

Blue Skyways Collaboration
Fuels Subcommittee
May 3, 2006
9:00 am – Pecan Room

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

Conference Call Agenda

Welcome, introductions

Progress Reports

Outreach to states – Sandra Rennie, EPA Region 6

Update on Renewing America launch event - Rebecca White, EPA

Biodiesel demonstration project – Karen Flournoy and Alan Banwart, EPA
Region 7

Project options

Timeline

Funding

E85 Implementation – Sandra

Kansas City area

Austin area

Tulsa

Workplan Progress – Sandra

See attachment

Next steps

Date for next call

Adjourn

Blue Skyways Collaboration
Fuels Subcommittee
May 3, 2006

Participants: Sandra Rennie, EPA Region 6; Rollin Sachs, Kansas City; Rebecca White, EPA Office of Transportation and Air Quality; Kenlon Johannes, Kansas Soybean Commission; Joan Steurer and James Joerke, Mid-America Regional Council; Ernie Oakes, Dept. of Energy Clean Cities; John Kleiboeker, Missouri Soybean Association; Tiffany Campbell, Missouri Dept. of Natural Resources

Progress Reports

Outreach to states - Sandra reported that Jim Yarbrough from Region 6 has been visiting State Energy Offices and some municipal planning organizations. This week he is in Iowa, Nebraska, and Kansas. Our goal of visiting each State should easily be met by Jim's efforts. Kenlon is helping to represent the National Biodiesel Board.

Update on Renewing America launch event - Rebecca reported that arrangements for a launch event for this national initiative have not been finalized, but they still intend to focus on the I-35 corridor. She will send Sandra information via email as plans evolve. Sandra will keep the committee informed via email as well.

Biodiesel demonstration project – Alan reported that Region 7 has been in dialogue with the Kansas Rural Development Board regarding some sort of project. Kenlon stated that the biodiesel industry is hesitant to embrace the concept of the farmer as grower, manufacturer, and end user as a single package. The preferred model is for farmers to bring their products to the coop that will be the producer that will sell it back to the farmer.

James and/or John reported that the first biodiesel station in Missouri had opened in Kansas City at 6th and Wyandotte. It was selling B-20.

ADDITIONAL NOTES: I had a separate call on May 4, 2006 with Karen Flournoy of EPA Region 7. She expanded on what Alan reported. The Kansas Rural Development Board is interested in partnering with the BSC to increase the opportunity for outreach and education, which is a key piece in generating interest for biodiesel in areas with clean air. It is anticipated that a lot of conversations will take place in small groups to find out what is going on in the biodiesel arena in different areas, and then figure out projects that would be appropriate to various geographic regions. Region 7 is working on a simple brochure regarding BSC and the tie to the Fuels Subcommittee. This will assist with the outreach and education effort.

E85 Implementation – James reported that the application for CMAQ funds for E85 infrastructure in Kansas City was still pending.

Sandra reported that for Austin we still are planning a stakeholder meeting in a couple of weeks to kick things off. Issues regarding high-content ethanol fuel were being worked out with the City Fire Marshall. The number of Flex Fuel Vehicles in the area has been estimated at about 8,400.

Sandra reported that Jim Yarbrough had made some initial contacts with the Tulsa MPO, the Indian Nations Council of Governments. She will need to follow-up with them as well as a fuel supplier in the area that has shown an interest in E85 there.

ADDITIONAL NOTES: In a conversation with TCEQ yesterday, Sandra learned that not only will Kroger be putting in E85 pumps at some of its stations in Houston and the Dallas-Fort Worth area, but also there have been discussions that Wal-Mart will do the same. Ethanol fuel is already in these areas, so doing this will be easier than in areas where ethanol fuel is not currently being sold. The State is researching questions regarding the type of fuel pump that will be required. Will Stage II Vapor Recovery be required for E85 pumps in the nonattainment areas? EPA has not ruled on this yet.

Workplan Progress

A very rough draft of the Workplan for the Fuels Subcommittee was provided ahead of the call. It was emphasized that the format we should use was set, so we needed to fit our information into it. It was suggested that individuals may be contacted to provide needed information rather than convene the whole group in a call to glean information. Once the Workplan is fleshed out, it will be sent around in the Rich Text format so everyone can easily open the file and edit it if they choose or make comments.

