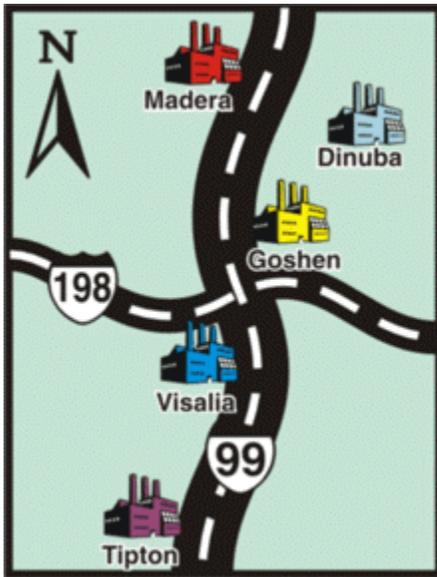


Traveling the Ethanol Highway



San Joaquin Valley - California governor Arnold Schwarzenegger was quoted the other day as looking forward to the day he could take his Hummer out on a California highway to fuel up on hydrogen. But that futuristic vision - The Hydrogen Highway - involves billions in investment and an introduction of unproven new technology for our fleet of vehicles. By the time it would hit the ground that Hummer is likely to be in some junk heap years from now.

On the other hand Arnold may very well be able to jump into his Hummer in Sacramento later this year and fuel up on clean burning ethanol produced right here in Tulare County - the beginning of a bio fuel transportation highway for California motorists that will include plant based, farmer produced ethanol and biodiesel.

Just this past year California went from using no renewable fuels to its becoming 6% of the fuel supply. The fuel works just fine in today's vehicles.

Tulare County may be known for milk, oranges and sequoias, but this Central Valley county that gets little notice in the state's big metro areas may be destined to become California's ethanol fuel depot in the next few years if the four biofuels production plants on the drawing boards here start cooking.

Currently the state needs around 800 million gallons of ethanol fuel - made from plants - to be blended with gasoline in California. It replaced the oil product MTBE as an oxygenate in the state's motor fuel last year to help clean the air.

MTBE has been found to contaminate ground water across the nation. Virtually all of the ethanol must be brought in from the Midwest. That's about to change if there isn't a big bump in the road to building an in-state ethanol industry.

Bump In The Road?

That bump could come if the US government decides to waive the oxygenate requirement to blend ethanol with gasoline in some states resulting in a possible decrease in the use of ethanol in California in coming years, potentially pulling the rug on millions of dollars of new investments planned here in Tulare County.

Last week Energy Secretary Abrams was quoted as telling a Congressional Committee that the EPA is "strongly considering a request" in an effort to bring down sky high gasoline prices. The request would affect California and New York who are required to use an oxygenate. The news caused oil futures to tumble.

California officials have been seeking a waiver because they say gasoline makers can make enough clean burning fuel without adding an oxygenate.

Ethanol advocates like Neil Koehler whose company is building two ethanol plants in the Central Valley dispute the logic noting that ethanol costs less than gasoline and that the problem in California is not enough fuel supply. "Taking away 6% of

the fuel will reduce the supply,” he argues. The state’s gasoline refineries are running at capacity most of the time anyway.

But in his letter to the EPA in January Governor Schwarzenegger suggests “there will be a very large ethanol market in California even without the CAA oxygenate mandate.”

“California is also considering various mechanisms to spur in-state ethanol production so our citizens and our economy benefit directly from the state’s increased use of ethanol as a gasoline blending component,” says the governor.

Even without the oxygenate requirement Congress is expected to mandate a 5% use of renewable fuel across the nation, says Rick Eastman. He is a partner with Kevin Kruse on the ethanol plant that could be operational later this year in Goshen.

Cow Connection

The company, Phoenix Bio Fuels LLC, plans to make some 25 million gallons of ethanol fuel along with the feed byproduct - wet distillers grain - that makes the economics of the project so attractive. That’s because of the presence of millions of hungry cows nearby. “The limiting factor on our production is not the demand for ethanol - which will be there,” says Eastman “but the number of cows.”

