

West Coast Diesel Emissions Reductions Collaborative
Agriculture Workgroup
Meeting Summary Notes
January 18, 2005

The Agriculture Workgroup of the West Coast Diesel Emissions Reductions Collaborative met by teleconference on January 18, 2005. The purpose of the meeting was to consider the portfolio of possible Agriculture projects to identify next steps to move projects forward, and talk about other upcoming Collaborative activities.

Update on the Interim Steering Committee, EPA Request for Initial Proposals, and Briefings for Elected Officials

The Interim Steering Committee met by teleconference over the course of two separate meetings, on December 10th and 16th. They were focused primarily on sector workgroup progress, Collaborative updates, funding, and planning a Collaborative-wide March 21-22 Public Workshop.

As for the sector workgroups, ISC members shared and reviewed project descriptions - there are now over 25 project descriptions - from all of the sector workgroups. The project descriptions create a portfolio of the types of real, measurable diesel emission reduction results that could be achieved by Collaborative partners. The portfolio of possible projects can be used by Collaborative members to increase awareness of the Collaborative and as educational or marketing material to illustrate what additional resources devoted to diesel emissions reductions could achieve.

Already, EPA has been conducting well-received educational briefings for elected officials to raise awareness about the Collaborative. Also, in separate discussions, other Collaborative partners have begun to talk about how best to communicate with elected officials about the Collaborative and the opportunity it presents.

Furthering the Collaborative interest in finding new resources, an education and resources group is being established, lead by the San Joaquin Valley Air Pollution Control District and the California Air Resources Board. This group will have two functions:

- (1) it will act to educate and raise awareness of the Collaborative and of the need for diesel emissions reductions on the West Coast, the potential benefits of diesel emissions reductions, and how best to provide incentives for diesel emissions reductions
- (2) it will have an "asking" function to solicit increases in federal diesel emissions reduction funding. Federal agencies will not be part of the "asking" function, because of restrictions on use of federal funds for lobbying. Federal agencies can participate in discussions of education, potential benefits of the Collaborative, ways to incentivize diesel emissions reductions, and leveraging private funds to further diesel emissions reductions.

In addition to public funds, the Collaborative is actively developing strategies to approach private foundations for funding.

The ISC talked about potential longer term structures for the Collaborative and ways to begin to think about how the Collaborative might best organize itself in the future – for example, might the Collaborative eventually become a non-governmental organization, such as a non-profit.

These discussions are in their early stages and the ISC recognizes the need to involve all Collaborative members in this conversation.

Finally, the Collaborative is preparing for a March 21-22 face-to-face Collaborative-wide public workshop at Seattle's SeaTac airport. A draft agenda is being developed and will likely include time on education and resources, time on advancing project implementation, and other topics.

Update on the EPA Request for Initial Proposal (RFIP)

The EPA RFIP for \$1.0-\$1.25 million is due on February 11, 2005. There was a well-attended question and answer teleconference in the middle of January. Answers to all of the questions are now posted on the Collaborative website. Agriculture Workgroup participants are encouraged to submit applications to this RFIP.

An additional USDA – DOE grant may be applicable to agricultural applications.

Review of Agriculture Sector Projects

The portfolio of possible projects can be used by Collaborative members to increase awareness of the Collaborate and generate interest in increasing funding for diesel emissions reduction efforts on the West Coast. There are currently four projects for the Agriculture sector, however, there have been several additional projects discussed in past calls. With the project descriptions in hand, Collaborative partners will be able to look for funding in various areas.

Each project champion reviewed their proposal looking to other participants for ways to expand the scope of the project or for collaboration opportunities.

Diesel Pump Efficiency

Peter Canessa champions the project which aims to convert diesel pumps to cleaner more efficient pumps. The proposal suggests providing information and resources to pumpers on what alternatives are available to current diesel pumps. The project is proposed at a pilot level to give people an idea of what's going on with the current options. Currently, projects are primarily aimed at San Joaquin and Sacramento valleys because diesel use in Oregon and Washington is light compared to California agriculture areas. However, there could be significant opportunity in the Mexicali Valley in Mexico.

Additional information from a USDA report on irrigation pumps that covers the number of pumps, volume of pumping, and costs associated with pumps may help expand the project scope.

Pumping Tariff Support

The second project encourages pumpers to participate in the tariff incentive program to convert from diesel to electric pumps at a minimum state-wide average efficiency. The current Cal State Fresno program covers natural gas and gasoline, but the funding runs out in 2005.

