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BIODIESEL Education Network News

From the National Biodiesel Board

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barriers reduced for selling biodiesel at franchised stations

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Biodiesel Education Network News
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Now, branded retail franchises have more power to determine their product mix while helping the nation meet the renewable fuel standard (RFS) of 36 billion gallons annually by 2022.

The 2007 Energy Independence and Security Act recently expanded the use of renewable fuels by increasing usage standards. It also lowered barriers for branded retailers to sell renewable fuels. An amendment to the Petroleum Marketing Practices Act (PMPA) states that branded petroleum refiners and distributors cannot prohibit a franchisee from selling renewable fuels including B20 (20 percent biodiesel blend).

"The revision to PMPA makes it much easier for owners of franchisee gas stations, service stations and truck stops to provide biodiesel even if the branded refiner or distributor does not supply it," said Jess Hewitt, president of Houston-based Gulf Hydrocarbon, Inc., and chairman of the National Biodiesel Board marketing committee. "This barrier has been lifted and franchisees can make the choice based on customer demand."

The changes apply to distributors and retailers signing new franchise documents, such as branded supply agreements and leases, after December 2007.

Under provisions in the new law, franchise-related documents shall not contain any provisions restricting the franchisee or any affiliate of the franchisee from:

- Installing a renewable fuel pump or tank.
- Converting an existing tank or pump for renewable fuel use.
- Advertising the sale of renewable fuel.
- Selling renewable fuel on the marketing premises of the franchisee.
- Purchasing renewable fuel from sources other than the franchisor if the franchisor does not offer its own renewable fuel.
- Listing renewable fuel availability or prices on station signs, fuel dispensers, or light poles.
- Allowing for payment of renewable fuel with a credit card.

However, the refiner or distributor can place "reasonable requirements" on the franchisee. For example, franchisees remain prohibited from mislabeling, misbranding or violating the franchisor's trademark.

All Things Biodiesel is the source for FTC-approved biodiesel pump labels

Complying with the new biodiesel pump labeling requirements is now easy on AllThingsBiodiesel.com. The official labels are available for one dollar on the Web site. Starting December 16, 2008, the Federal Trade Commission (FTC) requires these labels to be displayed on all retail biodiesel pumps selling a B5 (5 percent biodiesel) or higher blend.

In June, the FTC came out with the final ruling on biodiesel pump labeling. Biodiesel labels have a specific blue background and contain the words "Biodiesel Blend." Two approved biodiesel labels are standard orders on AllThingsBiodiesel.com. The first is for blends between 5 and 20 percent and the second is for B100 (100 percent biodiesel). If a retailer has a blend between 21 and 99 percent, a custom order can be placed on AllThingsBiodiesel.com. The Commission does not require retailers to disclose the presence of 5 percent or less biodiesel or biomass-based diesel in a fuel blend.

Biomass-based diesel will not use the BX blend designation and must spell out the blend percentage using the number and the percentage sign. This is good news for biodiesel producers because the biodiesel terminology will not be confused with other types of fuel.

In addition to the approved FTC labels and pump labeling kits, AllThingsBiodiesel.com has in-depth information on compliance with the FTC rules. It is also a source for clothing, bumper stickers and brochures that fuel retailers can use to promote biodiesel and educate customers on the benefits.

Marketers Making it Happen: Gulf Hydrocarbon

Not only is he making it happen as a biodiesel marketer, he's making it happen to spread the word on renewable fuels in general.

Jess Hewitt, CEO of Gulf Hydrocarbon, a Houston-based biodiesel distributor, is helping to expand the company's business and facilities, but also renewable fuels in general with his volunteer service to the industry. Currently Hewitt is the president of the Biodiesel Coalition of Texas, Inc. (BCOT). He also represents his company on the National Biodiesel Board, where he is the Marketing Committee chair. But to take it a step further, Hewitt organized the biennial Houston AFV (alternative fuel vehicle) Day Odyssey.

AFV Day Odyssey, www.nationalafvdayodyssey.org, showcases cleaner and more energy-efficient choices in transportation. Alternative fuel and advanced technology vehicles rely on domestic fuels such as renewable fuels like biodiesel and ethanol, propane and natural gas, and on hybrid technologies. On Oct. 3, in multiple locations across the country, consumers, fleet managers, and government officials had the chance to see the latest AFV trends, meet the experts, explore AFV ownership opportunities, and discover AFV training and job possibilities.

As BCOT's current leader, Hewitt likewise coordinated the Texas Biofuels Conference & Expo, held in Austin. Despite Hurricanes Ike and Gustav hitting the Houston area just days before the conference, showing a strong number of members and biofuels professionals in Texas and throughout the nation attended. Hewitt works with the trade organization for the biodiesel industry – NBB – in guiding its Marketing Committee, and in helping to plan yet another conference – the Markets/Users track for the National Biodiesel Conference to be held in San Francisco, Feb. 1-4.

