

Blue Skyways Collaboration
Fuels Subcommittee
E-85 Workgroup
April 6, 2006
10:00 am – Pine Tree Room

Call-in Number: 866-299-3188
Code: 2146657367
PIN 2837

Conference Call Agenda

Welcome, introductions

Goal:

Start putting together a workplan for implementation of E-85 along I-35.

Action Items:

USDA Rural Development people in Kansas – Jim Yarbrough

Terminal requirements and cost – Bruce Heine

What are terminals doing now to replace MTBE with ethanol?

Where do we have potential for initiating or expanding E-85 along I-35?

Next meeting

Adjourn

Blue Skyways Collaboration
Fuels Subcommittee
E-85 Workgroup
April 19, 2006

Participants: Tom Byers, Magellan Midstream Partners; Robert White, National Ethanol Vehicle Coalition; James Joerke, Mid-America Council; Sue Schulte, Kansas Corn Growers Association; Emilio Alfaro, US Air Force Petroleum Office; Don Lewis, Texas Department of Transportation; Stacy Neef, Austin Clean Cities Coordinator; Betsy Betros, Johnson County, KS; Sandra Rennie, EPA Region 6.

Welcome, introductions

Goal:

Start putting together a workplan for implementation of E-85 along I-35.

Action Items:

Where do we have potential for initiating or expanding E-85 along I-35?

Kansas City Area – James Joerke and guests from NEVC and Kansas Corn Growers Association. Robert White from the National Ethanol Vehicle Coalition provided much-needed information on what it takes to fund and open an E85 refueling dispenser. In Kansas they are working with the Corn Growers Association and the Petroleum Marketers. He announced that five stations are opening soon along I-35 and that five more new ones would be opening in Missouri this week. Incentives to build new stations are detailed on the NEVC website. <http://www.e85fuel.com/index.php> It is recommended that you work through the NEVC to smooth the process with your state.

It was announced that Toyota is now entering the E85 market. The cost per gallon of ethanol and E85 remains variable. Transport of ethanol by pipeline will not take place any time soon in the US. Ethanol cannot be transported in multi-fuel pipelines because it picks up impurities. New dedicated pipelines would have to be built at a cost that far exceeds the current demand.

Betsy announced that Johnson County has applied for a CMAQ grant for implementation of E85 in that area.

James reminded us that EPA will have \$10 million in grant money that will be available from the 2005 EPA Act. And that is it is a relatively small cost to convert stations.

Austin Area - Sandra Rennie and guests from the Austin area. Stacy Neef and Don Lewis explained the stakeholder process that they were undertaking with EPA support to get an E85 initiative started in that area. The idea is for the stakeholders to map a process to bring E85 to Austin. TxDOT is moving toward a fleet of E85 flex-fuel vehicles and away from propane. Travis County wants to add E85 to the public propane facility they now operate.

For the purposes of creating timelines, Robert stated that it takes about 3 weeks or less from start to finish to convert an existing facility to dispense E85. In Kansas City Conoco/Philips put in a new facility with 3 + 1 dispensers in the space of 120 days.

Independent marketers tend to like E85 more than major marketers. In Austin Sac –n- Pac convenience stores, and Triple S Petroleum have expressed interest. Phil Lampert from NEVC visited with Valero recently. Don Lewis will contact his contacts at Valero and see what the interest would be for Austin. Robert reported that getting ethanol to Texas should not be a problem because the state gets it from all sides: the Port of Houston, rail from the north, and an ethanol plant in Portales, NM. Magellan is building a tank in Olathe, KS.

Austin may have Fire Marshall issues with the sale of ethanol fuel. Robert can get assistance from the State Secretary of Agriculture to work through this issue. *Stacy will get documentation and citations of rules, regulations, and any statute that may need to be examined for Austin and get that to the NEVC. Robert was confident this could be worked out.

To implement E85 in Austin, we may need to include some federal funds in the process. Austin wants to provide public access to E85 and will work only toward that end.

Action Items:

*Stacy will get documentation and citations of rules, regulations, and any statute that may need to be examined for Austin and get that to the NEVC.

Next meeting

Our next meeting will be a full Fuel Subcommittee call on Wednesday, May 4. Sandra will send out a reminder.

Adjourn