

North Carolina Agricultural Energy Partnership  
September 1, 2009  
General Committee NCAEP Minutes  
Raleigh, North Carolina



Chairwoman Judy Stevens opened the general meeting by welcoming everyone and acknowledging that the NCAEP is growing. There were more than 50 people attending the meeting, it is the largest group we have had thus far. Chairwoman Stevens introduced Dr. Richard Riech who is the Agricultural Services Assistant Commissioner. Dr. Riech gave a brief but glowing introduction for our Agricultural Commissioner Steve Troxler. Commissioner Troxler opened by praising the work of his staff and how they have helped marry preservation of the environment and with the global importance of agriculture in North Carolina. Commissioner Troxler went on to acknowledge that renewable fuels will play a large part in the continued success of NC Agriculture. He referenced a trip to China where seeing a billion people living so close together and how they function in daily life made him acutely aware of the importance of all renewable energy. Commissioner Troxler cited high fertilizer prices and rising cost of fuel as two examples of why renewable energy is so important. He went on to remember how, North Carolina and most small and medium sized farmers have lost tobacco as the primary cash crop and how swine and poultry have become the important producers for North Carolina. He then explained how poultry and swine waste have become an asset instead of a liability. He remembered how people complained about the smell and acknowledged that the land application option is running out of time. Commissioner Troxler ended his speech by promoting and strengthening the relationship between Agriculture and Energy.

Steven Burke, President and CEO of NC Biofuels Center was introduced as the keynote speaker. He began by asking, "How can we improve and benefit our places?" We need alternatives to petroleum or bio-ethanol and bio-diesel. Mr. Burke credited the legislators in making a strong move in the right direction by having a strategic vision and a policy commitment through Senate Bill 3.

Mr. Burke then cited North Carolina is the perfect place for biofuels. We have all the biofuels feedstock; crops, the climate, waste production, biotechnology, husbandry of the land, manufacturing, and partnership with agriculture.

The NC Biofuels Center in Oxford, NC is a non-profit. It is a comprehensive agency for development of all biofuels and it has a large acreage of campus to help facilitate that development. The goal is for NC

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to have 10% liquid fuels grown and produced by 2017. We have 2 million gallons produced in NC now; by 2017 we should have 600 million gallons. This will create new technological advances in renewable energy and agriculture. It will create a new sector or industry that will foster new growth within rural communities and agricultural counties.

There are challenges; how do we gain, if we gain how do we gain safely, how do we affect production of facilities, how do we affect changes in behavior, how do we access petroleum distribution system, and how do we make sure that economic, agricultural, and environmental do not trump each other? Those are just a few questions that will have to be answered.

Right now the NC Biofuels Center partners with the NC State Fair to gather all of the cooking grease, one tanker truck, from the eateries and recycle.

Some issues we have are converting wood to fuels. This is biological and very hard to do. It is also expensive because we currently use enzymes to break the wood down. Another idea, we could heat it or de-hydrogenation. We can do this now but to be effective we are 4 years away from breaking down large amounts of wood.

Terry Walmsley, Vice President of Environmental and Public Affairs was then asked to give a history of the North Carolina Agricultural Energy Partnership. He explained that it was created in 2005 to educate all of the counties that were in the running to secure a Fibrowatt for their county. About 6 months ago Sampson, Surry, and Montgomery Counties came together to foster new industry through agricultural and energy. All three counties have lost; tobacco, textiles, or furniture and they lost a major source of production for each of their regions. These counties believe that agricultural and energy is the new wave of the future.

The next speaker was Carl Strickler, President of Fibrowatt, LLC. He gave a quick update of the three projects; FibroCoast, FibroHills, and FibroMont. Carl explained that we are still moving forward to obtain the Power Purchase Agreement. The utilities made a motion to the Public Utilities Commission (PUC) to extend the date of the carve outs for one year and reduce the amount of hours they should have to buy from 900,000 to 300,000.

Carl Strickler then recalled while discussing the price of power a Progress Energy representative mentioned that renewable energy will increase cost 12 to 18 cents. Mr. Strickler stated that Fibrowatt plants will definitely be on the lower end of that particular scale. Mr. Strickler then discussed that the PUC hearings and mentioned that five representatives spoke at the hearing. Judy Stevens from Montgomery County EDC, Todd Tucker from Surry County EDC, Rick Moorefield from Sampson County, Walter Pettetier from the Poultry Federation and Goldsboro Milling, and Summer Russell from Prestage Farms and as a Turkey grower. Their testimony was very positive and proactive for the carve outs of Senate Bill 3. The PUC will usually take 30 days on average to rule on the issues.

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To close the meeting Judy Stevens reminded our attendees our internet site is up and running at [www.ncaep.com](http://www.ncaep.com) and that there are different membership levels within the group. Chairwoman Stevens also set the next meeting for October 8, 2009. The place and speaker is to be determined.