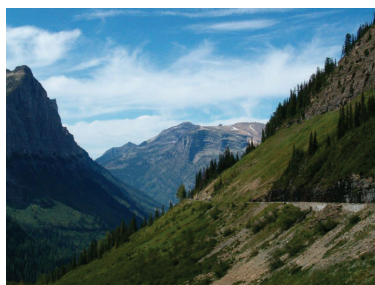


# Ethanol Producers And Consumers



*This Newsletter is sent to members, contributors and sponsors of EPAC.*

Ethanol Producers And Consumers (EPAC) is a non profit organization with members throughout the nation who support the production and use of Ethanol as a clean, renewable energy resource. **Volume 17, Number 4: January/February 2008**  
Phone: 406-785-3722 ♦ Fax: 406-785-2252 ♦ email: [epac@ethanolmt.org](mailto:epac@ethanolmt.org) ♦ [www.ethanolmt.org](http://www.ethanolmt.org)



**Ethanol:  
Fuel AND Food**

**Kalispell, MT  
July 20-22, 2008**

## **18th Annual EPAC Ethanol Conference**

Make plans to attend the 18th Annual EPAC (Ethanol Producers And Consumers) Conference at the Hilton Garden Inn, Kalispell, MT, July 20 –22, 2008. This information-packed conference will include topics such as the issues surrounding Fuel AND Food, Fuel Performance: E85 & Biodiesel and New Technologies including Cellulosic Ethanol. International Ethanol industry leaders Phil Madson—KATZEN International, Cincinnati, OH; Dave Vander Griend—President/CEO ICM, Inc., Colwich, KS; David B. Levine—Assoc. Professor, Department of Biosystem Engineering, University of Manitoba, Winnipeg; John Urbanchuk, LECG, LLC, Wayne, PA and Kurt A. Rosentrater, Lead Scientist Bioprocess Engineer USDA-ARS, Brookings, S.D. have committed to presentations at the conference with others to be added to the agenda. Individuals who should attend are Biofuel Producers, current and future; Industry Financial Institutions/Investors; Industry Consultants; Fuel Marketers; Government and Academia; Transit/Fleet Managers; Media; Fuel Marketers; Research and Development Institutions; Energy and Environmental Organizations;

Ag Producers. The three day conference will include optional activities; “Going to the Sun Bus Tour” a tour on the Jammer bus into Glacier Park, available on Sunday prior to the opening reception; and a trip to the Lonesome Dove Guest Ranch for a tour and BBQ on Monday evening. The registration form for the 18th Annual EPAC Ethanol Conference is on page 7 of this newsletter. For more information go to the EPAC website at [www.ethanolmt.org](http://www.ethanolmt.org) or contact EPAC at (406) 785-3722 or e-mail [pamd@ethanolmt.org](mailto:pamd@ethanolmt.org). Hosted by EPAC (Ethanol Producers and Consumers). Sponsorships are available.



**EXPLORE ETHANOL  
WORKSHOP & BUS TOUR  
January 28th & 29th**

**(Details on Page 8)**

**Editorial by Robert White**  
**Interim Executive Director, EPIC**  
**Ethanol Promotion and Information Council**

While ethanol detractors continue to spend millions mounting a smear campaign against alternative fuels, consumers bear the brunt of the economic pain as oil prices trade above the \$100.00 a barrel mark.

Record oil prices translate into record profits for the petroleum industry. The impact upon the economy is being felt in many business sectors. Motorists struggle with gas prices that are 85 cents higher a gallon than a year ago, and record heating oil prices present tough choices for many homeowners. Family budgets are stretched thin. American consumers continue to be powerless as they endure rising energy costs and frequent supply shortages.

America's foreign oil bill continues to climb, to a record total of nearly one billion dollars a day, and oil from the Middle East accounts for approximately 17 percent of U.S. oil imports. This business as usual approach is a failure.

The American public is looking for realistic solutions to our dependence on a dwindling supply of energy of which ethanol plays an important role. Once again, the ethanol industry will rise to the challenge and continue to provide a renewable, efficient, economy boosting product for Americans. Without ethanol, the cost of our oil addiction is far too great.

