



Ethanol Express

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A bi-weekly publication of the **National Ethanol Vehicle Coalition**

National Ethanol Vehicle Coalition

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Welcome to *Ethanol Express*, an electronic publication of the National Ethanol Vehicle Coalition. The NEVC will distribute this publication for your information on a bi-weekly basis. If at any time you would like to be removed from our mailing list, please contact us. Your comments and questions are always appreciated.

The Mission Statement of the NEVC

To promote the use of 85 percent ethanol as a renewable form of alternative transportation fuel while enhancing agricultural profitability, advancing environmental stewardship and promoting national energy independence.

Why E85 and What's the NEVC?

The progression of interest in the use of E85 as a form of transportation fuel came about as a result of the California Energy Commission (CEC) promotion of M85 (85% methanol/15% gasoline) powered vehicles. The CEC believed that M85 could substitute for gasoline and reduce the terrible pollution problems that were prevalent in California. Several offices of state corn growers traveled to California to purchase M85 vehicles, brought them back to the Midwest and fueled them on an 85 percent blend of ethanol.

General Motors first produced vehicles designed to operate on E85 in model year 1992 with the production of approximately 470 E85 Chevrolet Lumina's. Several states, small fleets and corn grower offices in the Midwest were allowed to purchase these vehicles and many are still utilizing them.

From the initial production of 470 E85 vehicles, we now project that by the end of 2001, DaimlerChrysler, Ford Motor Company and General Motors will have produced 1,900,000 E85 vehicles. These flexible fuel vehicles are offered to consumers at no additional cost over the gasoline-only model and can be operated on either gasoline or blends of ethanol up to 85 percent.

The following data represents the potential impact of 1.9 million E85 vehicles at the end of 2001:

- Potential to consume 1,425,000,000 gallons of ethanol. (87% of Year 2000 production)
- Consume an additional 528 million bushels of corn.
- Add over \$3 billion to total farm income.
- Reduce imports of foreign oil by 34 million barrels a year.
- Reduce greenhouse gas emissions.
- Promote production of renewable fuels from waste and other biomass products.
- Assist with securing national energy independence.

The introduction of E85 into the nation's transportation fuel system is also a step in the right direction towards the use of ethanol as a power source for fuel cells.

Ethanol has many applications, including use as an oxygenate, octane enhancer, fuel extender, blend with diesel, fuel cell power source and as an alternative fuel in the form of E85. The NEVC and our broad based membership are striving to ensure that all Americans have the opportunity to utilize this exceptional form of transportation fuel.

NEVC Levering Your Support With State and Federal Dollars

January 30, 2001

Dear Mr. Lampert:

The National Ethanol Vehicle Coalition's application to receive funding from the Alternative Fuels Incentive Grant Program (of the state of Pennsylvania) has been recommended for a grant in the amount of \$100,000.

The Alternative Fuels Incentive Grant Program is looking forward to the NEVC's E85 project. Pennsylvania has received an increased interest in E85 for the use in flex-fuel vehicles from both the private and public sectors. We have had several requests for E85 refueling stations in Philadelphia and Pittsburgh and we support the NEVC's decision to install E85 refueling stations in these areas. The installation of these refueling stations will be a great accomplishment for the alternative fuels infrastructure in Pennsylvania.

Sincerely,

Bureau of Air Quality
Pennsylvania Department of Environmental Protection

Laclede Gas Diversifies to High Profit/Low Risk Businesses

Laclede Gas Company of St. Louis (LG, NYSE), the regulated utility that supplies natural gas to customers in a multi-county area of eastern Missouri, has filed an application with the Security and Exchange Commission which would allow it to expand its business into unregulated areas of the energy sector.

A February 2, 2001, St. Louis Post-Dispatch article reported that Laclede shareholders recently approved the expansion of the firm into unregulated business in an effort to diversify the foundation of the company.

"We don't think that Laclede will invest in exploration or drilling of natural gas or own a major sports team," said Joe Coyle, a utility analyst with Edward Jones. "These are high risk investments and Laclede is a conservative company."

Laclede is expected to initially "invest in low-risk businesses, including the supply of natural gas to electric power plants and natural gas filling stations." The construction cost of a fast fill compressed natural gas fueling station ranges from \$500,000 to \$1 million.

Ford 2001 Dealer Event Program

Ford Motor Company is once again offering its Dealer Event Program. This program encourages dealers selling Alternative Fuel Vehicles (AFVs) to participate in local and/or regional AFV-related events.

Examples of this program are the E85 fuel station events conducted in the Twin Cities area. The Minnesota E85 team assisted Ford dealerships in organizing three E85 fuel station events in 2000 and has several more planned for Spring 2001. At these events eligible flexible fuel vehicle (FFV) owners receive a free fill-up of E85, register for a drawing for Ford AFV merchandise and more free fuel, and are given information on the benefits of E85 and FFVs. Ford reimburses the sponsors for approved event-related expenses up to \$2,000.

