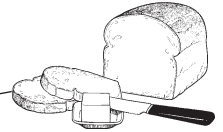
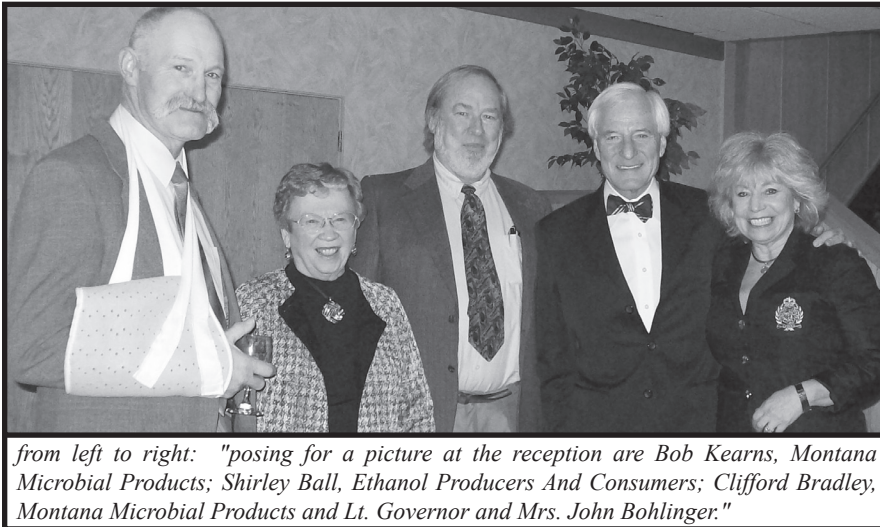


# Ethanol Producers And Consumers



*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 18, Number 5: EPAC March/April 2009**  
Phone: 406-785-3722 • Fax: 406-785-2252 • E-mail: [epac@ethanolmt.org](mailto:epac@ethanolmt.org) • Web Site: [www.ethanolmt.org](http://www.ethanolmt.org)



*from left to right: "posing for a picture at the reception are Bob Kearns, Montana Microbial Products; Shirley Ball, Ethanol Producers And Consumers; Clifford Bradley, Montana Microbial Products and Lt. Governor and Mrs. John Bohlinger."*

## **MEDIA ADVISORY - FOOD AND FUEL – THE REAL STORY: “EAT THE BEST AND DRIVE THE REST”**

Call Pam or Shirley @ EPAC 406-785-3722 for information

EPAC (Ethanol Producers And Consumers) has been invited by Roger Conway, Director of the USDA Office of Energy Policy and New Uses to repeat a presentation that shows that the food versus fuel issue is a fallacy. EPAC has made similar Food and Fuel presentations in the past, including the 1993 event that was covered by Successful Farming magazine. The presentation will be April 20, 2009 as part of Washington DC Earth Week activities, at 1:30 p.m. in room 107A of the USDA Whitten building, 1400 Independence Avenue. The event is open to the public.

The presentation will feature speakers including Roger Conway; Shirley Ball, Executive Director, EPAC, Nashua, MT; Kevin Hicks, Research Leader, Crop Conversion Science and Engineering Research at the USDA/ARS Eastern Regional Research Center, Wyndmoor, PA; Larry Schaefer, National Biodiesel Board; and representatives from ICM, Colwich, KS and MOR Technology, Metropolis, IL.

## **ETHANOL PRODUCERS AND CONSUMERS HOST LEGISLATIVE RECEPTION**

Lt. Governor and Mrs. John Bohlinger were part of the large crowd that attended a biofuels and agriculture legislative reception in Helena last week. Other officials included Ron DeYong, Director of the Mt Dept of Agriculture, former Governor Tim Babcock and his wife Betty, Speaker of the House Bob Bergren, and Public Service Commissioner Greg Jergenson. The reception, co-hosted by Ethanol Producers And Consumers (EPAC) and Women Involved In Farm Economics (WIFE), was also attended by more than 60 legislators, as well as personnel from state agencies.

Sponsors of the event included CHS, a company that markets ethanol blended fuel and biodiesel statewide; KATZEN International, an Ohio based company that designs ethanol plants; Montana Ethanol, a company with plans to build an ethanol facility in Great Falls and Montana Microbial Products, a Butte based company whose latest project is developing a process using barley for fuel and food.

