

## More on biofuels

Posted by Heading Out on May 26, 2006 - 12:06pm

Topic: Supply/Production

Tags: biodiesel, biofuel, ethanol [list all tags]

This being yet another Friday, I suppose I may get a little grumpy again today. (But hopefully it won't turn into a tradition). The transient nature of public attention being what it is, we seem already to have reached a stage of acquiescence\* to the idea of \$70 oil. Though we don't have quite as many pundits this year appearing to reassure us that we will be back to \$30 oil as there were last year, there is still some sense in the general public that this is a transient situation that will, in time, get better. Attention is switching over to other political storms and the Environment as the great concerns of the moment and, short a major disruption somewhere (which will happen in time, that being the nature of things) we may get a period of relatively benign neglect of the topic. Yes, it is making its way into political speeches more frequently, from both sides of the aisle but not to a great deal of media or public attention. And in our little corner of blogdom, things are, again for a short while, a little quiet.

But to add a small comment to the debate on ethanol, one thing struck me that has gone a little unrecognized. It has been the speed with which, in relative terms, the supply of ethanol from corn is beginning to increase. And before I start another debate on EROI let me first say that this is not my initial point today (though it comes in later). Nor is it to do with carbon, as discussed in Stuart's post. Rather I offer this consideration. As the debate over "what are we going to do" begins to desultorily swirl across the landscape, one of the concerns has been with the inertia of the system, because of the length of time (in years) that it is going to take to install new refineries and large production facilities. They also need huge levels of capital, that will only come forth where there is a significant chance of return, and the sources of the odd \$10 billion to gain us an additional 200,000 bd or so of oil are not that common. But I think that it is worthy of note that there is a faster level of flexibility becoming evident in the generation of fuel from bio-sources.

The point is that as my recent post noted there is an ongoing rapid increase in the number of farmers that are getting on the ethanol bandwagon. Because the scale of each individual ethanol refinery is not that large, it can be funded locally, permitted apparently relatively quickly, and in production with a fairly high (from what I hear from sources) rate of return that is even greater than that in the conventional oil business. Thus there is a little evidence that, with the right alternatives, and provided they can operate at these scales, that the response time to a solution may not be as long as some folks fear. Particularly where the underlying technology has been around for a while.

So why am I grumpy? Well it is because I think that the emphasis is being given to the wrong biofuel. In energy content biodiesel contains some 138,000 Btu/gal, while ethanol only contains 76,000 Btu/gal. (Gasoline is 114,000 Btu/gal). Within the US production has risen from 500,000 gallons in 1999 to 75 million gallons of biodiesel last year. There are a number of different sources for the fuel. Though the currently popular source from the cooking vats of fast food restaurants is not going to be a huge supplier it points, again, to the fact that this fuel can be generated on a

small scale, through multiple sources at lower levels of investment that are more readily available. Thus the possibility of an answer where we use, not one big refinery that could take 10 years to get permitted, if ever, but instead a myriad of little refineries over the country that can be installed in less than a couple of years. The Europeans seem to have caught on, and so is the rest of the world. So maybe I should drink my cup of tea, and grin, just a little, before I lift the black object by the stair and Head Out again.

-X

Emerging from the meeting of House Republicans, GOP spokesman Sean Spicer said members were willing to come out and talk about oil drilling; not a single journalist accepted the offer.

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