**Renew E85 Station Approaching 1 Million E85 Gallons Sold**

Nearly one million gallons of E85 have been sold by Renew E85 in Oshkosh, Wisconsin! The station, located at 5724 Green Valley Court expects to sell its millionth gallon of the clean, renewable product sometime between Christmas and the New Year. "As a company we expect to sell close to a total of 1.8 million gallons of E85 at all of our stations," said Jay Stoflet of Renew Fuel Stations, "but we thought it was a pretty significant accomplishment for one station to hit the million gallon mark." The first Renew station opened the summer of 2005. "It was a small, one-dispenser station at the corner of a busy country intersection just outside of Berlin, WI. Our second E85 station, the one which will soon be selling its millionth gallon of E85, opened in September, 2005. It is located just off the intersection of Hwy 76 and US Hwy 41, outside of Oshkosh, WI," added Stoflet. Currently, Renew operates 12 stations and has one under construction.

**JOIN EPAC**

**Congratulations  
POET**

**EPAC takes this opportunity to say congratulations to POET and the Broin family for 20 years in the Ethanol Industry. You have done a tremendous job for the industry and we are proud to have you as a member of EPAC.**

POET is the nation's leading Ethanol producer, with 1.1 billion gallons of annual capacity and another 375 million gallons of capacity under construction or expansion  
**Way to go, POET**

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Designing the Future of  
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ethanol process design  
and technology.

## Dairy focus: Ethanol production byproducts nutritious animal feed

By J.W. Schroeder, NDSU Extension Service Dairy Specialist  
Thursday, December 6, 2007 3:13 PM MST

Distillers grain has long been recognized as a nutritious feed ingredient for animals, including dairy cows. It is unique in that it is the only fermented feed ingredient from the dry-mill fuel or beverage ethanol process. Its features are: the starch is removed; it's a product of fermentation-high fiber content; it contains dried yeast cells; has been developed in an all-natural process considered Food and Drug Administration food grade; it's a highly digestible protein source (85 percent); has concentrated grain nutrients; is a good source of bypass protein and contains essential minerals. The handling characteristics of distillers grains also are unique. Here are some key points about these products and how they should be fed to dairy cattle:

### Dried Distillers Grain with Solubles

- It's a byproduct from the fermentation of grain for the production of ethyl alcohol.
- Solubles in dried distillers grain are left over from the fermentation and are added to the grains before they are dried (most common product).
- Corn, milo, barley, rye, wheat or sorghum are the grains used to make distillers grain. Usually corn is the predominant grain used.
- It's a good source of bypass (undegraded) protein if properly dried.
- It contains 10 percent to 12 percent fat. Remember to include the amount of fat from dried distillers grain when calculating the amount of fat found in the diet.
- It's low in calcium and high in phosphorus and potassium. Proper mineral supplementation is required.
- Crude protein will vary between 23 percent and 28 percent on an as-fed basis.
- It's generally included at the following rates: 20 percent to 35 percent of the grain mix, 15 percent to 25 percent of the total ration dry matter or 6 to 10 pounds per cow per day.

### Wet Distillers Grain

- It contains approximately 65 percent to 75 percent moisture. It is produced by straining out the coarser particles found in the stillage and then being pressed to remove some moisture.
- It's low in calcium.
- Feeding large amounts may reduce dry-matter intake, especially on corn silage diets.
- Limit intake to 15 percent to 25 percent of the total ration dry matter or 9 to 10 pounds of dry matter per cow

per day.

- Store in a clean, dry place. It may be stored in a concrete or asphalt bunker silo or plastic bag.
- The product deteriorates rapidly in hot weather. It needs to be fed within two to five days in the summer. During cold weather, it will last five to seven days.
- It can be ensiled in silage bags to extend its shelf life.
- Usually price limits hauling to no more than 100 to 200 miles from the distillery.