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## **ETHANOL PRODUCERS AND CONSUMERS HOST LEGISLATIVE RECEPTION**

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The event is held each year the legislature is in session to network and visit about biofuels. Many legislators had questions about ethanol in regards to its impact on the price of food. Shirley Ball, Executive Director for EPAC in her remarks during the evening answered their questions by detailing the heavily financed campaign of the Grocery Manufacturers to discredit ethanol. She explained in part “Only the starch in the grain goes to ethanol” and “the rest of the grain, containing the nutrients of protein, fiber, vitamins, germ and minerals still remain in the distillers grain and is used in feeding programs.” Studies on the increased cost of food have shown that transportation and marketing are most to blame, with only 4% of increased costs being attributed to the price of grain. She went on to point out that the price for corn has fallen below the cost of production, but the prices on the food shelves have not come down. Corn is the feedstock in most grain based ethanol in the US, whereas in Canada, wheat and barley are major feed-stocks.

EPAC additionally addressed the food and fuel question in the dessert that was served with the meal: cakes made with ingredients that included wheat distillers’ grains. Ball said as they served the cake, “You can have fuel and food from the same bushel of grain.”

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Letter to the Editor:

## **EPA ASSURED A PETRO BASED ECONOMY: SHAME ON US**

Ethanol groups recently applied for a waiver for E15 to grow ethanol markets. A fine first step but by itself a myopic vision for what ethanol’s role can be in creating many thousands of jobs building our new energy independent green economy. With the current three billion gallons of idle ethanol capacity we are at best opening a marginal three billion gallon market sometime down the road. All sources of ethanol can be viable only if major competing midlevel ethanol blends markets are made possible by legacy vehicles using these blends.

The US EPA violates its own clean air act and destroys new midlevel blends markets by implying it is illegal to fuel legacy vehicles with these blends. Yet tampering provisions clearly state it isn’t “tampering” or illegal to fuel standard autos with midlevel blends when there is a “reasonable basis” to believe emissions are not degraded

“Reasonable basis” is easily proved as parts books tell us that legacy vehicles are, except for a computer program change to adjust to blends over half E85, for practical purposes identical to the flex fuel models. Must also remember gasoline’s benzene related carcinogens cause cancers, birth defects, and family tragedies that also burden families with catastrophic costs. Ethanol emissions are benign compared to gasoline emissions.

For twenty plus years EPA has been complicit with self-serving auto makers to propagate this myth that legacy vehicles are significantly different from flex fuel vehicles. A scam that assured a petroleum based economy, shame on us, that incrementally transferred hundreds of billions of wealth to oil exporters. Today EPA can end this devastating scam, limit gasoline’s toxics, open markets to all midlevel ethanol blends, and create millions of green jobs by simply ending their illegal practice of implying that legacy vehicle owners fueling with midlevel blends are “criminals”.

Orrie Swayze  
Wilmot, SD  
605 938 4141

Below are links to references and a more explanatory white paper.

Links to references:

1. Links to help clarify gasoline's devastating health effects:  
[http://www.oehha.org/public\\_info/pdf/pr0102.pdf](http://www.oehha.org/public_info/pdf/pr0102.pdf)  
<http://ntl.bts.gov/lib/000/800/830/publichealth.pdf>
2. Link to new EPA rules to target gasoline's toxics  
[http://findarticles.com/p/articles/mi\\_qn4176/is\\_20070210/ai\\_n18719086](http://findarticles.com/p/articles/mi_qn4176/is_20070210/ai_n18719086)
3. Link to mutagenic research on gasoline station workers..  
[http://www.funpecrp.com.br/GMR/year2006/vol1-5/gmr0170\\_full\\_text.htm](http://www.funpecrp.com.br/GMR/year2006/vol1-5/gmr0170_full_text.htm)
4. Link to story questioning auto manufacturer’s motivation to produce flex fuel vehicles. <http://www.americanprogress.org/issues/2007/06/flexfuel.html>
5. Link to verify catalytic converter effectiveness breaking down ethanol’s exhaust emissions. <http://www.sentex.net/~crfa/emissionsimpact.html>  
<http://ntl.bts.gov/lib/000/800/830/publichealth.pdf>
6. Link to EPA approved flex fuel kit or computer change...no modifications to fuel systems, engine, or exhaust. Indicating EPA recognizes the parts are the same in legacy vehicles.  
<http://domesticfuel.com/2008/05/21/first-e85-conversion-kit-approved-by-epa/>

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## **FOOD AND FUEL – THE REAL STORY “EAT THE BEST AND DRIVE THE REST”**

*... continued from front page*

Hicks and his associates at CCSER have developed a barley to ethanol process. This new technology doesn’t compete with food production; allows production of ethanol on the East Coast where there is high demand for transportation fuels; provides more revenue to rural communities; and will improve the water quality of sensitive waterways, such as the Chesapeake Bay. ICM, a process technology company, will tell about work being done by their company to ensure that food values will be retained in the ethanol process. MOR Technology will tell about their unique fractionation process that will maximize the production of food grade distillers grains. Schaeffer will talk about the biodiesel process.