Other advocates as well don’t seem too worried about demand although Neil Koehler with Pacific Ethanol says the state should give unambiguous support to boost ethanol production within the state.

Koehler’s partner is Bill Jones currently running for US Senate. Just recently the company’s Madera project that will produce 35 million gallons of ethanol a year was permitted by the Valley Air Board - the first new ethanol plant in the state to receive such a permit.

Pacific Ethanol already owns the plant site there - a feed mill they bought out of bankruptcy from Coast Grain. The company has a second ethanol plant on the drawing board across from the Visalia airport on land owned by partner Kent Kaulfuss - a long time advocate of biofuels.

Nearby Calgren has received approval from the county for a 42 million gallon a year ethanol plant on Highway 99 north of Pixley. The start-up company may apply for building permits as soon as July, says partner on the project Matt Schmitt.

The company received approval for a Williamson Act cancellation last week and now face only a site plan review process to get going because the project is part of the Pixley Specific Plan that calls for manufacture of ag related products north of Pixley. The company will use waste water from nearby California Milk and produce distillers grain for JD Heiskell feed next door.

The latest ethanol project to be announced is in Dinuba at the old sawmill sited north of town (see other article).

What these projects have in common is location along the railroad tracks that allows for delivery of feed stock like corn in trainloads to the project sites. Already each company say they want to foster local growth of the corn or other feedstock to be produced by local farmers rather than just depend on imports of product from the Midwest. That magnifies the effect these bio fuel facilities have on the local economy.

20% Of State’s Supply

Taken together if all 5 ethanol plants are built they would be the first major facilities in the state and help provide perhaps one fifth of the supply that Californians needs today to fuel up their cars with 6% ethanol.

Advocates for the renewable fuel argue the state should consider 10% ethanol to help relieve the fuel shortage here and provide even more clean air benefits and reduce greenhouse gasses, now a state mandate.

“We think there ought to be a bio fuel plant in every county in California,” says Neil Koehler.

Production of ethanol now uses some 10% of the corn grown in the US and has added 20 to 40 cents in value to a bushel of corn. That is putting money into the farm economy. Overall the ethanol industry adds \$4.5 billion to US farm economy according to the Renewable Fuels Association.

Arguments against ethanol are sometimes couched in complaints that all the money instead of going to big oil companies is going to a big bio fuel company - Archer Daniels Midland. But many new plants being built are farmer owned or owned by local entrepreneurs as are all of the plants being built in the Central Valley.

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[Sunday, April 11, Modesto Bee](#)

High ethanol blend could cut costs for some vehicles
[THE ASSOCIATED PRESS](#)

BISMARCK, N.D. -- As gas prices creep higher across the country, ethanol supporters are pointing to a blend made mostly from the corn-based fuel as a way to save money at the pump.

Automobile fuel made of 85 percent ethanol and 15 percent gasoline -- called "E85" -- can save motorists with compatible vehicles an average of 40 cents a gallon, officials say.

"Ethanol costs should be more stable than regular gasoline," said Kim Christianson, energy program manager for the North Dakota Department of Commerce.

There are roadblocks for the high-ethanol blend. It can only be used in newer, "flexible- fuel" autos, which allow a driver to use E85 or gasoline in any combination in a single tank.

Christianson said cars running on E85, rather than gas with 10 percent ethanol, see a drop in fuel efficiency. Also, it is not widely available.

Ethanol is most often made from corn, but it can be manufactured from a number of sources of starch, cellulose or sugar.

It is added to gasoline to help it burn more cleanly and increase its octane rating, which helps prevent engine knock.

The most common ethanol fuel is a 10 percent blend with gasoline.

[Saturday, April 10, Fresno Bee](#)

Air-rule battle ends for now

Legal action tied to regulations on zero-emission vehicle sales.

By Jerry Bier, The Fresno Bee

Auto dealers and manufacturers who filed a federal lawsuit challenging California smog regulations they said would cost them millions of dollars a year quietly ended their legal battle this week -- at least for the time being.

