

KENTUCKY CLEAN



FUELS COALITION

# 2004 Annual Report

## KCFC MEMBERS

Bonfield Brothers Oil  
 Carmeuse Lime Mine Co.  
 Cincinnati/Northern Kentucky  
 International Airport  
 East Kentucky Power Co-Op  
 Fort Knox  
 General Motors Corporation  
 Griffin Industries  
 Kentucky Corn Growers Association  
 Kentucky Division of Energy  
 Kentucky Soybean Board  
 Kentucky Transportation Cabinet  
 Lexington-Fayette Urban County  
 Government  
 Louisville Metro Government  
 Mammoth Cave National Park  
 Marathon Ashland Petroleum  
 Martin Dodge  
 Max Arnold & Sons  
 Metropolitan Sewer District  
 Midwest Terminal  
 Murray State University  
 National Energy Education &  
 Development Program  
 Schwan's Fine Foods  
 Seay Oil  
 Transit Authority of River City  
 University of Kentucky

Kentucky Clean Fuels Coalition  
 Melissa Howell, Executive Director  
 P.O. Box 5174  
 Louisville, KY 40255-5174  
 Phone/FAX: (502) 452-9152

## President's Message

As I begin my second term as KCFC President, I have to say that I never realized how Kentucky had positioned itself right in the middle of the clean fuel energy arena! The national network of resources the KCFC has established serves the people of Kentucky so well.

I am proud that we have together provided education to all generations of Kentuckians but I am the most proud of the message that we in Kentucky are sending to our children – that you have options that are much wiser and safer when it comes to transportation decisions, and those options will benefit every aspect of your lives.

I have learned so much about clean fuels and how Kentucky plays such an integral role. I look forward to new ventures and technological advances we will see over the next few years. It has been a pleasure to serve as president.

— Gerry Hayden,  
 Kentucky Soybean  
 Association



## Executive Director's Message

In 1993, a small group sat down to discuss the possibilities of starting a clean fuel association in Louisville. I could never have imagined that more than ten years later, those ideas scribbled on paper would have become Kentucky's primary source for clean fuel education, technology and project coordination.

When we teamed with the United States Department of Energy in 1994, we joined a national movement (Clean Cities) of clean fuel programs and quickly became one of the top ten.

The KCFC, as a 501c3 organization has seen leadership that represents the entire clean fuel market. Our Boards of Directors and Officers have provided the firm foundation and resources required for success.

The KCFC is the only program of its kind to represent the entire state, rather than one city or region. Our neutrality in fuel choice and geographic location has enabled us to meet the demands of each fleet individually.

Projects directly coordinated by the KCFC have displaced nearly ten million gallons of petroleum.

We have assisted in securing over \$5 million in grants for projects across Kentucky over ten years.

To all of you, "Thank you," for realizing we have better options in our transportation needs. Options that are healthier for our economy and our environment.

— Melissa Howell, Kentucky Clean Fuels Coalition

### Petroleum Displacement Due to KCFC Efforts



# 2004 YEAR IN REVIEW

## Highlights

- Commonwealth Agri-Energy, a 24 million gallon per year Ethanol production plant, opens in Hopkinsville.



- TARC – Transit Authority of River City in Louisville takes delivery of five Hybrid Electric buses

- Mid West Terminal in Paducah installs a 20,000 gallon storage tank for Biodiesel. One customer will be Land Between the Lakes federal site, owned by the U.S Forestry Service, as it switches the fleet of vehicles to operate on Ethanol and equipment to operate on Biodiesel.

- The Commonwealth of Kentucky begins fueling diesel fleet with Biodiesel and purchases the first state owned Toyota Prius Hybrid Electric vehicles.



*Phillip Russo, Vice-President of Max Arnold & Sons and Secretary LaJuana Wilcher, Environmental & Public Protection Cabinet.*

- Max Arnold & Sons, LLC, a fuel distributor, introduces Ethanol in an E10 blend at all of its convenience stores in Western Kentucky.
- Kentucky State Resort Parks began using Biodiesel across the Commonwealth.



*Deputy Transportation Secretary Richard Murgatroyd*



*From left to right: Dennis Griffin of Griffin Industries, Inc., Jeff Lykins of Lykins Oil, Deputy Transportation Secretary Richard Murgatroyd, and Senators Katie Stine and Richard Roeding*

- Biodiesel in a B2 blend introduced at three Northern Kentucky retail BP sites.
- Kentucky municipalities that used Biodiesel in 2004 include the City of Hopkinsville, Christian County Government, City of Morganfield, Union County Government, Louisville Metro Parks, Livingston County Government and Bernheim Arboretum and Research Forest.



