

Obama's Favorite Algae Company

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The Obama Solution?

President Obama's reference to algae in his Thursday energy speech drew flak over the weekend from Newt Gingrich, who called it "weird" before calling algal biofuel "a terrific concept." But Obama had political reasons to promote algae in Florida, the sunny, swampy, politically-volatile state he carried in 2008.

The Obama Administration has already sunk \$25 million into a Florida company—Algenol Biofuels—that is building an algae biorefinery using a patented technology that promises to streamline the process of extracting oils from algae so they be converted to ethanol.

In remarks at the University of Miami, Obama highlighted two domestic energy sources more than any other—natural gas and algae. After the speech, the Administration announced \$30 million in grants to develop natural gas as a vehicle fuel, \$14 million for algae.

"We're making new investments in the development of gasoline and diesel and jet fuel that's actually made from a plant-like substance — algae," Obama said in Miami. "You've got a bunch of algae out here, right? If we can figure out how to make energy out of that, we'll be doing all right."

Gingrich mocked Obama during an appearance in Idaho, calling a hypothetical bottle of algae "the Obama solution." Then, more seriously, praised the concept but said it will take 20 to 40 years to develop.

Obama's remarks rest on a 2011 study by the Energy Department's Pacific Northwest National Laboratory, which found that 17 percent of U.S. oil imports could be displaced by domestic biofuels from algae.

"Believe it or not, we could replace up to 17 percent of the oil we import for transportation with this fuel that we can grow right here in the United States," Obama said. "And that means greater energy security. That means lower costs. It means more jobs. It means a stronger economy."

Obama used the study's more conservative number. The authors found that algae has the potential to replace up to 48 percent of fuel imports for transportation—but that level of production would require vast amounts of fresh water and land: 5.5 percent of the land area in the conterminous United States and nearly three times the water currently used for irrigated agriculture.

The authors consider 17 percent a viable number based on optimal land and water and geographic placement of algae farms.

They did not propose a timeline for development of an algal energy industry, but they identified a potential Achilles' Heel of algal biofuels: up to 350 gallons of fresh water would be needed to produce one gallon of oil from algae.

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