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Speakers will explain processes to make ethanol, showing that only starch or sugar in the grain becomes fuel, leaving all the nutrients, including protein, fiber, vitamins and germ as a distillers grains (DG) co-product that can be used in feed / food products. Samples of DG will be part of the display. A highlight will be foods and snacks samples provided by EPAC that are prepared using wheat distillers grains as one of the ingredients.

The majority of the ethanol produced in the United States is from feed corn, and the resulting DG is a valuable high protein feed supplement to the livestock industry, which is recognized as a part of the food chain.

However, a few companies, research facilities and organizations, who have been leaders in the fight about the Food versus Fuel issue, have recognized the value of the DG if the product were to be made from human grade feed stock and utilized in the human diet. DG contains high amounts of protein and fiber, both recognized as important factors in a health diet. Research is showing the DG could greatly enhance the human diet.

In addition to the speakers, research papers will be available at the presentation, including: Alphonsus Utioh of the Food Development Centre in Portage la Prairie, Manitoba, Canada. A speaker at the 2008 EPAC conference, Utioh states "The fuel versus food debate has been intensified in the last few years with the increasing production of fuel ethanol from cereal grains like corn and wheat. Many people believe that cereal grains should only be used for food and not for fuel. However ethanol co-products such as distillers dried grains and solubles (DDGS) are rich in protein and fibre and could be used as food ingredients." Utioh and others obtained a sample of wheat distillers grains and have used the grains as an ingredient for a number of baked foods. Utioh reported "According to the Canadian food labelling regulations, these products qualify for a "source of fibre" nutrient content claim as they contain more than 2 g of fibre per serving." Wheat DDGS can be used as a food ingredient to improve the nutritional profile, while offering economic advantage to the wheat-based ethanol industry. Fiber content is an important factor to diabetes patients.

Kurt Rosentrater, a lead scientist with the USDA's Agricultural Research Service in Brookings SD spearheaded a new initiative to develop value added uses for distillers grains. He spoke at the 2008 EPAC conference and remarked that as ethanol production is increased, the industry must learn to manage the co-products that will be generated. "We face a pressing need for research into and development of value added uses for co-product streams. Food products currently are an untapped but potentially high volume utilization of these products, but much work remains to be done to develop ingredients from distillers grains that can be used successfully in food products."

Another paper will be from Rajat Sethi, Assistant Professor, Irma Lerma Rangel College of Pharmacy at Texas A&M and previously the Senior Scientist at the Institute of Cardiovascular Sciences at the Faculty of Medicine at Manitoba, Canada. Sethi stated at the 2008 EPAC conference

"The fuel versus food debate has been intensified in the last few years with the increasing production of fuel ethanol from cereal grains like corn and wheat. Ethanol co-products such as distillers dried grains and solubles (DDGS) are rich in protein and fibre and could be used as food ingredients. Unfortunately, despite the use of DDG as a livestock feed for centuries, there are no studies reported in the peer-reviewed literature that have examined the health-related benefits of distillers grain". Sethi's preclinical research published as a US patent as well as in abstracts demonstrates DG induced benefits when incorporated into the human diet.

The immediate purpose of the April presentation will be to counter the myth that the production and use of ethanol will cause hunger in the world. A secondary purpose is to encourage other researchers and ethanol production facilities and companies to take an in depth look at what is needed to bring the DG to a higher value.

The presentation is organized by EPAC, a 19 year old non profit, membership organization that educates about biofuels by presenting conferences and workshops, through their informational web site and the distribution of factual publications.

The media and general public are encouraged to attend this important presentation and learn the realities of fuel and food. You can eat the best, and drive the rest. Call EPAC at 406-785-3722 or email [epac@ethanolmt.org](mailto:epac@ethanolmt.org) for further information.

