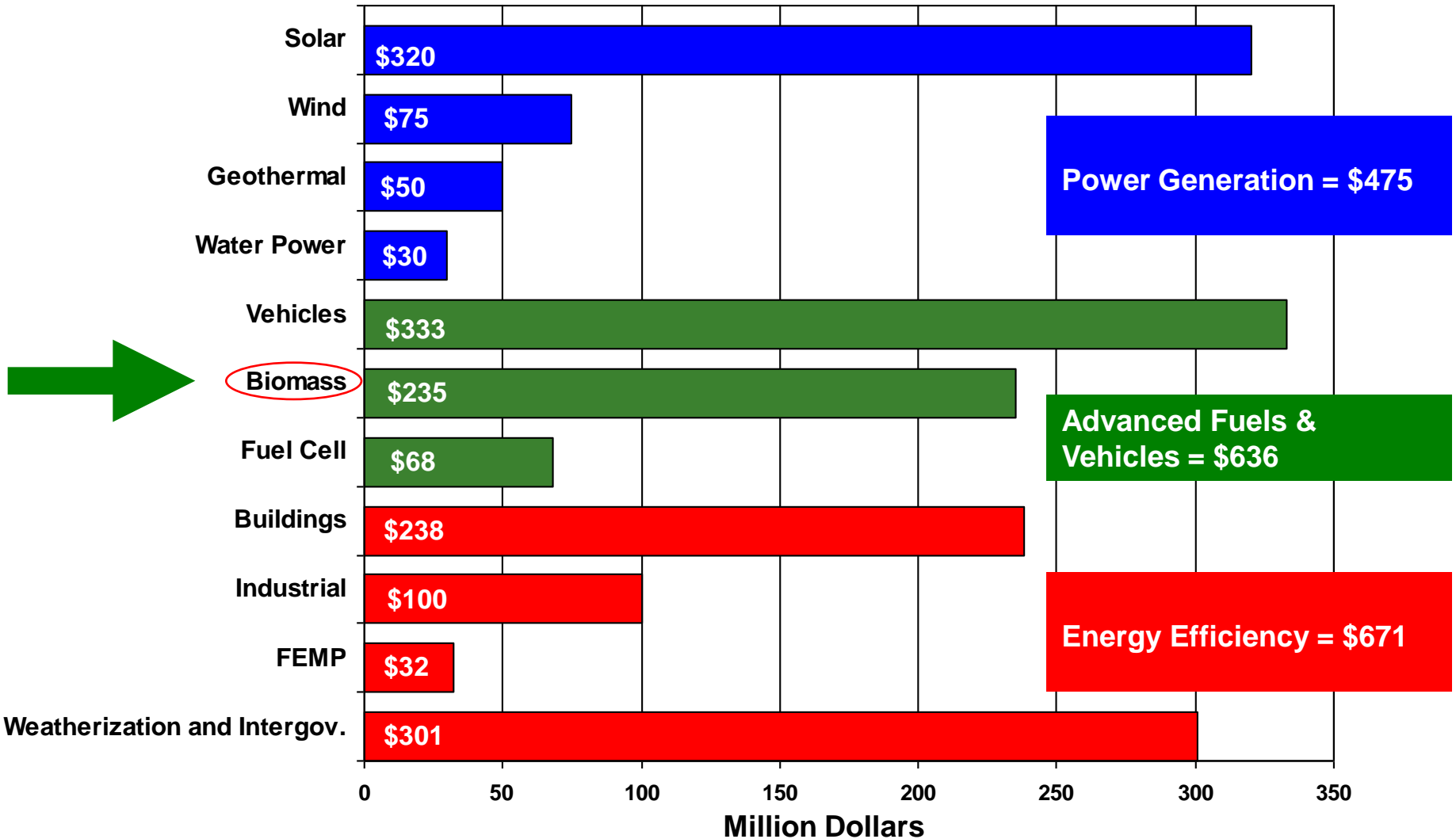


Fiscal Year 2010 Budget Request - \$2.3 Billion




Note: Bar chart does not include Facilities and Infrastructure (\$63), RE-ENERGYSE (\$115), Program Direction (\$238), and Program Support (\$120)

