



Ohio Biomass Energy Program

Newsletter

Spring 2002

Ethanol and Biofuel Legislation

Senate Bill 144

Governor Bob Taft signed legislation on March 31, 2002, to encourage the production of ethanol and other biofuels in Ohio. Senate Bill 144:

- Creates the Ethanol Incentive Board whose sole duty is to review the business plan submitted to it by an owner of an ethanol production plant who desires investors in the plant to be eligible for a nonrefundable tax credit for their investments.
- Allows, for a specified period of time, a nonrefundable tax credit against corporation franchise or personal income tax liability for an investor in an ethanol production plant for which a certificate of approval of the plant's business plan has been issued by the Board.
- Provides that the tax credit is equal to 50% of the money invested in such a plant, not to exceed \$5,000.
- Includes ethanol or other biofuel production plants in the types of air quality facilities for which the Ohio Air Quality Development Authority may issue bonds or make loans or grants.

SB 144: http://www.legislature.state.oh.us/bills.cfm?ID=124_SB_144

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Biomass Energy Grant Announcement

The Ohio Biomass Energy Program has announced a request for proposals (RFP) for a grant of up to \$10,000 for a local project(s) that will enhance the development and use of biomass energy resources in Ohio. **Proposals are due by July 26, 2002.** For more information on this grant and the RFP, please visit: www.puc.state.oh.us/ohioutil/BioMass/biomass.html

For a copy of the RFP or if you have any questions, please contact Anne Goodge (614) 644-7857 or Bibhakar Shakya (614) 466-2094. ❖

Renewable Diesel Workshop

Ohio, Indiana and Kentucky hosted a Renewable Diesel workshop on April 11 near the Cincinnati Airport, which was sponsored by the U.S. Department of Energy, Office of Fuels Development, Renewable Diesel Program. Hosting organizations included the Ohio Soybean Council, Northeast Ohio Clean Fuels Coalition, Central Ohio Clean Cities, Ohio Office of Energy Efficiency and the Ohio Biomass Energy Program. The workshop was geared to fleet managers, local policymakers, and others to further encourage the use of this renewable, domestically produced biodiesel which is cleaner burning, and can be used in conventional engines without any equipment modifications. Most biodiesel in the U.S. is made from soybean oil, and Ohio ranks 5th in the nation in soybean production. Biodiesel can also be produced from recycled vegetable oils. ❖

A commercial biodiesel pump is operating at the Fuel Depot station:
320 London Rd # 102
Delaware, OH 43015
Phone: (740) 363-1516

The Ohio Air Quality Development Authority, a state agency, and its related program, The Clean Air Resources Center (CARC), provide financing options for projects involving air pollution control or air pollution prevention, as well as projects that will improve a company's energy efficiency and energy conservation efforts. Projects financed through OAQDA and the CARC are exempt from Ohio's real property tax assessment for the life of the loan, Ohio's tangible property tax, and the sales and use tax for purchase of equipment to reduce air pollution. The Authority may make loans and grants to governmental agencies for the acquisition or construction of "air quality facilities" and may make loans and issue air quality revenue bonds for air quality facilities for industry, commerce, distribution, or research, including public utility companies.

The new law amends the definition of "air quality facility" to include ethanol or other biofuel facilities, including any equipment used at an ethanol or other biofuel facility for the production of ethanol or other biofuel. The act defines "biofuel" as any fuel that is made from cellulosic biomass resources, including renewable organic matter, crop waste residue, wood, aquatic plants and other crops, animal waste, solid waste, or sludge, and that is used for the production of energy for transportation or other purposes. This change enables the Authority to make loans and issue bonds for ethanol or other biofuel facilities that meet the requirements for such financing established in continuing law governing the Authority. Under the act, only ethanol plants are eligible for the tax credit and not other biofuel facilities, because the definition of "ethanol" for purposes of the tax credit does not contain the reference to other biomass resources. ❖

Proposed Ethanol Plants in Ohio

Four ethanol plants have been proposed in the following four counties: Ashtabula, Defiance, Preble, and Putnam. Preble County officials most recently announced their efforts to develop an ethanol production facility. For additional information on the Preble plant, please contact: County Commissioner Gene Krebs, (937) 456-8143 or gkrebs@prebco.org. For more information on the Defiance plant, please visit: <http://www.northwestethanol.com/index.html>

How to Purchase Biodiesel

The State of Ohio has a significant program to use biodiesel in its Ohio Department of Transportation truck and equipment fleet. Local government entities can purchase biodiesel through the state contract at the contracted price. This contract is open to local governments who are registered members of the state's Cooperative Purchasing Program (Co-op). For more information on the Co-op program, please call Roger Grime, Co-op Administrator, at 614-644-8495. Local entities eligible to use the contract include counties, townships, municipal corporations, regional transit authorities, school districts, conservancy and park districts, and others, as well as certain state universities, vocational schools, and community colleges.

Specific information about the contract, including bid specification and price, is available from the Ohio Department of Administrative Services, Office of State Purchasing. The current fuels contract is GDC027, which can be found on the State Purchasing website at: www.gsd.das.state.oh.us/purch/pdfs/gdc27.pdf

Prices are updated weekly according to an industry index. To calculate the biodiesel fuel price, go to: <http://www.gsd.das.state.oh.us/purch/stc/GDC.htm>, and go to GDC-27E, select a date, and press "GO." Next, for the transport price, select addendum #2, and press "GO." Finally, add \$0.2200 per gallon for the Ohio Motor Vehicle Fuel Tax when the fuel is purchased for over-the-road use (tax-free when purchased for farm use and other off-road vehicles).

