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Between THE **Lines**

BIOFUELS BLOG *by Joanna Schroeder*



Regulatory Hurdles Abound For Advanced Biofuels

With the debt crisis taking center stage in Washington, D.C., many in the biofuels industry fear things could take a turn for the worse in the form of less support for biofuels.

Hard to believe when the biofuels industry already hasn't had much support during the last year.

New research from the University of Illinois has come to the conclusion that regulatory hurdles abound for the successful commercialization of advanced biofuels.

In addition, "[Making Regulatory Innovation Keep Pace with Technological Innovation](#)," argues that regulatory innovations are needed to keep pace with technological innovations in the biofuels industry.

While this is far from a groundbreaking conclusion, it is true nonetheless and can't be pointed out too many times.

The research, that is set to be published in the Wisconsin Law Review, was conducted by University of Illinois law professor **Jay P. Kesan**, and regulatory associate **Timothy A. Slating** with the [University of Illinois Energy Biosciences Institute](#) (this BTW, is a **BP**-funded initiative).

"Getting regulatory approval for new biofuels is currently a time-consuming and costly process," said Kesan.

"By removing some of the uncertainty and some of the expense without compromising on the regulatory concerns, you are also removing some of the disincentives to entering the biofuel market, where we need more competition."

The paper cites biobutanol as a good driver for advanced biofuels because it has a higher energy content than ethanol, is compatible with existing vehicle engines and is also compatible with existing fuel distribution infrastructure.

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"Biobutanol is a really promising biofuel, and has the potential to further the policy decisions that have already been made by Congress," Kesan continued.

"This is not a hypothetical situation.

"We have companies currently building the capacity to produce biobutanol."

The research reviewed two major policies: the Renewable Fuel Standard and the Clean Air Act.

The Clean Air Act is actually the regulatory framework for moving new fuels and fuel additives to approval.

Kesan explained, "Since biobutanol can help us meet the Renewable Fuel Standard's mandates much more quickly and effectively, it makes good economic and policy sense to line up our regulatory processes to facilitate its commercialization."

The report also states that it is not clear if the U.S. can meet all of the renewable fuel mandates.

But new regulations, speeding up the time frame for approvals, and/or making the approval process less laborious would all be ways to help meet RFS2.

For more information:

[University of Illinois Energy Biosciences Institute](http://www.energybiosciences.org)—217-333-9396

Blocking E15 "Short Sighted"

The fight over E15 is far from over.

Yesterday Reps. **John Sullivan** (R-OK) and **Gary Peters** (D-MI) unveiled an amendment that would block the **Environmental Protection Agency (EPA)** from implementing the approved E15 waiver. Just a few weeks ago, the EPA unveiled the approved E15 label and this action spurred another round of criticism over the approval of E15.

Growth Energy responded to the efforts of Sullivan and Peters (who have been trying to eliminate E15 since February of this year) and CEO **Tom Buis** noted that this action would "perpetuate America's addiction to foreign oil and harm our economy."

Buis continued, "Blocking E15 would further put Libya, Venezuela and Iran at the steering wheel of our economy, and our national security.

"Ethanol is the only competition to foreign oil we have today, and E15 is a proven fuel for today's autos that is cheaper than gasoline refined from foreign oil."

"The Sullivan/Peters amendment picks politics over science.

"As I have said over and over again, EPA's approval of E15 was based on the most exhaustive and rigorous study of any fuel blend in history.

"Voting for this amendment is like voting to keep our nation addicted to foreign oil and all the economic and military consequences of that addiction," he concluded.

The decision to approve E15 was monumental in that 67 percent of the cars and light duty trucks on the road, comprising 75 percent of fuel use, are now approved to use the higher ethanol blend.

This is one step that is needed to ensure that the 36 billion gallons of renewable fuels mandated in the Renewable Fuels Standard are met.

Anti-ethanol groups are trying everything to curb the growth of ethanol.

They succeeded in getting legislation passed in the Senate (although it is not yet law) to end the ethanol blender's credit (VEETC) as well as the ethanol tariff effective on August 1 of this year.

These groups are also attempting to get advanced biofuel mandates reduced for 2012 and 2013 all while complaining that E15 cannot be used in small equipment and marine equipment.

Nevermind the fact the EPA did not approve the use of E15 in these applications nor is E15 mandatory for any approved vehicle.

When backed against a wall, these same groups say they understand this but they are concerned the label will not be effective in doing its job.

Basically, groups are going after all things ethanol with the exception of making a direct attack on trying to overturn the RFS.