### Stillage (thin slop)

- It's material remaining after straining, pressing or centrifuging out larger particles.
- It's very low in dry-matter content (may average 2 percent to 6 percent dry matter).
- On a dry-matter basis, the nutrient content is similar to dried distillers grains with solubles except for bypass protein (contains very low amounts of bypass protein).
- Limit intake so dry matter or nutrient intake does not limit milk production. Limit intake to 50 to 100 pounds per cow per day or 3.5 to 7 pounds of dry matter per cow per day.
- Mineral supplementation should complement the low calcium and high phosphorus content of this byproduct.



*Patsy Reimche and Pam Dzick, EPAC staff, show off EPAC's new table top display booth at the Sidney, MT Ethanol Workshop. The display top was purchased with funds from the Growth Through Ag Program.*

## ***ALERT .....from Stoel Rive.***

This alert summarizes the provisions of Sub-Title C of Title II of the Energy Independence and Security Act of 2007 ("EISA") relating to retail sales of renewable fuels such as E85 or B20. EISA was signed into law December 19, 2007 and takes effect January 1, 2009.

O

### **Franchisors Must Permit Retail Sales of E85 and B20**

Section 241 of EISA amends the Petroleum Marketing Practices Act to discourage franchisors from trying to prevent franchisees from selling renewable fuels (here, E85 and/or B20 or better). Franchise agreements for gas stations typically require the franchisee to buy fuel exclusively from the franchisor or its authorized distributor, and to sell only under the franchisor's brand. Franchise agreements entered into after enactment of EISA must allow franchisees to:

- Install renewable fuels tanks and pumps (unless the premises are leased from the franchisor);
- Convert existing tanks and pumps for renewable fuel use (even if the premises are leased from the franchisor), if the equipment is certified for such use by ASTM or another similar organization, or warranted for such use by the manufacturer;
- Advertise the availability and pricing of renewable fuels, including on signage;
- Sell renewable fuels anywhere on the premises of the franchised location, including in proximity to the franchisor's brand name;
- Replace one of the three main grades of petroleum motor fuel offered for sale at the franchised location with a renewable fuel; and
- Purchase renewable fuels from sources other than the franchisor if the franchisor does not offer renewable fuels.

Franchisees may not rely on EISA to engage in "misbranding" or "other trademark violations," but the intent of the law is to create room for the advertising and sale of renewable fuels at branded service stations, even if the renewable fuels are not produced or sold by the franchisor or its affiliates. Franchisees alleging violations of the new provisions have a private right of action in federal court with the potential to recover actual and exemplary damages as well as attorneys' fees.

One effect of these provisions will be to improve the ability of suppliers of renewable fuels to penetrate the market

by selling to franchised gas stations. However, the provisions also give refiners with franchised retail outlets an incentive to become suppliers of renewable fuels themselves.

### **Study on Requiring Motor Fuel Retailers to Have E85 Pumps**

Section 242 of EISA requires the Secretary of Energy to report to Congress on the feasibility of requiring motor fuel retailers to install E85-compatible pumps and equipment in regions where "flexible-fuel vehicle market penetration has reached fifteen percent of motor vehicles."

### **Study on Ethanol Pipeline**

Section 243 of EISA requires the Secretary of Energy to study and report on the feasibility of constructing a pipeline dedicated to the transportation of ethanol.

### **Grant Program**

Section 244 of EISA requires the Secretary of Energy to create a grant program to help retailers and wholesalers defray up to 33 percent of the cost of installing or converting equipment for the storage and sale of renewable fuels, broadly defined for this purpose as E11 or better and B10 or better. Grants would be capped at \$180,000. The Department of Energy is also directed to hire consultants to assist grant recipients with installation of renewable fuels equipment, regulatory compliance, and marketing of renewable fuels to consumers.

### **Study of Transportation Infrastructure**

Section 245 of EISA requires the Secretary of Energy to conduct a study on the transportation infrastructure for renewable fuels, with particular attention to the issue of whether market failures and inadequate competition have increased the costs of transportation for renewable fuels to the point where federal intervention is warranted.

### **Standard Specifications for Biodiesel**

Section 247 of EISA gives ASTM one year to adopt standards for B5 and B20. If ASTM has not adopted standards by this deadline, EISA directs the U.S. Environmental Protection Agency to do so.