- Marshall and Henderson County Schools continue to utilize Biodiesel long after grant funding ended. Christian, Kenton and Campbell County schools received grant funding and began using Biodiesel in their school bus fleets.
- Mammoth Cave National Park was awarded the National Energy Leadership Award by the U.S. Department of Energy. Mammoth Cave is the only national park in the U.S. Department of the Interior whose entire vehicle and equipment fleet operates on 100 percent alternative fuels - Propane, Biodiesel, Ethanol and Electric!

## Outreach and Education

Some of the groups KCFC made presentations to in 2004:

- Bernheim Arboretum & Research Forest
- Kentucky Senate and House Energy Subcommittee
- Kentucky Association of Counties
- Kentucky Association of Pupil Transportation
- Kentucky League of Cities
- Shelbyville Rotary Club
- Fort Campbell
- Kentucky Crushed Stone Association
- Kentuckiana Planning and Development Authority
- Ohio-Kentucky-Indiana Regional Council of Governments
- Regional Air Quality Task Force
- Kentucky Soybean Association
- Governor's Conference on the Environment
- Kentucky Propane Gas Association
- Joint meeting of Kentucky Finance Cabinet, Transportation Cabinet, and Education Department
- Henderson Community College
- Kentucky National Guard
- Clarksville TN Metropolitan Planning Organization
- Southeast Regional Tourism Association
- Harrison County Schools

In addition, KCFC hosted the first **Biodiesel Showcase** in Frankfort. More than 125 legislators and industry representatives attended the event to hear the latest in Biodiesel policy, production and utilization. The 2nd Annual Biodiesel Showcase will be held in Frankfort, February 8, 2005 from 7 - 11 a.m. at the Capital Plaza Holiday Inn.

A Clean Fuels curriculum was written for and distributed to Kentucky schools.

Clean fuel projects highlight presentations at the Youth Environmental Summit held in Louisville.

## Policy Activities/Networking

Throughout 2004, KCFC members were called upon to educate policy makers at a variety of levels in state government. This year Biodiesel and Ethanol were the primary fuels of choice for the clean fuel market across Kentucky.

- KCFC testified in front of the Joint House and Senate Energy Subcommittee in Frankfort with 40 KCFC supporters with us.
- KCFC met with representatives from the Kentucky Transportation Cabinet, Department of Finance, Department of Education, Division of Energy, Commerce Cabinet and Fleet One (fuel distributors). This meeting was designed to clarify how Biodiesel could be added to the state fueling contract should the need arise. This would be one barrier to the state fleet utilizing a Biodiesel blend.
- Several KCFC members spent time with senators, representatives and cabinet secretaries as the state began its work writing **Kentucky's first formal energy plan**. At press time, the energy plan is scheduled to be unveiled in late December 2004. Several initiatives were solicited for Ethanol and Biodiesel for inclusion in the plan.
- KCFC President Gerry Hayden and former KCFC President Rick Geise and addressed the Kentucky Energy Policy Task Force at a public hearing in Hopkinsville. The KCFC was asked to assist in formulating the state's first energy policy.

## Financial Highlights

### CMAQ – Congestion Mitigation & Air Quality – US Department of Transportation

- Rebate grant for Schwan's Fine Foods fleet of Propane trucks
- Public school systems across Kentucky to utilize Biodiesel in bus fleets
- Operational funds for marketing, education and outreach activities for KCFC

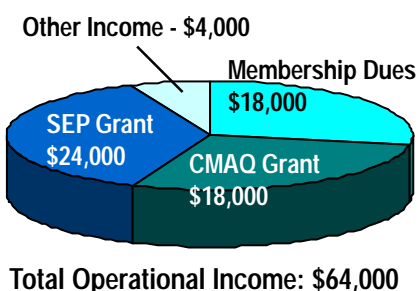
### Kentucky Division of Energy Grant Funding

- Carmeuse Lime Mines in Northern Kentucky test Biodiesel and PuriNO<sub>x</sub> in underground fleet with great results
- Municipalities in Kentucky begin using Biodiesel as part of Kentucky Energy grant program

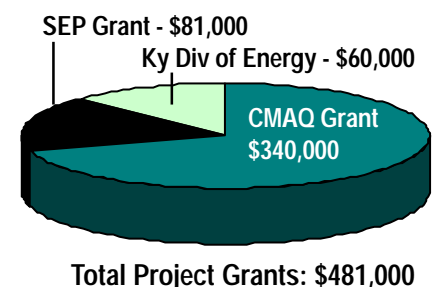
### SEP – State Energy Program - US Department of Energy

