

Blue Skyways Collaboration
Fuels Subcommittee
May 21, 2008

Meeting Notes Summary

Welcome and Roll Call.

Blue Skyways – Kathryn Burke
Missouri DNR – Tiffany Campbell
American Lung Association of the Upper Midwest – Lisa Thurstin
Minnesota Corn Association - Tim Gerlach
Iowa Biodiesel Board – Randy Olson
TCEQ – Guy Hoffman
DOE – Neil Kirschner
University of Nebraska Lincoln – Loren Isom
EPA OTAQ – Jim Caldwell, Jeff Herzog
Austin Energy – Stacy Neef
Signature Science – Sally Jo Hahn
EPA Region 7 – Alan Banwart
EPA Region 6 – Sandra Rennie, Carl Young
Wyandotte County-Kansas City – Bruce Anderson
EPA OECA/NEIC – Jim Kellerstrass
CleanFuel USA – Mike Gallo, Karl Doenges
HEB Grocery Co. – Susan Ghertner
U.S. Air Force – Thom Rennie

National Fuel Developments –

Texas waiver request for 50% of the ethanol RFS

Jim Caldwell from EPA OTAQ gave a brief summary of the waiver process and what would appear in the Federal Register notice that was expected to be published this week. (The notice was published on Thursday, 5/22 and can be found at the following website <http://www.epa.gov/fedrgstr/EPA-AIR/2008/May/Day-22/a11486.pdf>) We talked about the kind of data is EPA looking for to complete its analysis. While no one said they planned to give comments, there were additional questions that Jim answered. Karl Doenges from CleanFuel Distributors reported on comments pertaining to this topic heard at an oil and gas marketers association meeting last week. They felt the request was politically motivated, and that granting a waiver would add unpredictability to the fuel supply. Neil Kirschner volunteered to provide website links with factual information about ethanol.

Hydrous ethanol

This type of ethanol requires less energy to produce than anhydrous ethanol. This type of ethanol may be able to be transported in pipelines. Testing on vehicles in Europe showed it worked OK, but used more fuel by volume. So, how much savings would there really be if you need more of it? Jeff Herzog from EPA OTAQ gave us insight into the ethanol pipeline issue. He based his comments on a presentation that Magellan Midstream Partners made at a conference last week. He volunteered to share that presentation with the group. Karl also shared that there are plans to build several cellulosic ethanol plants

in the Midwest. The locations would be dictated by the location of the feedstock. Allowing hydrous ethanol would also allow bringing in Brazilian ethanol that would not have to be dried.

On another related topic, the oil and gas marketers were in favor of waiving the 1.0 psi Reid Vapor Pressure (RVP) waiver for ethanol. They believe the waiver was put in place to address driveability problems. They believe allowing higher RVP for ethanol blends would somehow be beneficial and that the driveability issue is not real.

Next Call - to be determined