I suspect that when the EPA holds its ground, as it has been doing, these groups will change course and go directly after the legislation, rather than its components.

This is proof that people are resistant to change, even when it's good for them.

I've said this before, I'm saying it now and I'll say it again - our politicians have shown day after day that they don't make decisions that are good for us.

So we'll just have to do it for them by ensuring ethanol succeeds.

For more information:

[Growth Energy—202-545-4000](tel:202-545-4000)

Biodiesel Saves the Day for Some South African Motorists

Fuel workers in South Africa are on strike.

This is causing a shortage of fuel and an increased demand for biodiesel.

According to a [local newspaper](#), **Darryl Melrose's** business is booming.

He is an entrepreneur living in Pietermaritzburg who has been producing biodiesel from used cooking grease for more than a decade.

With loyal clients, he has done a good business.

But now his business is becoming great as access to traditional fuels is dwindling.

"We experienced an influx of motorists during the strike and our depot is currently dry.

"We produce about 20,000 litres of diesel from cooking oil a month, but expect to have more stocks by tomorrow," Melrose said.

"There is a huge market for biodiesel as many large companies are looking to support renewable energy in some form."

Not including the cost of the feedstock and energy, he said it costs about R1.80 per litre to produce the biodiesel.

He would produce more, but his feedstock, used cooking grease, is limited.

Melrose said South Africans are eager to support biofuels as an alternative.

However, he said it would cost billions of rands to build a biodiesel refinery large enough to meet his country's needs.

This would take a major investment by either the government or one of the major oil refineries.

Today, there are two biodiesel depots and it currently costs R8.99 per litre compared to R9,15 for diesel which is expected to climb an additional 20 cents per month.

With diesel prices continually fluctuating, Melrose said while they don't have major biodiesel production, the government has supported its production and offered incentives regarding the tax on biodiesel.

With prices between the two fuels close together, Melrose said developing new feedstocks to produce biodiesel is not yet financially feasible.

Well, with the strike as a stepping stone, let's hope that South Africa realizes the benefits of biodiesel more quickly and adopts more aggressive policies for biodiesel production.

Failure as a Catalyst for Success

When an advanced biofuel plant can't prove out its technology, it has far broader implications than just folding up shop.

Earlier this year **Range Fuels** announced that it was shutting down its cellulosic ethanol plant in Soperton, Georgia and laying people off.

Rumors were circulating about the closure including one that the company could not work out the kinks in its technology at commercial scale (this has not been substantiated).

The news hit the industry hard for two reasons: first, this project was the first advanced biofuels project to receive **DOE** funding; and second it caused rising speculations that advanced biofuels are a "pipe dream."

Well the fallout continues with the announcement that **Lignol Energy Corporation** has reached an agreement with the U.S. Department of Energy's Biomass Program (DOE) to phase out work that they have been funding.

In 2008, Lignol was selected to receive \$30 million to prove out its technology at demonstration scale but after seeing the problems with Range Fuels, has since refocused its efforts.

The change in strategy has taken the company far off course from what was originally approved by the DOE.

As a result, it has been agreed that Lignol's current plans cannot be supported by the loan requirements.

However, in Lignol's case, the changes are expected to be beneficial.

The company says their revised technology is working well at its pilot-scale biorefinery and they will continue development of a commercial-scale project without the assistance of an award from the DOE.

To date, the company has invested substantial sums in its pilot-scale biorefinery in Burnaby, British Columbia and the project has provided them with important data - data the company says will eliminate the need for a capital intensive, demonstration-scale plant and is expected to result in faster development of their first commercial project.

"In developing a commercial project it is important that we deploy our technology in a way that maximizes value for our shareholders," said **Ross MacLachlan**, President and CEO.

"The financial support we have received from the Department of Energy, together with their advice and cooperation, have contributed greatly to the commercial readiness of our biorefining technology."

MacLachlan continued, "We are now in active discussions with a number of potential partners motivated by the recent surge of interest in advanced biofuels and renewable chemicals.

"Continued investment in our pilot-scale biorefinery is delivering results that support these discussions, and provides us with an exceptional platform to showcase our technology and work with our partners to develop a viable commercial project."

Despite various setbacks to the industry, I'm hopeful that these will actually be the catalyst to success.

For more information:

[Lignol Energy Group](#)—604-222-9800

Ethanol & Biodiesel in Profit Harmony

The ethanol industry is not in the clear regardless of the demand for ethanol as set by the Renewable Fuels Standard (RFS2).

