

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee March 10, 2021

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our COVID-19 response protocol

BOSTELMAN: I'm going to go ahead and get started since there's a small room for us. Really, we're here for a confirmation hearing for a reappointment to the Nebraska Ethanol Board for Randy Gard. I'll run through a few things here real quick. Basically, we request that you wear a-- wear a face covering while you're in the hearing room. When you come up and testify, Mr. Gard, you can remove your mask; that's fine. When we ask questions, it's easier for us to hear, easier for the transcriber to hear. So please, if you're comfortable with that, you're more than welcome to remove your mask. Public hearings are, for which the attendance reaches seating capacity-- which we don't have an issue with, we'll skip over. I think we'll just open with: Welcome to the Natural Resources Committee. I'm Senator Bruce Bostelman. I'm from Brainard, and I represent District 23, and I serve as Chair of this committee. The committee will take up the confirmation hearing that we have today. Committee members are here, will come and go. Perhaps we'll have a couple other come in. I ask you to abide by the following procedures. Please silence or turn off your cell phones, and then we'll have-- Mr. Gard will come up and say a few words so as to introduce himself and that. And we'll have questions. If you're planning to testify in support or opposition of the confirmation, please pick up a green sign-in sheet that is on the table in the back of the room. Please fill out the green sign-in sheet before you testify. Please print, and it is important to complete the form in its entirety. When it is your turn to testify, give the sign-in sheet to the-- to a page or to the committee clerk. This will help us make a more accurate public record. If you do not wish to testify today, but would like to record your name as being present at the hearing, there is a separate white sheet on the tables that you can sign for that purpose. This will be part of the record-- the official record of the hearing. There'll be no displays of support or opposition to a bill, vocal or otherwise, is allowed at public hearing. Committee members will introduce themselves, beginning with Senator Cavanaugh, on my left.

J. CAVANAUGH: John Cavanaugh, District 9: Midtown Omaha.

MOSER: Mike Moser, District 22: Platte County, a bit of Colfax and Stanton Counties.

BOSTELMAN: And on my right--

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GRAGERT: Tim Gragert, District 40: northeast Nebraska.

HUGHES: Dan Hughes, District 44: ten counties in southwest Nebraska.

AGUILAR: Ray Aguilar, Grand Island and Hall County area: District 35.

BOSTELMAN: To my-- to my right is committee legal counsel Cyndi Lamm, and to my far left is committee clerk Katie Mohl-- Bohlmeier. I'd like to thank-- we have Noah and Savana-- is that correct?-- this afternoon, for our pages. Thank you for being here today and supporting Natural Resource Committee hearing, the confirmation hearing. With that, we'll open up the confirmation hearing on Mr. Randy Gard for the reappointment to the Nebraska Ethanol Board. Please step forward. Good afternoon. If you could please introduce yourself, spell your name when you-- pronounce and spell your name. Tell us a little about yourself and also, perhaps, some things that you do on the-- on the board.

RANDY GARD: Sure. My name is Randy Gard, R-a-n-d-y G-a-r-d. I currently reside at 3402 South Blaine in Grand Island. And currently what I do is, I am the chief operations officer for Bosselman Administrative Services. Our organization-- privately-held, family-run business for 73 years. We have 46 convenience stores, two Travel Centers, a half a dozen restaurants, three hotels, some entertainment subdivisions, and that type of thing. So a very diverse, relatively large company with almost 1,300 employees. And I'm also currently the secretary of the Nebraska Ethanol Board. So once again, thank you very much for the opportunity to speak today and I'm sure willing to take any and all questions you would like to shoot at me.

BOSTELMAN: Thank you, Mr. Gard. Is-- and this is a-- you serve-- is it four or six years?

RANDY GARD: Four.

BOSTELMAN: Four years. And I guess, if there are any questions from the committee members-- Senator Hughes.

HUGHES: Thank you, Chairman Bostelman. Thank you, Mr. Gard, for your willingness to serve. So what-- what position do you fill on the board? Like, are you the petroleum marketer or--?

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RANDY GARD: Yeah, currently I'm the petroleum representative on the board, yes.

HUGHES: OK, very good. And this is your second term that you're requesting?