This is a publication of Stoel Rives' Energy Group for the benefit and information of clients and friends. This bulletin is not legal advice or a legal opinion on specific facts or circumstances. The contents are intended for information purposes only.

# GROUNDBREAKING STUDY FINDS THAT CERTAIN ETHANOL BLENDS CAN PROVIDE BETTER FUEL ECONOMY THAN GASOLINE

Sioux Falls, SD (December 5, 2007)- Research findings released today show that mid-range ethanol blends - fuel mixtures with more ethanol than E10 but less than E85 - can in some cases provide better fuel economy than regular unleaded gasoline, even in standard, non-flex-fuel vehicles.

Previous assumptions held that ethanol's lower energy content directly correlates with lower fuel economy for drivers. Those assumptions were found to be incorrect. Instead, the new research strongly suggests that there is an "optimal blend level" of ethanol and gasoline - most likely E20 or E30 - at which cars will get better mileage than predicted based strictly on the fuel's per-gallon Btu content. The new study, cosponsored by the U.S. Department of Energy and the American Coalition for Ethanol (ACE), also found that mid-range ethanol blends reduce harmful tailpipe emissions.

"Initial findings indicate that we as a nation haven't begun to recognize the value of ethanol," said Brian Jennings, executive vice president of the American Coalition for Ethanol. "This is a compelling argument for more research on the promise of higher ethanol blends in gasoline. There is strong evidence that the optimal ethanol-gasoline blend for standard, non-flex-fuel vehicles is greater than E10 and instead may be E20 or E30. We encourage the federal government to move swiftly to research the use of higher ethanol blends and make necessary approvals so that American

Motorists can have the cost-effective ethanol choices they deserve at the pump."

The University of North Dakota Energy & Environmental Research Center (EERC) and the Minnesota Center for Automotive Research (MnCAR) conducted the research fusing four 2007 model vehicles: a Toyota Camry, a Ford Fusion and two Chevrolet Impalas, one flex-fuel and one non-flex-fuel. Researchers used the EPA Highway Fuel Economy Test (HWFET) to examine a range of ethanol-gasoline blends from straight Tier 2 gasoline up to 85 percent.

All of the vehicles got better mileage with ethanol blends than the ethanol's energy content would predict, and three out of four actually traveled farther on a mid-level ethanol blend than on unleaded gasoline.

In addition to the favorable fuel economy findings, the research provides strong evidence that standard, non-flex-fuel vehicles can operate on ethanol blends beyond 10 percent. The three non-flex-fuel vehicles tested operated on levels as high as E65 before any engine fault codes were displayed. Emissions results for the ethanol blends were also favorable for nitrogen oxides, carbon monoxide and nonmethane organic gases, showing an especially significant reduction in CO2 emissions for each vehicle's "optimal" ethanol blend. (Full report at: [http://www.ethanol.org/pdf/contentmgmt/Optimal\\_Ethanol\\_Blend\\_Level\\_executive\\_summary.pdf](http://www.ethanol.org/pdf/contentmgmt/Optimal_Ethanol_Blend_Level_executive_summary.pdf))

## ADM forms Industrial Chemicals Group

Capitalizing on the popularity of the "green chemistry" movement, Archer Daniels Midland Co. recently created the Industrial Chemicals Group to commercialize production of chemicals made from renewable feedstock's. Janet Mann, who previously worked for Chemtura Corp. and Dow Chemical Co. will lead the group as general manager. John Rice, an ADM executive vice president, said the company sees two major trends developing in the marketplace; improving a product's environmental footprint and reducing the use of petroleum-based products. The company's new group aims to accomplish both goals.

## Renova launches North American Biomass Exchange

Renova Engineering, PC has launched an electronic exchange to bring U.S. and Canadian biomass producers and consumers together. Sellers submit their locations, the type and amount of biomass they produce, and when it is available. Buyers can search for sellers by region and biomass type. The exchange is targeting buyers and sellers of wood-based biomass and energy crops. For more information, visit [www.nabiomassexchange.com](http://www.nabiomassexchange.com).

These articles from BIOFUELS Magazine

## EPAC Hosts Workshop

By Patsy Reimche

Sidney, Montana was the place to be for a great learning experience about Ethanol made from corn, wheat or barley as well as marketing and education. EPAC held this event on Oct. 19, 2007 at the Sidney Elks Club with over 60 people attending.

