

SOUTH COUNTY ALCOHOL PROJECT

Background--Federal Program

Goals

- Use alcohol to substitute for 10% of national gasoline use
- 6B gpy by 1986
- 11B gpy by 1990

Current Funding

	<u>Studies</u>	<u>Cooperative Agreements</u>	<u>Loan Guarantees</u>
PL 96-126 7/80	100M	100M	
PL 96-304 11/80	100M	200M	
PL 96-294 10/80			400 M (USDA)
PL 96-294 11/80			400 M (DOE)

Background--Technology

Systems Needed

Feedstock/by-products Handling/storage
Alcohol Plant
Energy Facility
Water Pollution Control

Capital Costs

\$1 to \$3 per gpy capacity

Background--Alcohol Plant Economics

Typical Costs (\$ Per Gallon)

Feedstock Costs	1.00
Energy Costs	.25
Other Operating Costs	.20
Debt Service	.30
By-Product Credits	(.30)
Net Cost	1.45
Selling Price (\$ Per Gallon)	1.80
Margin (\$ Per Gallon)	.40

PROPOSED SOUTH COUNTY PROJECT

● Goals

- find profitable agricultural uses for as much South County land as possible
- contribute to national energy program
- save fuel costs in county vehicle fleets

● Approach

- use 10,000 (or more) acres for corn or sugar beets: landowners
- capture wastes (especially fruit): landowners
- construct alcohol plant, roughly 5M gpy: landowners and/or venture partners
- develop alcohol market, possibly by fleet purchases: county

NECESSARY FIRST STEP - FEASIBILITY STUDY

Steps

- Identify best land and crops
- Select appropriate technology
- Locate facility site
- Identify markets, prices (alcohol and by-products)
- Quantify economic attractiveness, return
- Define likely financial package
 - equity: amount and sources
 - debt: amount and sources
 - loan guarantee: approach
- Outline permitting process

Time required

- 4 to 6 months