



BOSSELMAN BIOFUELS SOLUTIONS



**Grand Opening (2/3/11) – First 2 Stations in
Alabama All Dispensers Offering e85**



**AGI Commissioner Glen Zorn, 2nd Dist.
Rep. Martha Roby, Kathy Hornsby ADECA,
Mark Bentley ACFC, Enterprise Mayor
Kenneth Boswell**



US Rep Martha Roby



E85





Introduction

- Bosselman Biofuels Solution, a division of Bosselman Energy, Inc, is focused on effectively building a downstream marketing and supply business for E-85, Biodiesel and other ethanol blends at the retail level
- Bosselman BioFuels manages the entire process from identification of the best sites, identifying funding opportunities, equipment selection and installations, supplying fuel, sponsoring promotional and marketing activities for e85/b20, and educational support



Support Services

- Based on demographics, identify locations with best traffic and business opportunities for e85, blenders, biodiesel
- Prepare specific site analysis and site surveys to identify cost for new infrastructure
- Maintain interface with government agencies and biofuel associations to identify and acquire funding support; prepare and administer grant funding applications with government agencies and associations, as available
- Provide grants, capital loans, or equipment contributions or a combination of to help offset a portion or all of the associated cost



Support Services

- Manage equipment selection, procurement, & installation process
- Manage logistics for product procurement & delivery; provide a long term supply commitment to ensure reliable supply
- Implement financial hedging programs to create attractive e85/ethanol price spreads to gasoline
- Provide ongoing educational and promotional support to ensure continued public education around the designated E85 and Blender pump sites



What's the Big Picture

- Global Oil Demand 2010 = 86.5 million barrels/day; Global Demand 2011 = 88.1 (forecast); Global Demand 2012 = 89.0 (forecast) *IEA Information*
- USA gasoline consumption 9 billion bbl/day or 378 million gallons/day
- Equivalent of more than \$1 billion/day transferred out of this country
- Percentage of ethanol in gasoline pool – 9.6%; hitting blending wall
- Instead of allowing higher domestic usage of ethanol, producers are forced to move gallons outside of the U.S. In early 2011 exporting at an annualized rate equivalent to 700 million gal/yr; exporting to Brazil and United Arab Emeritus



Let's Re-establish Ethanol Value

Energy

- Lowers gasoline prices .17 - 1.40
- Lowers crude oil prices, *worldwide*
- Increases refinery yields
- Insulates against supply disruptions

Economic Development

- Rural Economy--Jobs, rural income, etc.
- Tax generation--Local, State, Federal,
- National Economy-- same
- Reduced Farm Program Outlays

Environment

- Refiners *Choose to use ethanol in RFG*
- Results in reductions in ozone, CO, particulate matter, air toxics/BTX
- Reduced GHG/low carbon



Advantages of Ethanol

- Ethanol is a fuel that is produced in the USA and is not required to be imported from other countries. Ethanol supports American farmers and employment
- Ethanol blends reduce nitrogen oxide emissions by up to 20%
- Ethanol has a high oxygen content which reduces carbon monoxide emissions by 25% - 30%
- Ethanol reduces SO₂ and particulate matter (PM) emissions
- Ethanol is biodegradable with minimal effect on the environment and does not contaminate groundwater.
- Ethanol does not increase greenhouse effect and reduces volatile organic compounds by more than 30%



Alabama

- By 2012, American auto dealers on pace to produce 50% of their vehicles with e85 capabilities
- Currently 8.5 million Flex Fuel Vehicles (FFV) in the USA capable of using e85; about 200,000 in Alabama
- 2350 e85 fueling sites in the USA which means that for every 3600 FFV, there is one e85 fueling station
- According to DOE, Alabama has 15 sites; about 13,000 FFV for each site; much higher than national average; Alabama needs more public sites offering e85



E85 Infrastructure

- Existing fueling sites cannot handle e85 without replacing dispensers and equipment modifications; and in some cases new tanks are required
- Typical cost to replace an existing dispenser with an E85 compatible dispenser and new piping averages \$30,000 - \$50,000.
- If a new or additional tank is required because of a limited tank capacity for the addition of e85, an additional cost of \$35,000 to \$50,000 can be incurred
- Supply infrastructure exists now in Alabama to supply e85 to any fueling site.



E85 Pricing/Value

- E85 has less energy (Btu) per gallon than gasoline, but has a higher octane (105) than regular gasoline, burns cooler and cleaner
- Typically E85 pricing is 25 - 50 cents less than gasoline depending on the location and time of year
- But what is not shown in the pricing is the value received with reduced environmental impacts with E85 vs. gasoline; and the value received by reducing our dependence on other countries for our energy needs; and the value we receive by creating jobs in America



HURDLES

- Price - E85 has a higher octane but lower BTU (energy) per gallon of gasoline. Therefore, to the consumer, price of e85 has to be less than gasoline to make alternate fuels financially attractive.
- Education - When comparing gasoline to e85 or diesel to biodiesel, somehow the advantages to the environment, American jobs, and American security, needs to be factored in and given value
- Capital - The lack of a clear and consistent state and federal energy policy and direction fails to provide investors with enough stability for them to make capital investments to support alternate fuels



Summary

1. About 200,000 FFV in Alabama and only 15 sites offering E85; that is over 13,000 FFV per site
2. E85 supply is available today in Alabama
3. Typically E85 is being sold at 25 – 50 cents less than gasoline
4. E85 is not the silver bullet; there is no silver bullet; we need to promote and optimize all alternate fuel sources
5. E85 is eco friendly, American made, and creates jobs
6. Funding and local support is necessary to assist in the establishment of more E85 fueling sites

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