With volatile corn prices, the industry is always looking for new ways to diversify their business and increase profits.

Here is one way - add a biodiesel plant.

There is a trend in the industry for ethanol plants to add corn oil extraction technologies to the back end of their processes to produce inedible corn oil.

This corn oil can be used to produce biodiesel and demand for the feedstock is growing. But imagine if you could just produce your own?

Mark Fashian, president of [Ethanol Analytical Solutions \(EAS\)](#) and **Biodiesel Analytical Solutions (BAS)** said the ethanol industry is beginning to invest profits again and what better way to make your plant more valuable than by adding 1.5 RINS (renewable identification numbers) to your existing ethanol facility.

For example, an ethanol plant producing 100 million gallons per year would sell 100 million RINS.

However, if you add a 3 million gallon biodiesel plant (the amount of biodiesel you could produce based on the current average oil conversion rate of current extraction technologies) you would add an additional 4.5 million RINS that qualify under the RFS2 in the biomass based diesel category.

First generation corn oil extraction technologies pose a bit of a challenge - the conversion rate is around .5 pounds of oil per bushel of corn, the oil has a high level of free fatty acids which are difficult to break down, and many technologies get "gummy" requiring plants to shut down to clean the equipment.

On the biodiesel side, most often a plant must use a two-step process to produce ASTM standard biodiesel.

"It's a lot of redo a batch, do a batch again because we didn't get it just right, and that's not what the ethanol industry is looking for," said Fashian.

"They're looking for the silver bullet where you can take that corn oil right from the extractor and put it right in to another process to make biodiesel without having to mess with a second or third run to make ASTM biodiesel.

"And that's exactly what Mcgyan does.

"It's patented for the corn oil process.

"With their everlasting catalyst, you just pump the sample in with either ethanol or methanol and out the other end comes beautiful biodiesel."

Not all ethanol plants have corn oil extraction technologies.

The best guess is that about 1/3 of the industry will have installed the technology by the end of the year.

If a plant doesn't have corn oil extraction technologies, they are taking the oil from the distillers grains and selling it at about 5 cents per pound," said Fashian.

"They're losing a lot of money on that oil that could be made into \$4 or \$5 biodiesel."

However, the return on investment of adding this technology while simultaneously adding the Mcgyan process is less than one year.

"In fact, the gross profit we were showing one company after we factored in everything they needed to factor in, it came out there was an \$11 million dollar gross profit before you take out all the expenses, including updating your lab.

"That more than pays for the plant, and the corn oil extraction technology in one year," explained Fashian who is also a director of Mcgyan and whose companies, EAS/BAS, represent the technology.

The return on investment for an ethanol plant that already has extraction technology is still less than two years.

The difference is this plant can distill the oil and sell it into the food grade market and that could be \$2 of \$3 a gallon depending on where the market goes.

These plants can better "hedge their bets". If corn oil is down and biodiesel is up, you make biodiesel.

If corn oil is up and biodiesel is down, you make corn oil.

So when can you start seeing profits?

As soon as 12-18 months, the length of time it takes to add the Mcgyan technology.

The company already has a 3 million gallon plant prototype, **Ever Cat Fuels**, that is designed to perfectly fit an ethanol plant.

And BTW - if you decide to hedge your bets and sell the corn oil on the market, you can still make biodiesel from another feedstock, such as pennycress, with this technology.

So what are you waiting for?

For more information: [Ethanol Analytical Solutions](http://www.ethanolanalytical.com)—800-483-8107

Camp Lejeune Celebrates First Biodiesel Delivery

A "watershed event" is taking place as Camp Lejeune prepares to receive its first biodiesel shipment today that was grown, processed and blended exclusively in North Carolina for the military.

According to a Department of Defense press release, Marine Corps Maj. Gen. **Carl B. Jensen**, commanding general of Marine Corps Installations East, and State Sen. **Harry Brown** will be on hand to celebrate another event that marks the military's effort to increase its use of domestically produce renewable fuels.

The biodiesel program is a collaboration facilitated by North Carolina Eastern Region's Military Growth Task Force as part of the Fuel the Force initiative.

Partners in the program included farmers, economic developers, local policymakers, educators, and environmental groups.

"The project is a partnership between North Carolina's two leading industries -- the military and agriculture -- and promotes development of the processes and infrastructure necessary for North Carolina's farmers to provide the renewable fuels required by North Carolina's warriors," an unnamed official was quoted as saying in the release.

