

# MOTOR FUELS HART *insider*

Welcome to the second issue of Hart Energy Publishing's *Motor Fuels Insider*, a free monthly e-letter to keep you informed of the worldwide refining and motor fuels scene.

[Peter Ngo](#), editor of *Ethanol & Biodiesel News*, tells us that the focus in the biofuels world has shifted back to Washington. The U.S. departments of Agriculture and Energy will both play a big role in 2007 boosting the fortunes of ethanol and biodiesel, an effort that will have bipartisan support. President Bush last week wants to replace the Renewable Fuels Standard with an Alternative Fuels Standard, so that by 2017 some 35 billion gallons a year of gasoline will be replaced with other fuels.

Meanwhile, EB&N also found out that the Department of Agriculture announced its intention to fund \$1.6 billion in research into improving renewable fuels as part of the farm bill proposals.

For those stories, [click here](#).

In a recent survey, the readers of our *Gasification News* said that clearer national and global rules on carbon dioxide would be a big impetus for the development of polygeneration plants and Fischer-Tropsch refineries. The readers also told us they want more coverage of carbon capture and storage, and Editor [Suzanne McElligott](#) has it covered.

In January, she interviewed officials at Canada's Petroleum Technology Research Centre, which is researching the Enhanced Oil Recovery (EOR) operations in Saskatchewan oil fields to learn more about how CO<sub>2</sub> behaves underground. While tests continue, participants are not releasing the costs involved with injecting CO<sub>2</sub> for EOR.

[Carol Cole](#), editor of *Octane Week*, has covered the nexus of gasoline standards and air quality for two decades. The manner in which major industry bodies and regulators interact is key to understanding fuel composition, and its impact on your bottom line.

In the first week of January, the Coordinating Research Council posted the final report E-65-3, Fuel Permeation from Automotive Systems. The study informs the staff of the California Air Resources Board, which is updating the Predictive Model, used to certify California RFG.

The latest study evaluated six test fuels in five vehicle fuel systems. The study sought to measure the permeation emissions of model years 2000 to 2005 California vehicles with gasolines containing ethanol at various concentrations: zero; 6 vol% (5.7 vol% ethanol, 2 wt% oxygen); 10 vol%; 20 vol%; and, on one vehicle system, 85 vol%.

Developers and governments continued to announce new refinery projects at a rapid pace in January, according to *World Refining & Fuels Today*. PetroVietnam proposed to build a third refinery in Vietnam, the government announced in the third week of January. The plant would have a minimum capacity of 7 million tons per year.

And the Russian government is likely to spend \$102 million on modernizing the 114,000 b/d Kuibyshev refinery to reduce sulfur in gasoline and diesel fuel. Although the refinery is controlled by Yukos, the Russian government is expected to sell it in the near future.

Editor [Peter Haldis](#) also wrote that two Foster Wheeler subsidiaries were awarded service contracts by Indian Oil to design the integrated Paradip refinery and petrochemical complex in India.

In an exclusive interview last month with [Gas Processors Report](#) editor John Hart, the EVP for natural gas liquids at Enterprise Products Partners said he expects another robust year for fractionation spreads in 2007.

Jim Teague explained, "If the petrochemicals are performing well with strong run rates and strong demand, then typically there is a pull for the products we produce... If the gas price relative to crude is as it is today, then that enhances the desirability of petrochemicals to use the products we produce."

Last year, NGLs were a preferred feedstock for petrochemical plants because of favorable gas-to-crude ratios..."If gas is selling higher relative to crude then it makes the crude derived feed stocks such as naphtha more competitive," Teague said. He was bullish on petrochemical demand this year, citing a recent Hodson Report that shows petrochemical plants are running at about 90% capacity.

Readers of *Diesel Fuel News* got an insider's view of serious quality issues that need to be resolved before biodiesel gets broader acceptance. Editor [Jack Peckham](#) found out that a new ASTM International task force will dig into the real reasons behind biodiesel-blend causing filter clogging problems, especially in cold winter months.

And at the California Air Resources Board, a revised biodiesel "advisory" is still so full of holes that a truck could drive through it – if it doesn't stall out first, according to some industry groups. One key problem is that the biodiesel "advisory" lacks tough quality specifications, mandatory testing or enforcement on blends. Neither does the advisory specify what sort of enforcement might hit refiners or other biodiesel blenders, nor what standards or test methods by which they'll be judged.

The Texas Commission on Environmental Quality in January opened a "public comment period" on a new proposal to extend until year-end 2007 a temporary rule allowing biodiesel blends to be exempted from Texas Low Emissions Diesel fuel rules that normally require lower nitrogen oxides emissions.

Thanks for giving us part of your busy day. If you have ideas on stories you think we should cover, contact the publisher, David Givens, at 1-703-891-4811.

To get more information about any of these newsletters, or for a free mini-trial, contact [Julianne Johnson](#) at 1-703-891-4803.

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