

Vol. 1 No. 3 August 2009

Occasional updates about Advanced Biofuels USA
Promoting understanding, use and development of truly sustainable, renewable fuels

Coming Advanced Biofuels Events

- Algae-to-Energy Research & Development in the South August 26 St. Louis, MO
- TC Biomass 2009 September 16-18 Chicago, IL
- European Biodiesel 2009 September 16-17 Prague, Czech Republic
- National Algae Association Conference September 17-18, Houston, TX
- 2nd Annual Ethanol Logistics Conference September 24-25 Des Moines, IA
- 5th Next Generation Biofuels Markets, September 28-30, Amsterdam, The Netherlands
- 3rd Annual Algae Biomass Summit, October 7-9, San Diego, CA
- Biofuels & Jatropha Markets Mexico & Central America, October 7-9, Mexico City, Mexico
- Platt's 4th Annual Cellulosic Ethanol and 2nd Generation Biofuels Conference, October 22-23, Chicago, IL
- Bioenergy Markets West Africa, October 27-29, Accra, Ghana
- RFS-2 & RINs Forum November 16-18 Chicago, IL
- World Biofuels Markets March 15-17 Amsterdam, Netherlands

Get more information on our home page: www.AdvancedBiofuelsUSA.org.

Advanced Biofuels USA Received IRS 501(c)3 Tax Exempt Status

Advanced Biofuels USA received notice on August 13 that the Maryland nonprofit organization is recognized as exempt from Federal income tax under section 501(c)3 of the Internal Revenue code making the organization qualified to receive tax deductible donations.

Advanced Biofuels USA's purpose is to promote public understanding, acceptance, and use of advanced biofuels; to promote research, development and improvement of production, marketing and delivery of advanced biofuels; and to improve advanced biofuels crops and products. "Our main educational tool right now is our website, www.AdvancedBiofuelsUSA.org, the only site in the world dedicated to expanding knowledge about advanced biofuels. We know we are providing a valuable service as we receive visitors from around the world with an average of 6-7000 page views each week," explained executive director, Joanne Ivancic. "We also participate as much as we can at conferences and policy briefings on issues relevant to transportation biofuels, feedstock and technology research, funding and sustainability," she noted.

"Our focus is on education of the general public, government leaders and decision-makers, as well as the media and the agriculture, fuels and investment communities," said Ivancic. "I'm thrilled that we have received this recognition which enables supporters to deduct from their taxes, donations they make to Advanced Biofuels USA. All of the work of this valuable organization is performed by unpaid volunteers. In order to take our work to the next level, we urgently need funds."

In addition to general operating funds (web site expenses, office supplies, Internet access, phone, rent and utilities,

etc.), the organization needs funding for a number of special projects, for example:

- Development of a curriculum-based educational series for K-12 science classes to help students and teachers
 understand the basics of plants, algae and other organic materials and how they can be converted to
 advanced biofuels.
- Strategic planning workshops with participation by crop researchers, growers, biofuels producers, transportation entities, agricultural community organizations, agricultural marketing professionals and finance/agriculture insurance experts to design practical systems to bring a variety of geographic regions into the advanced biofuels market.
- Expanded online educational products such as webinars, educational videos, etc.

For more information about sponsoring specific projects or supporting the organization in general, contact Joanne Ivancic at 301-644-1395 or by email at info @ advancedbiofuelsusa.org.



Happenings On Capitol Hill, the White House and In Federal Agencies

Hearings! (details at www.AdvancedBiofuelsUSA.org)

Over the past few months, the Environmental Protection Agency and both House and Senate Agriculture Committees have held hearings, workshops and public comment periods on the **Hot Topics** discussed below. The whys, wherefores and "how to's" of <u>international indirect land use change analysis</u> as one of the factors for determining if biofuels are "green" enough to qualify as a biofuel recognized by the federal renewable fuel standard has kept many awake at night. The pros and cons of <u>cap-and-trade vs. carbon (ab)user fees (or carbon taxes)</u> have disturbed the sleep of others.

Hot Topics!

International Indirect Land Use Change Analysis

International indirect land use change theory postulates that for every acre of crops that are used for biofuel instead of for food, some acre of land somewhere in the world will be converted from forest or other non-agricultural use to grow crops and that the consequence will be decreased carbon sequestration and increased carbon emissions.

This theory is very controversial. Those who oppose including this analysis in legislation, regulation or any other use claim that the science to calculate this international indirect land use change impact is "not ready for prime time;" that the models being used to make these calculations were not designed for this purpose and are inappropriate for this use; that there is insufficient credible, reliable data in the world about crops and land use patterns, trends, etc.; and that other economic, climate change, political and cultural factors affect human land use decisions and need to be accounted for in the analysis.

Understanding this concept is crucial because it is embedded in the Energy Independence and Security Act of 2007 with regard to determining whether certain biofuels meet the criteria set forth in the Renewable Fuel Standards. "The term 'lifecycle greenhouse gas emissions' means the aggregate quantity of greenhouse gas emissions (including direct emissions and significant indirect emissions such as significant emissions from land use changes), ... related to the full fuel lifecycle, including all stages of fuel and feedstock production and distribution, from feedstock generation or extraction through the distribution and delivery and use of the finished fuel to the ultimate consumer..."

Direct emissions are enumerated in the legislation as those "related to the full fuel lifecycle, including all stages of fuel and feedstock production and distribution, from feedstock generation or extraction through the distribution and delivery and use of the finished fuel to the ultimate consumer."