- Home Oil & Gas in Morganfield—Biodiesel storage and distribution infrastructure
- Bonfield Brothers in Mt. Sterling—Biodiesel storage and distribution equipment
- Operations support for KCFC activities

## Operational Income



## Project Grants



## NEW U.S. Department of Energy Technologies and Strategies

The USDOE focus has historically been on E85, natural gas, propane, ethanol, electric and hydrogen. This year, they redefined their focus to include other aspects of this energy arena.

**Hybrid Electric Vehicles** – Promotion and project development involving vehicles with combined internal combustion and electric propulsion engines.

**Renewable Fuel Blends** – blends of Biodiesel and ethanol at various percentages as low as B2 and E10 and as high as B100 and E85.

**Fuel Economy** – fleet and consumer education focused on vehicle maintenance and voluntary purchases that improve fuel efficiency.

**Idle Reduction in Diesels** – On board and infrastructure technologies that reduce pollution and energy consumption from idling diesels.



*The KCFC coordinates the Commonwealth Clean Cities Partnership, a voluntary program in conjunction with the U.S. Department of Energy.*

## 2005 MEMBERSHIP INFORMATION

### Membership Classification

<input type="checkbox"/>	25 or less employees	\$250
<input type="checkbox"/>	26 – 50 employees	\$500
<input type="checkbox"/>	51-200 employees	\$1000
<input type="checkbox"/>	201-500 employees	\$1500
<input type="checkbox"/>	Over 500 employees	\$2000
<input type="checkbox"/>	Non Profits	\$800
<input type="checkbox"/>	Municipalities/Govt.	\$800
<input type="checkbox"/>	Universities/Colleges	\$500
<input type="checkbox"/>	Ky School Districts	\$150
<input type="checkbox"/>	Individuals/Professionals	\$100

Make checks payable to: Kentucky Clean Fuels Coalition

Remit to: Dina Hans  
Computerized Accounting Services, Inc.  
Suite 302A, Nolan Building  
2100 Gardiner Lane  
Louisville, KY 40205

*The KCFC is a 501c3 non - profit organization Federal Tax ID #61-1269804*

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## FUELS COALITION

### 2004 Board of Directors

Marty Baker, Suburban Propane  
Todd Barlow, Kentucky Corn Growers Association  
James Covany, Kentucky Transportation Cabinet  
Dr. Nancy Cox, University of Kentucky  
John Davies, Kentucky Division of Energy  
Debbie Ellis, Kentucky Soybean Association  
Geoffrey Hobin, Transit Authority of River City (TARC)  
James Hunt, Metropolitan Sewer District  
Dale Keith, Cincinnati/Northern Kentucky International Airport  
Hart Moore, Griffin Industries, Inc.  
Richard Murray, Lexington Urban Fayette County Government  
Ron Switzer, Mammoth Cave National Park  
Dr. Ted Thiede, Murray State University

### 2004 Officers

President – Gerry Hayden, Kentucky Soybean Association  
Vice President – Tracey Thurman,  
Ky. Propane Education Research Council  
Secretary – Joe Yates, Fort Knox  
Treasurer – Vic Peek, LG&E (retired)

### 2005 Board of Directors

Dale Keith, Cincinnati/Northern Kentucky International Airport  
Richard Murray, Lexington Urban Fayette County Government  
Karen Reagor, National Energy Education Development  
Geoffrey Hobin, Transit Authority of River City (TARC)  
Darrell Ishmael, East Kentucky Power Cooperative  
Todd Barlow, Kentucky Corn Growers Association  
John Davies, Kentucky Division of Energy  
Dr. Ted Thiede, Murray State University  
Debbie Ellis, Kentucky Soybean Board  
Dr. Nancy Cox, University of Kentucky  
Phillip Russo, Max Arnold & Sons LLC  
Hart Moore, Griffin Industries, Inc.  
Joe Yates, Fort Knox

### 2005 Officers

President – Gerry Hayden, Kentucky Soybean Association  
Vice President – Craig Blanton, Kentucky Transportation Cabinet  
Secretary – James Hunt, Metropolitan Sewer District  
Treasurer – Vic Peek, LG&E (retired)

Visit us on the web at  
[www.kentuckycleanfuels.org](http://www.kentuckycleanfuels.org)