

TABLE OF CONTENTS

PREFACE	vii
RECOMMENDATIONS	ix
SUMMARY	1
TECHNICAL CONSIDERATIONS	5
A. What Are the Fuel Oxygenates?	5
1. Methanol	6
2. Ethanol	7
3. Isopropanol (IPA)	8
4. Isobutanol (IBA)	8
5. Tertiary Butyl Alcohol (TBA)	8
6. Methyl Tertiary Butyl Ether (MTBE)	9
7. Observations	9
B. Gasoline Blending	9
1. Octane Rating	10
2. Volatility	10
3. Water Tolerance	11
4. Oxygen Content	12
5. Heating Values	12
ECONOMIC CONSIDERATIONS	13
A. The Economics of Ethanol as an Octane Enhancer	13
1. One-Time Conversion Costs	13
2. Ongoing Costs: Alcohol Additives	14
3. Financing the Ethanol Alternative	14
4. Provincial Incentives	15
5. Answer Lies in Better Technology	15
6. Reliability of Supply	16
7. Effect on Competitive Pricing	16
8. Existing Subsidy Programs for Ethanol Plants	16
9. Assessing the Costs	17