In its proposed rule, EPA leaps from "indirect emissions such as significant emissions from land use changes" to "international indirect land use change," creating this phrase which is not in the legislation. EPA then proposes that when land is taken from one use in one part of the world, identifiable and quantifiable adjustments will be made in another part of the world in response. Many find such a broad re-interpretation of the phrase unwarranted. READ MORE

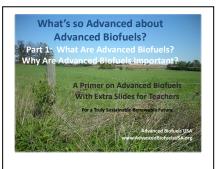
Cap-And-Trade from an Agriculture/Forestry Perspective

Who would have imagined that people would be fighting over marginal lands that can't support traditional food crops? That's just what happened at Senator Tom Harkin's (D-IA) Agriculture Committee hearing on July 22 which focused on the cap-and-trade proposals in the Waxman-Markey climate change bill from an agricultural and forestry perspective.

Secretary of Agriculture Tom Vilsack claimed that, in order to obtain carbon-sequestration credits, trees will most likely be planted on marginal cropland or on land that is already in the conservation program, and that trees are not likely to displace land devoted to crops. That's the same marginal land that is eyed for energy crops to produce advanced biofuels. 25 x 25 provides a <u>deeper analysis</u> of this potential conflict.

Advanced Biofuels USA Adds Biofuels Basics Section to Web Sit

This section is specifically designed for those who want to <u>learn the basics</u> about biofuels and advanced biofuels; for those who are new to the advanced biofuels industry; and for those who may be very familiar with one area of the wide range of subjects crucial to the development of advanced biofuels, and who want to obtain a broader understanding of the "big picture."



It includes a discussion of the role of first generation biofuels (cornethanol and soy-diesel) and a brief summary of some of the controversies such as perceived choices between food and fuel use of these crops, impact on food prices and indirect land use change analysis. The section also includes a series of <u>primers</u>, PDF PowerPoint presentations that describe, step by step,

- what advanced biofuels are,
- why they are important,
- what key laws and regulations have been passed and implemented to encourage and promote the development of advanced biofuels,
- summaries of processes used to convert biomass to advanced biofuels, and
- the challenges and issues that must be overcome and resolved if this world can have successful, useful advanced biofuels production.

Each section also includes pages of

- questions and thoughts;
- class or student projects; and
- advanced research suggestions.

These sections are designed to be used in classrooms or in community, church or civic groups discussing various aspects of sustainability, stewardship and renewable energy.

An outline of items to consider for potential grower and investors in biofuels is also part of this section.

New Board Members Announced

Advanced Biofuels USA has reached its full complement of 7 board members serving staggered three-year terms. They are: Joanne M. Ivancic, president and executive director; Dr. Craig Laufer, secretary; Robert E. Kozak, treasurer; Deborah Foshee, Esq.; Phil Matthews; Robert Rhudy, Esq.; Dr. Douglas Root. The skills they bring to the organization range from performing cutting-edge science and founding small biotech businesses, to assisting entrepreneurs from a public private partnership perspective and providing nonprofit legal advice to representing the general investing public. We are grateful and excited to have them join Advanced Biofuels USA. Photos and bios will soon be available on our web site.

Northeast USDA Sustainable Agriculture Research and Education Grant Pre-Proposal Filed

Advanced Biofuels USA, on June 30, filed a pre-proposal for a USDA Sustainable Agriculture Research and Education grant. The goal of the proposed project is to bring information and innovative ideas together so that workable strategies to effect viable participation in the advanced biofuels industry in this region can be developed from many different perspectives.

The Energy Independence and Security Act of 2007 established a Renewable Fuel Standard that calls for production of 21 billion gallons/year of cellulosic and additional advanced transportation biofuels by 2022. Even with yield of 10 tons/acre (dry) and a conversion rate of 55%, a minimum of 13.5 million acres of non-food producing land will



be needed. Much of this land will be in non-contiguous multi-owner locations and in stands smaller than 100 acres. This is especially true in Northeastern piedmont and mountain locations. Unfortunately, because of high biomass transportation costs, most of these locations will not be able to supply existing integrated biorefineries.

However, innovations in biofuel production that are moving biomass pretreatment into distributed locations (such as fields during harvest) will create a high-value Northeastern biofuel market for crops such as perennial grasses, energy sorghum, and forest waste.

Challenges to meet this demand center on: what crops will grow sustainably; can growers be paid enough with or without government programs (such as the Biomass Crop Assistance Program) to grow energy crops sustainably; how can the biomass be transformed to most efficiently transport it from grower to processor; will competition from feed, animal/pet market and heating uses preclude participation in this market; will local communities see financial and social benefits or burdens, etc.

If you are interested in participating in this project, contact Joanne Ivancic at 301-644-1395 or at info @ AdvancedBiofuelsUSA.org.



You Can Help, Too!

You know that our mission to promote the understanding, development, use and acceptance of renewable, sustainable advanced biofuels is crucial to our world successfully counteracting the negative effects of climate change, to assuring our national security; to getting the most out of our agricultural resources; and to provide for a safe and healthy future for the planet. Advanced Biofuels USA needs your support to reach our goals in this grand effort. Email jivancic@advancedbiofuels.org to

find out how you can be a sponsor of specific projects or – oh, so very important – how you can assure the continued day-to-day existence of this endeavor.

Advanced Biofuels USA will grow along with this nascent industry. At this time, we have a number of openings for volunteer professionals. View our job openings Key among these positions are those involved in development and fundraising. Without substantial funds, we will be unable to reach our lofty and important goals. If you have any questions or suggestions—or what to contribute to our success in any way, don't hesitate to call me at 301-644-1395 or write to jivancic@advancedbiofuelsUSA.org

Here's to a sustainable renewable future!

Joanne Ivancic
President and Executive Director

Come visit us on Facebook!

Our mailing address is: Advanced BioFuels USA 507 North Bentz Street Frederick, MD 21701

Our telephone: 301-644-1395

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