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## **CO-PRODUCT CUTS FEED COSTS, INCREASES INCOME IN CHILE**

WASHINGTON, D.C., March 4, 2009 – The U.S. Grains Council, a non-profit organization charged with building global markets for America's grain, arranges feeding trials to include distiller's dried grains with solubles (DDGS), a co-product of U.S. ethanol production, all over the world. These trials help to determine the cost effectiveness and viability of the product as a competitive feed ingredient in world markets. Most recently, Council Consultant Dr. Randy Shaver, a dairy science professor at the University of Wisconsin-Madison, in collaboration with the Chilean farm supply cooperative Cooprinsem, orchestrated a Chilean DDGS feeding trial consisting of six selected Chilean dairy farms. The results of this two-season long trial have been conclusive.

The trial was divided into two phases to utilize weather related conditions of the winter and summer seasons. In phase one, winter, all six trial farms showed a reduction in feed costs by an average of \$0.17 per cow per day and an increase in milk income of \$0.33 per cow per day. This brings the combined value of \$0.50 per cow per day.

"The six herds' averaged 167 milking cows per farm," said Shaver. "That's additional revenue of \$83.50 per farm per day. In addition, we found the milk protein yield tended to be 73 grams per day higher for the DDGS-fed cows for the farm that completed a split-herd test. This was a 7.4 percent

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## EPAC ATTENDS PETROLEUM MARKETERS MEETING

by Linda Nielsen

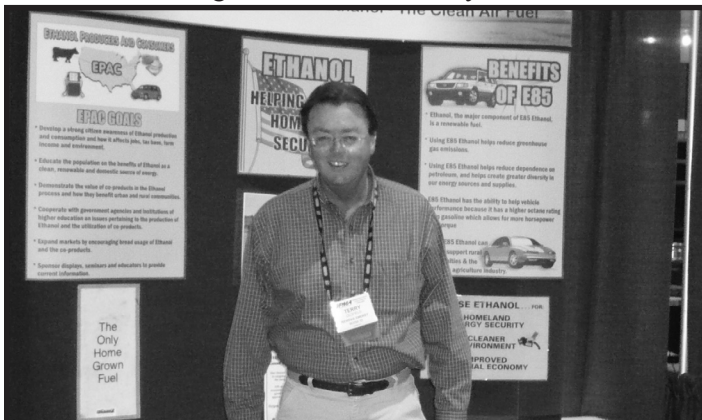
Linda Nielsen, a member of EPAC's Board of Directors was in charge of the EPAC booth at the trade show for the Western Petroleum Marketers Association when they held their 56th Annual National Convention on February 17-19 in Las Vegas. Terry Oldfield, of Renova Energy assisted Linda at the booth. ACE (American Coalition for Ethanol) and EPAC has arranged to have their displays in the same aisle of the trade show. Lacey Dixon manned the ACE booth and they worked together to bring ethanol information to the public at this convention with a "Winning Together" theme.



Lacey Dixon, ACE, and Linda Nielsen EPAC at the EPAC booth.

Questions were answered and handout information was dispersed to the Petroleum marketers. A big question was "Can ethanol be used in small engines" and this was mostly in reference to marine engines. The need to provide current information to answer the performance reliability of ethanol is apparent, and the information is out there so the question becomes, "Who is to blame for the slow acceptance?". Another question was on UL equipment testing and comments on how that ruling is hurting the progress of ethanol use. A lot of interest was shown in new feedstocks, which includes algae, and these were mentioned as the future for ethanol.

Sponsors for the EPAC booth includes Renova Energy, Chief Ethanol and General Motors. EPAC thanks these generous sponsors and thanks to Linda, Terry and Lacey for delivering the ethanol message at the WPMA this year.



Terry Oldfield, of EPAC member Renova Energy working the EPAC booth. Renova was a booth sponsor along with Chief Ethanol and General Motors.

## NATIONAL BIODIESEL NEWS FROM THE RED RIVER FARM NETWORK

The inclusion of soy-based biodiesel in the Renewable Fuels Standard is in jeopardy. National Biodiesel Board Chairman Ed Heglund says the focus is on indirect land-use changes. "It seems to be holding the US farmer accountable for the changes in land use in other parts of the world; a lot of the change in other parts of the world is happening illegally and I don't think the US farmer should be accountable for that." If soy-based biodiesel isn't included in the RFS, it would spell trouble for the industry. "It would effectively shut down the biodiesel industry as we know it."

