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FOR IMMEDIATE RELEASE

Oklahoma markets open to biofuels

Biofuels are nothing new to Central Oklahoma Clean Cities stakeholders who have been distributing and using renewable fuels in Oklahoma for the past several years.

Oklahoma's first retail E85 pumps opened in Oklahoma City in 2003 with a \$58,000 grant obtained by Fuel Managers, Inc. through the Clean Cities program at the Association of Central Oklahoma Governments. The grant was funded by the National Ethanol Vehicle Coalition and the U.S. Department of Energy.

Also in 2003, the City of Edmond received a \$72,000 U.S. Department of Energy Clean Cities Special Projects grant to install E85 and biodiesel storage tanks and dispensers at its new Cross Timbers Municipal Complex. The complex is due to open later this year and the fuels will be used in city vehicles.

Earlier this year, Glenn Oil Company received a \$21,000 grant through the Central Oklahoma Clean Cities program and National Clean Cities, Inc. to expand its biodiesel distribution capacity. Glenn Oil is currently supplying B20 to Ft. Sill as well as numerous military installations in Oklahoma and elsewhere, and is the Oklahoma distributor for World Energy Alternatives, LLC. Both Glenn Oil and World Energy are Central Oklahoma Clean Cities stakeholders.

In addition, Glenn Oil Company supplies B20 to the City of Lawton for use in its fleet vehicles and city buses, to the Comanche County District #3 Barn, and to one retail pump for use by the general public. Mark Glenn, company treasurer, said, "Lawton looks to be the first Oklahoma municipality to purchase a bulk load of B20 and use it in the city's fleet vehicles and the transit system." Late last year the Oklahoma Department of Transportation began purchasing B20 from Glenn for use in a pilot program.

E85 is a fuel blend of 85 percent ethanol and 15 percent gasoline. Ethanol can be produced from a variety of grain sources as well as biomass. B20 is a fuel blend made from 20 percent virgin vegetable oils or recycled sources like used cooking oil, and 80 percent petroleum diesel.

Yvonne Anderson, Clean Cities program director at the Association of Central Oklahoma Governments, said, "We currently have six public and private sector stakeholder fleets in Central Oklahoma using B20 and E85 and we have five stakeholder companies involved in biofuels production and distribution.

"Clean Cities is working with these companies to expand the market for biofuels in Oklahoma and to support legislation that will help grow the biofuels industry in Oklahoma from production to distribution to the end user."

Anderson said that recent federal tax credits for producers and distributors, plus high gasoline and diesel fuel prices have primed the market for a biofuels production and sales surge. Added to the tax incentives is the desire by many in government and industry to diversify their fuel supply and reduce dependence on petroleum. "Besides helping to strengthen national energy security and our economy," said Anderson, "biofuels have the added benefit of being domestic and renewable while benefiting air quality and reducing vehicle emissions."

The United States spends about \$2 billion per week on petroleum imports. Fully half of the oil imported is used to produce gasoline to fuel light- and medium-duty cars and

trucks. The nation uses about 20 million barrels of oil per day, of which more than 13 million barrels are used in the transportation sector.

Anderson said ACOG's Clean Cities office is preparing to issue a request for proposals for the installation of storage tanks and dispenser pumps to sell blended ethanol fuel at retail sites in Central Oklahoma. Funding for the project was included by Rep. Ernest Istook in the 2003 Omnibus Appropriation bill.

"Pumps and tanks funded with these grants must meet E85 specifications but retailers whose proposals are chosen for funding will be able to sell either E10 or E85," she said. "We expect to make five or six awards in the \$25,000 range but that may vary depending on the proposals we receive."

Ethanol is a common component of gasoline used in the United States. A blend of 90% gasoline and 10% ethanol, E10 is usable in all vehicles commercially sold here. Some vehicles can use an ethanol blend up to E85. Drivers can determine if a vehicle can use E85 by checking the owner's manual.

Any diesel engine can use biodiesel. The most commonly seen retail blend is B20, but concentrations as low as B2 are used to add lubricity to fuels like ultra-low-sulfur diesel, as an additive to premium diesel fuels, and to fuel agricultural equipment.

Clean Cities is a government-industry partnership initiative sponsored by the U.S. Department of Energy. Its mission is to reduce petroleum consumption in the transportation sector by advancing the use of alternative fuels and alternative fuel vehicles, idle reduction technologies, hybrid electric vehicles, fuel blends and fuel economy.

Locally, the Central Oklahoma Clean Cities program is sponsored by the U.S. Department of Energy, the Oklahoma Department of Commerce, the Association of Central Oklahoma Governments, and more than 50 government and industry stakeholder

members. There are currently 88 active Clean Cities coalitions in metropolitan areas across the country representing nearly 5,000 stakeholders.

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