RANDY GARD: Correct.

HUGHES: OK. So what kind of goals does the ethanol board have, moving forward? I know I spent some time on the ethanol board myself. So moving forward, have you got short-term projects that you're working on?

RANDY GARD: Matter of fact, there are. There's-- if you want to step back a little bit over the last four years, there has been a lot of work on trying to get E15, a higher blend ethanol, where it could be sold at the retail level year-round. And through a pretty consolidated effort between the Renewable Fuels Nebraska, which is the ethanol producers, Nebraska Ethanol Board, Renewable--Fuels America, all of us working together, really we were able to-- to get that done where it can be sold year round. So that's one. But I think, too, even with that opportunity, that window opening up to be able to sell E15 year round, the challenge we have is the consumer's ability to be willing to make that transition. So I think, over the next four years, our-- our biggest-- one of our biggest challenges will be to see if there is a way where we can convert, especially the state of Nebraska, you know, from a-- from a consumer base that understands and buys E10 regularly 'cause it's typically the lowest price at the pump, to make that transition, to move away from E10 and to adopt, on a full-time basis, E15, which is a lot of-- a lot of-- a lot of gallons and certainly a lot of gallons of ethanol, as well.

HUGHES: So is the Ethanol Board playing any role in marketing Nebraska ethanol to-- into the California market where there is a premium?

RANDY GARD: Well, there's-- to some degree, yes. But I think the focus really isn't that-- as much. That's-- that's more at the-- at the plant level, at the production level. Ours is more, not only to expand the production of ethanol, but also to expand the consumption. And I think there's-- there's certainly, on the national level, there's-- there's things going on to expand that, but also, it's just as

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important to expand the consumption of it, especially here in
Nebraska.

HUGHES: OK. Thank you for your willingness to serve.

BOSTELMAN: Other questions from committee members? Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chairman Bostelman. And thank you, Mr. Gard,
for being here, and your willingness to serve. Can you just give me a
brief overview? I didn't serve on the Ethanol Board like Senator
Hughes. Can you just tell me what the Ethanol Board does?

RANDY GARD: Well, it's a really kind of a rare entity, because it's
the only entity of its [INAUDIBLE]-- of its kind in the entire nation.
And when it was originally created, it was strictly for the-- for the
production and expansion and consumption of ethanol as a product. And
it started out with just one ethanol plant. And over time, over the
last, you know, few decades, you know, we went to 25 plants, 2.5
billion gallons of ethanol produced. And our board does everything.
And the entity in and of itself, we're a central repository for
information. So if-- if someone in this building needs some
information about ethanol-- its advantages either from a-- a
octane-producing, enhancing additive, to fuel, to what it does, to,
you know, the-- you know, the economy of-- of Nebraska, I mean, it's--
it's a \$5 billion economic boost to the state. So it's everything from
collection of information, central repository of information, but also
works with ethanol plants to make them more efficient, make them safer
to work at. And at the same time, it's always working with retailers
to come up with a way to help retailers make a transition to a higher
blend of-- of-- of ethanol so consumers can, quite frankly, have a
better fuel that costs less for them.

J. CAVANAUGH: Did the ethanol board have anything to do-- I saw this
week in the paper that the state says or they did a study where you
can use E30?

RANDY GARD: I can tell you that that whole study was championed by the
Nebraska Ethanol Board.

J. CAVANAUGH: So the Ethanol Board-- I guess the question is then,
where does the funding come from?

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RANDY GARD: Basically where the funding comes from is, there is a certain amount-- and Roger Berry, who is the administrator, understands the economics far-- far better than I do-- but there is a amount of money that's gen-- that's created, that is sent to the Ethanol Board from the amount of denaturant that's put into E100 ethanol when they denature it down to E98 so it can be sold. So the certain-- so I don't remember the exact number, but for every gallon of denaturant that's used, then there's a certain amount of funding that comes back to the Ethanol Board, and that's where it gets its-- its--

J. CAVANAUGH: And that's the sole source of funding?

RANDY GARD: Yes.

J. CAVANAUGH: Oh, OK.

BOSTELMAN: Senator Gragert.

