



RFA celebrates New Year by proclaiming that ‘At Decade’s End, Ethanol Has Arrived’

By Agri-Pulse Staff

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Washington, Dec. 31 – At the launch of a new decade, the Renewable Fuels Association points out that over the past decade, ethanol has established itself remarkably quickly as the leading solution to U.S. dependence on imported oil. A New Year’s Eve statement from RFA, an ethanol industry trade association, explains the industry’s achievements and lists industry goals – including raising the ethanol blend to “15% and beyond” and accelerating the development of cellulosic ethanol :

“No matter what the calendar says, the decade of the 2000 aughts began on September 11, 2001. That tragic day ushered in a new consciousness of America’s vulnerability, to terrorist attack most assuredly, but also to the very high price we pay for our dependence on imported oil. When President Bush announced a few months later that we would break our addiction to oil, Americans knew well why it was necessary – national security was now linked to energy security and the consequence of inaction was now tangible. By decade’s end, concerns about climate change provided additional momentum to the effort to wean the world from oil and develop sustainable, secure alternatives to oil.

“Thus it was that the past decade truly was the era when biofuels such as ethanol came of age. From just 1.4 billion gallons of production in 1999, the U.S. ethanol industry last year produced an astonishing 10.6 billion gallons. Ethanol is now, truly, a ubiquitous component of the U.S. motor fuel market, with ethanol blended in more than 80% of every gallon of fuel, and ethanol blends sold virtually coast to coast and border to border.

“As ethanol production has increased, so have the industry’s contributions to the American economy. As recently as January, 2000, there were only 54 ethanol plants in the U.S. Nine years later, there were more than 200 plants in 26 states, with even more under construction.

“Throughout the nation, the ethanol industry supports almost half a million jobs and contributes to the coffers of every level of government, generating an estimated \$12 billion in federal tax revenues and \$9 billion in state and local revenues in 2008. Ethanol’s benefits were among the economy’s few steady strengths during the

rollercoaster ride of the past decade. For instance, in 2008, despite a deepening economic downturn, the U.S. ethanol industry opened 31 new plants and added 240,000 jobs.

“The American biofuels industry has been able to build for the future because landmark legislation provides a floor from which we can grow with confidence. The Energy Policy Act of 2005 created a Renewable Fuel Standard (RFS) that requires refiners to use an increasing percentage of renewable fuels such as ethanol and biodiesel in their fuel mix, as well as creating new incentives for ethanol production from sugar, cellulose and other on-traditional feedstocks. Building on this historic legislation, the 2007 Energy Independence and Security Act, required the use of 9 billion gallons of renewable fuel in 2008, growing to more than 15 billion gallons in 2012 and 36 billion gallons by 2022.

“These policies are being vindicated by biofuels’ performance. Clean-burning American ethanol reduces oil imports by more than 300 million barrels a year, making the U.S. less dependent on OPEC and unfriendly governments from unstable parts of the world. And ethanol diminishes the dangers of climate change by reducing greenhouse gas emissions by 61 percent compared to gasoline.

“The years from 2000 through 2009 are only the third decade in ethanol’s evolution from a novelty item to a major source of energy. Over the past decade, the industry’s innovativeness has increased exponentially, with the development of improved efficiencies, new technologies, and the next generation of feedstocks.

“According to a survey compiled by Argonne National Laboratories, covering the years between 2001 and 2006, the nation’s ethanol biorefineries reduced their water consumption by 26.6%, their use of electricity by 15.7%, and their total use of energy by 21.8%. With new technologies such as heat fermentation and fractionization, the industry is becoming even more efficient, while increasing the value of its co-products, such as the 27 million tons of high-quality livestock feed produced in 2008.

“Meanwhile, a new cellulosic ethanol industry is emerging, with biorefineries producing fuels from new feedstocks, including corn stalks, sugar wastes, wood chips, wheat straw and even plain old garbage.

“As we begin the new decade, the biofuels industry has overcome great challenges and is now poised to seize even greater opportunities, nationally and globally. Here in the U.S., we need to break through the 10% blend wall and move on to blends of 12%, 13% and, eventually, 15% and beyond, while expanding the vehicle fleet and blender pump infrastructure for E85.

“We can and will maintain the momentum ethanol has garnered through this past decade. The opportunities that lay before this industry are vast, and are a direct result of the progress it has achieved through a collective belief in a rising tide lifting all boats. Ten years from now, there can be little doubt that ethanol from a wide array of sources will be a more significant and even more meaningful piece of America’s energy future.”

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