



From Out Here: Securing our Energy Future

By Jack M. Geller, Ph.D.

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On March 15th a bill became law mandating that all diesel fuel sold in the state of Minnesota be blended with a minimum of 2-percent biodiesel by 2005. Arguing that a biodiesel mandate is good for the environment, good for the rural economy, and maybe most importantly, will help us reduce our dependence on foreign oil, lawmakers passed the measure quite handily in both the Senate and the House.

There was opposition to it, of course. While the biodiesel mandate was being debated, opponents correctly pointed out that replacing almost the entire diesel fuel supply with a 2-percent biodiesel blend will very likely raise the price of diesel fuel at the pump by as much as 5 cents per gallon. While that may not sound like much to you or me, consider the impact of such a price increase if your business owned a fleet of trucks, buses or other diesel-burning vehicles.

But a quick look at the news coverage in April alone leads me to think that the Minnesota legislature

was somewhat prophetic. Consider these recent news events:

- Citing economic retribution for events between the Israelis and Palestinians, the government of Iran suggested that the OPEC oil-producing nations consider reducing and withholding oil exports to western countries siding with Israel.
- The government of Iraq, citing similar concerns declared that it would unilaterally withhold oil to the west for a month.
- In Venezuela (the fourth largest oil exporter to the U.S.), a military coup, shortly followed by the reinstatement of the country's president, has greatly increased the instability of the political structure as well as its flow of oil to the U.S.
- The U.S. Senate passed an energy bill, with a renewed emphasis on ethanol and other alternative fuels.

There's no doubt that since the oil embargo of 1973, our dependence on foreign oil has been linked with national and homeland security concerns. And it is for this reason that, while we still import approximately 50 percent of the oil we consume annually in the U.S., our dependence on oil from the Middle East has decreased dramatically since 1973. And since September 11, a renewed emphasis on further reductions in our oil dependence from "unreliable" sources has clearly been on the agenda.

As a result, Minnesota, with its continuing legislative support of ethanol, E-85, wind-generated electricity, biomass, and now biodiesel, has an extraordinary opportunity to demonstrate to the nation how a series of rather small steps can culminate into one giant leap. By that I mean, each of these initiatives individually will only have a small if not minuscule impact on the total oil consumption in our state. But over time, and taken together, we may be able to reduce our oil consumption by as much as 5 to 7

percent. Sound small? Well, consider that according to the U.S. Department of Energy all the crude oil imported from Algeria, Iraq, Kuwait, Saudi Arabia, Qatar, the United Arab Emirates, Brunei, Egypt, Oman, and Yemen *combined* totaled approximately 13.5 percent of the oil we imported in the year 2000. Does a 5- to 7-percent reduction still seem small? Tie these measures to some serious energy conservation efforts and we can effectively demonstrate to the nation how to make a real and meaningful impact on overall oil consumption.

As for the increased price to diesel consumers, the question has to be asked, "Is it worth it?" To me, the answer is clearly yes!

Fueling up at the pump over the past 18 months had the feel of rolling dice. With price swings from 98 cents to \$1.91 per gallon, I liked the odds of catching the bullet in a game of Russian Roulette better than the odds of finding the same price at the pump from one week to the next. In fact, I started feeling sorry for the poor station attendants who have to keep changing the prices on those big signs each day. So with price swings as large as 10 to 15 cents per gallon from one day to the next, who would really recognize an increase of 3 to 5 cents a gallon as something out of the ordinary?

My point is simply this. As with any new policy, there are tradeoffs, both political and financial. Minnesota's

new biodiesel mandate has the potential to give our state another tool in our collective "tool belt" as we try to bolster our farm economy and keep Minnesota's air clean. But maybe most importantly, with a renewed emphasis on reducing our foreign oil dependence and greater energy self-sufficiency, Minnesota, with its support of ethanol, wind, biomass, E-85 and now biodiesel, has the tools in place to lead the nation in this new direction. Let's do it.

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