Program Areas & Key Challenges



Research & Development

Demonstration & Deployment



Feedstock Systems

- Diverse regional biomass resources
- Yield & price
- Water & fertilizer
- Land use
- Metrics & standards

Conversion Technologies

Biochemical

- Cost & Efficiency
 - Pretreatments
 - Enzymes/yields
- Fermentation

Thermochemical

- Cost & Efficiency
- Gasification Process
- Fuel Stabilization



Integrated Biorefineries

- Integrating process technologies
- Financing
- Technical expertise
- Profit potential



Infrastructure

- Transport
- Storage
- Codes & Standards (Blend wall)
- Demand/markets
- Compatibility

Product Development

- Fuel purity & cost
- By-products/markets
- Infrastructure compatibility

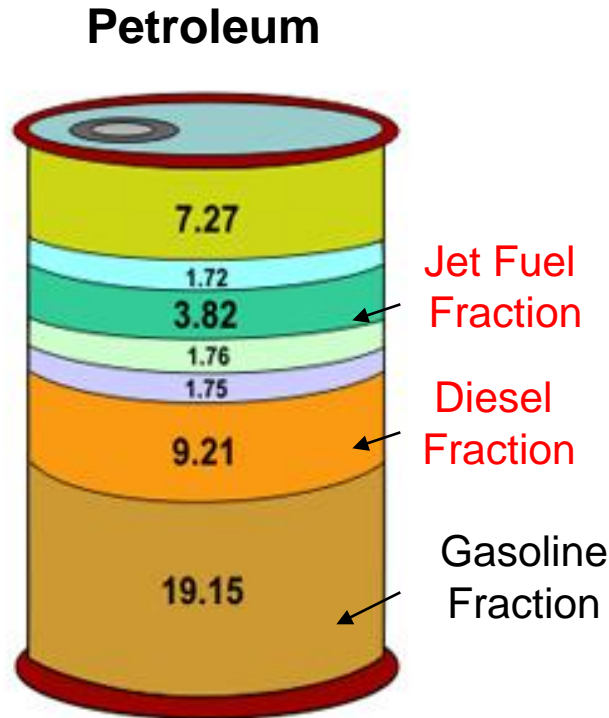
Sustainability

- GHG emissions
- Land use
- Predictive Modeling
- Water quality
- Socioeconomics
- International

Biofuels Portfolio Diversification



Products Made from a Barrel of Crude Oil in Gallons (2007)



Source: Energy Information Administration

U.S. Jet Fuel Outlook

(EIA FY2008 Reference Case for 2030)

- 35 billion gal/yr

U.S. Diesel Outlook

(EIA FY2008 Reference Case for 2030)

- 75 billion gal/yr

Cellulosic ethanol displaces light duty gasoline fraction only.
Need heavy duty/diesel substitutes to displace entire barrel.

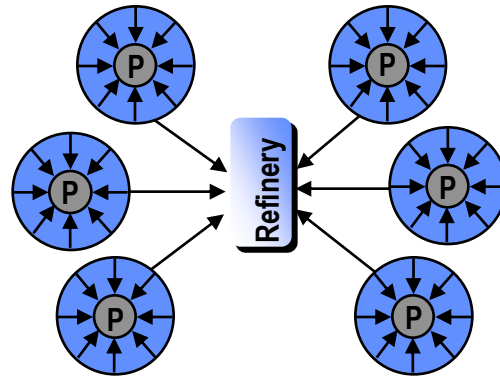
Biomass-Based Jet Fuel Efforts



- Biomass program is funding a joint effort by NREL, PNNL, and UOP (a Honeywell Company) to characterize fuel characteristics of upgraded pyrolysis oils, including the Jet Blending component
- The work was promising enough that UOP is continuing their research with internal resources
- The Department of Energy is exploring advanced biofuels



