

Corn Slipping From The Biofuel Throne

The Future Of Alternative Energy May Not Have A Lot Of Room For Corn

BY JIM SPENCER

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WASHINGTON — The biofuel company Gevo is about to break ground in the southwest corner of Minnesota on a system that will make it the first in the country to commercially produce a gasoline additive called isobutanol.

Gevo believes isobutanol could become an important alternative to regular gasoline. It burns more powerfully and efficiently than ethanol and runs just fine in existing automobile engines.

The plant in Luverne, Minn., appears to be everything the Obama administration wants to reduce America's dependence on fossil fuels and foreign oil — except for one thing.

The plant will use corn to produce isobutanol.

So the federal government refuses to provide loan guarantees to support the innovation.

Attempts to dethrone King Corn in the renewable fuels market are more frequent and forceful than they used to be. Corn ethanol no longer qualifies as an innovative technology that garners broad federal subsidies. When the administration recently announced its plans to increase the market share of renewable fuels, it trumpeted "breaking ground on at least four commercial-scale cellulosic or advanced biorefineries over the next two years."

Those priorities matter in Minnesota, which helped develop the corn ethanol industry and now produces 1 billion gallons a year at 21 corn ethanol plants. Many of them are owned by farmer cooperatives.

The bigger question is how corn ethanol fares going forward.

Rep. Collin Peterson, a Democrat who represents Minnesota's rural 7th Congressional District, believes corn ethanol represents the country's most economically viable renewable energy in the next several decades.

"It's not going to be some high-tech gang from Silicon Valley that's going to make this work," Peterson said of next-generation renewable fuels. "You need farmers."

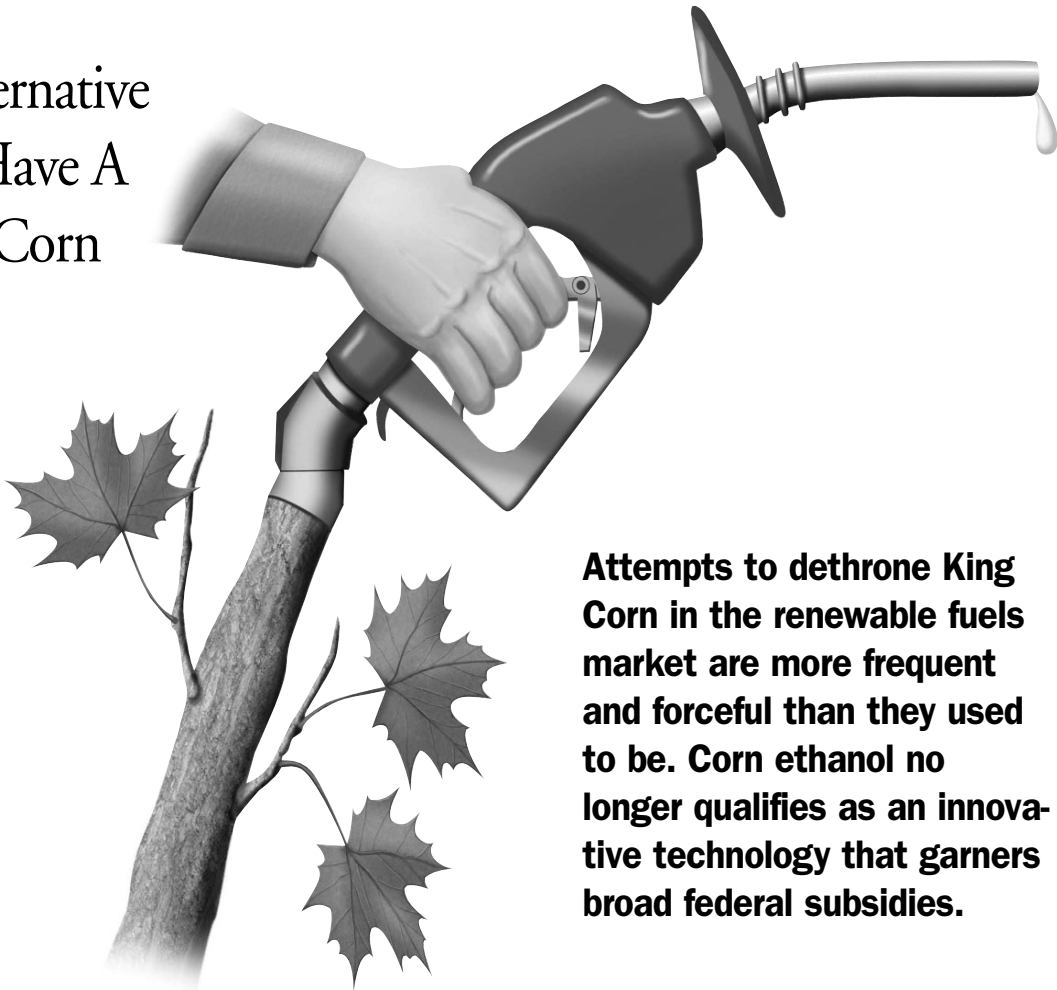
Still, Peterson says that U.S. Energy Secretary Steven Chu "has announced that corn ethanol is dead."

