

**NC Alternative Fuels Consortium
Meeting August 28, 2007 - 1:30-3:30
State Energy Office
1830A Tillery Place
Raleigh, NC**

Meeting Summary

In attendance: Drew Harbinson, NC DOT; Don Sykes, P & C; Ron Allison, Motor Fleet; Mike Williams, Dept of Corrections; Carol Woodyard, UNC-TV; Kenneth Taylor, DENR; Ronnie Faison, Hwy Patrol; Cynthia Moseley , SEO; Larry Shirley, SEO; N David Smith, NCDA; Dr Richard Reich, NCDA; Jason Nelson, NC Biotech Ctr ; Larry Lane, UNC-Charlotte; Bruce Thompson, NCDOT; Anne Tazewell, NCSC/NCSU; via phone Bryan Roy, NCSC/NCSU

**Overview and presentation about Biofuels Center of North Carolina &
NC DA&CS Biofuel Activities**

**Dr Richard Reich- Agricultural Services Assistant Commissioner, NC Dept of Ag &
Consumer Services**

NC has a \$66 B annual agricultural economy – including #2 in US for swine. NC Dept of Ag & CS is working closely with NC Biotech Center on establishing Biofuels Center. The \$5M in non recurring funds that has been allocated to NC Dept of A & CS will go to set up Biofuels Center at existing facility in Oxford.

Dept is also involved with producing and using biodiesel at state agricultural research stations. Piedmont Research Station in Salisbury (<http://www.ncagr.com/research/locations.htm>) is making biodiesel from used vegetable oil and running equipment on B100 and also working with nearby farmers considering a regional crusher. Another location in Goldsboro will be running soon. The Center for Environmental Farming Systems is working with Piedmont Biofuels on building a reactor that will produce 200-300 gallons of biodiesel at a time. Dept of Ag & CS is exploring option of getting used vegetable oil from the Dept of Corrections. This year at State Fair *Our Land Our Legacy* tent will have a large ethanol and biodiesel display. Last year the Kerr-Scott Bldg at the state fair ran on biodiesel blended heating oil and plans to increase use this year.

Jason Nelson- Special Project /Biofuels Coordinator, NC Biotechnology Center

The forming Biofuels Center of NC is an outgrowth of the Strategic Plan for Biofuels Leadership (http://www.ncbiotech.org/biotechnology_in_nc/strategic_plan/biofuel_plan.html) In order for NC to succeed in being a Biofuels leader the plan recognizes the need to look at research, business development, public awareness, distribution- all these element are needed to get fuel from field to pump. Needs include: trial crops growing in various parts of state, investment in science and technology that will look at scale up, understanding what the distribution bottle necks are, and opportunities we have to partner etc. The goal of replacing 10% of NC petroleum with NC produced biofuels means about 560 M gallons per year. The Biofuels Center of NC is in the process of receiving 501 c- status as non profit. The 1st board meeting is Sept 4 . Norris Tolson, Billy Ray Hall, Dr Ghasem Shahbazi , & Dr Johnny Wynne are initial board members. There will be lots of opportunity to partner. Partnerships and priorities will be the focus of a series of smaller meetings conducted in Sept with biofuel stakeholders on how the

Center will move forward. Board will hire ED and 5-6 staff. NC Biofuels Center will likely include some kind of grant making role - look for gaps to fill not duplicating existing efforts of Clean Cities, SEO, NC Solar Center etc. The SEO sees need/benefit of providing funding for start up/expansion of production facilities for Center to demonstrate some quick success.

2007 Alternative Fuel /Advanced Technology Legislative Overview

See attached summary of 2007 NC alternative fuel related legislation and/or download this document by clicking on *2007 Legislative Highlights* at <http://www.engr.ncsu.edu/ncsc/transportation/factsheets.htm>.

In addition to the bills reviewed here Larry Shirley briefed the group on funding provided by the Legislature to continue SEO work in 2007-08. As much as \$5M of the \$7M allocation will focus on the implementation of SB688 which requires state buildings to reduce energy consumption by 30% by 2015. Another important priority for the SEO will be providing assistance and coordination for state fleet petroleum displacement project efforts.

Petroleum Displacement Plan

- FY 2006-07 Reporting- If you have not submitted report yet please send to bryan_roy@ncsu.edu
 - General trends in reports received so far indicate an increase in E10 & B20, and a decrease in E85 since MFM station at Peace and Persons Streets was closed in early 2007/late 2006
 - If an agency needs adjustments for increased mileage due to increased duties or some other justification please submit brief description/explanation on letterhead to bryan_roy@ncsu.edu. If you are unable to track mileage but have increased the number of vehicles and they are using more fuel also provide explanation for increase on letterhead
- A draft support letter to Department Secretaries and College Chancellors to encourage top down support was discussed and reviewed. This memo which will be sent out by the SEO will facilitate the implantation of PDPs across departments where many different offices require a coordinated approach to planning and tracking PDP goals. Heretofore many agency PDP coordinators have reported that they don't have the authority or "buy in" to implement much by way of changing behavior. A successful PDP requires:
 - Organizational Structure- coordinator needs support and jurisdiction to properly report amt of fuel purchased and to influence individual vehicle drivers to utilize existing alternative fuel locations
 - Accurate reporting- both vehicle mileage and fuel usage are important components to determine actual petroleum displacement that has been achieved. MFM has been very successful using an online reporting system to track vehicle mileage
 - Plans and implementation (include in budget)- state departments/universities need to plan and request funding for the implementation of PDP plans. This should be done early in the process so that accommodations can be made in the state budget. Highway Patrol reported that they are funding increased alt

fuel costs out of their operating budget and have not received help from the State Budget Office on increased funding to meet PDP requirements. State Departments need to state the needs/costs clearly so that this information can be included in the annual PDP report prepared for the state legislature