GRAGERT: I just had a real quick question after the article. Conventional cars-- what's-- what's considered a conventional car that can handle E30?

RANDY GARD: Well, if you go clear back quite a few years ago, the federal government put out a-- an incentive for the car manufacturers to create what's called a flex-fuel vehicle. And what a flex-fuel vehicle does, it-- they've created through really the-- the onboard computer diagnostics. It allows the computer to-- to enable the engine to use E-- clear up to E85. So there are flex-fuel vehicles and then there's everything else. So a conventional vehicle would be just a, you know, a non-pickup. It could be a car, it could be an SUV that just takes regular gasoline.

GRAGERT: So is there any year cutoff on that-- 2002 back or 2000?

RANDY GARD: Actually everything 2001 or newer-- and newer could run up to E30 and not have any diagnostic problems at all.

GRAGERT: 2001 and earlier--

RANDY GARD: Newer-- and newer.

GRAGERT: Newer.

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RANDY GARD: Newer.

GRAGERT: So 2001 and older, we've got problems?

RANDY GARD: Not really problems, but just not enough-- not enough data out there to support it.

GRAGERT: Unfortunately, all my cars in 2001 and before [LAUGHTER].

RANDY GARD: Well, I can tell you we have a significant amount of folks who run E10, E15 in '71 Chevilles with big block Chevrolets, and they run perfectly fine. But I think what we did is-- is, when you look at the data at the state level and the federal level, it seemed like that there was a lot of miles driven, a lot of data that supported 2001, and newer, and there just isn't enough data, going back, where you could really without-- without reasonable doubt, if you want to call it that.

GRAGERT: Thank you.

BOSTELMAN: Senator Aguilar.

AGUILAR: Thank you, Chairman Bostelman. Randy, I just read about a year-long study they did on E30, and they-- they said that they had-- the only thing they had to do was make enough, an adjustment-- adjustment in the air intake or something. Are you familiar with that?

RANDY GARD: I know some about that. Once again, Roger Berry, our administrator, knows a lot about it. Basically how that E30 study was run-- underneath your steering wheel, there is a port-- and it's called an OBD-II port, and that's a kind of a diagnostic port. And so between using some-- some fleet vehicles that the state of Nebraska has and also some State Patrol cars, and working with UNL, we were able to procure these devices that you can plug in to this port. And it downloads data, everything from how fast they go to what the O2 sensor is in the exhaust system, to if they're-- if a light comes on, a diagnostic light comes on. And then after so much-- so much time, then you take that out and we give those to the University of Nebraska, and then they download all that data. And so they really-- to make a long story not so long-- they didn't have to do anything to the vehicles, in and of themselves, to make them run very effect-- efficiently and effectively on E30. And you know, we-- having UNL take

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all that data, 'cause there was-- the data points was staggering, it
worked perfectly fine.

AGUILAR: As far as E15 on conventional cars, do they do any special
adjustments to that?

RANDY GARD: No, sir. E15 will run-- once again, going back to the
data, 2001 or newer can run on E15 all day long. You know, I've run it
in my cars on-- that's got 450 horse and some that, you know, run 15
horse on my lawn mower, and it runs perfectly fine.

AGUILAR: Thank you.

BOSTELMAN: Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chairman Bostelman. Mr. Gard, I-- I guess I
can't let the opportunity go by and ask the Ethanol Board about what's
going on in Mead. Is that-- the Mead ethanol plant-- did that pop up
on your radar? Did you guys have any questions and any interactions
with them prior to the recent [INAUDIBLE]?

RANDY GARD: Well, with them with the Mead plant, the Nebraska Ethanol
Board really didn't take a stand on that because we think that's more
of an operational issue, and that's really not where we play. So you
know, we're letting the NDEE and, you know, and that plant work
through the operational issues. Now in terms of-- of using, you know,
that type of corn in an ethanol plant, Ethanol Board doesn't really
have a position on that. Personally, I think there's a bill out there
now that would make that not possible, which, personally speaking, is
probably a good thing.

J. CAVANAUGH: Thank you.

BOSTELMAN: Seeing no other questions, thank you very much for coming
in today, and for your testimony.

