Conversion Subcommittee Discussion June 2, 2009

Present: Robert Ames, David Bransby, Ralph Cavalieri, Craig Kvien

- Discussion began by reviewing 2008
 Recommendations and noting that we have not received a response from the departments concerning those recommendations.
- Between now and the September meeting, we should decide whether to carry forward any of the 2008 recommendations. If we have not received a response by then, the subcommittee feels that we should update them.

Updated 2008 recommendation

 Continue to pursue benchmarking activities as recommended in 2008 (add clause saying "update cost targets to existing numbers"). Make results publicly available. Benchmarking must include infrastructure compatibility issues (anything beyond the current distribution infrastructure is a cost that the proposed fuel should bear for this analysis). Erase "cellulosic ethanol" and change to "non-fossil liquid fuel components". Move cost measurement from MESP (Minimum ethanol selling price) to MFSP (Minimum fuel selling price).

- Allocate funds to ensure the highest probability of reaching the cost targets. Some money reserved for speculative/new technologies.
- Recommendation (3) is being met by DOE, but other agencies? More money needed in these areas in addition to ARRA funding.
- We know this is being addressed. Delete.

2009 Recommendations

 Potentially important research and develop issues will likely emerge from pilot, demonstration, and even commercial scale projects. Noting the long delays in moving forward on pilot, demonstration, and commercial scale projects due to lengthy NEPA processes, we encourage expedited NEPA approval processes for pilot and demonstration scales projects. Is it possible to receive umbrella approval from EPA? [We think this should be a joint recommendation with the Sustainability Subcommittee.]

- Aggressively move beyond cellulosic ethanol as the primary target fuel, and toward a more comprehensive portfolio of non-fossil liquid fuel components (oxygenated and nonoxygenated). These fuels may vary by geography. Emphasis should be placed on "drop-in" replacements.
- Ensure active integration of conversion technology R&D with feedstock and distribution R&D efforts