

Economic development opportunity for Muscatine, Iowa

Fuel the Muscatine Power Plant with corn stalk pellets to boost the local farm economy

Blending corn stalk pellets into the fuel mix creates a major economic development opportunity, with benefits for Muscatine Power & Water, the City of Muscatine and the surrounding community.

1. **Grow the local economy and area incomes**
2. **Increase margins and protect markets for local ethanol producers**
3. **Generate renewable energy and attract environmentally conscious businesses**



Image source: <http://www.powernag.com/prbcug-small-plant-of-the-year-muscatine-power-water/>

Economic Benefits of burning corn stalk pellets at the Muscatine Power Plant (2018-2030)*

	One Pellet Mill	10% cofire	40% cofire
Project scale			
Wages & income	\$43 Million	\$56 Million	\$223 Million
GDP growth	\$78 Million	\$102 Million	\$408 Million

*Benefits based on economic analysis by Regional Strategic LTD (see www.TrestleEnergy.com/economic-analysis). Values are scaled from results presented in scenario 1 of Tables 7 & 9 according to the estimated pellet volumes.

1. Grow the local economy and area incomes. Burning corn stalk pellets will stimulate new local industries in biomass supply, processing, and logistics. Developing this value-added opportunity will increase incomes for area farms, businesses, and residents. The economic benefits summarized in the table above will accrue statewide, but are expected to be concentrated in areas where the corn stalks are collected and processed, as illustrated in the figure to the right.



2. Increase margins and protect markets for local ethanol producers. Corn stalks are produced with corn grown for ethanol. As a result, burning corn stalk pellets reduces the carbon footprint of ethanol. This increases the value of locally-produced ethanol in California or other markets with Low Carbon Fuel Standards, which will keep local ethanol flowing to these premium markets and push up producer margins.

3. Generate renewable energy and attract new businesses. Burning corn stalks provides a way to generate cost-effective renewable energy at existing power plants. Biomass pellet technology is mature and has been commercialized at large scale by multiple European power plants. Capital costs are modest and can be offset by benefits, and local supplies are available at the same cost as coal.