RANDY GARD: Thank you very much, everyone.

BOSTELMAN: Thank you for your willingness to serve. I'd ask anyone
who'd like to testify as a proponent for the-- the appointment of Mr.
Gard to the Nebraska Ethanol Board, please step forward.

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ROGER BERRY: Good afternoon, Senator Bostelman and the Natural Resources Committee. Thank you very much for the opportunity to come in and support Mr. Gard this afternoon. My name is Roger Berry, R-o-g-e-r B-e-r-r-y, and I am the administrator of the Nebraska Ethanol Board. As far as my support for Randy, I'm going to keep this very short for you, as I know that you have come back in as a special committee meeting, if you may-- if I may say, in order to do this. And we appreciate the fact that you, as a committee, have done that for us. Randy is an invaluable member of the Nebraska Ethanol Board because of his perspective and the experience that he brings to our board. One of the things that we've been working very hard on for the past few years-- actually quite a few years-- is infrastructure, infrastructure in the state of Nebraska, and growing that infrastructure. And Randy has that experience that we need to-- when we have questions on what we should be doing, infrastructure-wise, and the technical aspects of that. But also his-- his business experiences are extremely important to the-- to the board, too. As far as me, the administrator, I considered him to be an invaluable member, and I know the rest of the board does, also. So I would highly encourage you to go ahead and approve Randy's reappointment to this board, as he is such an important member of the board. If I could take a few moments just to kind of follow up on a few things that was brought up, and I'll just kind of take them one on-- one on one. Senator Hughes, you had asked about if we were doing any work on the ethanol going to California. As Randy mentioned, we don't get involved in the marketing of the plants. That's-- that's their-- their-- basically their job to do or things that they want to do. I mean, we wouldn't ever want to tell an ethanol plant how to market their ethanol, just as we wouldn't want to tell a retailer how to market their fuel. But one thing we do get involved with, which is extreme-- which is very valuable to our ethanol plants when it comes to California, is we're constantly working with those plants in order to figure out how can they reduce the carbon scores of that ethanol. And that's-- that's the big thing there, because the lower we can get that carbon score, the more valuable that ethanol is in California. Senator Cavanaugh, you asked about the funding structure of the Nebraska Ethanol Board. We-- Randy answered that exactly correct, but I'll go into it a little more depth here. The Nebraska Ethanol Board has an excise tax that is collected on the denaturant that goes into the ethanol. Generally, plants are, on the average, putting about 2 percent denaturant in with the ethanol. Do you-- are you-- understand why we have to put that

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denaturant in? Or do-- OK, let me explain that a little bit, too. I think that probably goes clear back to the early, early days. I can't remember the name, but-- I'm sorry.

MOSER: Prohibition.

ROGER BERRY: Yes, Prohibition days. I was trying to think of the name, so thank you, Senator Moser, for--

MOSER: I wasn't alive then, but close.

ROGER BERRY: It goes back to the Prohibition days, to where basically the denaturant makes that alcohol undrinkable, makes it poisonous, because the alcohol we produce is the same alcohol that you have in-- in a drink that you may have. So it is drinkable, but with that 2 percent denaturant in there-- which is a petroleum product-- it then makes it to where it's poisonous and undrinkable. So basically, on the average, the plants put about 2 percent of denaturant in there. We collect an excise tax of one and a quarter cents, per gallon, of denaturant that's-- that's put in there. So that's where our money comes from for the Nebraska Ethanol Board. Senator Gragert, you had asked about 2001 and older. You're-- you're in the same club as I am; I drive an older car, too. It's a 1999 Oldsmobile Aurora, and I have been running that car on E30 for five years, and it-- it loves it. Now if an Aurora-- and this particular Aurora has a little bit higher compression engine in it, so it has to use premium fuel to have that higher octane. So when you pull into a station you'll see the eighty seven, eighty nine and ninety one. It has to use that 91 octane. But generally, when I fill that car up, I'm saving about 80 cents a gallon by using E30 versus 91 octane in there. Plus I'm putting a whole lot less greenhouse gases into the air and a whole lot less particulate matter, because the majority of the-- I'll call it the nasty stuff in gasoline-- the BTEX complex that they use to in order for straight gasoline to get its octane is benzene, toluene, and xylene. And benzene is a known carcinogen, causing cancer. So with E30, I'm not only contributing to my pocketbook, but I'm also contributing to cleaner air for all of us to breathe. So it can be used legally. EPA says E30 can be used in nothing but a flex-fuel vehicle, E15 can only be used in a vehicle 2001 and newer. But we know that they will run on, and run fine on it.

