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FPL announces plans to convert citrus waste into ethanol

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ST. PETERSBURG, Fla. --

An FPL Group subsidiary announced plans Thursday to develop a first-of-its-kind commercial plant to convert orange and grapefruit waste into ethanol that will be sold to Florida motorists at gasoline pumps.

"Currently, there is no ethanol production in Florida," said David Stewart, president of Boca Raton-based Citrus Energy LLC, a partner in the development of the FPL Energy ethanol plant. "This is the first in the world for citrus."

State Agriculture Commissioner Charles Bronson said the proposed facility is one of several now being discussed to move Florida from the sidelines of ethanol production to the forefront of developing new, more efficient methods to make the alternative fuel.

"I think you are going to see some production within a year and a half on a small scale. You're going to start seeing a larger scale in two and a half to three years. Within five years, Florida is just going to be going off the map with ethanol production," Bronson said at an alternative fuels conference he is hosting.

The FPL plant is expected to produce about 4 million gallons of ethanol a year to be sold as a gasoline additive in Florida. The plan is to build it in Hendry County, an agricultural region just south of Lake Okeechobee. FPL Energy is a subsidiary of FPL Group Inc., which also operates the state's largest utility, Florida Power & Light Co.

"That's a very, very small ethanol plant," said Spencer Kelly, ethanol and biodiesel editor at the Oil Price Information Service. "The average plant these days does about 50 million gallons a year. It's almost like doing a trial plant."

Kelly said the idea isn't new, but previous ventures have failed due to a lack of financing, an inability to make money or trouble getting permits. The FPL plant is still in the permitting phase. But Kelly said FPL's "deep pockets" and the state's desire to bring ethanol to the pumps makes the project more feasible than past efforts.

"The higher the price of crude, the more gasoline prices stay high, the more feasible these things become," Kelly said. "And Florida is an untapped market."

Stewart said the plant will use a process the U.S. Agriculture Department developed in the 1990s to convert the leftover peels and membranes seeds from orange juice production into ethanol. That waste is normally converted into animal feed.

"Our waste product is the animal feed, so the animals don't lose out completely," Stewart said. "This is turning a liability for the citrus industry into an asset."

Stewart declined to say how much the plant will cost. He said it will distill citrus ethanol for eight months and be available to experiment on other potential materials, including sugar cane. He said there is a potential in Florida to produce 60 million gallons of ethanol annually, enough to replace about 1 percent of the gasoline Florida burns each year.

Ethanol is as old as Henry Ford's Model T. But interest outside the Midwest, where corn is used to make ethanol, has tended to wane when oil prices are low. But the war in Iraq and rising oil prices are now putting ethanol back at the forefront of energy policy discussions.

"The people understand it's important to wean us off dependence on foreign oil," Gov. Charlie Crist said at the summit. "We have an opportunity, as well as a responsibility, to develop fuel right here in Florida."

Crist said he will travel to Brazil in November to discuss increased ethanol and trade partnerships, including marketing Brazilian ethanol-gasoline blends at Florida gas pumps. Brazil is second only to the U.S. in ethanol production. China is third.

Critics warn biofuel production is energy- and water-intensive and that the nation's farms could never supply enough produce to meet current fuel demands. The recent spike in interest in corn-to-ethanol production also has created concern about increasing food costs.

Bronson said Florida is looking beyond corn for its ethanol needs, focusing on cellulosic ethanol such as citrus pulp and yard waste which is more efficient to produce than corn ethanol.

"Because corn is the only thing really out there now, that's all anybody wants to talk about," Bronson said. "They say this other stuff is just on the drawing board. No it's not."