At a Senate Energy Committee hearing last week, some speakers questioned the bill sponsored by Minnesota's two senators, Al Franken and Amy Klobuchar, as well as Iowa Sen. Tom Harkin.

The bill requires automakers to build flex-fuel engines and mandates installation of ethanol pumps in service stations nationwide. Critics call the bill an over-commitment to corn.

On the day of the hearing, the New York Times published a story that said using corn and other crops for ethanol causes hunger and higher food prices. The day before the hearing, environmental activists of the Environmental Working Group circulated a position paper that claimed corn ethanol cost more to produce than it saved in fossil fuel use.

"That's just not true," Franken



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said in an interview. "The yields go up and up. We're meeting the need for feed."

Franken said his bill safeguards the utility and availability of ethanol from any source. In fact, there is not enough productive capacity in corn ethanol to meet the country's long-term goals for renewable fuels.

Any gridlock over renewable fuels is a win for oil companies, said Rep. Tim Walz, a Democrat whose southern Minnesota district encompasses 11 corn ethanol plants.

"The problem with our energy policy is that it is a disincentive to renewables," Walz explained. "We steer you to oil because oil has tax breaks."

Walz would take away those breaks and use the revenue that results to fund renewable fuel projects. That would help makers of ethanol or other renewable fuels make whatever transition they need to make from corn.

"The Holy Grail is cellulose," said Ralph Groschen of the Minnesota Department of Agriculture.

In the world of renewable energy, cellulose means whatever grows naturally in renewable supplies. Theoretically, this is the 50-state solution to American energy independence — biorefineries that convert anything from sawdust to saw grass into alternatives to gasoline.

The problem, say guys like Kelly Nixon, is turning theory into practice. Nixon runs the Central Minnesota Ethanol Coop in Little Falls, Minn. That corn ethanol plant hoped to add a facility that made ethanol from the wood of fast-growing poplar trees.

Peterson says those trees, which now litter the state's countryside, were planted specifically

to feed ethanol plants that remain unaffordable and unsustainable.

"We looked at the cost, and it was too expensive without millions from (the federal government)," Nixon said. "I think the little guys are probably out (of the cellulosic conversion business)."

The future for the big guys looks brighter. Mascoma, a biofuel company, bought out another company that would have partnered with the Little Falls ethanol plant on cellulosic conversion. Now, it has a deal with the oil company Valero to produce 40 million gallons of ethanol a year from a wood-driven plant in Michigan.

The project is supposed to produce 70 skilled jobs on-site, 700 spin-off jobs and a technology that rivals the cost of oil production. The company hopes to get a government guarantee to back a private construction loan.

In Emmetsburg, Iowa, near the Minnesota border, Poet LLC, the world's leading corn ethanol producer, seeks a similar federal guarantee for a private loan. Poet plans to break ground this year on a \$200 million attachment to its existing Emmetsburg corn ethanol plant.

The new addition will use corncobs, husks and leaves left over from harvest to make ethanol. Some 450 farmers, including many from Minnesota, are expected to make a second pass over harvested fields with balers and bring the baled waste to the Poet plant for conversion to biofuel, said Jim Sturdevant, who directs the program.

If the program succeeds in Iowa, Poet will take it to other plants including four in Minnesota.

"Then," said Sturdevant, "we'll go to wood waste, paper mills and rice hulls" as an ethanol source.

Cellulosic ethanol has the potential to produce 80 billion gallons of gasoline alternatives per year, Sturdevant said. That's roughly four times what is generally viewed as the maximum output for corn ethanol.

On the other hand, Poet and many other smaller companies have no plans to abandon the fuel stock that built their business.

"Even though some people may believe corn has fallen from grace," Sturdevant said, "we believe it's here to stay."

NEIGHBORS DIGEST

'Eating Off The Land' Seminar Set For Renner

BROOKINGS — Individuals and families seeking ways to stretch their food dollars can get science-based information at a seminar in Renner on April 20.