U.S. District Judge Robert E. Coyle signed an agreement filed by lawyers for the auto dealers and the California Air Resources Board asking that a lawsuit filed in Fresno two years ago be dismissed.

The manufacturers and Central Valley auto dealers had already won a temporary injunction from Coyle blocking the new regulations, but that ruling was under appeal.

The legal action revolved around the air board's authority to mandate sales of the so-called zero-emission vehicles, or ZEVs, beginning in 2003.

Jerry Martin, a spokesman for the air board, said Friday the regulations were rewritten, delaying changes until next year, rendering moot the federal lawsuit and similar complaints filed in state court. "The lawsuits were filed because a couple of test procedures referenced fuel economy, and that was construed by the dealers to be a de facto fuel economy standard," Martin said. "So the staff took the words out of the test procedures, and other deadlines changed."

If accepted, the amended rules will apply in 2005, Martin added.

Fresno lawyer Timothy Jones, one of the attorneys representing the manufacturers and dealers, said while the air board is changing the wording, the changes are not final.

"They withdrew the old regulation and are rewriting it, changing its terms," Jones said, "and we will address the new regulation once it becomes final."

Legal challenges to the previous rule contended the state was violating the federal government's authority to control fuel efficiency in automobiles.

Dealers argued the regulations as previously written would have reduced dealer profits by more than \$110 million in four years.

The federal lawsuit said that by requiring a certain percentage of sales to be ZEVs, which are battery-operated under today's technology, and then allowing manufacturers to hedge on that percentage by also selling vehicles that combine

gasoline and battery power, the state had stepped into the area of fuel economy.

The lawsuits were filed on behalf of General Motors Corp., DaimlerChrysler Corp. and the seven Valley dealers: Hedrick's Hallowell Chevrolet Inc. in Clovis; Kitahara Pontiac-GMC-Buick Inc. of Fresno; Keller Motors Inc., which has dealerships in Hanford and Coalinga; Surroz Motors Inc. of Visalia; Central Valley Chrysler Jeep in Modesto; Frontier Dodge in Modesto; and Tom Fields Motors Inc. in Turlock.

The Valley dealerships named as plaintiffs in the suits had combined sales of more than 7,200 vehicles a year, of which 60% to 80% are truck sales, according to the lawsuits.

Dealers complained that the losses in new-vehicle sales because of the ZEV requirement would reduce profits by more than \$110 million statewide through 2006, with subsequent annual reductions over the next 15 years ranging from about \$30 million to almost \$50 million.

Once the amended regulations were issued, the state agreed to drop appeals filed in all of the lawsuits, including an appeal of Coyle's temporary injunction mandate.

[Saturday, April 10, Bakersfield Californian](#)

Florez drops dairy buffer bill

VIC POLLARD, Californian Sacramento Bureau

SACRAMENTO -- State Sen. Dean Florez has dropped his legislation calling for a three-mile buffer between dairies and cities or schools. Florez said he doubts Gov. Arnold Schwarzenegger would sign the bill if it passed, and he thinks much of the protection can be accomplished by other means.

The dairy buffer proposal, the only major part of Florez's package of historic clean-air bills that did not pass last year, was replaced with legislation to step up state oversight of county children's protection agencies.

The most outspoken critic of Florez's buffer bill, Kern County Supervisor Ray Watson, welcomed the development.

The bill "did nothing to clean the air," Watson said. "All it did was move the pollution from one place to another."

He said the absence of the bill will make no difference in the way the county treats dairies and their neighbors.

"We're still going to be responsible in the way we license them, and we're aware of the ways various communities feel about dairies," he said.

Florez said he introduced the bill in response to complaints from residents of Shafter and other areas who said county supervisors were insensitive to their complaints about flies, odor, dust and other problems posed by dairies near schools and homes.

Florez said he believes if he had been able to push it through the Legislature, it would have been signed by former Gov. Gray Davis, who signed the other clean-air bills.

