

## **NRBP Monthly Report May 10, 2001**

### **NRBP and Pennsylvania Farm Bureau Collaborate on Producer Education**

No ethanol production capacity exists in Pennsylvania or elsewhere in the Northeast. Experiences from the Midwest, where a mature ethanol industry now thrives, suggest that developing ethanol production capacity is a proven way to stabilize agricultural commodity markets and bolster producer profits, create jobs, and increase state tax revenues. Since a majority of the corn now grown in Pennsylvania is used for livestock feed, it may make sense to integrate ethanol production with existing livestock feed markets. For example, an ethanol facility in Pennsylvania may be able to co-exist with the livestock industry, producing ethanol and supply feed markets with distillers grains. For perspective, distillers grains now sell for more than \$130 per ton in Pennsylvania - a price that also reflects an added cost for shipping the distillers grains from Midwest production centers. Locally produced distillers grains may therefore have a competitive advantage relative to distillers grains shipped from the Midwest, and could provide a valuable revenue stream for ethanol facility owners.

The NRBP is working with the Pennsylvania Farm Bureau on two producer education activities. The first is an Advisory Council Guide on ethanol use and production, and the second will be a June briefing for the Pennsylvania Farm Bureau's Ethanol Subcommittee. Both of these activities are the direct result of an initial planning meeting held on March 15, 2001, for a DOE Office of Fuels Development sponsored agriculture ethanol workshops to be held in August.

Each month the Farm Bureau distributes an advisory guide to its 100 councils in the state which use the guides to promote discussion of a topic important to Farm Bureau members. The guide developed by the NRBP provides background about ethanol, and discusses how and why the development of an ethanol industry could benefit agricultural communities in the Northeast.

The Farm Bureau recently organized its ethanol subcommittee. The purpose of the subcommittee is to develop a better understanding of ethanol and its related issues, so to assist in recommending what the Farm Bureau's role and activities should be relating to ethanol. The briefing for the newly formed Farm Bureau Ethanol Subcommittee will focus on:

- current production and use of ethanol;
- producer involvement in operating ethanol plants;
- state and local differences to be considered;
- production co-products and their economic importance; and
- exploratory activities in other Northeast states.

### **Biomass Gasification Workshop June 20**

The Connecticut Clean Energy Fund (CEF) will host a workshop "Biomass Gasification The State of The Art" June 20, 2001 at the Holiday Inn in Cromwell, Connecticut. Biomass gasification may offer an opportunity to mitigate the State's and region's increasing reliance on fossil energy,

especially natural gas, for electric generation. The workshop will discuss the state of gasifier technology and its potential in Connecticut. The workshop is free and open to the public, to register contact the CEF at (860) 563-5851. The CEF was created by the Connecticut General Assembly as part of 1998 legislation deregulating electric utilities in the state. The fund provides venture capital dedicated to promoting the use of clean power in Connecticut. To learn more about the Fund visit <http://www.ctcleanenergy.com>.

### **Delaware Bioenergy Consortium**

The Delaware Bioenergy Consortium met on Tuesday, May 1, 2001, in Dover, Delaware. The regular business meeting was preceded by a presentation by American Biomass Corporation. American Biomass is an exclusive licensee for technology patented by Aerospace Research Corporation. American Biomass is currently seeking to site a plant in Pennsylvania.

A joint effort led by Delaware, Maryland, and Pennsylvania soy producers will place television ads designed to educate the public on the benefits of biodiesel. The soy producers plan for the ads to appear in June. A bill in the Delaware legislature to eliminate the state excise tax for biodiesel is stalled. The hurdle is an estimated \$13 million loss of state tax revenue. A producer driven meeting is planned for September on the EPA's benefits of biodiesel. An effort is underway to get the Delaware Bay Authority to use biodiesel in its ferries. The Delaware Department of Natural Resources and Environmental Control, Air Quality Management Section, has prepared an analysis of biodiesel fuel air quality benefits in Delaware. The NRBP's interpretation of the DNREC report is that the agency would not object (from an air quality perspective) to a proposal that all registered diesel vehicles in the State use a blend of biodiesel, but that emission benefits would not be used as part of the State's implementation plan for attainment of a 1 hour ozone attainment standard.

The State's Nutrient Management Commission is seeking to build a better understanding of current combustion technologies and their role in nutrient management. They are seeking companies to present information on their respective technologies in September. The NRBP has offered to assist the Commission in identifying technology companies. The USDA reported on a planned carbon sequestration workshop this fall. The NRBP has supplied the USDA with information and contacts to help with the meeting. The State's Solid Waste Agency reported on landfill gas developments in the state. They reported that the Sandtown project may not go forward due to a lack of Federal tax credits for landfill gas development. The next meeting of the Consortium will be September 25, 2001.

### **NRBP Issues Notice of State Grant Availability**

The NRBP will continue for a nineteenth year a program that includes sponsorship of activities designed to support expanded biomass energy programs primarily in four general areas: regulatory and policy impacts on biomass development, bioenergy conversion assistance, resource availability and use assessments, and technical information development and dissemination. In each state, the Northeast Regional Biomass Program has provided support for building a constructive, ongoing relationship among state agencies, private technology developers, Federal

agencies, and other states. Unlike other energy sources, biomass development often requires the involvement of several agencies and jurisdictions. Therefore, the centerpiece of the state grants program will continue to be intrastate coordination among the appropriate state offices (i.e., energy, agricultural/forestry, economic development, and environment) as well as private developers, federal agencies and laboratories, and other states. State Grants will provide support for the continuation and facilitation of the networks that currently exist within each of the eleven Northeast states. States are encouraged to address barriers and promote the greater use of biomass energy sources including: identification and quantification of biomass feedstocks, development of energy crops, facilitation of the use and production of liquid fuels from biomass (ethanol and biodiesel), production and collection of methane, co-generation and district energy systems; co-firing biomass with coal; and displacing petroleum feedstocks with biomass feedstocks for the production of chemicals.

### **NRBP Issues RFP For Fuel Cell Contractor**

Fuel cells have captured our nation's attention, its promise as an energy technology which generates electricity and heat, runs on hydrogen, and emits nothing but water vapor is enormously attractive to environmentalists, technologists, national security policy makers, and economic development specialists. As attention turns to potential feedstocks for fuel cells, natural gas and other fossil fuels are obvious candidates. But renewable fuels are prominent alternatives, including biomass. The challenge is one of alerting decision makers, public policy makers, and private developers, to the challenges as well as the advantages and availability of biomass feedstocks for fuel cell technologies. The NRBP has issued a Request For Proposals (RFP) for a qualified consultant to prepare a white paper on fuel cell technology interface with biomass feedstocks, and facilitate a session for industries interested in fuel cell applications at their facilities. For more information or to get a copy of the RFP visit the NRBP's web site [www.nrbp.org](http://www.nrbp.org).

### **NRBP and DOE Coordination Office Discuss State Demo**

Following the meeting on April 27, 2001, with the DOE Biobased Products and Bioenergy Coordination Office, the NRBP agreed to contact states and determine their interest in a partnership with DOE for a deployment exercise that would result in "significant benefit to the state." The proposal would outline a partnership effort between the DOE Biobased Products and Bioenergy Coordination Office and a state, to "jump start" a state activity that would become self sustaining. The NRBP is currently polling states to identify their willingness to partner in this effort with DOE.