

Daniels, hopefuls support Indiana corn ethanol

TOM LoBIANCO - Associated Press - Associated Press

The Democrat and Republican running to replace Gov. Mitch Daniels spent most of their Tuesday morning talk with Indiana corn growers and ethanol producers outlining their similarities, starting with the fact that their campaign vehicles run on E85 ethanol blends.

Former Democratic Indiana House Speaker John Gregg and Republican U.S. Rep. Mike Pence disagreed about little Tuesday at the Indiana Ethanol Forum. Both touted their support for more fuel choices — read that as higher blends of ethanol in gasoline and more gas pumps throughout the state that dispense E85 blends — and blasted the Obama administration for new regulations on coal plants that could hit the state's coal industry.

Gregg said he would consider a state-level ethanol consumption mandate and look at building more E85 fuel pumps around the state. Pence, meanwhile, argued that building out the state's roads would help maximize development of the state's existing ethanol plants.

The forum showed stark similarities between Pence and Gregg as they head into a November election for the governor's office. Daniels is term-limited against seeking re-election. Moving from ethanol both men blasted Obama for efforts to regulate carbon dioxide emissions.

"I think our president's position is wrong on coal," Gregg said. Pence reminded the crowd that he helped lead the charge in Washington against the 2009 House energy bill. He still receives some of his loudest applause at campaign stops when he blasts Democratic efforts to impose an "energy tax" via limits on greenhouse gas emissions.

Both Pence and Gregg have dribbled out specific policies they would push if they win office, while saying they plan to roll out grander plans with specific ideas in the near future.

Gregg said the state needs to find money to repair Indiana's crumbling infrastructure, as money from the leasing of the Indiana Toll Road runs out and the gas tax becomes a less reliable source of funding. However, he says he wants to wait before outlining how he would pay for a new roads plan.

Pence, meanwhile, said he is looking at pushing more public-private partnerships, or P3s, as a way to pay for road improvements.

"I think using some of the new tools that we have from the General Assembly — so-called P3 proposals, where we allow user fees, where there's public support for that to occur and we can build infrastructure — I think are all part and parcel of how we

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take Indiana to the next level," Pence said.

Roz Leeck, biofuels director for the Indiana Corn Marketing Council said 30 percent of the state's corn was converted to ethanol last year. He noted that Indiana provides roughly 7 percent of the nation's ethanol.

While state-level decisions have helped shape the industry that boomed in the Midwest through the last decade, much of the battle is still being fought in Washington.

Asked about what the federal government could do to support Indiana's ethanol industry, Daniels told the crowd he wants an end to "hostility" against corn ethanol in Washington. Lawmakers recently allowed to expire a \$5.4 billion dollar a year tax credit that paid oil refiners 45 cents per gallon to add ethanol to their mixes.

"I guess the point is it would matter more what they would stop doing rather than what we would ask them to do: the rather sudden hostility that manifests itself in all kinds of ways," Daniels said.

Environmentalists and oil refiners have formed a tenuous political union on the issue blaming the federal padding for corn ethanol for driving up food prices and increasing greenhouse gas emissions via the process used to create the

But the ethanol industry is still on sure footing in Washington: The Environmental Protection Agency recently approved a higher blend of ethanol in gasoline and a 2007 federal law requires that the nation consume 36 billion gallons of ethanol a year by 2022.

Ethanol supporters, including Daniels, Gregg and Pence, have made the argument that as the price of oil increases, alternative fuels become more economical. Other supporters, such as Bob Dineen, president of the Renewable Fuels Association, credit the 36-billion gallon mandate with cutting foreign oil imports dramatically since it was first adopted in 2005.

"It has helped to save consumers money by ensuring these domestic fuels will be in the market," he said shortly before Gregg took the stage. "Moreover, from an energy security standpoint, this program has been an unmitigated success."

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