"We have a different governor now," Florez said. "He would probably buy the argument that counties are better able to deal with this issue."

The other bills that became law ended agriculture's exemption from anti-smog rules that have been gradually applied to all other industries over the last half century. That will require farms and dairies to obtain permits for some of their equipment and operations for the first time. They also phase out open-field waste burning and give the Central Valley Air Pollution Control district authority to regulate pollution from many cars and trucks for the first time.

Florez said he believes residents will eventually get more protection from dairies for two reasons.

One is the election in March of his former assistant, Michael Rubio, to the board of supervisors, replacing Pete Parra. He said Rubio agrees with him on the dairy issue and will work for better protections.

In addition, he said the San Joaquin Valley Air Pollution Control district will be dealing with dairy pollution issues under the other legislation. As part of the ag exemption law, he said the air district will have to take steps to reduce pollution from dairies throughout the Central Valley.

He said he plans to push the district to create adequate buffers around dairies.

[Saturday, April 10, Bakersfield Californian](#)

Walkers go distance in fight against asthma

J. DANIEL STOTLER, Special to The Californian

More than 400 eager volunteers and participants stretched and loosened up at Beach Park last Saturday morning in anticipation of the American Lung Association's "Blow the Whistle on Asthma Walk." The event was held to raise awareness and funds for those who live in Kern County and suffer from asthma. Teams of walkers, separated by their brightly colored shirts from various companies, chatted in the cool morning air and listened to music being blasted from the large stage. Just before the walk began, the entire crowd performed warm-up exercises and made their way to the starting line.

A kaleidoscope of colors appeared on the landscape of Beach Park as the crowd ascended the slope and went on to the bike path for the five-kilometer walk. Parents pushed strollers and pulled little ones in wagons, while co-workers and families laughed and talked as they made their way down the path.

At the conclusion of the walk, parents sat on park benches under a canopy of shade, enjoying live music and sipping on cold bottled water and sodas while watching as their children frolicked in the sun.

Board president Jeff Warren spoke highly of the turnout and the community's generosity.

"I am very pleased with the support we got from the community today," he said. "We set our goal at \$50,000 and we raised more than \$75,000."

The money raised from Saturday's event will stay in Kern County and go toward programs like day camps during the summer, educational programs, family asthma workshops and other programs designed to treat and educate those who suffer from asthma.

Executive Director Rich Fallon was elated about the event's success.

"The only way most people could understand an asthma attack is if they were to try breathing through a small cocktail straw. It can be terribly frightening -- especially for children," Fallon said.

"I can't thank the community and participants enough; this was our first annual asthma walk and I think we set a precedent on a nationwide scale. Other chapters of the National Lung Association will be able to model their events from the success that we had today.

"It's just so gratifying to be able to contribute to such a good cause and in turn build strong ties with the community."

Program Director Sharon Borradori commented on some of contributing factors that irritate asthma sufferers.

"Air quality is the biggest irritant of asthma patients," Borradori said. "This valley air quality is so poor that it can be debilitating if you have asthma."

Cynthia Francisco from Dr. Patrick Leung's "Asthma Terminators" said: "In our office we see the effects of asthma everyday. I'm so happy that I could be here and participate in a community effort such as this."

[Sunday, April 11, Fresno Bee, Editorial](#)

Round two on air

More legislation and new programs are offered to clean the Valley's air.

Last year was a busy one on the legislative front in the struggle to make the Valley's air cleaner. Now state Sen. Dean Florez is back with programs that, while fewer in number than the 10 bills he introduced last year, are at least as ambitious in scope.

All of the new ideas from the Shafter Democrat will get close scrutiny, in part because the efforts he advanced last year grew so contentious in some cases. But he's brought forward an interesting package, and we hope it will bear important fruit. Here's a quick rundown:

SB 403 -- clean air bond measure

This would pay for a wide range of programs. Included are upgrading agricultural and industrial equipment to reduce emissions, funding for asthma screening and prevention, and more monitoring equipment for better understanding of Valley pollution. One attractive feature would provide much more money for the state-funded Carl Moyer program, which is already being used to retrofit thousands of older diesel engines on Valley farms, reducing their pollution by many tons.

