

Blue Skyways Collaboration
Fuels Subcommittee
March 6, 2006

Meeting Summary

Attendees: Bruce Andersen, Rollin Sachs, Kansas City, KS; Betsy Betros, Johnson County, KS; Tony Ashby, USDA Rural Services; Karen Flourney, EPA Region 7; Sandra Rennie (meeting facilitator), Wes McQuiddy, EPA Region 6.

Action items are marked with an asterisk(*).

Welcome and introductions. We need to capitalize on the momentum from the meeting in KC a few weeks ago.

Quick review of the Collaborative's Operating Principles (Attachment 1) revealed that three of the five addressed the focus of the Fuel Subcommittee: Achieve faster fuel related emission reductions and maximize efficient use of natural resources; identify available partner funds that can be used to leverage other funds; and create strategies that provide broad opportunities for participation.

A review of the Technical Committee and Task Force goals for Fuels (Attachment 2) pointed toward project areas involving E-85, biodiesel, and CNG/LNG. It appears no organized renewable fuel projects are currently being implemented. Kansas City has the summertime Low-RVP program. Some biodiesel is available. There is one station offering E-85. The transit bus program in Johnson County is applying to use CMAQ funds for E-85. The USDA has a loan program that has been used to fund E-85 projects. *Tony will get more information on this and send it to *Sandra who will share it with the group.

All agreed that we needed to recruit additional Fuel Committee members to broaden our interest base and bring more thoughts to the table. The following were suggested:

A petroleum refiner - *Sandra will inquire with EPA HQ regarding the industry partners for the Renew America initiative. We can better promote E-85 if we have the support of a major fuel producer that supplies the Collaborative states. Koch/Flint Hills Resources attended the Kick-off meeting and may be a logical choice for the committee.

A vehicle manufacturer - *Sandra will inquire with EPA HQ regarding the industry partners for the Renew America initiative. We can better promote E-85 if we have the support of a vehicle manufacturer that supports the fuel.

A pipeline company - *Sandra knows someone at Magellan. We need to find out the issues with the distribution system for E-85.

Corn and Soybean Growers – *Karen will contact the soybean grower who attended the Stakeholder meeting.

Short-term Success Focus:

It became clear that E-85 would be the fuel for which we could get the quickest success

stories. Once we identify them, the committee will contact fuel producers to find out what incentives it would take for the fuel providers to install E-85 pumps at their stations. The Collaborative will partner with EPA's Renewing America initiative for reciprocal support of the other's program. Renewing America focuses on promoting E-85. At the Stakeholder meeting Ernie Oakes talked about how DOE/Clean Cities would support I-35 as a corridor for an E-85 demonstration project. *We need to find out more from *Ernie about this idea on the next call.

With regard to biodiesel, *Karen will put together some information about a possible biodiesel project in the ag. community.

For Future Consideration:

Landfill gases being converted to LNG or CNG and being used in waste haulers. Betsy noted that the landfill gas in Johnson County was being made into CNG and sold.

Quantification/measurability of air emissions reductions outcomes: Although these do not have to be in tons per day, we will be able to consider this aspect along with timelines once we pin down more details of what we might do.

Questions that came up:

What is the impact of agriculture on the global environment? Example: Brazil exporting soybeans, depleting their forests to grow them.

We still need to study the NC study on biodiesel NOx emissions. Looks inconclusive.

Summary:

*Tony will get more information on USDA loan programs and send it to *Sandra who will share it with the group.

*Sandra will inquire with EPA HQ regarding the industry partners for the Renew America initiative.

*Sandra will inquire with EPA HQ regarding the vehicle industry partners for the Renew America initiative.

*Sandra will contact someone at Magellan Pipeline.

*Karen will contact the soybean grower who attended the Stakeholder meeting.

*We need to find out more from Ernie about I-35 as a corridor for an E-85 demonstration project on the next call.

*Karen will put together some information about a possible biodiesel project in the ag. community.

Date for next call: Sandra will get several possible times when Ernie will be available in the next week or two for the next call.

Adjourn

ATTACHMENT 1

Blue Skyways Collaborative Operating Principles



By promoting the Blue Skyways Collaborative efforts with business and industry, government agencies, community and academic organizations, and others, we will:

1. Achieve faster fuel related emission reductions, above and beyond those nationally mandated, through strategic, cost effective, and innovative practices, and maximize efficient use of natural resources while promoting economic growth.
2. Achieve significant increased efficiency in the use of energy through education, outreach, support for clean energy technologies and renewable energy, and sharing of innovative projects and policies.
3. Improve public health by reducing exposure to emissions in the Heartland of North America (includes border areas with Mexico and Canada; and nine states - Texas, Louisiana, Oklahoma, Arkansas, Kansas, Missouri, Iowa, Nebraska, and Minnesota). For every dollar spent, up to thirteen times those dollars in respiratory, circulatory, and cancer health benefits will be achieved by reducing diesel emissions.
4. Identify available collaborative partner funds that can utilize government funds to leverage additional government and private contributions towards accelerated emissions reductions projects.
5. Create strategies that offer broad opportunities for participation and encourage sharing of information and expanding successes that promote cost effective programs.

ATTACHMENT 2

Technical Committee Report to Task Force

Thursday, February 16, 2006



Fuels/Technologies Sector

Short-term Success Priorities

- * Clarity on biodiesel emission benefits and impacts of additives
- * E85 promotion (vs. E10 concerns)
- * Establish demonstration projects in target areas (TBD)

Biodiesel growth opportunities – potential 225 million gallons (existing market 75 million gallons)

Fleet conversion – propane, Liquefied Natural Gas (LNG)

Converting methane at landfills to LNG for fleets (e.g., refuse trucks at landfills)

Ethanol fuel standards – similar to petroleum (consistency)

Airport infrastructure for alternate fuel fleet

Future Needs

Verify Retrofit Technologies

Evaluation of NOx issues with biodiesel

Consistency of biodiesel supply (ASTM D6751 standard biodiesel)

Alternative fuels infrastructure needs

DOD hydrogen fuel cell demo & hybrid/electric (potential for 20-30K vehicles long term)

Funding Opportunities

EPA funds for fuel conversions

FY07 \$50M EPA Clean Diesel

CMAQ for clean diesel

DOE Alt. fuel infrastructure support (\$1M nationwide)

Notes from Task Force

Scale/capacity of alternative fuels

Clean diesel fuel supply for truck traffic in Monterrey region

Fuel cells in cars are experimental – long term opportunity

DOE more \$ expected in future for alternative fuels infrastructure

E85 infrastructure – total corridor approach vs. state by state