MEDC and NextEnergy believe the partnership with Mascoma will dramatically advance Michigan as a national leader in the next generation of renewable fuels.

July 19, 2007

Full Press Release:
http://www.michigan.gov/gov/0,1607,7-168--172291--,00.html

Cellulosic Ethanol Links

- DOE Biofuels Primer: genomicsgtl.energy.gov/biofuels/placemat.shtml
- Mascoma Corporation: www.mascoma.com
- NextEnergy Center: www.NextEnergy.org
- MEDC 21st Century Jobs Fund: www.michigan.org/medc/ttc/21stCentury
- Michigan State Biomass Conversion Research Laboratory: www.everythingbiomass.org
- Michigan Tech's "Wood to Wheels" Program:

E85 Viper Breaks World Record

Tech entrepreneur Karl Jacob's modified 1,100 horsepower SVS TTX Dodge Viper, fueled by E85, an ethanol/gasoline blend, clocked 220.7 mph in the standing mile, breaking the previous mark of 217.85 held by a gas-powered street car. The Viper was built to showcase E85 in a high performance vehicle, where the fuel actually burns cooler in the combustion chamber than traditional unleaded gasoline.

"Going green does not have to mean going slow," said Jacob. "We built this car to break the world speed record and bring attention to the importance of renewable fuels. As we've demonstrated, E85 enables us to go green and go fast."

Extensive performance-oriented modifications to the car were performed by Chicago-based SVS, which specializes in electronic engine management. The biggest change was the addition of side-mounted twin turbochargers, as well as new brakes and exhaust system. SVS also modified the drivetrain, changed the gauges and added a head-up display.

The Indy Racing League officially recognized the benefits of E85 to engine performance by switching entirely to ethanol-based fuel starting with this year's season.

The E85 Viper set the record at Oscoda-Wurtsmith Airport here in Michigan. The record run and previous attempts are chronicled by Jacob and his team at www.e85Viper.com

July 16, 2007

MSU to get $50M for Biofuel Research

MSU and the University of Wisconsin at Madison will share in a $125 million federal grant to establish the Great Lakes Bioenergy Research Center. The center will be located in Madison, Wisconsin. Under the program, MSU will receive $50 million over five years.

Beyond the dollars involved, the decision could position Michigan to profit economically from what promises to be one of the hottest areas of research in the coming decades.

In 2006, the Department of Energy announced a $375 million program to set up three centers for researching how to make cellulosic ethanol an economically realistic alternative to gasoline. The search for a solution has been a centerpiece of President Bush's pledge to reduce U.S. gasoline consumption by 20 percent in 10 years.

A major focus of these energy centers will be on understanding how to reengineer biological processes to develop new, more efficient methods for converting the cellulose in plant material into ethanol or other biofuels that serve as a substitute for gasoline. This research is critical because future biofuels production will require the use of feedstocks more diverse than corn, including cellulosic material such as agricultural residues, grasses, poplar trees, inedible plants, and non-edible portions of crops.

DOE Bioenergy Research Centers:
www.genomicsgtl.energy.gov/centers

Ethanol Plant Updates

Marysville Ethanol, LLC has been issued a permit to expand their facility currently under construction to 110 million gallons per year.

Midwest Grain Processors plant in Riga held its official grand opening. The facility is permitted to produce 57 million gallons of ethanol per year.

Liberty Renewable Fuels, LLC have begun construction of a 110 million gallon per year plant. The company has announced the sale of $50 million to $100 million of private stock to finance the plant.

Renewable fuels plan calls for $200 million in incentives

The Michigan Renewable Fuels Commission has released its plan to encourage the production and use of alternative fuels in an effort to boost the state's agriculture industry.

Last July, Gov. Jennifer Granholm approved a package of bills that called for the increased use of biodiesel and ethanol fuels. As part of the legislation, the 27-member commission was to develop a renewable fuels plan.

The 76-page report lists 42 recommendations to boost both fuel production and the state's agriculture sector. Agriculture is Michigan's second-largest industry ($60.1 billion a year) behind automotive-related industries.

The commission recommends:

- Establishing a $200-million incentive package to attract early-stage technology projects to Michigan.
- Changing state laws to enable motor fuel franchise dealers to get biofuels from alternate suppliers.
- Enacting a low-carbon emission transportation fuels program that would call for the use of 25% renewable fuels by 2025.
- Encouraging the purchase of renewable fuel vehicles by reducing sales taxes or reducing vehicle registration fees.

The report is available at
www.renewablefuelscommission.org

http://www.freep.com/apps/pbcs.dll/article?AID=2007706210348&template=printart&GID=F4AGRhfpELfa7RJy78%

Michigan Biomass Energy Program 2007 Request for Proposals

The Michigan Biomass Energy Program (MBEP) is now seeking proposals for state projects that expand markets for energy and fuel derived from Michigan biomass resources. Biomass is any organic material made from plants or animals. Domestic biomass resources include agricultural and forestry residues, municipal solid wastes, industrial wastes, and terrestrial and aquatic crops grown solely for energy purposes. MBEP plans to award grants of up to $24,950 per project with a 1:1 match requirement. Proposals are due to the Energy Office by 5:00 PM on Tuesday, August 21, 2007. Please see Official Announcement and RFP FAQ's in the "Project Funding" section at the biomass website:
www.michigan.gov/biomass

Calendar of Events

20th Ethanol Conference & Trade Show
August 7-9, 2007
Saint Paul River Centre, Saint Paul, MN
www.ethanol.org

International Distillers Grains Conference
September 10-12, 2007
Minneapolis, MN
www.distillersgrainsconference.com

7th Annual BioCycle Conference
October 1-3
Indianapolis, IN
www.jgpress.com

Biofuels Workshop and Trade Show: Western Region
October 9-11, 2007
Portland, OR
www.biofuelsworkshop.com

Cellulosic Ethanol and 2nd Generation Biofuels
October 16-18, 2007
Chicago, IL
www.events.platts.com

Growing the Bioeconomy
November 5-6, 2007
Iowa State University, Ames, Iowa
www.bioeconomyconference.org

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