The military has set the goal of reducing its energy consumption by 30 percent by 2015 while at the same time increasing its use of renewable energy.

General Jensen, during a regional symposium last year noted, "I believe strongly that we have got to break our dependence on petrochemicals," he said.

"It has got to start somewhere, ... and it might as well start with the military."

In addition to helping the military meet its energy goals, the program also hopes to eliminate importing fuels from distant locations, and source all of its energy needs within the region.

For more information:

[Department of Defense—703-571-3343](tel:703-571-3343)

Advanced Biofuels - Fiction or Fact?

At the same time the [Advanced BioFuels Association \(ABFA\)](#) members were meeting with policy makers on Capital Hill, the **National Petrochemical & Refiners Association (NPRA)** began lobbying the **Environmental Protection Agency** to lower the advanced biofuels requirements under the **Renewable Fuel Standard (RFS2)** this year.

During an EPA hearing on proposed volumes, **Gregory M. Scott**, NPRA executive vice president and general counsel testified, "The Clean Air Act directs EPA to project the amount of cellulosic and advanced biofuels expected to be sold based on credible facts – not press releases, hopes or wishes," Scott said.

"EPA's unrealistically high mandates impose unreasonable burdens on obligated parties and in 2011 will in effect be no more than a tax on American manufacturers and, ultimately, consumers.

"NPRA recognizes the need for a workable, flexible renewable fuels standard program and sincerely hopes that EPA will substantially revise its proposal to conform more closely to reality."

Seriously? Where do I begin?

First, the king of spin is the petroleum industry.

Should the EPA listen to them and not those in the biofuels industry?

Second, the mandate is only 6 million gallons.

The ultimate goal of the RFS is to blend a minimum of 18 billion gallons of advanced biofuels.

Is this really "unrealistically high"?

NPRA claims that in the first six months of this year, there have been no cellulosic biofuels produced or used in the U.S.

What does the advanced biofuels industry say?

"Our members are proof that advanced biofuels are not scientific hyperbole, but today's reality," said **Michael McAdams**, president, ABFA.

"We had a very interactive meeting today as our members listened closely and asked questions of key decision makers, but also provided real world examples of advanced biofuels successfully being put to the test all across the country."

Uh, oh. Advanced biofuels are only being tested and not produced.?

Yep, this is pretty realistic.

If we want the promise of commercial scale advanced biofuels to become real, than some things will need to happen.

First, the EPA must stick to its guns.

Second, policymakers must commit to biofuels.

Not just today, but for the long-term.

Third, investors need to hedge their bets with the success of the industry and deliver some cash that can be used to move from pilot and demonstration scale to commercial scale.

While on the Hill, ABFA assured our legislators that commercial scale biofuels are right around the corner.

I sure hope so because boy do I want to prove those who are hatin' on biofuels wrong.

For more information:

[Advanced BioFuels Association—202-469-5140](tel:202-469-5140)

Food Versus Fuel Debate Rages On

The food versus fuel debate rages on with a new report released this week from [Informa Economics](#).

Sponsored by the **Renewable Fuels Association**, the study finds that there is no statistical evidence to support the argument that increased ethanol production is driving food prices higher.

While some groups claim ethanol is a leading cause of rising food prices, "Analysis of Corn, Commodity, and Consumer Food Prices," argues that higher food prices are the result of a "complex set of inter-related factors" that include but are not limited to supply chain costs for energy, labor, transportation, packaging, and other marketing-related expenses.

In addition, the study found, "...there has historically been very little relationship between annual changes in corn prices and consumer food prices," and corn price should be considered a statistically insignificant variable in determining the cost of food (consumer price index).

Bruce Scherr, CEO and Chairman of Informa Economics said of the study, "Ethanol is not the only driver influencing corn prices, and corn prices have not been the only factor driving consumer food prices.

"Rather, there is a complex and interrelated set of factors that contribute to corn and food prices.

"Further, the farm share of the retail food dollar is relatively small. Increases in other marketing bill component prices are contributing to food price increases."

The study came to several other conclusions:

- The "farm value" of commodity raw materials used in retail foods accounts for just 16% of total U.S. food costs, a proportion that has declined significantly from 37% in 1973. For food products where corn is only one of several farm-produced inputs, the

proportion of the total product cost attributable to the cost of corn is even less than 16%. The remaining portion of total retail food costs is known as the marketing bill.

