



## FOCUS ON...

### *Waste to Ethanol: Ushering in a New Industry*

*"This facility is a giant step towards alternative fuels that are domestically produced and based on renewable, low-polluting energy sources. We can look forward to a day when a ton of biomass will be traded like a barrel of oil is today."*

*Bill Richardson,  
U.S. Secretary of Energy*

A new industry in renewable transportation fuel was launched in Jennings, Louisiana, where BC International (BCI) became the first company to dedicate a facility to produce ethanol from agricultural residues. At this plant, sugarcane waste and rice hulls will be converted to ethanol.

BCI officials, along with government and industry leaders, believe that this waste (which is usually either burned or plowed under), will be a profitable and environmentally friendly commodity. It often costs nothing, and sometimes less than nothing. According to Dan Reicher, assistant secretary for the U.S. Department of Energy's (DOE's) Energy Efficiency and Renewable Energy, "People are paying to get rid of these materials."

Jennings, located in the Jefferson Davis Parish of southwestern Louisiana, has a population of about 12,000. It is known alternatively as the "garden spot of Louisiana" because of its rich farmland, and as "the cradle of Louisiana oil," because the first oil wells in the state were drilled there in 1901.

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*The first bagasse  
to be shoveled –  
the beginning of  
a new industry.*

*Bubba Patin (BCI),  
Ric Abel (Prudential Capital  
Group), Clinton Norris (BCI),  
Mr. Torigoe (Marubeni  
America), John Ferrell (DOE),  
Dan Reicher (DOE), Stephen  
Gatto (BCI), Randy Kob  
(Prudential Capital Group),  
Ray Katzen (Independent  
Consultant)*



## ON THE FEDERAL FRONT

### *Mixed Bag – 1999 Federal Budget*

On October 7, President Clinton signed the final Conference Report for the 1999 Energy and Water Development Appropriations. Biofuels seem to be in a good position. The Conference Report budget is higher than this year's budget as it currently stands. But it does contain monies earmarked for specific projects, which could force DOE to cut certain research, education, and outreach project areas. "Biofuels

are doing well. The budget is at \$31 million this year and for 1999 it stands at \$41.75 (36% increase), a very heartening result," said Megan Smith, American Bioenergy Association (ABA). House and Senate report language, however, seeks to restrict the interaction of industry associations with DOE. However, The Sustainable Energy Coalition calls it a "politically motivated attack on renewable energy technologies."

The Conference Report allocates \$1.75 million for the Gridley, California, rice straw-to-ethanol plant project which, combined with amounts previously provided, results in a total of \$5 million available for the Gridley project. The Conferees also recommended \$2.5 million for regional programs, and \$4.6 million for feedstock development. The Omnibus bill added an emergency supplemental \$60 million to the

Waste to Ethanol: Ushering in a New Industry (continued)

BCI chose this location because the plant already has a good deal of infrastructure (including natural gas and wastewater treatment systems); it is situated on the river, which provides barge access to the Gulf of Mexico and the Mississippi River; and rail tracks run a quarter of a mile away. Another benefit to this situation is BCI's acquisition of equipment from a shut-down furfural plant, reducing the company's start-up costs.

Representative Chris John (D-LA) says the impact of a \$90 million facility and the attendant 350 construction jobs is "significant because it pumps a lot of revenue and jobs into the local area." Jack Giovo, Jefferson David Parish economic director, agrees. "The impact could be phenomenal," he stated.

#### *The project launch*

At 4:00 p.m. on October 20, more than 250 people watched as the first sugarcane bagasse was shoveled into the pilot-scale reactor at the 110-acre facility. Dan Reicher presented a \$5 million check from DOE to complete the DOE \$11 million commitment to the project. DOE invested this money for "the good of the economy and the good of the environment," he said.

The plant will use a genetically engineered organism (developed and patented by the University of Florida) to convert organic waste into ethanol. The facility will be retrofitted with new vessels, piping, and controls; equipment will be replaced; a cogeneration facility will be built to create electrical power for the plant; and the entire operation will be gradually ramped up. The renovation is expected to take 12-18 months.

Eric Vaughn, president of the Renewable Fuels Association, said, "The potential for significant expansion is astounding when you look at the near-limitless resources available from agricultural crops, waste products, and residues." The groundbreaking was reported by the *New York Times* and affiliates, *Industry Week*, National Public Radio, Reuters, and several Louisiana print and nonprint media.