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GRAGERT: 80 cents cheaper a gallon. What kind of mileage are you
lose-- are you losing mileage?

ROGER BERRY: I maybe lose one to two miles per gallon over the premium
gasoline versus the ether.

GRAGERT: OK. I'll try it, and I'll give you a call.

ROGER BERRY: OK, perfect. What-- what kind of car are you driving?

GRAGERT: 1990--

ROGER BERRY: What?

GRAGERT: Riviera.

ROGER BERRY: Riviera? OK. Yep, I think-- I think you'll do fine.
You've been using E10 in it? OK, and the reason why I ask that is,
when we first came on with ethanol back in the '80s or '70s even, we
saw a lot of vehicles that had never had ethanol in them. Well,
gasoline puts a garnish-- or what do I want to say? Kind of a coating.

MOSER: Varnish-- varnish.

ROGER BERRY: You are bringing all my words to me. Thank you; I
appreciate that. Varnish in the tanks. And when you introduce ethanol
in there, ethanol is a very good cleaner, and it brings that varnish
off, starts collecting and then pulls it into the fuel filters and
plugs the fuel filters out. But we don't have that problem anymore
because of the fact of, almost, E10 being in everything. So--

GRAGERT: Thank you.

ROGER BERRY: You're welcome. Let's see-- Senator Aguilar, you asked
about the car having to be adjusted. And when we did our E30 study,
the computer in the car does the adjusting. There's no mechanical
adjusting that has to be done. And that's one of the reasons why we
did this test on E30 with the 50 state vehicles to make sure that the
computer, the stock computer, could handle that excess amount of
ethanol in there and be able to adjust that engine to keep it
optimized, not optimized for E30, but optimized for where that engine
needs to run as far as timing and everything. And the computers did
fine. If they can't, they'll throw a check-engine light. And we had

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absolutely no check-engine lights come on through this study. So they-- but there was no-- no mechanical adjusting that needed to be done to the cars.

AGUILAR: OK.

ROGER BERRY: And Senator Cavanaugh, you asked about had we reached out to the Mead ethanol plant. We did reach out to the Mead ethanol plant, probably not soon enough, but by the time that we did reach out, things were really getting heated up-- rightfully so. And we got the same response that most people got from the Mead situation: I left a message and never got a call back. I-- we, as the Nebraska Ethanol Board, we're not a regulatory agency. We don't have that ability, and I'm glad we don't have that ability. We're more about promoting product and-- and staying on the-- on the positive side of things. So any time we got a call on it, we would basically refer them to the Nebraska Department of Environment and Energy, since they are the regulatory authority. And that's where that-- that line. You know, at the end of the day, it was not an ethanol problem-- or is not an ethanol problem-- because the ethanol coming out of that plant, by using the treated seed corn, is the very same ethanol out of any other ethanol plant here in the state of Nebraska. But it's the distillers' grains. And I hate to call it distillers' grain, because it could not be fed to cattle because of the-- the carry through of the insecticides on that. That's where the problem was. So it was-- it was a waste problem rather than an ethanol problem. Now all the other plants in the state of Nebraska use seed corn, which is the very same seed corn that's fed directly to livestock. And in that way it goes through the ethanol process. The distillers' grains are to where they can be fed to our cattle, and we can complete what we call our golden triangle, where the farmer grows the corn, the corn goes into the ethanol plant, the ethanol plant produces distillers' grains, which feed is fed to the cattle; and the cycle all starts over again.

J. CAVANAUGH: Can I ask a question? I'm sorry.

BOSTELMAN: Have you gone through your questions yet?

ROGER BERRY: Yeah, I think that's the end of my list, yes.

BOSTELMAN: Thank you. That was very informative. So yes, questions from the committee? Senator Cavanaugh.