## GRASSLEY UPSET WITH LAND-USE REGS -

-- From the Red River Farm Network

Scientists are expressing opposition to a proposal before the California Air Resources Board to apply so-called indirect land use charges to ethanol when calculating the fuel's carbon credit score. Iowa Senator Chuck Grassley says legislation may be needed to prevent EPA from implementing similar indirect land use regulation. "You see all of these stupid ideas coming out of the bureaucracy and you wonder what planet these bureaucrats come from; I'm going to go and try to find these folks and see if they've got antennas sticking out of their head or something." To hear more from Grassley on this topic, click on the RRFN In-Depth icon at rrfn.com

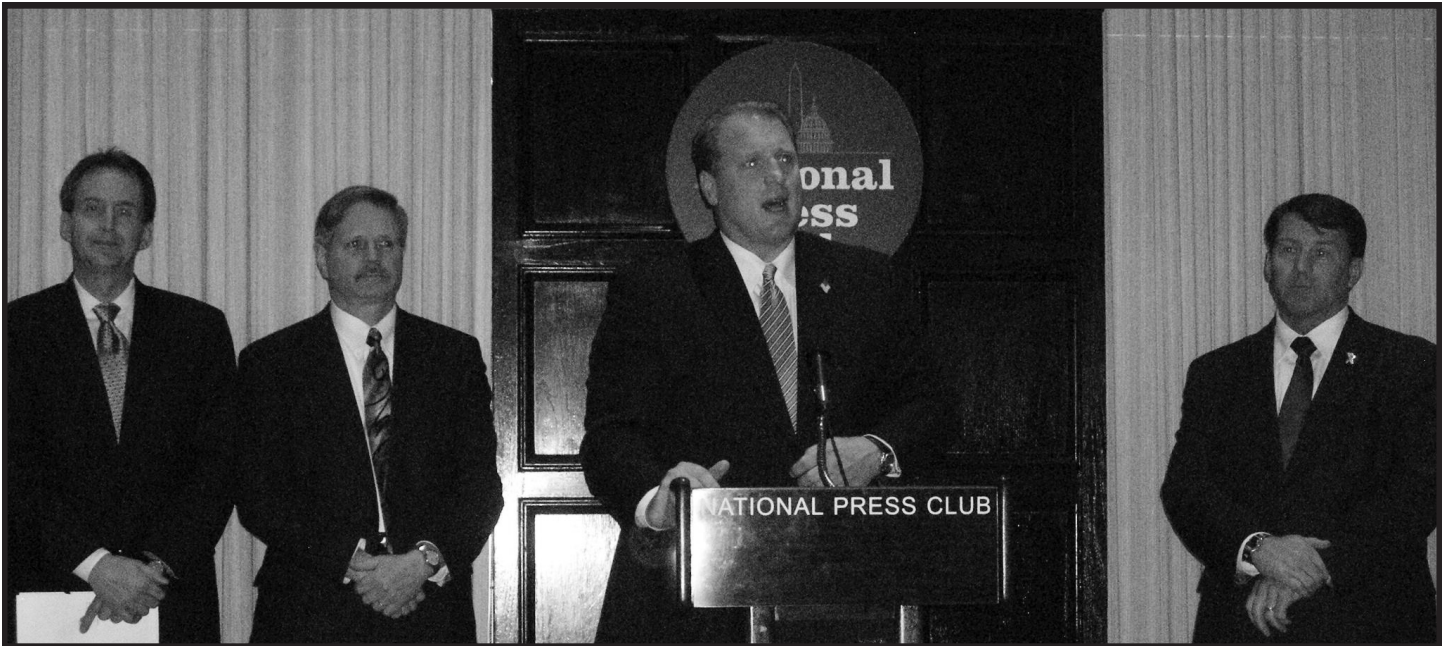
## CO-PRODUCT CUTS FEED COSTS, INCREASES INCOME IN CHILE ... continued from page 3

increase over the control group of non DDGS-fed cows."

Phase two of the project, summer, concluded at the end of December. "In the summer months, the cows receive most of their forage from high-quality pasture instead of silage. We still saw a significant increase in milk production for the farm that completed a split-herd test and a decrease in feed costs for most of the herds, however," said Shaver. "This trial was extremely successful in generating favorable results in both reducing feed costs while adding economic value from increased milk production. Trials like this should certainly augment use in Chile and its surrounding area," said Shaver.

In 2008, Chile imported approximately 78,866 metric tons of U.S. DDGS, up 41,378 tons, or almost doubling, from the previous year.