Pyrolysis Oil to Energy & Fuels Vision



Biomass

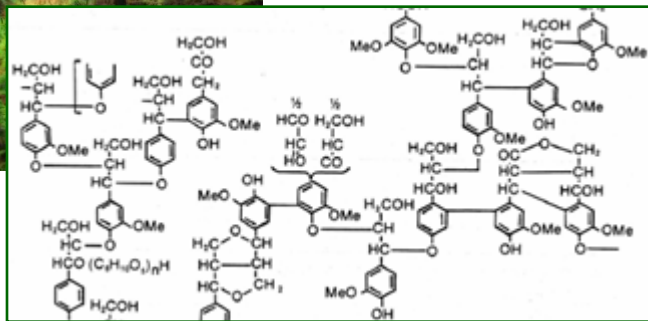
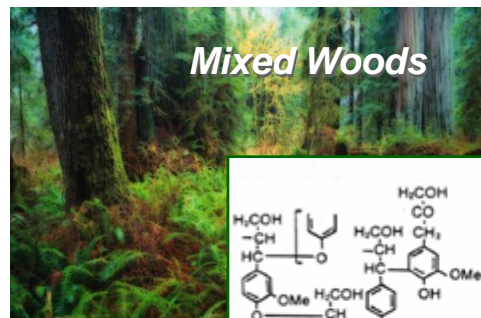
Fast Pyrolysis

Pyrolysis Oil

Electricity Production

Fuel Oil Substitution

Available Today



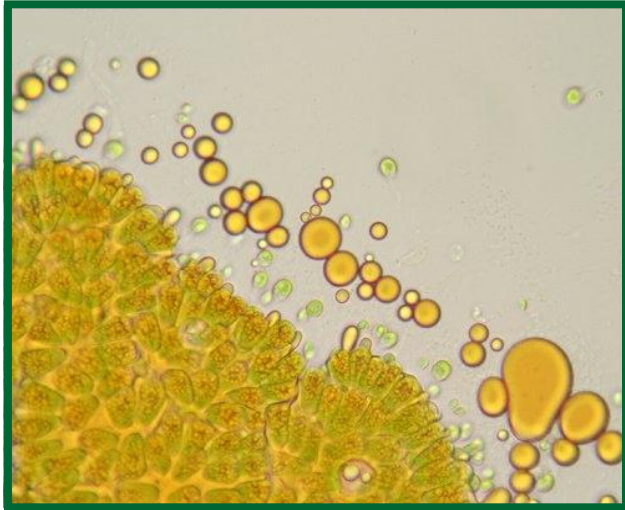
Transport Fuels (Gasoline, Jet Diesel)

Chemicals (Resins, BTX)

3-5 Years to complete R&D

**Transport Fuels already achieved on lab-scale
Collaboration with NREL, PNNL, UOP**

What about Algae?



- Algae can produce more lipids (plant oils) per acre than other plants -- *potentially 10x - 50x*
 - Lipids are the preferred starting point to make diesel or jet fuel from biomass
- Algae cultivation can utilize:
 - marginal, non-arable land
 - saline/brackish water
 - large waste CO₂ vent resources
- Minimal competition with food, feed, or fiber

Technical Barriers

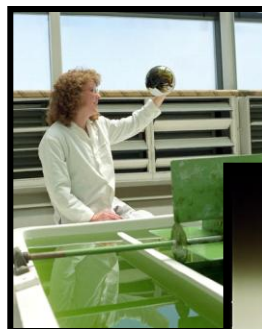


Algal Cultivation

- Bioreactor design
- Starting species
 - Growth rate
 - Oil content
- Nutrient requirements
 - CO₂ and H₂O sources

- De-watering methods
- Extraction
- Purification

Oil Recovery



- Process optimization
- Fuel characteristics
- Engine testing (ASTM)

Fuel Production



Algae are a long-term potential solution – but lots of barriers