

**Kansas Energy Council Biomass Committee  
January 5, 2007 Meeting**

**Committee Members Present:**

Carl Holmes, Chair  
Tim Carr  
Steve Dillard  
Ken Frahm  
Kent Glasscock  
Greg Krissek  
Janis Lee  
Galen Menard  
Richard Nelson, Technical Advisor  
Adrian Polansky  
Mark Taddiken  
Tracy Taylor  
Thomas Thornton  
Curt Wright

**Opening remarks**

Chair Holmes started the meeting at 10:05 a.m. and reiterated his sense that Kansas is behind some states and ahead of others with respect to biomass production. He summarized his proposed legislative incentives for “biomass to energy.”

**General background**

Richard Nelson, the Committee’s technical advisor, gave a powerpoint presentation on the issues regarding sustainable biomass development in Kansas (see full presentation on KEC web site: <http://www.kec.kansas.gov/meetings.htm>).

Following Nelson’s presentation, Holmes suggested the committee review each slide for questions and discussion.

Regarding economic opportunities associated with biofuels production, Tim Carr noted that the price of oil had dropped considerably and asked what the economic breakeven point was for biofuels. Might be helpful to have some economic analysis of this with respect to feedstock (especially corn) and fuel prices. Regarding other states and their mandates and incentives, it was noted that in Kansas incentives tend to be more successful than mandates. Brosius noted that the committee would be coordinating with the ongoing efforts of the Bioscience Authority and that Tom Thornton would be presenting on federal incentives later in the agenda. Carr reiterated that the oil industry followed a boom/bust cycle and that oil production was up 5% in Kansas in 2006. Thornton said he thought one function of the Biomass Committee was to serve as a conduit for information on biomass-related issues statewide.

Holmes noted, in response to slide on biomass resources, that cellulosic ethanol isn’t going to work in western Kansas; need a map of biomass resources.

With respect to the statement of Committee objectives, it was noted that we needed to also consider distribution issues (not simply focus on production without consideration of demand for product).

Donna Johnson, Pinnacle Technology, asked whether the Committee would consider bioproducts in a broader sense or was it simple focused on biomass for energy? Taddiken wondered if this broader consideration was more the focus of the Bioscience Authority?

Homes noted the impact of ethanol production on the livestock industry.

With respect to the Key Areas slide, Greg Krissek noted that ICM was building a pilot plant in St. Joseph to do R&D and testing on other feedstocks besides cord. See trends in technology to increase the gallon per bushel output while reducing the amount of natural gas needed as an input.

### **Overview of Kansas Bioproducts Roadmap**

Donna Johnson gave a powerpoint presentation of this report—hard copies of which were also distributed to all Committee members—(see full presentation on KEC web site: <http://www.kec.kansas.gov/meetings.htm>). Johnson noted that report was a snapshot of what was going on in the bioproducts arena in Kansas in January 2006.

### **Kansas biofuels map**

Ray Hammarlund, Department of Commerce, provided a powerpoint of the current status of ethanol and biodiesel plants in Kansas (see full presentation on KEC web site: <http://www.kec.kansas.gov/meetings.htm>). He noted that they would have information about proposed plants in the near future. He discussed the collaboration with other state entities and agencies that he and Corey Mohn were coordinating in order to make sure everyone involved was on the same page. Krissek noted that current capacity was probably more like 220-230 mmgy (rather than 243 mmgy). Hammarlund noted that Commerce was receiving *lots* of inquiries about building new plants. The state's ethanol production is expected to double in the next 18 months. Hammarlund also discussed public education materials he and Carole Jordan, Dept. of Agriculture, were developing regarding the state's ethanol industry and provided an overview of Commerce's role in helping to fund feasibility studies.

### **Senator Roberts' energy subcommittee**

Tim Carr reported on Senator Robert's Advisory Committee on Science, Technology, and the Future—the energy subcommittee is one of several (see full presentation on KEC web site: <http://www.kec.kansas.gov/meetings.htm>). Its main purpose is to identify projects that need federal funding. The subcommittee will hold a web meeting on January 24, 10:30 a.m.; Committee members are welcome to “attend.”

### **25 by '25 initiative**

Mark Taddiken outlined the objectives of this national effort—to have 25% percent renewable energy by 2025—and encouraged everyone to go to the web site

(<http://www.25x25.org/>) for more details. He noted that 20 Governors had signed on to this initiative and that they had commissioned two studies (one by the Rand Corporation and one by the Univ. of Tennessee, both available online).

Nelson noted that some of the assumptions used by the “25x25” initiative were perhaps not very realistic.

### **Overview of distribution and blending issues**

Curt Wright reported on biofuels availability at the rack in Kansas as of Jan. 3, 2007 (see PDF file available on KEC web site: <http://www.kec.kansas.gov/meetings.htm>). It was noted that ethanol is not generally available at the pump near ethanol plants. Carr noted that ethanol won't solve our import issues with respect to 66% foreign oil, but Polansky said 10% reliance on ethanol could have a positive impact. Carr pointed out that currently there was extra oil on the market and that oil and gas would be the major energy input for the next half century.

### **Update on Bioscience Authority activities**

Tom Thornton provided a general overview of the Bioscience Authority's activities and direction. He said they'd identified five areas where they think Kansas can “win” and were developing centers of innovation to develop these five areas (see related powerpoint on KEC web site: <http://www.kec.kansas.gov/meetings.htm>). He emphasized that these centers would focus more on applications-oriented research—that is, more on the development side of R&D. Thornton passed out the CRS Report on Biofuels Incentives, a summary of federal incentives, and noted that one of the roles of the KBA on this Committee would be to serve as an information source on federal funding available for research.

Kent Glasscock spoke about the National Institute for Commercialization of Intellectual Property (NISTAC), which is part of KTEC, and their role in marrying research and the marketplace. The question is how can Kansas become #1 nationally (and internationally) in some niche bioscience market? Perhaps as an integrator in integrated energy systems (such as the Sunflower proposed center).

Trevor McKeeman, also of NISTAC, gave a powerpoint presentation on the proposed integrated bioenergy center at Sunflower's Holcomb plants (see full presentation on KEC web site: <http://www.kec.kansas.gov/meetings.htm>). Following this presentation, Janis Lee noted the opposition to Holcomb's coal-fired plants and said she thought this center was an important addition to the story. Kent Glasscock said he thought the ethanol plant would begin construction later in the year.

### **Update on biomass-related research at KSU, KU**

Carr summarized research efforts at KU and Nelson gave a brief powerpoint overview of ongoing research at KSU (see full presentation on KEC web site: <http://www.kec.kansas.gov/meetings.htm>).

**Review of draft workplan, outline for background papers**

Brosius went over draft workplan, noting that future Committee meetings were scheduled the same day as the full Council meetings. She also presented the staff outline for the two background papers that Nelson would be preparing and noted that staff had recommended that these focus on biodiesel and bio-ethanol. Harkins clarified that the selection of topics for the background studies was, of course, the Committee's decision, that this was simply staff's recommendation. The Committee endorsed the workplan and outline.

**Other business**

Brosius reminded Committee that the Kansas Energy Plan and the Kansas Energy Chart Book were now available on the KEC web site.

Holmes initiated a discussion of possible incentives needed to get ethanol delivered to more distribution racks around the state. Some questioned the need to have ethanol available at every rack. Talked about logic of blending E85 at ethanol plant sites.

**Adjourn**