Out of state guest speakers included Eric Mork, Director of Business Development for ICM Inc. of Colwich, Kansas, Larry Johnson, LLJ Consultants, of Cologne, Minnesota and Kevin Hicks, scientist with the USDA ARS in Wydmoor, Pennsylvania. Richard Iverson, Eastern Plains RC&D and Charles Flynn, Eastern Montana Research Center spoke to the Montana perspective and the issues we have here in Montana. Each speaker gave the audience an abundance of information within their particular expertise to think about and share with others. Senator Donald Steinbeisser was also on the agenda and gave an update on the Montana Legislature issues. In his remarks, Steinbeisser noted that he had changed his position as he once opposed mandates for Ethanol. He has come to realize that in order for a fledgling Ethanol industry to get into markets, the government needs be involved.

Evaluation about the workshop was very positive. The Ethanol Fuel Workshop was part of a series of workshops that EPAC is conducting in Eastern Montana through a contract with the Workforce Innovation in Regional Economic Development (WIRED) program to help the Ethanol industry grow.

*Larry Johnson, who has been involved in building the ethanol industry for over 25 years, explained and countered many of the myths that surround the Ethanol industry.*

*Montana Senator Donald Steinbeisser voiced his support for Ethanol and discussed legislative energy issues at the Sidney Ethanol Workshop.*

## “The Ethanol Report” Podcast Now Available

Washington—The Renewable Fuels Association (RFA) has started a podcast on issues important to the ethanol industry called “The Ethanol Report.” The report is produced twice monthly and posted on RFA’s “The Ethanol Report” blog at <http://www.ethanolrfa.org/industry/conference/blog/>.

Podcasts already produced include such topics as the Renewable Fuels Now coalition and consumer survey, the Informa study of the relationship between corn prices and the overall Consumer Price Index for food, signing of the Energy Bill, and a look at what 2008

may hold for the ethanol industry.

The report can be accessed from the website and the mp3 audio file is also included in an RSS feed so it can be automatically downloaded for listening on a portable audio player.

“The Ethanol Report” is available by RSS feed subscription through any standard podcast subscription software or service such as iTunes or Yahoo Music Jukebox. Subscription information is available at <http://www.ethanolrfa.org/the-ethanol-report-podcast.xml>.

# ETHANOL PRODUCERS AND CONSUMERS (EPAC)

## 18th Annual Conference Registration

### *July 20-22, 2008    Hilton Garden Inn    Kalispell, Montana*

The conference begins on Sunday evening, July 20<sup>th</sup>, with the Opening Reception. There will be speaker sessions all day Monday and Tuesday morning. Conference registration includes entrance to all speaker sessions, Trade Show, Opening Reception, breakfast on Monday and Tuesday, lunch on Monday, three breaks, and the Hospitality Room.

#### REGISTRATION INFORMATION

Name \_\_\_\_\_  
 Company \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Phone \_\_\_\_\_ Fax \_\_\_\_\_  
 Email \_\_\_\_\_  
 Web Address \_\_\_\_\_  
 Additional Registrant's Names \_\_\_\_\_

REGISTRATION FEES	Early Bird <i>Through 5/09/08</i>	Regular <i>5/10/08 – 6/30/08</i>	Late <i>After 7/01 &amp; on-site</i>	QUANTITY	TOTAL
EPAC Member Registration	<input type="checkbox"/> \$170	<input type="checkbox"/> \$190	<input type="checkbox"/> \$230	x _____ =	\$ _____
Non-Member Registration	<input type="checkbox"/> \$220	<input type="checkbox"/> \$240	<input type="checkbox"/> \$280	x _____ =	\$ _____
Opening Reception Guest Tickets	<input type="checkbox"/> \$45	<input type="checkbox"/> \$45	<input type="checkbox"/> \$55	x _____ =	\$ _____
Trade Show Vendor	<input type="checkbox"/> \$325	Includes a Conference Registration			\$ _____