*"This is a big event for DOE and the Office of Fuels Development (OFD). This is the first industrial-sized cellulosic plant, so it involves higher financial risks than we'd expect from later plants. The program has been successful so far because organizations such as OFD, the National Renewable Energy Laboratory (NREL), BCI, and some coalitions have worked hard to garner support for ethanol."*

*John Ferrell  
Director of OFD*

At the Jennings plant, BCI will produce 20 million gallons of ethanol per year initially; its long-term annual goal is 25 million gallons. The ethanol can be used to fuel cars, generate electricity, and provide raw materials for the chemical industry.

BCI will have a positive impact on the local economy.



**BCI LOUISIANA GROUNDBREAKING**  
**Media Results to Date**

<b>Media Outlet</b>	<b>Contact</b>	<b>Action Item</b>
<i><b>National Print, Broadcast, and Wire</b></i>		
New York Times	Matt Wald	Attended media lunch and event; story w/graphic ran in Sunday Times 10/25
National Public Radio	Dan Charles	Interviewed Lonnie Ingram; aired story on "All Things Considered" 10/20
Industry Week	Glenn Hasek	Declined interview, but ran brief on IW's online news service 10/21
Business News Network	Kurt Peterson	Interviewed Stephen Gatto live on 10/26, as part of "U.S. A.M." (syndicated show that reaches 60 markets throughout the country)
Boston Globe	Ron Rosenberg	Considering BCI for "Emerging Business" feature
London Financial Times	--	Ran brief 10/22
Denver Post	--	Ran New York Times story
Tampa Tribune	Jim Tunstall	Interviewed Lonnie Ingram and Clint Norris
Reuters	Doug Palmer, Leslie Gevirtz	Story ran on wire 10/20
Associated Press	?	Ran story out of Florida bureau
<i><b>Regional Print</b></i>		
Lafayette Daily Advertiser	Terry O'Connor	Ran story 10/20; interviewed Clint Norris at media lunch and ran second story w/graphic on 10/21; may run follow-up brief w/pics (provided) and/or six-month follow-up feature in response to reader interest
Jennings Daily News	Brent Mitchell	Attended event, ran story w/photo 10/22; follow-up editorial ran 10/28
Crowley Post-Signal	Janet Doucet	Ran story 10/20; attended event, ran follow-up story 10/21
Lake Arthur Sun-Times	Janet Doucet	Attended event, ran story 10/29
Lake Charles American Press	Doris Maricle	Ran story 10/20; attended event, ran follow-up story 10/21
Welsh Citizen	Janet Doucet	Attended event, ran story w/photo 10/27
Alexandria Daily Town Talk	--	Ran New York Times story 10/25
Southwest Louisiana Times	Anne McMurray	Interviewed Clint Norris
Gainesville Sun	Janine Sikes	Received kit post-event; ran story 10/23
Daytona Beach News Journal	Tom Brown	Interviewed Lonnie Ingram and Clint Norris

<b>Media Outlet</b>	<b>Contact</b>	<b>Action Item</b>
<b><i>Regional Broadcast</i></b>		
KLFY-TV 10	Ann Marie Lucinto	Interviewed Stephen Gatto after media lunch, taped B-roll of event; story ran 10/20 and 10/21
KPLC-TV 7	Brian Burns	Interviewed Stephen Gatto and others at event; story ran 10/20 and 10/21; Brian called 10/26 to speak with Rudy Fogleman for followup story
KAJN Radio	Barry Thompson	Interviewed Stephen Gatto and aired story 10/20
KPEL Radio	Bernadette Lee	Interviewed Stephen Gatto and aired story 10/20
KYKZ (Kix 96) Radio	Ron Alexander	Interviewed Stephen Gatto and aired story 10/20
WBZ-AM 1030	Doug Gavel	Interviewed Clint Norris 11/9; story to air before Thanksgiving on "The Other Side"
<b><i>Vertical Publications</i></b>		
NREL Newsletter	Stefanie Woodward	Developing story for next issue
The Sugar Journal	Romney Richard	Planning to run article in November issue
SERBEP Update	Phillip Badger	Will include in upcoming issue
Milling & Baking News	Betsy Bloom	Story ran 11/3
Oxy Fuels Report	Caroline Kiplinger	Interviewed Clint Norris
Sugar Y Azucar	Dick Miller	Interviewed Clint Norris
New Fuels & Vehicles Report	Maria Bellos	Article ran 10/23; also, Brandon Hardy interviewed Clint Norris 11/12 for larger story about ethanol's future in 1999
Chemical & Engineering News	Mike McCoy	Interviewed Clint Norris and Charles Wyman on 11/11
Waste News	Bruce Geiselman	Interviewed Clint Norris 11/16
Impact (University of Florida)	Chuck Woods	Running large story on Lonnie Ingram in next issue