"There is certainly potential in Chile for U.S. DDGS, especially since the trial was conducted locally. This gives the local farmers a chance to see DDGS use firsthand in a trial that utilizes their own climatic conditions. It provides them a reliable source of data they can be more confident in," he said. Shaver will travel to Chile to present the results of the DDGS dairy feeding trial to industry nutritionists, consultants and advisors as well as local farmers to promote the use of U.S. DDGS.



Iowa Governor Chet Culver speaks at press conference at Governors' Biofuels Coalition meeting in Washington DC with (from left to right) Minnesota Governor Tim Pawlenty, North Dakota Governor John Hoeven and South Dakota Governor Michael Rounds.

## U.S. GOVERNORS PUSH FOR 13% ETHANOL BLEND RATE

- Source: Governor's Biofuels Coalition,

U.S. governors who want to see more ethanol production said on Monday they are optimistic regulators will soon boost the allowed blend rate for ethanol in gasoline to 13 percent from 10 percent.

Members of the Governors' Biofuels Coalition said they want the U.S. Environmental Protection Agency to issue a waiver to allow the sale of 13 percent ethanol blends.

Response from the administration of President Barack Obama has been encouraging, Iowa Gov. Chet Culver, vice chair of the coalition, told reporters. Obama and Agriculture Secretary Tom Vilsack have expressed support to the governors for increased biofuels use to help lessen dependence on foreign oil, Culver said.

"The EPA is going to take a very serious look at that 10 percent waiver, and we're encouraged," Culver said. "We're optimistic, and we think we have people in place, like (Agriculture Secretary Tom) Vilsack in particular, that can help us make the case on a daily basis out here," he said.

North Dakota Gov. John Hoeven, the coalition's chair, told Reuters he hoped the EPA would act on the waiver request "within weeks or months." He said the increase to 13 percent was just the first step. "We want to continue that effort to increase the percentage blend into fuels into the fuel supply," Hoeven said.

Corn-based ethanol companies have struggled to make profits recently because of volatile corn and oil prices. Some companies have filed for bankruptcy, and about a fifth of ethanol capacity has been idled. Ethanol makers have been pushing to boost the blend rate as high as 20 percent to

encourage the development of the industry.

Any increases to ethanol blend rates would also need the support of the auto industry, which is concerned about the effects of higher blends on fuel lines and catalytic converters, Hoeven said. "We've got to work with the auto industry because of their concerns about warranty issues," he said. "But the research and development is showing that the higher percentage blends work."

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## MSU RESEARCHER FINDS INTEREST IN ALGAE TO FUEL

Editor's note: Mr. Cooksey will be a speaker at the EPAC conference.

MSU News Service

BOZEMAN -- The same brown algae that cover rocks and cause anglers to slip while fly fishing contain oil that can be turned into diesel fuel, says a Montana State University microbiologist.

Drivers can't pump algal fuel into their gas tanks yet, but Keith Cooksey said the idea holds promise. He felt that way 20 years ago. He feels that way today. "We would be there now if people then hadn't been so short-sighted," Cooksey said.

Cooksey is one of many U.S. scientists who studied the feasibility of turning algal oil into biodiesel in the 1980s. The U.S. Department of Energy, through its Aquatics Species program, funded their research. Cooksey's lab made a number of discoveries. Scientific journals published his findings.

Funding dried up, however, and the scientists went on to other things.

"Rumor had it that big oil got in the way," Cooksey said.

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**ETHANOL PRODUCERS AND CONSUMERS (EPAC)  
19<sup>TH</sup> ANNUAL CONFERENCE REGISTRATION  
JUNE 29-30, 2009 ♦ BEST WESTERN GRANTREE INN ♦ BOZEMAN, MONTANA**

The conference begins on Monday, June 29<sup>th</sup> at noon. There will be speaker sessions Monday afternoon and all day Tuesday. Conference registration includes entrance to all speaker sessions, the Trade Show, Monday evening Banquet and Banquet Entertainment, hot breakfast on Tuesday, lunch on Tuesday, three breaks, and the Hospitality Room.