In addition, the Ohio Soybean Council also makes referrals to biodiesel suppliers in Ohio. Contact: John Lumpe, jlumpe@soyohio.org; (614) 793-7690. ❖



An ODOT Truck powered by Biodiesel

Interagency Biomass Task Force

On April 10, 2002 Governor Bob Taft announced the formation of a Biomass Task Force to investigate benefits, obstacles and issues related to recovering methane from livestock operations and other biomass resources for the purpose of producing energy and reducing organic waste.

“The State of Ohio is committed to working with companies and residents who want to generate energy at their businesses and homes,” Taft said. “Supporting renewable sources of energy will create new jobs and reduce negative environmental impacts.”

The Biomass Task Force consists of the following members: Ohio Department of Development, Ohio Department of Agriculture, Ohio Air Quality Development Authority, Ohio Environmental Protection Agency, Ohio Water Development Authority, Ohio Farm Bureau, Public Utilities Commission of Ohio-Biomass Energy Program, and U.S. Department of Agriculture-Rural Development Office.

The task force functions as a point of entry allowing industry to receive technical, permitting and regulatory assistance and financing options for potential projects. Participants will explore and support the development of clean distributed generation systems in Ohio.

The Task Force seeks potential methane recovery projects from large farms, food processing industry, and wastewater treatment plants. For contact: William Graves, (614)466-4708, WGraves@odod.state.oh.us ❖

Methane Recovery Roundtable

In conjunction with the Biomass Task Force and the Ohio Biomass Energy Program, the Ohio Department of Development hosted a Roundtable on Methane Recovery from Livestock Operations and Other Biomass Sources on April 12, 2002 at the Fawcett Center for Tomorrow in Columbus. Featured speakers included Philip D. Lusk, PRIME Technologies; Kurt Roos, U.S. Environmental Protection Agency AgSTAR Program; and Phil Badger, U.S. Department of Energy.

Over 100 people from a wide range of organizations attended the workshop. Primary topics of the day included various system technologies, cost and financing options, environmental and regulatory issues, and energy benefits. In the afternoon, participants joined small group discussions to identify and prioritize issues and concerns that must be addressed or activities that must be completed in order for methane recovery projects to be feasible in Ohio. The inter-agency task force will consider the issues raised during this session in developing its goals and next steps. ❖

Biogas Casebook

The Great Lakes Regional Biomass Energy Program is funding the creation of an Agricultural Biogas Casebook documenting the use of anaerobic digestion technologies for animal manure in the Great Lakes region. The brief case studies of existing applications will include: farm characteristics, costs, performance, biogas uses, savings and other benefits, utility agreements, and owner/operator comments.

The number of projects in the Great Lakes region currently includes 6 operational projects, 6 startup projects (“startup” refers to the period before biogas production has stabilized), 3 under construction, and 4 with unknown status at this time. The project breakdown by state is 2-IL, 2-IN, 5-IA, 1-MI, 1-MN, and 7-WI. The casebook will be published in August of 2002 and will be available on our website. ❖

Net Metering

Net metering is an arrangement under the electric restructuring law in Ohio where customers who generate their own electricity can get a credit on their bill for any excess self-generated electricity that flows back into the utility’s distribution system.

For more information on Ohio’s net metering with investor-owned utilities, please visit the **“Biomass Energy and Green Power”** section of our website: <http://www.puco.ohio.gov/ohioutil/BioMass/BioGreenPower/biogreenpower.html>

South Point Power Project

Biomass Group, LLC is an independent power producer and retail provider in Ohio that is in the process of renovating and bringing into service a 90 MW base load facility located in South Point, Lawrence County, Ohio. The proposed facility will use wood waste and will become one of the largest biomass electric generation facilities in the United States. It will employ selective catalytic reduction as pollution control technology. The group expects to provide its electricity production in a "block" through a power purchase agreement. The power will be "green power" and certified by the "Green E" certification program. For additional information, contact Mark Harris: BIOMASSGP@aol.com

Central Ohio Clean Fuels Coalition

Congratulations go to the Central Ohio Clean Fuels Coalition for achieving the designation of Columbus and Central Ohio as a "Clean City" from the U.S. Department of Energy. The coalition is working to promote increased use of alternative fuels and alternative fuel vehicles (AFVs). To join the COFC or for more information please contact: Sam Spofforth, (614) 292-5435 (phone), spofforth.1@osu.edu

2002 Farm Bill

The Farm Security and Rural Investment Act of 2002 is the first farm bill containing a separate Energy Title. It provides \$405 million in mandatory appropriations over six years to fund clean and renewable energy development and energy efficiency programs. The bill's other Titles such as Research, Rural Development, and Conservation also include provisions to promote renewable energy. This bill recognizes the important role of renewable energy technologies to enhance agriculture, rural economic development, domestic energy security, and the environment. The major provisions of the bill that will help promote biomass and other renewable energy sources include:

- Continuation of the Bioenergy Program
- Biorefinery Development Grants
- Biodiesel Fuel Education
- Biomass Research and Development
- Federal Procurement of Biobased Products
- Renewable Energy Systems and Energy Efficiency Improvements
- Loans and Loan Guarantees for Renewable Energy
- Biomass Derived from Conservation Reserve Lands
- Cooperative Research and Extension (Carbon Sequestration)

For more information, please visit:
<http://www.fsa.usda.gov/pas/farbill/>
<http://agriculture.house.gov/farbill.htm>



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