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J. CAVANAUGH: Thank you, Chairman Bostelman. Thank you for all that information and great analysis. Just as like a matter-- you know, in terms of other ethanol plants that I've heard from or had conversations with, they're concerned about Mead, in particular, giving them a black eye in the industry, essentially. And I guess, is that-- was that your concern there? Obviously, you know, you don't have a regulatory--

ROGER BERRY: Yes.

J. CAVANAUGH: You were reaching out to them as-- in that kind of a capacity of, I guess-- what do you call it? PR management, I guess.

ROGER BERRY: I was going to be reaching out to them in the matter of: Guys, what are you doing here?

J. CAVANAUGH: Yeah.

ROGER BERRY: So that was--

J. CAVANAUGH: But I guess where you-- in your role, your concern is how it affects them, the industry as a whole. Right?

ROGER BERRY: Yes, yes. Because it was giving-- due to-- due to the general public, they don't know the difference between what's going on there and what a normal ethanol plant is doing. So it makes it appear that all ethanol plants are doing that same thing. And that's where the black eye comes from.

J. CAVANAUGH: I've got people bending over backwards to make sure that I know the difference.

ROGER BERRY: Yep, good.

J. CAVANAUGH: And as a point of clarity, you said every other plant uses seed corn? Or what's that?

ROGER BERRY: No, uses field corn.

J. CAVANAUGH: Field corn, OK.

ROGER BERRY: Yes.

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J. CAVANAUGH: I just wanted to make sure. I thought you said seed, and
I wanted--

ROGER BERRY: Yeah.

J. CAVANAUGH: --to give you a chance to clarify that.

ROGER BERRY: And to my knowledge, there was only one other plant in
the United States. And I believe it was down in Kansas. And it was a
very small plant that was using seed corn and they have quit using
seed corn now, too.

J. CAVANAUGH: Thank you.

ROGER BERRY: You bet.

BOSTELMAN: Senator Moser.

MOSER: So does the ethanol board get money from the state?

ROGER BERRY: No, we do not use any General Fund money. It all comes
from the excise tax off of the-- from the ethanol plants. So it's like
a checkoff, basically.

MOSER: Yeah. It's a user tax, kind of--

ROGER BERRY: Yes.

MOSER: Producer tax.

ROGER BERRY: I guess maybe you can call it that, we call it the excise
tax. Yeah.

MOSER: Yeah. And what's your budget in a year?

ROGER BERRY: Our actual budget is around \$550,000-\$600,000, so not a
large budget by any means.

MOSER: The people on the board are not paid?

ROGER BERRY: Our board-- board-- our directors?

MOSER: Yeah.

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ROGER BERRY: \$25 for each day that they're in a meeting, so I guess
you could say no, they're not paid.

MOSER: Yeah, that was just informational.

ROGER BERRY: Yeah, absolutely.

BOSTELMAN: Senator Groene.

MOSER: Thank you.

ROGER BERRY: You're welcome. Thanks for asking.

BOSTELMAN: Senator Groene.

GROENE: Thank you, Chairman. What is the market now? Is it-- is it
bloated nat-- nationally for ethanol? Or is it a growing market?

ROGER BERRY: In regards to supply or product?

GROENE: A growing market-- is it a growing market, total gallons?

ROGER BERRY: Right now? No, because we're still feeling the effects of
COVID. We're still--

GROENE: The mileage is not put on by vehicles through consumption.

ROGER BERRY: Right We're still about seeing miles driven about 10
percent down, which means that ethanol is about 10 percent down also,
because it's-- it's very directly in correlation with the miles driven
by our automobiles across the United States.

GROENE: Do we sell a portion of ours to California?

ROGER BERRY: A large portion of Nebraska ethanol goes to California.
Yes.

GROENE: Is it because we're price competitive with Brazil? Or--

ROGER BERRY: We are much better priced than what Brazil is. One of the
reasons why you see Brazilian ethanol coming into the California
market is because of how the carbon index or the carbon scores are
rated, and sugarcane ethanol has a lower carbon score. Whether it's
correct or not, it's just the way that it is-- is done, according to

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the-- what's called the Greek models. Sugarcane has a lower carbon
score, so it gives them better greenhouse gas savings in California.
That's why you sometimes see--

GROENE: 'Cause they blend it-- they blend Nebraska---

ROGER BERRY: Pardon?