Event-related expenses may include: booth and/or vehicle space costs, registration, meeting rooms, food and beverages, postage and Ford AFV merchandise.

Additional event funds may be obtained by partnering with Fuel Providers, Clean Cities Coordinators and local utilities in coordinating events. For more information on this program, contact a Ford Dealer Coordinator at (313) 336-3770 or the NEVC at (573) 635-8445.

FFV Fuel Pump Retrofit Program Begins

Ford Motor Company began its FFV fuel pump retrofit program for United States Postal Service (USPS) fleet vehicles on February 5, 2001. All USPS FFVs delivered to date (model years 2000 & 2001) will have the fuel pumps replaced.

The campaign began on a trial basis in Miami, Florida, with priority given to the Great Lakes, the Midwest areas and other Florida locations. When work is completed in the prioritized sites, the campaign will continue in the southern and western locations and move northward as winter ends. The project is scheduled to be completed by July 31, 2001.

Grand Opening for Missouri Ethanol Plant

A new ethanol plant in Craig, Missouri will celebrate its grand opening Saturday, February 17, 2001. The Golden Triangle Energy Cooperative (GTEC), the first ethanol plant in Northwest Missouri (second in the state) will host a grand opening, ribbon cutting and tours. This new generation, farmer-owned, value-added cooperative is a first for the region.

The GTEC ethanol plant will process approximately 6 million bushels of corn annually to produce 15 million gallons of ethanol. In addition, the plant will produce over 100 million pounds of dry distiller's grain, a high quality livestock feed.

NEVC to Update Guidebook

The NEVC is beginning to undertake the process of modifying and updating the "Guidebook for Handling, Storing & Dispensing Fuel Ethanol." Approximately six years ago, the NEVC and the U.S. Department of Energy prepared this handbook outlining the equipment necessary to properly dispense E85. To this day, it remains one of our most highly demanded documents and our supplies are running low.

In conjunction with this update, the NEVC has solicited the assistance of the American Petroleum Institute and the Petroleum Equipment Institute to assist in identifying manufacturers that produce alcohol-compatible equipment. Other professionals throughout our industry also have been asked to provide assistance in updating the Guidebook.

The original Guidebook can be viewed on our website at www.e85fuel.com under the "Technical Standards & Requirements" link. We would welcome any input into this process. We invite you to contact Laurel Dunwoody, Director of Administration, at (573) 635-8445 or via e-mail at ldunwoody@e85fuel.com with any suggestions you may have.

We would like to invite you to share your news and success stories with the National Ethanol Vehicle Coalition. Due to time and space constraints, we may not always be able to include everything in our newsletter, but will do our best to include your information. Please feel free to e-mail your story suggestions to Rosemary Frank at rfrank@e85fuel.com.

Neighborhood News

New Minnesota E85 Site

A new E85 site opened in Albert Lea, Minnesota January 31, 2001. This is the 51st E85 fueling station in the Twin Cities Region.

Commonwealth Clean Cities Partnership Establishes More E85 Fueling Sites

Several more E85 fueling sites have been established in Kentucky as a result of the hard work and dedication of the members of the Commonwealth Clean Cities Partnership and their supporters.

Drivers of 70 E85 city fleet vehicles in Lexington can now refuel with E85. E85 refueling also has been established at Murray State University in Murray. This site will accommodate over 75 E85 vehicles.

Members of the Commonwealth Clean Cities Partnership also worked with the Nashville Electric Company to coordinate the installation of equipment and location of fuel on their site in downtown Nashville, Tennessee. This site will accommodate approximately 26 E85 Ford Ranger utility pick-ups.

Funding also has been secured for the mobile E85 refueling of the United States Postal Service (USPS) vehicles in Louisville. When all of the fuel pumps are replaced, the USPS will be able

to refuel its vehicles on a weekly basis.

In addition, Louisville's mobile refueler is working with the Cincinnati USPS to arrange the same set-up.

Upcoming NEVC Events

6th Annual National Ethanol Conference

February 18 - 20
Las Vegas, NV

National Ethanol Vehicle Coalition Board Meeting

February 20
12 p.m. - 4 p.m. in room "Studio 4"
at the MGM Grand Hotel in Las Vegas.
Everyone is invited to attend.

2001 Commodity Classic

February 25 - 27
San Antonio, TX

How to Get in Touch With NEVC!

On February 1, 2001, the e-mail address for the NEVC changed to: nevc@e85fuel.com.

National Ethanol Vehicle Coalition
3118 Emerald Lane, Suite 100
Jefferson City, MO 65109-6860
Telephone: (573) 635-8445
Toll-free: (877) 485-8595
Fax: (573) 635-5466
E-mail: nevc@e85fuel.com
Web: www.e85fuel.com

Phillip J. Lampert
Executive Director
e-mail: plampert@e85fuel.com

Rosemary Frank
Director of Communications
e-mail: rfrank@e85fuel.com

Laurel Dunwoody
Director of Administration
e-mail: ldunwoody@e85fuel.com