- Historical price relationships between corn prices and livestock, poultry, egg, and milk prices show relatively weak correlations. With these low correlations, it is statistically unsupported to suggest that high and/or rising corn prices are the only or even the main reason behind high and rising retail meat, egg and milk product prices.
- Ethanol has not been the only factor influencing corn prices; other supply and demand factors have also been at play. Weather events, a decline in the U.S. dollar, strong export demand, and steady feed demand are among the supply/demand factors that have pressured corn prices in recent years.

The report also touches on ethanol's ability to save consumers money at the pump.

While it would appear that the ethanol industry will view this report as as a means to end the "food versus fuel" debate, it will by no means put an end to the argument.

The global issue has continued to gain momentum over the past three years and will continue to do so until consumers worldwide are better educated about the benefits of ethanol.

For more information:

[Informa Economics](#)—901-202-4600

Using Biodiesel to Teach Chemistry

I surmise there will be a day in the near future where all science-based colleges will have biofuels curriculum.

[Blackburn College](#) is supporting a student biodiesel chemistry project and has purchased a biodiesel processor that will convert fats and oils into biodiesel.

Chemistry professor **Jim Pickett** thinks the biodiesel processor will be a good way to introduce students to simple chemistry.

In addition, the college will benefit because the biodiesel produced will be used for college vehicles and machinery.

Pickett notes that there are several ways and types of biodiesel fuel depending on process and feedstock.

His students will be using the used cooking oil from the school cafeteria and make methyl biodiesel by mixing methanol with cooking oil.

"We're trying to show you can take used oil from the school cafeteria or from McDonald's or Hardee's and make fuel from it," said Pickett in [an article in the State Journal-Register](#).

Pickett said one "batch" will create around 45 gallons of biodiesel fuel and expects to produce a few batches each semester.

This doesn't seem like much, but Pickens said the fuel will be run in several machines on campus and two batches per semester will meet their needs.

While the program is aimed at education, it has also been folded into Blackburn College's sustainability program.

The processor was purchased for around \$1,900 with some extra funds from a **U.S. Department of Energy** grant.

For more information:

[Blackburn College](#)—800-233-3550

POET Finally Secures DOE Loan Guarantee

After several years of negotiations, [POET](#) has announced they have received a conditional commitment for \$105 million loan guarantee from the U.S. Department of Energy.

The announcement was made July 7, 2011 by Energy Secretary Chu.

The funds will be used to begin construction of Project Liberty, POET's first commercial scale cellulosic ethanol plant that will use corn cobs and corn stover as its feedstock.

The plant will be located in Emmetsburg, Iowa.

Original estimates had the plant up and running by 2012.

But according to an [article in the Des Moines Register](#), the \$250 million project, that has already received a combined \$20 million in funding from the **Iowa Power Fund** and the **Iowa Department of Economic Development**, has yet to begin construction.

The delay has been due to lack of successful negotiations with private lenders and the government.

For several years, POET CEO **Jeff Brion** has been urging the DOE to award the loan not only to Project Liberty but other projects as well.

As part of his plea, Brion cited that the project would be in jeopardy.

Now things have changed.

POET estimates the project will employ 200 jobs during construction and 40 permanent jobs at the plant once it is online.

They also estimate the project will bring approximately \$14 million in new revenue to area farmers in the form of feedstock payments.

"POET has given this initiative the very apt name Project Liberty, and it is appropriate that this announcement comes so close to Independence Day," said Senator **Tom Harkin** (D-IA), a senior member and former Chairman of the Senate Agriculture Committee.

"This is all about decreasing American's dependence on oil from unstable and often hostile foreign sources.

"And this pioneering facility will kick-start a major domestic industry producing advanced biofuels from plentiful feedstocks like crop residues, native grasses and woody materials, creating thousands of jobs in rural America.

I don't know if the timing of the announcement was planned or coincidence, but I do know that if there is ever going to be any significant numbers of cellulosic ethanol in the marketplace than both the government and private lenders need to step up investments.

That said, I do understand that market conditions coupled with uncertainty in policy are making investing in biofuels a risky venture.

Another risk is that many of the technologies under development will not succeed at commercial scale, which we have already seen this year.

But what is riskier?

Taking a chance on advanced biofuels or continuing to purchase oil from OPEC countries?

For more information:

[POET—605-965-2200](tel:605-965-2200)

Iowa First to Move Forward With E15

The **Environmental Protection Agency** released the official E15 label last week among criticism.

Several groups believe that the label does not do enough to prevent consumers from mis-using the fuel.