We very briefly talked about what might be on the agenda for the Taskforce meeting in June. What we know so far is that the first day will focus on the reports by the technical subcommittees followed by a tour of the airport energy efficiency projects. The second day would be a report to the Taskforce on subcommittee work and making Taskforce administrative decisions on how the Taskforce would operate. The meeting would end at 1:00 on the second day.

Next steps / Date for next call

We will be sharing the Workplan with the committee by email before we turn it in to be folded into the larger BSC Workplan. We will have a Fuels Subcommittee call most likely during the first week of June. At that time we can get a group reaction to the Workplan and find out who may be attending the Taskforce meeting on the 19th and 20th.

Adjourn

Fuels Subcommittee Workplan

The Fuels Subcommittee will facilitate timely implementation of alternative, renewable fuels programs in the nine-state collaborative region, plus Canada and Mexico. Programs are focused on reducing diesel emissions as well as expanding the use of renewable fuels along the I-35 corridor for light and heavy-duty vehicles and nonroad equipment.

Objectives

1. + **Expand E-85 (Ethanol 85%) into the National Fuel Supply** by using the I-35 corridor as a demonstration area for implementation. This objective would showcase how E-85 can be effectively distributed to existing fueling stations along a major interstate highway. I-35, the NAFTA Highway, runs through six of the Collaborative's nine states from Canada to Mexico. E-85's reduced volatility leads to reduced VOC emissions. Use of E-85 is also linked to reductions in Greenhouse Gases. This project will bring in stakeholders from the pipeline, fuel producer, and vehicle manufacturing industries. We will track progress through the number of E-85 pumps installed, and perhaps by the number of gallons of E-85 sold.
2. + **Promote Biodiesel to the States** by showcasing a Biodiesel Demonstration Project in the Ag Community. Biodiesel use can reduce Hydrocarbons by 20-67%, Particulates by 12-47%, and Toxics by 13-90%. Working cooperation with the Non-Road Subcommittee we may be able to identify a project that would demonstrate how a farmer can grow a feedstock product, process the feedstock to produce biodiesel, and then use it in his farm equipment.
3. + **Share Information on alternative, renewable fuels through outreach.** Education about renewable fuels will be a large part of the acceptance process for integrating these fuels into the marketplace. Not only will the environmental benefits of renewables be publicized, but the economic costs and benefits will be provided to producers, distributors, and end users. By the end of this year we will provide outreach to communities in the nine states to promote renewable fuels projects. The Collaborative has already partnered with EPA's Refueling America initiative that focuses on encouraging the use of E-85 and biodiesel fuels. We will track how many contacts we make in our public meetings.

Projects

1. Introduce E-85 into the Texas fuel supply.

{Project Description}

We will use our experience in the Austin, Texas, area to create a template for a process to implement E85 into areas where this fuel is not a part of the fuel supply. [need to describe what we will accomplish]

A. Tasks / Implementation Schedule

- i.** {describe each discrete task associated with the project and give the estimated completion date with any milestone dates }
Meet with the Fire Marshall to resolve perceived safety issues with the use of ethanol blended gasoline, especially E85.
- ii.** Conduct a Stakeholder meeting to assess interest and establish the potential market for E85 in the area. Meeting within 2-3 weeks of resolving first Task.
- iii.** Line up funding where needed. [timeline?]
- iv.** Convert xx fueling facilities to handle E85. Timeline: 3 weeks per station. XX company will begin conversions on xx/xx/xx and anticipates completion by xx/xx/xx.
- v.** Build new E85 facility(s). Timeline: 120 days for each facility. XX company will begin new construction on xx date.
- vi.** Provide temporary refueling facilities at xx locations. Timeline: however long it takes to rent or buy E85 Kit on a Skid. XX company will install kits beginning xx/xx/xx.
- vii.** Assess use of publicly accessible E85 facilities. Timeline: quarterly after first facility is operational.

B. Measures of Success / Environmental Results

{describe each measure of success (e.g., # of ?????) and the expected environmental result (e.g., # tons emissions reduced)}

At a minimum, xx fueling sites will be converted, constructed, or provided with a portable fueling Kit. We expect a minimum participation by flex fuel vehicles in the area of 75% resulting in xx tons of PM, xx tons of Hydrocarbons, and xx tons of sulfur will be prevented from entering the air in Austin.