GROENE: --ethanol with theirs to reach a certain average?

ROGER BERRY: I'm sorry, can you repeat that?

GROENE: Is there something in California states statute or something
that says they have to keep their carbon intake by-- or output by such
amount and they blend Brazil's in with--

ROGER BERRY: Yeah, I don't--

GROENE: Not actually blend it, but--

ROGER BERRY: Right.

GROENE: --percentage-wise,--

ROGER BERRY: Percentage-wise.

GROENE: --on the average, the--

ROGER BERRY: I don't-- I don't think.

GROENE: --carbon footprint is less?

ROGER BERRY: Yeah, I don't think there's any percentage that comes in
there. But oftentimes the Brazilian can sell it into that market and
compete with ours because of that carbon index that goes in there. But
most of the time, we're-- we're going to be cheaper, but they're
simply wanting it for the lower carbon contributions to the state of
California.

GROENE: How-- what are you guys involved in with research and
development? I hear you say corn, but there's people looking at
different byproducts to use for ethanol production. Is any of that
going on in Nebraska?

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ROGER BERRY: We are doing mostly an organization by the name of Bio--
Bio Nebraska.

GROENE: I've heard of that.

ROGER BERRY: They do a lot of work in that, on what we would kind of
call bio campuses at our ethanol plant. And we do work with our bio--
with our ethanol plants on making them what we call bio campuses,
where they're no longer just producing ethanol only, but they're
producing ethanol to be used in the production of plastics, in the
production of-- of green chemicals, all that type of thing. And we
work very closely with the Department of Economic Development to help
match ethanol plants up with companies who want to invest or-- or
partner along with an ethanol plant in order to do that. So--

GROENE: How-- how healthy is the industry? I mean, there was a plant
that went broke here recently again, isn't there? Or shut down? Maybe
I'm thinking--

ROGER BERRY: Well, during COVID, we-- at one time we had 11 plants
that had idled down.

GROENE: Just shut them down.

ROGER BERRY: Yeah, but they have all come back. We have all of our
plants intact and running, except for Mead.

GROENE: Thank you.

BOSTELMAN: Senator Gragert.

GRAGERT: I'm interested here. Do you do any kind of experimenting with
switchgrass?

ROGER BERRY: We do not at this time. At this time, we have mostly
concentrated on the corn ethanol and research that goes along with
that. I know in the past there's been probably-- the Nebraska ethanol
board has probably done some studies on that. But at this time, that--
you're talking cellulosic-- cellulosic ethanol, and it doesn't-- it's
not able yet to compete with corn ethanol. So at this time, we're
still with corn ethanol. But I see the day coming very quickly.
Because of the fact that it has lower carbon when you start going into

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

the cellulosic ethanol, I see that day coming when we're going to have
to start doing some work on that.

GRAGERT: So could the same corn ethanol plant incorporate switchgrass?
Or would that be a changeover?

ROGER BERRY: It would be a changeover. Yeah, there-- there would be a
different process because you have to pull the-- the lignin out of the
grasses. It's that lignin that contains the sugars. And that's what
ethanol is all about, of course, is that sugars. And that's what
you're pulling out of that corn kernel, is that starch, and to have
those sugars convert over. And so it would be a different process. I'm
sure the back end of that process would be the same, but the front end
of the process would be different.

GRAGERT: All right. Thank you.

BOSTELMAN: OK. Seeing no other questions, thank you, Mr. Berry, for
being here today; appreciate it.

ROGER BERRY: Thank you very much for this opportunity today,
committee.

BOSTELMAN: Is there anyone else who would like to testify as a
proponent for the reappointment of Mr. Gard? Seeing none, anyone who'd
like to testify in opposition? Seeing none, anyone who'd like to
testify in a neutral capacity? Seeing none, that will close our
hearing on the reappointment of Mr. Randy Gard to the Nebraska Ethanol
Board. Thank you very much for coming here today; appreciate your
time.