- Purchasing

- A new/first time Neighborhood Electric Vehicle (NEV) state contract bid going out in mid-September will facilitate the purchase of NEVs by state departments/colleges. See following link for News 14 UNC-C “success story” regarding UNC-C use of over 50 NEVs in Charlotte
http://news14.com/content/school_news/585476/uncc-increases-electric-car-fleet/Default.aspx
- DOT / Department of Correction truck contracts open to everyone to purchase from. DOT provides language in purchase bids that they will use B20. Warranty concerns related to biodiesel use are not issue for DOT, nor should they be for anyone else
- E10 and E85 contracts/pricing- E85 is now available in NC in every county through a new state wide purchasing contract. Check out <http://www.doa.state.nc.us/PandC/dynfuels/fuelcost.asp> for weekly fuel prices. On Sept 3 in Wake County the prices for transport load quantity of fuel were:

E10- \$2.12, E85- \$1.85 and regular UL- \$2.00. There was significant discussion about why E10 is consistently priced higher than gasoline and E85 (since it has recently been added to state purchasing contract and ethanol costs less than gasoline). The E10 contract was recently extended for another year to United Energy. Bruce Thompson will request a meeting with UE’s Haddon Clark to get an explanation of the increased costs for E10.

Wright Express analysis on missed opportunities to use E85- Close to 4,000 gallons of petroleum could have been displaced in July through the use of E85 by state vehicles at existing commercial E85 service stations. Existing stations include:

North Carolina Public E85 Stations

America’s Fuel	801 SW Broad Street	Southern Pines	910-692-7337
Caton’s Grocery	5416 Statesville Road	Charlotte	704-535-7182
Cruizer’s Biofuels	1914 Sedwick Rd (at Hwy 55)	Durham	919-806-3458
Fuel Land #2	10222 Johnston Road	Charlotte	704-543-4600
Gasland USA #3	919 South Lafayette Street	Shelby	704-480-9733
Gasland USA #7	1801 East Dixon Boulevard	Shelby	704-484-9175
Homer’s Truck Stop	306 Stamey Farm Rd. (I-40 Exit 146)	Statesville	704-871-8008
P.C. Mart	211 E. Woodlawn Rd. (I77 exit 6A)	Charlotte	704-527-9133
Tommy’s Crown	Gary Kennedy Hwy. 15-501	Pinehurst	910-295-0042

North Carolina Government E85 Stations

Motor Fleet Management	1915 Blue Ridge Road	Raleigh
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State vehicle drivers must be encouraged to utilize these stations whenever possible. DENR stated that on over 25 occasions, that were recently reported by DENR staff, the MFM fueling facility was locked during the normal business hours of 8:30-3:30 forcing drivers to refuel with gasoline at nearby stations instead of utilizing E85.

EPAct Credit Banking and Selling Program update

The last hurdle to launching the Credit Banking and Selling program, whereby the State will trade excess EPAct credits for funds to expand the use of alternative fuels in state vehicles, has been removed with the assignment of a budget code for the Alternative Fuel Revolving Fund. The sale of 2 credits for \$1,100 each was approved by the Credit Selling Work Group with the transaction being conducted by the SEO. Funds will accrue to the revolving fund after which they will be utilized to expand E85 refueling opportunities for state vehicles.

Announcements

- Aug. 30th - **Bioheat Meetings:** Greensboro and Raleigh

With funding provided by the NC Soybean Producers Assoc the NC Solar Center conducted a series of seminars about bioheat (biodiesel blended heating oil) across the state. State heating oil /boiler operators are encouraged to contact ncbioheat@gmail.com for an informational brochure about BioHeat opportunities in North Carolina

- **DOT E85 stations**

NC DOT has announced the locations of 5 E85 pumps they will be installing at DOT facilities in Greenville, Winston-Salem, Asheboro, Paw Creek and Marion. Although these locations have been selected to facilitate DOT's PDP requirement, other state agencies are strongly encouraged to make plans to utilize these sites. The NC Solar Center is currently providing draft language that will be brought to DOT Secretary Tippet for consideration of an Executive Order to be presented to the Governor that would require all state vehicles to utilize E85 refueling at state and commercial services stations within 5 miles of their location

- **GM North Carolina E85 partnership-** A total of \$100,000 (\$50,000 in 2007 & potentially \$50,000 in 2008) in Clean Fuel Advanced Technology project funds provided by the State Energy Office has been set aside to expand E85 in 24 counties through a strategic partnership with General Motors. Teaming up with CleanFuel USA (company with new state E85 contract), GM will bring their considerable marketing expertise and dealer network to help secure additional E85 refueling options at commercial service stations.

Clean Fuel Advanced Technology project awards- A total of \$350,000 is being awarded by the North Carolina Solar Center at NC State University to reduce mobile emissions through the Clean Fuel & Advanced Technology (CFAT) Project. The funds will be used for eleven projects that will reduce transportation related emissions in counties that do not meet national ambient air quality standards. Up to three additional projects, totaling another \$300,000, are expected to be announced soon. The CFAT Project is an initiative funded by the N.C. Department of Transportation, State Energy Office, and Division of Air Quality that will directly reduce harmful emissions in addition to providing related educational outreach. This is the second round of awards, and projects include neighborhood electric vehicles, ethanol refueling infrastructure, diesel retrofit technologies, and alternative fuel vehicles.

- **Biodiesel Fuel Quality workshops** September 18 (Pittsboro) and October 24 (Goldsboro. Check out www.trianglecleancities.org for more information