#### OPTIONAL EVENTS

Going to the Sun Park Tour Sunday 11:00 – 5:00 (Includes riding the Jammer bus with narrator through Glacier National Park. Includes transportation to and from Park, Park Entrance Fee and refreshments. Space is Limited.)	<input type="checkbox"/> \$78	<input type="checkbox"/> \$84	<input type="checkbox"/> \$90	x _____ =	\$ _____
Lonesome Dove Guest Ranch Monday evening (Includes transportation to Lonesome Dove Guest Ranch, BBQ, beverages and entertainment. Last day to register for this is July 7.)	<input type="checkbox"/> \$55	<input type="checkbox"/> \$65	<input type="checkbox"/> \$75	x _____ =	\$ _____

**TOTAL AMOUNT DUE: \$ \_\_\_\_\_**

#### PAYMENT INFORMATION

Visa     MasterCard    Card # \_\_\_\_\_ Exp. Date \_\_\_\_\_  
 Name on card \_\_\_\_\_ Signature \_\_\_\_\_  
 Check enclosed, *U.S. \$ only* (Make payable to EPAC)

**MAIL THIS FORM WITH PAYMENT TO: EPAC, 172 BALL ROAD, NASHUA, MT 59248**

**HOTEL ACCOMMODATIONS:** Contact Hilton Garden Inn at 877-782-9444 or direct at 406-956-4500 for room reservations. Rooms start at \$139. Overflow Hotel is Outlaw Inn at \$109.99, call direct 406-756-8160.

*Cancellations made prior to June 2, 2008 will receive a full refund. A cancellation fee of \$25 will be applied to cancellations made between June 3, 2008 and July 7, 2008. No refunds will be made after July 8, 2008.*

# EXPLORE ETHANOL BUS TOUR & WORKSHOP

## Details

A TWO DAY Educational and informational bus tour workshop to promote the production and use of Ethanol will be held January 28<sup>th</sup> and 29<sup>th</sup>. The tour includes Red Trail Energy LLC, Richardton, ND; Bosserman's Dairy and Weinreis Feedlot, Golva, ND and Montola, Culbertson, MT. Red Trail Energy LLC is a working Ethanol production plant that has been in operation since January 2007. The plant employs 36 people with an annual payroll of \$1.5 million and produces 50 million gallons of Ethanol. The tour will include on-site demonstrations and information about employment opportunities in the alternative fuel industry. Bosserman's Dairy and Weinreis Feedlot are commercial businesses that use the high protein co-product of Ethanol known as distiller grains to feed the livestock in their industry. Montola, is an Eastern Montana owned and operated oilseed processing facility that produces high quality, healthy vegetable oils for the food and energy

industries. The motor coach leaves from Culbertson, MT at 9 a.m. Monday, January 28<sup>th</sup>. Lunch will be in Belfield, ND then on to the tour of the Red Trail Energy facility. The overnight stay at Quality Inn and Suites, Dickinson, ND includes a welcome reception and evening networking opportunity with sponsor presentations by EPAC, Dawson Community College and Eastern Plains RC&D. A free continental breakfast will be provided before boarding the bus Tuesday morning to the Golva facilities. Lunch will be in Beach and the final tour will take place at Montola in Culbertson at approximately 2 p.m. The workshop fee is \$50 (EPAC members) \$55 (non-members) for double occupancy and \$80 (EPAC members) \$85 (non-members) for single occupancy. The fee includes the Bus, One Buffet Lunch, Hotel Accommodations, Continental Breakfast and Travel Refreshments. Each participant will also receive a certificate of one college credit from Dawson Community College. Space is Limited to the first 48 participants. Call EPAC at 406-785-3722 for reservations or contact [epac@ethanolmt.org](mailto:epac@ethanolmt.org). The workshop is organized by EPAC (Ethanol Producers And Consumers) with cooperating partners are Eastern Plains RC&D and Dawson Community College. Funds are provided by a US Department of Labor WIRED (Workforce Innovation in Regional Economic Development) grant from the Montana Department of Commerce in conjunction with the Montana Department of Labor.

Ethanol Producers And Consumers  
172 Ball Road  
Nashua, MT 59248

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