**REGISTRATION INFORMATION**

Name \_\_\_\_\_  
 Company \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
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**REGISTRATION FEES**

	Early Bird <i>Through 5/09/09</i>	Regular <i>5/10/09 – 6/26/09</i>	Late <i>After 6/27 &amp; on-site</i>	QUANTITY	TOTAL
Registration	<input type="checkbox"/> \$220	<input type="checkbox"/> \$240	<input type="checkbox"/> \$280	x _____ =	\$ _____
EPAC Member Registration	<input type="checkbox"/> \$170	<input type="checkbox"/> \$190	<input type="checkbox"/> \$230	x _____ =	\$ _____
Student Registration (Excludes Monday Evening Banquet) (Scholarships may be available)	<input type="checkbox"/> \$75	<input type="checkbox"/> \$75	<input type="checkbox"/> \$80	x _____ =	\$ _____
Monday Evening Banquet Guest Tickets	<input type="checkbox"/> \$45	<input type="checkbox"/> \$45	<input type="checkbox"/> \$55	x _____ =	\$ _____
Trade Show Vendor	<input type="checkbox"/> \$325	Includes One Conference Registration		=	\$ _____
<b>“ACCOMPANYING” FEES</b> (Spouse/Significant Other/Children): Does Not Include Speaker Sessions					
Tuesday Breakfast			<input type="checkbox"/> \$15.00	x _____ =	\$ _____
Tuesday Lunch			<input type="checkbox"/> \$22.00	x _____ =	\$ _____
<b>TOTAL AMOUNT DUE:</b>					<b>\$ _____</b>

**PAYMENT INFORMATION**

Visa    MasterCard   Card # \_\_\_\_\_ Exp. Date \_\_\_\_\_  
 Name on card \_\_\_\_\_ Signature \_\_\_\_\_  
 Check enclosed, U.S. \$ only (Make payable to EPAC)    **PAYPAL available on-line at [www.ethanolmt.org](http://www.ethanolmt.org)**

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OR FAX SECURELY TO EPAC: 406-785-2252**

**HOTEL ACCOMMODATIONS:** Contact Best Western GranTree Inn 406-587-5261 or (800) 624-5865 (this is the toll free number direct to this property) for room reservations; Please use Code # 804553 or Ethanol Producers And Consumers when making or inquiring about reservations. Standard 1-4 person room rate is \$89 plus tax, Other rooms and rates are available. (Cancellations made 72 hours or less prior to arrival will be charged one nights' room and tax.)

## MSU RESEARCHER FINDS RENEWED INTEREST IN TURNING ALGAE INTO FUEL

... continued from page 5

"They didn't want competition so the project was dropped." Cooksey "sort of" retired as a research professor in 2003. He now directs the Department of Defense's EPSCoR program for Montana. A few months ago, however, Cooksey started getting phone calls and e-mails from researchers and others who read about his algal work on the Internet or had seen it referenced in scientific journals. Companies tried to hire him as a consultant. He was invited to attend conferences. He ran into several scientists who had been his friendly competitors in the old days. They all said, "If only."

"It's a very strange feeling," said Cooksey, now 72. "You don't usually have people bending your ear on what you did 20 years ago. Science doesn't work that way, but in this case, it did."

The revived interest in microalgae stems from the conflict in the Middle East and the resulting focus on alternative fuels, Cooksey said. "Our lab was one of three or four in the world doing research that nobody was really interested in," Cooksey said. "Now, suddenly lots of people are interested in it."

Still interested in pursuing algal fuel, Cooksey said his lab in the 1980s figured out how to increase oil production from algae. It developed a system that screened algae for their oil content and greatly reduced the sample size needed for their research. It developed a stain for algae, called Nile Red. When treated with the stain, the algae became fluorescent under certain conditions, making it easier to measure their oil content.

Algae grow naturally along rivers, the seashore, and in the mangrove swamps of southern Florida, Cooksey said. They also grow in wastewater treatment ponds and can be grown commercially in manmade ponds. One design that was tested in the 1980s is a shallow pond that looks like a raceway. Another is a system of deeper ponds. Algae can be grown especially well in desert states that have plenty of sunshine and access to water unusable for traditional agriculture or drinking. Because of its salt content, salt water is more economical than fresh water for growing algae, so southwestern states with saline aquifers might find it easy to grow them.

"In principle, lipids from microalgae are suitable for refining into conventional liquid fuels," said a 1983 annual report from the Solar Energy Research Institute that provided Cooksey's funding and some algal cultures. "Indeed, in the past, biological oils have been refined to fuels during shortages in petroleum supply." Joseph LaStella, president of Green Star Products, Inc. in San Diego, Calif., raved about the potential of algae in a recent phone call. His company built a demonstration pond in Hamilton, Mont., last spring. Soybeans produce about 50 gallons of oil per acre per year, and canola produces about 130, he said. Algae, however, produces about 4,000 gallons per acre a year, and he predicted it will go far beyond that. He said algae

requires only sunshine and non-drinkable water to grow. The demonstration pond showed that algae will grow even when temperatures fall below zero. "This is the only answer to our fuel crisis," LaStella said.

