

# MICHIGAN ETHANOL NEWS

Summer 2009

The Michigan Ethanol News updates commodity organizations, fuel suppliers, educators, producers, businesses, government agencies and individuals who are interested in expanding the production and use of ethanol in Michigan.

## EPA Accepting Public Comments on E15 Waiver Request

The EPA is now accepting comments on a waiver request to approve the nationwide availability of fuel blended with up to 15 percent ethanol (E15). The original deadline was scheduled for May 21, 2009, but the agency granted a request from the National Corn Growers Association to extend the period for 60 days. This would allow farmers involved with spring planting an opportunity to comment. In the first 30 days of the period, more than 600 comments from both sides of the issue were submitted to the agency.

Iowa Gov. Chester Culver submitted a request on behalf of the state of Iowa in support of the waiver request. "The people of Iowa know that increasing the amount of ethanol that can be blended into the nation's fuel supply will create green jobs, environmental benefits and help eliminate our nation's dependence on foreign oil. The combination of the current economic challenges, lower oil prices and the near saturation of the 10 percent ethanol blend market are weakening the foundation of an industry that saved the nation hundreds of billions of dollars in oil imports in the past several years, while reducing greenhouse gas emissions," he said, adding that an increase in the blend

rate is needed to achieve an advanced biofuels future.



In addition, a letter signed by 28 members of the U.S. House of Representatives in support of the waiver request was delivered to EPA Administrator Lisa Jackson highlighting similar points.

Historically, anti-ethanol industries, however, have voiced their opinion as well. For example, Don Jackson, President and CEO of Pilgrim's Pride Corp., a leading provider of retailer poultry products, said the EPA should deny the

ethanol industry's request on the grounds that there is no scientific proof that the use of higher ethanol blends will not be harmful. "We have a fleet of more than 1,800 vehicles which could be impaired, or have their pollution control systems impaired, by higher ethanol blends," he said.

Some Automakers have also raised concerns about moving to E15, but Ford Motor Company has written a letter endorsing the efforts. The letter, from Susan Cischke, Ford's Vice President for Sustainability, Environment and Safety Engineering, states: "Ford endorses efforts to increase base level blends up to E15 and collaborate with key stakeholders to overcome challenges with introducing these higher levels of ethanol."

The EPA will review all public comments before holding public hearings to further examine the issue. The agency is expected to issue a final ruling by December 1, 2009.

For more information:

[http://www.ethanolproducer.com/article.jsp?article\\_id=5728](http://www.ethanolproducer.com/article.jsp?article_id=5728)

## Tax Credits Available to Convert and/or Install Biofuel Infrastructure

In an effort to speed the deployment of biofuel infrastructure in the state, a tax credit is being offered, which covers 30 percent of the eligible costs of an installed or converted fuel delivery system with a maximum tax credit of \$20,000 per applicant.

To obtain the state tax credit, the station owner must first apply for a certificate of eligibility from the Department of Energy, Labor and Economic Growth (DELEG), Bureau of Energy Systems. The station owner will then need to provide documentation of all eligible costs and a

project completion date as part of the application process. Each installation will be inspected to ensure all work has been completed and E85 and/or biodiesel are being dispensed to the public. Once approved and awarded the certificate, the station owner attaches the certificate to their annual Michigan Business Tax return to claim the tax credit.

In addition to the state tax credit, a federal Alternative Fuel Infrastructure Tax Credit is also available for up to 50% (not to exceed \$50,000), for equipment placed into service on or after January 1, 2009.

Fueling station owners who install qualified equipment at multiple sites are allowed to use the credit towards each location.

Contact information is listed below:

For State Tax Credits:

Tim Shireman,  
(517)-241-6281, [shiremant@michigan.gov](mailto:shiremant@michigan.gov)

For Federal tax credits

U.S. Internal Revenue Service  
Phone (800) 829-1040  
<http://www.irs.gov/>

## Debate Over New EPA Proposal

Recently, the Environmental Protection Agency proposed a new set of rules for calculating greenhouse gas emissions from ethanol. When Congress passed a law mandating the production of 36 billion gallons of ethanol annually by 2022, it also required that corn-based ethanol's greenhouse gas emissions must be 20 percent lower than that of gasoline. As the EPA has learned, however, calculating those values is a difficult task. One of the largest points of debate has been over changes in land use, particularly abroad. If corn is taken out of the food supply to make biofuels, some argue that more forested land will end up being cleared, creating a net increase in CO<sub>2</sub>. Many researchers say the EPA analyses must count these factors while biofuel producers argue that the scientific understanding of how to calculate them is not fully developed.

As a result, EPA Administrator Lisa Jackson tried to achieve a middle ground as the proposal was introduced. She stated that while land use changes should be considered, she acknowledged that the EPA is not totally comfortable with the "best science available." This is because the "best science available" relies heavily on sophisticated computer models to predict these changes. Since this sort

of approach has no real precedent, Jackson is requesting a special "peer review" consisting of four panels, each with five outside experts to examine the agency's concerns about its proposal. With expressed concern from members of Congress, the EPA has reiterated that the plan is simply a proposal and is subject to feedback and review. Already, several members of Congress have called for tripling the public comment period for the proposal, from 60 to 180 days.

For more information:

<http://www.usnews.com/articles/news/energy/2009/05/14/ethanol-ruling-a-test-for-obama-administration.html>

### POET Installs Anaerobic Digester at Pilot Plant

For POET LLC, one of the largest ethanol producers in the world, a self-sustaining energy cycle for producing cellulosic ethanol is closer to reality with the recent startup of an anaerobic digester at their pilot plant in Scotland, S.D.

"This technology will cut fossil fuels out of our cellulosic ethanol production process and further improve the benefits of grain-based ethanol," POET CEO Jeff Broin said, "Over the long term, POET would like to eliminate the use of fossil fuels at all of our plants through a variety of



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alternative energy sources." The alternative energy technologies used at other POET facilities include a solid waste fuel boiler, landfill gas and cogeneration.

The digester is currently still in the research phase since corn cobs have never been used for this purpose before. In the meantime, the methane is being flared, but will eventually be installed as part of POET's Project LIBERTY, once the process is refined.

Project LIBERTY is a 25 MGY plant which will be utilized for cellulosic ethanol production from corn cobs. It is scheduled to begin production in 2011.

For more information:

<http://www.poetenergy.com/news/showRelease.asp?id=169>

## Calendar of Events

### 6th Annual World Congress on Industrial Biotechnology & Bioprocessing

July 19, 2009 - July 22, 2009  
Montreal, Canada

<http://www.bio.org/worldcongress/>

### 2009 Farm to Fuel Summit

July 29, 2009 - July 31, 2009  
Orlando, Florida

[http://www.floridafarmtofuel.com/summit\\_2009.htm](http://www.floridafarmtofuel.com/summit_2009.htm)

### 22nd Ethanol Conference & Trade Show

August 11, 2009 - August 13, 2009  
Milwaukee, Wisconsin

<http://www.ethanol.org/index.php?id=44>

### NCGA Land Use Conference

August 25, 2009 - August 26, 2009  
St. Louis, Missouri

<http://quest.cvent.com/EVENTS/Info/Summary.aspx?e=d6052248-5f2e-4fcb-9366-fa6ca43dc24a>

### The Alcohol School 2009, North America

September 13-18, 2009  
Montreal, Canada

<http://www.ethanoltech.com/>

### Michigan Clean Transportation Expo & Awards Gala

September 29, 2009  
Novi, Michigan

<http://www.mct-expo.com/>

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