Biodiesel

The third and fourth projects are involved with biodiesel education and outreach, and research. While there's a lot of interest, the Collaborative does not currently have a project proposal for biodiesel production. There appears to be a growing demand for biodiesel on and around the West Coast, but currently biodiesel is made primarily in the Mid-West. A key issue is that CARB's current rulemaking may provide a disincentive for biodiesel because of NOx issues. The issue of biodiesel largely revolves around the compressed nitrogen, however, there are some fuel additive products that may reduce the NOx problem.

A crush seed plant for canola has not yet found sufficient demand to justify an investment. Although a potential biodiesel producer is considering a 100 million gallon capacity using ripeseed. Legislative action that required a percentage (2%-20%) of a biodiesel blend would create a demand for biodiesel product that would quickly justify investment into production capability. Some call participants suggested there are likely to be legislative initiatives in all three states to mandate

Additional potential projects:

- Using biomethane to replace diesel
 - Converting biomethane to electricity to run pumps
- Allen Dusault, Sustainable Conservation, mentioned that there are interested parties, but thus far the concept of building an alternative fuel system has been prohibitively expensive. There is not currently a domestic industry driving someone to build a biomethane plant.
- Retrofits
- Retrofit projects can be generally straight forward. It would be a matter of using on-road technology, however, given the upcoming CARB rules, there may not be an incentive to invest in retrofits ahead of the rule.
- Conservation tillage
- Current work at Sustainable Conservation on conservation tillage suggests an ancillary benefit of reducing diesel emissions.

Action Items

- Allen Dusault, Sustainable Conservation, will work on a biomethane project description

March Collaborative-Wide Public Workshop

A Collaborative-wide public workshop is planned for March 21st 22 in Seattle at the SeaTac airport. There are initial ideas of some portion of the meeting covering funding issues, Workgroup breakouts, and potentially a field trip to look at diesel reduction projects or technologies.

Agriculture participants are looking for the Workshop to foster deal-making and opportunity to build relationships to problem solve. Information could be made available to identify needs and solutions. Others want to focus on funding, including possibly bringing in additional partners such as banks or other financial institutions. Other presentations could give an overview, including covering various diesel applications and level of emissions across geographies.

Kerry Drake, EPA Region 9, commented that the Collaborative is creating momentum and is starting to pay-off. The Collaborative thanks you for your time thus far and thank you in advance for your continued participation.

Announcements

- Harvesting Clean Energy Conference; Great Falls, Montana; January 20-21, 2005.
- National Biodiesel Conference in Florida in late January.

➤ **Attendees**

Contact Name	Contact Organization	Contact Phone	Contact e-mail
Albert Gosiak	Pendleton Grain Growers	541-276-7611	algotiak@pggcountry.com
Allen Dusault	Sustainable Conservation	415-977-0380 ext 303	adusault@suscon.org
Amy Flam	Gas Technology Institute		
Brent Searle	Oregon Department of Agriculture	503-986-4552	bsearle@oda.state.or.us
Brewster Boyd	Ross and Associates	206-447-1805	brewster.boyd@ross-assoc.com
Dale Case	Columbia Crushers		
Don Patrick	Nisei Farmers League	559-251-8468	niseifrm@pacbell.net
John Beyer	USDA - NRCS	559-252-2191 ext. 110	John.beyer@ca.usda.gov
Josh Proudfoot	Good Company	541-341- GOOD	joshua.proudfoot@goodcompany.com
Kathy Diehl	U.S. EPA Region 9	415-972-3996	diehl.kathy@epa.gov
Kerry Drake	U.S. EPA Region 9	415-947-4157	drake.kerry@epa.gov
Kevin Penfold	USDA		
Margot Perez-Sullivan	U.S. EPA Region 9	415-947-4149	perezsullivan.margot@epa.gov
Michelle Roos	U.S. EPA Region 9	415-947-4187	roos.michelle@epa.gov
Mike Mamokos			
Bob Gaffney	RV Jenson	800-366-8210	bgaffney@rvjensen.com
Peter Canessa	CSU Fresno	866-473-0847	pcanessa@charter.net
Peter Murchie	U.S. EPA, Region 10	503-326-6554	murchie.peter@epa.gov
Roger Isom	California Cotton Ginners		roger@ccgga.org

Contact Name	Contact Organization	Contact Phone	Contact e-mail
Syed Sadredin	San Joaquin Valley Air Pollution Control District	559-230-6000	seyed.sadredin@valleyair.org
Timothy Taylor	Cleaire	916-296-7049	timothy.w.taylor@cleaire.com

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