One intriguing use for the money would be to retrofit hundreds of aging school buses that serve Valley districts, especially in rural areas. One bus can produce as much pollution as 200 cars; the cleaner we can make them, the better for us all.

Florez has drawn early support from Gov. Arnold Schwarzenegger's administration, which could be crucial. The governor's immense popularity might cause voters to approve a bond that would otherwise face tough sledding.

State audit due soon

Florez intends to use an upcoming state Air Resources Board audit of the San Joaquin Valley Air Pollution Control District as a subject for legislative hearings hereabouts, with the intention not of casting blame -- unless that's clearly indicated -- but rather seeking ways to improve the district's ability to perform its crucial chores.

SB 703 -- voluntary check-off

This bill would add an option enabling owners to help cleanse the air when they pay the various fees to register their vehicles in California. The additional sums, in amounts chosen by the owners, would be kept in their regions and communities as an Air Quality Fund to pay for local efforts to clean the air. The program would operate statewide, but -- depending on participation -- it could have its greatest impact right here in the Valley. And it would give many of us, if not most, a chance to put our money where our lungs are.

Air quality flags at Valley schools

This is a modest idea with great potential. It calls for schools to fly a flag or small pennant with an appropriate color to indicate the day's expected air quality -- green for good, yellow for moderate, orange when it's bad for sensitive people and red when it's dangerous to all.

This has some terrific possibilities for raising awareness of air issues, not simply among parents who drop children off and see the flags, but all of us who drive past a school on a school day. And why limit it to schools? Government offices could be ordered to raise such flags, and many private businesses might happily join in on a voluntary basis.

It's an interesting package, and perhaps the best news is that these measures will keep the focus on air quality, and not allow us to forget how crucial it is that we solve the daunting problems we face in this polluted bowl of a Valley.

LASTGASP

"We can't go on living this way.

And we won't."

There have been significant successes in the battle for better air. But more is needed -- and the next wave of programs is on the way.

[Sunday, April 11, 2003, Los Angeles Times, letter to the Editor](#)

- Don't Waive the State's Air Quality

Gov. Arnold Schwarzenegger's request to the EPA to exempt California from clean-air regulations in order to reduce gasoline prices is exactly the wrong thing to do ("Governor Seeks Waiver From Clean-Air Rules," April 6). Air pollution is a terrible problem, much worse than paying higher gas prices. Indeed, higher prices may help discourage people from buying gas hogs the next time they purchase a vehicle.

I drive too, and I don't like high gas prices. However, I realize that I have a responsibility to drive cars that get excellent mileage.

The governor is merely pandering to a lust for oversized and overpowered cars and trucks that will soon reach a dead end as fossil fuels are depleted. We should do everything in our power to conserve, not waste.

Peter Briscoe

Riverside

[Sunday, April 11, Modesto Bee, opinions](#)

Mass transit road funds switched

In response to "An attractive alternative: Commuters could cut through Del Puerto Canyon," (Front page, March 30): Washington has the funds switched for California in the Transportation Equity Act. Future mass-transit projects should be receiving \$17 billion instead of new highway projects, not the \$5.5 billion Congress is considering.

Mass transportation is cleaner, safer, and transports more people in less time. According to the Environmental Protection Agency, the number of days we have severely poor air has surpassed the Los Angeles area. The valley basin has already exceeded its capacity to cleanse its air naturally. Building more highways to accommodate more cars only adds to the problem.

It is ironic this story was reported on the same day Gov. Schwarzenegger announced the minting of a new state quarter depicting California's "wildlife, our majestic landscape and our commitment to preserving our golden state for future generations." Maybe they should reconsider and depict the coin with a hazy sun overlooking blacktopped highways crammed with commuters.

JULIA LUCAS

Modesto