

CANADIAN ★ REPORT ON ★ FUEL ETHANOL

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Suncor Doubling St. Clair to 400 Million

Less than six months after opening Canada's largest fuel ethanol facility in July '06, **Suncor Energy Products** of Toronto announced in late December its plans to double output from the 200 million litre/year **St. Clair Ethanol Plant** to 400 million litres, one of the largest in North America.

Designed and built by the well-regarded U.S. ethanol engineer, **ICM Inc.** of Colwich, KS, the expanded version will occupy a 40-acre site, located at Mooretown, 8 kms south of Sarnia, where Suncor operates a 70,000 b/d oil refinery.

St. Clair's expansion is keyed to the expanding Ontario ethanol market, explains Suncor media spokesman, **Jason Vaillant**. Mandated at 5% since January '07, the level in gasoline is expected to rise to 10% by 2010.

The plant's first nine months have been smooth ones, reports manager, **Andre Boucher**, "As an ICM-built plant, they have done a very nice job. It runs well and does so quite regularly at 104% to 105% of capacity."

The dry-mill design plant con-

sumes 20 million bushels of corn annually, 80-85% of which is Ontario-based with the balance mostly coming from Michigan.

On the grain side, Suncor is quite proud, that as an oil company their high protein DDG byproduct marketing has still been quite successful. "When we started, we sent a lot of this product to Europe and introduced our product into the local market in a step-by-step fashion," says Boucher.

"Now, we're 100% in the U.S., Ontario and Quebec markets. We're meeting a minimum demand of 26% protein and our product is 28-29%, so we're doing very well."

Environmentally, the plant is a good corporate citizen capturing all its CO₂ for sale to **Praxair** as well as recycling 90% of the 600,000 gallons of water it uses each day.

It's also a good GHG fighter. According to a study conducted by the **Pembina Institute**, production from the St. Clair ethanol plant reduces CO₂ emissions by 300,000 tonnes/year.

U.S. Ethanol Embarks on Explosive Expansion

After almost 30 years in the energy wilderness, enduring decades of often snails-paced development, the still relatively small 5.5 billion gallon/year (bgy) U.S. fuel ethanol industry has finally heard the long-awaited bugle call to action.

Responding to an almost perfect storm of security, economic and environmental concerns, 2007's newly-elected federal politicians from across the political spectrum are calling for spectacular increases in U.S. biofuel use, mostly ethanol, to unheard-of levels of 36 billion gallons annually by the year 2022 and 60 billion gallons by 2030.

A bewildering series of early Congressional bills, numbering 40 by late April, along with President Bush's own State-of-the-Union mandate-request for 35 billion gals. of renewable and alternative fuels by 2017 are initiatives with which "the vast majority of Americans agree," claims **Bob Dinneen**, president of the Washington-based **Renewable Fuels Association**.

"The U.S. ethanol industry stands behind **President Bush** and this Congress in their commitment to take the bold steps necessary to realize the full potential of American agriculture and this industry," stated Dinneen.



Sen. Jeff Bingaman



Sen. Pete Domenici

Senate bill S-987, the Biofuels Security for Energy and Transportation Act of 2007, is being pegged as the most likely piece of new legislation to first come before the full 110th Congress sometime in the next two years.

On March 27, it was introduced in the Senate Energy and Natural Resources Committee by Democratic and Republican co-chairs, New Mexico Sens. **Jeff Bingaman** and **Pete Domenici**.

(See reverse)

Alberta to Host N.A.'s Largest Bio-Refinery

Innisfail, a central Alberta farm town of 7,500 located 115 kms north of Calgary, will be home to North America's largest bio-refinery, a U.S. financed operation capable of producing some 750 million litres of ethanol and bio-diesel and 375 million litres of canola oil per year.

The \$400 million facility will be owned by an influential consortium led by **Dominion Energy Services (DES)** of Estero, FL. The majority stakeholders are **The Carlyle Group** and affiliate **Riverstone Holdings** of New York City. Carlyle is reported to have numerous Reagan, Clinton and Bush ex-presidential staffers on-board.

Work will begin at Innisfail once provincial/county permits are granted, hopefully by mid-summer says DES Pres. **Curtis Chandler**.

Quebec Joins the Club



Early in February '07, Quebec became the fifth province to begin fuel ethanol production with the start-up of **Greenfield Ethanol's** 120-million-litre Varennes plant, just east of Montreal.

Engineered by **SNC Lavalin** of Montreal, the Varennes facility will consume 12 million bushels of Quebec corn annually and becomes Toronto-based Greenfield's third producing plant, with two more on the way.

(See reverse)

Lloydminster's Surprise — a "Spectacular" Demand for DDG

When **Husky Energy** of Calgary set out to plan its new 130-million-litre Lloydminster, Sask. wheat-based ethanol plant, operational now since late December '06, "The economics on the feed byproduct side looked good, but they sure didn't look like they would be spectacular," recalls **Graham White**, communications director for Western Canada's predominant fuel ethanol producer.

"It wasn't one of our main focuses and we certainly thought we'd have to store a lot of it and market aggressively. But, we haven't had to do any of that," White admits, defining as spectacular, that "We sell everything we produce and could probably sell twice that much."



Husky Energy's 130-million-litre Saskatchewan wheat-ethanol plant

Husky currently produces 134,000 tonnes/year of DDG at "Lloyd", a cattle-feed byproduct containing 36-38% protein. Most of the material ends up at Alberta feedlots, home to the fourth largest cattle population in North America.

The company has done well in this market because its DDG product is a much higher protein and even slightly lower cost alternative to the most common Prairie cattle food, feed barley — and so the phone doesn't stop ringing, reports White. "That's what we've expe-

rienced — the demand has certainly been beyond our expectations."

This success has company officials planning for similar results from their identical-size

Minnedosa, Man. facility, expected to open later this year. Both plants will process a variety of western wheat — Red Winter, Canada Prairie Spring red and white, Soft White Spring and Durham.

Husky's western Saskatchewan fuel ethanol facility was engineered by the **KGS Group** of Winnipeg and built by **Graham Construction** of Calgary.

The plant shares an electricity, steam and hot water interconnect with the company's heavy oil upgrader, just over the provincial border in Vegreville, Alberta.

Tel/Fax
613-234-7303



Canadian Report on Fuel Ethanol
8-309 Frank St., Ottawa, Ont. K2P 0X7



E-mail
crfe@rogers.com