C. Estimated Cost / Funding Mechanism

{estimate the total cost of the project with budget breakdown and describe what funding mechanisms will be used or are being sought}

Funding for xx converted stations will come from xxxxx at a cost of xxxxxxxx. Funding for new construction will come from xxxx at a cost of xxxxxxxx. Funding for xx portable fueling kits will come from for a cost of xxxxxxxx.

D. Responsibility

{who has the lead for the project, and/or each task, and their contact information}

The project leads for all tasks are Stacy Neef, Austin Clean Cities Coordinator, and Don Lewis, Fleet Manager for the Texas Department of Transportation, with assistance from Sandra Rennie, EPA Region 6. Mobile Source Team Leader and fuels specialist.

2. Showcase a biodiesel project in the Ag community.

{Project description}

A. Tasks / Implementation Schedule

i. {describe each discrete task associated with the project and give the estimated completion date with any milestone dates}

ii. {cont.}

B. Measures of Success / Environmental Results

{describe each measure of success (e.g., # of retrofits) and the expected environmental result (e.g., # tons emissions reduced)}

C. Estimated Cost / Funding Mechanism

{estimate the total cost of the project with budget breakdown and describe what funding mechanisms will be used or are being sought}

D. Responsibility

{who has the lead for the project, and/or each task, and their contact information}

3. Bring the Blue Skyway Collaboration message to every state in the Collaboration.

{Project description}

A. Tasks / Implementation Schedule

i. {describe each discrete task associated with the project and give the estimated completion date with any milestone dates}

ii. {cont.}

B. Measures of Success / Environmental Results

{describe each measure of success (e.g., # of retrofits) and the expected environmental result (e.g., # tons emissions reduced)}

C. Estimated Cost / Funding Mechanism

{estimate the total cost of the project with budget breakdown and describe what funding mechanisms will be used or are being sought}

D. Responsibility

{who has the lead for the project, and/or each task, and their contact information}

Participants

Fuels Subcommittee Leadership

Chair: Ernie Oakes, Regional Clean Cities Project Manager, U.S. Department of Energy, Golden, CO

Staff Co-Leads: Sandra Rennie, Mobile Source Team Leader, U.S. Environmental Protection Agency, Region 6, Dallas, TX; **Karen Flourney**, Associate Regional Administrator for Agricultural & Environmental Priorities, U.S. Environmental Protection Agency, Region 7, Kansas City, KS

Alan Banwart, Environmental Protection Specialist, U.S. Environmental Protection Agency, Region 7, Kansas City, KS

Alex Painter, Gulf Hydrocarbon, Houston, TX

Bruce S. Andersen, Director, Department of Air Quality, Unified Government of Wyandotte County and Kansas City, Kansas

Betsy Betros, Pollution Control Division Director, Johnson County Environmental Department, Olathe, KS

Bill Hagy, Rural Business Enterprise Grants Program, U.S. Department of Agriculture, Washington, DC

Bruce Heine, Director of Government Affairs, Magellan Midstream Partners, L.P., Tulsa, OK

David McQuiddy, Blue Skyways Collaboration Coordinator, U.S. EPA Region 6, Dallas

Emilio Alfaro, Air Force Petroleum Officer, Wright-Patterson Air Force Base, Dayton, OH

James Joerke, Air Quality Program Manager, Mid-America Regional Council, Kansas City, MO

James Yarbrough, BSC Energy Efficiency Subcommittee Staff Lead, U.S. EPA Region 6, Dallas

Joan Steurer, Air Quality Planner, Mid-America Regional Council, Kansas City, MO

John Kleiboeker, Director of Field Services, Missouri Soybean Association, Jefferson City, MO

Kenlon Johannes, Administrator, Kansas Soybean Commission, Topeka, KS

Kyle Axton, Kansas City Biodiesel Project, Kansas City, KS

Rollin Sachs, Environmental Scientist, Unified Government of Wyandotte County and Kansas City, Kansas

Rebecca White, U.S. Environmental Protection Agency, Office of Transportation and Air Quality, Washington, DC

Ruben Casso, BSC On-Road Subcommittee Staff Lead, U.S. EPA Region 6, Dallas

Tom Verry, National Biodiesel Board, Jefferson City, MO

Todd Sneller, Administrator, Nebraska Ethanol Board, Lincoln, NE

Tom Byers, Senior Government Affairs Representative, Magellan Midstream Partners, L.P., Tulsa, OK

Tony Ashby, Loan Specialist, Business and Industry Division, USDA, Washington, DC