In my view the label seems pretty self-explanatory, but no matter what the label says the same anti-ethanol groups that opposed the approval of E15 will oppose any label.

Fortunately, the campaign against E15 has not stopped Iowa retailers from becoming the first in the nation to roll out the new labels and the higher ethanol blended fuel.

Iowa currently has 142 gas stations selling E85 and 30 stations with blender pumps offering various mid-level blends of ethanol fuels for flex-fuel drivers.

The state has created an incentive program that took effect on July 1, 2011.

Retailers who sell E15 are eligible for a 3 cent per gallon tax credit for each gallon sold.

All cars and light duty trucks manufactured after 2001 or later are now, along with all flex-fuel vehicles, allowed to use E15.

"Retailers with blender pumps can take advantage of this new incentive right now," said [Iowa Renewable Fuels Association \(IRFA\) Director Monte Shaw](#).

"With the EPA in the process of clearing the final hurdles, now is the time for all retailers to evaluate how E15 could fit into their business model.

"It is important to note that more than 74% of gasoline goes into vehicles eligible to use E15."

Iowa has been a leader when it comes to incentivizing the use of biofuels including blends of ethanol and biodiesel.

In addition to the new E15 incentive, fuel retailers may also receive a tax credit of 10 cents per gallon on E85; a tax credit of 3 cents per gallon for biodiesel blends of B2 and higher; and infrastructure grants of up to \$50,000 to install biodiesel, E85 and blender pumps.

In addition, E100 is eligible for an 8 cents per gallon tax credit contingent upon a retailer's achievement of Iowa's 25% Renewable Fuels Standard.

Although I do find this incentive a bit odd considering no vehicle sold in the U.S. can run on E100.

Shaw commented that the various incentives give retailers more options to offer customers renewable fuels.

"Iowans have shown a preference for renewable fuels," added Shaw.

"These incentives give retailers the tools they need to provide an array of renewable fuels to consumers at the pump."

Many in the nation will be watching Iowa as they roll out E15 as many retailers across the country have indicated that they won't offer the fuel blend.

Hopefully Iowa retailers can demonstrate that E15 is profitable for them while consumers will see additional fuel savings.

For more information:

[Iowa Renewable Fuels Association](#)—515-252-6249

Bill Introduced to Extend Biodiesel Tax Credit

Amidst all of the bills floating around trying to end, save or modify VEETC and the ethanol tariff, it appears that the future of the biodiesel tax credit has been all but forgotten.

Well, not quite.

Last week Iowa U.S. Senator **Charles Grassley** (R-IA) along with Senator **Maria Cantwell** (D-WA) introduced a bill to the Senate, the Biodiesel Tax Incentive Reform and Extension Act of 2011, that would extend the biodiesel tax credit of \$1 per gallon for three years.

The same bill was introduced in the House by Rep. **Aaron Schock** (R-IL) and Rep. **Collin Peterson** (D-MN).

For those of you following the recent struggles of the biodiesel industry, you will remember that the tax credit expired at the end of 2009, until at the very last hour in 2010, it was retroactively reinstated for one year.

This year is already half over and the last thing the industry would want is another lapse or losing the tax credit all together.

According to the Grassley and Cantwell, the bill will provide predictability to investors and producers, "so the United States can continue moving forward to displace imported fossil fuels with low carbon, renewable biodiesel."

The tax credit is important because it signals to investors that long-term support of the industry.

Yet despite a growing yearly mandate for biodiesel under the Renewable Fuels Standard (RFS2), investments still continue to lag in the biofuels industry, especially in support of "first-generation" technologies.

The American Soybean Association came out in support of the bill that would extend the tax credit through 2014.

"ASA applauds Representatives Schock and Peterson, and Senators Cantwell and Grassley, and all of the cosponsors of the bill for their leadership and support," said ASA First Vice President **Steve Wellman**, a soybean producer from Syracuse, Neb.

"ASA, along with soybean farmers, state soybean associations, and the biodiesel industry, has been working to enlist additional cosponsors and supporters."

With support lagging for tax incentives for biofuels, the biodiesel industry will need to lobby hard for supporters of the bill.

Let's hope six months is more than ample time to pass the bill and help ensure the continued growth of the industry.

For more information:

American Soybean Association—314-576-1770

See Related Websites/Articles:

- [Between the Lines Biofuels Blog for June and July 2010](#)
- [Between the Lines Biofuels Blog for August 2010](#)
- [Between the Lines Biofuels Blog for September 2010](#)
- [Between the Lines Biofuels Blog for October 2010](#)
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