David Tooke, director of operations at Sustainable Systems in Missoula, said, "With new interest in biofuels, it's another opportunity to supply those fuels. As far as surface area needed, it's more reasonable to assume we could attain those levels of production from algae versus agricultural crops," he continued.

Twenty years ago, algae looked promising, too, but interest died down as oil prices dropped, Tooke said. Can algal biofuel make it this time around? "Most certainly," he predicted. "It's beginning to make sense to pursue this again."

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## USDA CHIEF BACKS BOOST OF ETHANOL BLEND

By Christopher Doering

WASHINGTON (Reuters) - An increase in the ethanol-gasoline blend rate to 12 or 13 percent could be accomplished quickly and with minimal scientific review, giving a needed boost to the future of the industry, U.S. Agriculture Secretary Tom Vilsack said on Monday.

Growth Energy, an ethanol trade group, last week submitted to the U.S. Environmental Protection Agency a formal request to boost the ethanol blend rate to as high as 15 percent from the current cap of 10 percent. The EPA has 270 days to review, collect public comment and make a decision.

"We'd love to see 15 percent. Right now my focus is on 12, 13 percent because I think it is doable more quickly," Vilsack told reporters.

"Our hope is that EPA can come to the same conclusion we have, which is that this is something that can be done within existing regulations without a great deal of time spent reviewing the science," he added.

During the review, the EPA will examine whether a higher blend would harm emission control systems, including catalytic converters, in vehicles. For now, many believe the EPA has the authority to allow a temporary jump to 12 or 13 percent before a final decision is reached on the 15 percent request. Vilsack said he has had several conversations with EPA head Lisa Jackson and her team encouraging the agency "to take aggressive action on the blend rate." An increase to 12 or 13 percent work be a good "first step" and would help expand market opportunities and improve the stability of the ethanol industry, he noted.

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Pay your EPAC dues today!

# HARVESTING CLEAN ENERGY CONFERENCE

Billings MT  
January 25-27

Patsy Reimche, EPAC Office Manager and Pam Ost, EPAC Administrative Assistant attended and participated in the subject track sessions and trade show at the Harvesting Clean Energy Conference in Billings, January 25-27. The 9th Annual Northwest Conference began with a Congressional Leaders Forum featuring Senator Max Baucus and Senator Jon Tester. Questions from the audience centered on the advancement of rural economic development through clean energy. Participants expressed their interest and concerns for the impending stimulus monies. Senator Tester and Baucus both pledged their commitment to continued investment in clean energy on all levels. Montana Governor Brian Schweitzer shared breakfast with the attendees Monday morning and spoke to the administrations' staunch support of Montana's participation in renewable energy opportunities. The two day event followed a track system with five headings: Big Renewable Energy Projects; Clean Energy for Good Rural Jobs, Energy Self-Reliance; Bio-energy Economy & Northwest Feedstocks; Opportunities in the Emerging Carbon Economy and Tribal Energy. Each session featured speakers from both the Midwest and the Northwest. Patsy and Pam divided their time during the conference by attending sessions within the Bio-energy

Economy & Northwest Feedstocks and the Clean Energy for Good Rural Jobs tracks.

EPAC's Biofuel booth was visited by many of the attendees who had questions about the current Biofuel Industry challenges and progress.

## EPAC

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### USDA CHIEF BACKS BOOST OF ETHANOL BLEND ... *continued from page 7*

Ethanol, once the cornerstone of the U.S. plan to wean itself from foreign energy, has drawn fire from the food industry and aid groups for diverting corn from livestock and foodmakers, pushing world food prices up. Food manufacturers and livestock and environmental groups have lined up against a higher blend rate for ethanol made from corn. They say the EPA should wait until ethanol made from crop waste and grasses is commercially available.

Ultimately, EPA must decide whether to change the blend rate. The USDA and other federal departments can offer advice and information. A preliminary study released last October and updated last month by the Energy Department found emissions and exhaust temperatures in cars running on higher blends of ethanol did not change significantly from those using traditional fuels. The DOE has been working on other studies of how the blends affect engines and emissions.

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