The South Dakota Cooperative Extension Service will host an "Eating off the Land" seminar from 6-8:30 p.m. at the Renner American Legion Hall, 47410 258th St., Renner. This free event will explain many ways South Dakota families and individuals can save money and find fresh and wholesome foods outside of traditional shopping methods.

Extension educators will explain things like how to purchase meat directly from livestock producers, growing your own produce, and canning and other methods that will let you preserve those home-grown fruits and vegetables.

Pre-registration is required. To save your spot in the class, call the Minnehaha County Extension office at 605-367-7877, or call your county's Extension office and ask about the event.

Renewable Energy Workshop In Norfolk

NORFOLK, Neb. — For farmers, lenders, small businesses and others interested in small-scale renewable energy projects, a one-day conference April 28 at Norfolk will provide information about what technologies are available and how they can be applied.

The conference is intended for farmers, ranchers, small-business owners, economic developers, lenders, equipment vendors, grant writers, and county officials. Attendees will learn about small-scale renewable energy technologies; hear from local resource providers; and gain a step-by-step understanding of the project development process.

The workshop will begin with registration at 8:30 a.m. at the Lifelong Learning Center located on the campus of Northeast Community College, 601 East Benjamin Avenue, Norfolk. The agenda will wrap up at 5:30 p.m. with optional tours of NPPD's operation center or Nucor Detailing, followed by a grant writing workshop at 6:30 p.m.

The conference is co-sponsored by U.S. Department of Agriculture Rural Development and UNL Extension.

Pre-registration is due by April 22 for an accurate meal count. The \$20 registration fee pays for materials, lunch and snacks. To register, complete a registration form and send it with the fee to the Madison County Extension office 601 East Benjamin Ave, Suite 105, Norfolk, NE 68701. Registration forms can be obtained by calling the Extension office at 370-4040, or e-mailing madison-county@unl.edu.

Speakers will discuss key steps in the project development process, including resource assessment, the permitting and certification process, and financial considerations. Topics and speakers will include:

- Wind: John Richards, Nebraska Public Power District (NPPD), Columbus, will speak about current technologies, on-site usage and federal and state incentives.
- Solar: Jeremy Anderson, GenPro Energy Solutions, Piedmont, S.D., will discuss solar photovoltaic and solar thermal applications, as well as when a solar hybrid is a good decision.
- Methane: Frank Thompson, Consultant, formerly with Nebraska Public Power District, Columbus, will cover capturing methane from livestock, food, and other renewable waste materials.
- Geothermal: Steven Zach, Columbus, will address utilizing the ground's heat to heat and cool facilities.
- Bio-energy: Doak Nickerson, Nebraska Forest Service, Chadron, will focus on bio-heat or bio-power applications, such as pelletizing for fuel or burning for power.
- Flex-Fuel Dispensers: Robert White, Renewable Fuels Association will discuss the demand for biofuel being driven by the Renewable Fuels Standard, plus discuss available fueling infrastructure programs, incentives and opportunities for expanding fueling sites.
- Wind/Solar Installation-Robert Byrnes, Nebraska Renewable Energy Systems will go into further detail regarding the process of installing wind and solar systems.
- Financing Renewable Energy Systems: USDA Rural Development and a local lender will discuss analyzing renewable energy projects and discuss available financial incentives and funding programs.

Fire-Training For Pastureland Owners Set

BROOKINGS — The Prairie Coteau Habitat Partnership (PCHP) will host a landowner fire-training workshop on April 30 in Watertown.

The training is designed for those individuals and groups who use fire as a tool for pasture and CRP management. The workshop begins with registration at 8:45 a.m. at the Watertown Event Center, 1901 Ninth Ave. S.W., in Watertown. To register, call organizer Cody Grewing at 605-874-8517 or e-mail him at this address: cgrewwing@tnc.org.

The workshop includes presentations from professionals that cover prescribed fire benefits, burn plans, fire behavior, South Dakota fire laws, and fire equipment. The workshop includes a live fire and hands-on equipment demonstrations at the Long Lake Game Production Area west of Watertown. Participants taking part in the hands-on portion are encouraged to wear leather boots, leather gloves, eye protection and to avoid wearing any polyester clothing during this portion of the training.

In the event of rain, the event will be postponed and held on May 4.

Grewing can also answer questions for producers who seek fire assistance in 2012. Applications are due prior to June 1. Call him at 605-874-8517 for more information.

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Sat, April 30, 8:00 am-5:00 pm

THE DAYS AND HOURS INDIVIDUAL SALES ARE OPEN WILL VARY.
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