On the business front, this summer Gulf expanded its operations by signing an agreement with Methes Energies Canada Inc., on the purchase of the total biodiesel production that will be produced at Methes' new 6.6 million gallons per year (25 million liters) biodiesel facility in Sombra, Ontario, Canada. Under the agreement, Methes Energies can reserve some of its production toward supplying other clients.

BCOT is a non-profit corporation created by biodiesel pioneers and industry leaders to ensure that biodiesel receives favorable treatment by state regulatory agencies and the Texas Legislature. BCOT's greatest immediate challenge in Texas will be to protect biodiesel from being displaced out of the Texas diesel fuel market as a result of TxLED.

For more information on Gulf Hydrocarbon, visit www.gulfhydrocarbon.com.

BQ-9000 certified marketers now total fifteen

Downs Companies, a Corona, Calif. fuel marketer, has been a family-owned business since 1940 when Elvin Downs started distributing oil and fuel products. Third-generation owners, Mike Downs and his sister Sharon Downs Messner, now run the business with the mission of providing "choice" for customers. After determining that biodiesel is a product choice that customers want, achieving BQ-9000 quality certification became a prime objective.

"Quality and integrity are core values of Downs Companies, so the BQ-9000 certification was top priority when we started marketing biodiesel earlier this year," said Mike Downs, Owner/President, Downs Companies (Downs Oil Co., Inc. and Downs Energy). "Certifications like BQ-9000 ensure that our customers can rely on product quality that is never compromised."

The choice of buying biodiesel fuel from a company certified under BQ-9000 is becoming more widespread with customers realizing the value of rigorous testing and precise quality controls. So far, 33 producers and 15 marketers have demonstrated their commitment to quality by achieving BQ-9000 certification.

Downs Companies is joined by the following biodiesel producers in achieving BQ-9000 certification late this summer:

Piedmont Biofuels of Pittsboro, N.C. is a coop that focuses on small-scale biodiesel production, making fuel mostly from waste vegetable oil by self-described "fuel quality nuts."

Beacon Energy Corp. of Cleburne, Texas purchased the Cleburne, Texas plant earlier this year where they furthered their commitment to "easing America's dependence on petroleum-based fuels" by producing and marketing biodiesel.

Lake Erie Biofuels of Erie, Pa. opened the first large-scale biodiesel production facility in Pennsylvania with a capacity to produce 45 million gallons of biodiesel annually using multiple feedstocks.

Paseo-Cargill Energy of Kansas City, Mo. started producing biodiesel this year at its 40 million gallon capacity Kansas City facility with an integrated glycerin refinery.

Ag Processing Inc. (AGP) of St. Joseph, Mo. located its 28 million gallon biodiesel plant adjacent to its soybean crushing plant. This plant joins AGP's Iowa-based biodiesel plant in achieving BQ-9000 certification. Their biodiesel is branded "SoyGold."

share ideas with peers at ATB, get answers from BEN

AllThingsBiodiesel.com is now the place for real-time information on, well, all things biodiesel. Blogs and forums have been added where you can join in the discussion and share ideas with everyone from industry experts to biodiesel beginners. "The Exchange" provides visitors with the opportunity to post a blog, join a forum or join a group discussion on the biodiesel industry. AllThingsBiodiesel.com also includes a biodiesel directory, classifieds, and The Biodiesel Store.

Find out what industry groups are doing including NBB and the Sustainability Task Force. Join a group for alerts on new blog or forum entries. Share your ideas. It's up to you to make this a useful industry tool.

Also, don't forget to Ask BEN when you have a question. BEN is partnership between the NBB and the Petroleum Marketers Association of America (PMAA). The database of questions and answers continues to grow, providing you with answers to the most frequently asked questions.

For instance, question 16Q: What is the best method to test for storage stability of a B20 blend?

Answer: Fuel aging and oxidation can lead to high acid numbers, high viscosity and the formation of gums and sediments that clog filters. If the acid number, viscosity or sediment measurements exceed the limits in ASTM D 6751, the B100 is degraded to the point where it is out of specification and should not be used. Most B20 fuel could be a candidate for use of stability additives if fuel is being stored in excess of six to eight months. As biodiesel and biodiesel blends are stored, the acid number tends to increase and go out of specification, gums and varnish can form and the viscosity can increase. The ASTM standard to evaluate acid value is ASTM D664 and Kinematic Viscosity, ASTM D445.

Or question 18Q: What can you tell me about micro-organisms and biodiesel fuel? How can it be avoided?

For the answers to 18Q and many other frequently asked questions or to ask your own question, go to www.biodiesel.org/askben/.

NBB is officially in its new headquarters at:

National Biodiesel Board
605 Clark Avenue
Jefferson City, Missouri 65101

The phone number and P.O. Box remain the same:
(800) 841-5849;
PO Box 104898.

On the *Web*

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University of Idaho Biodiesel Education Program technical notes can be viewed at www.biodieseleducation.org.

establishing a fuel quality prevent/defense mitigates risk

With the advent of low-sulfur diesel, then ultra-low-sulfur diesel, fuel quality characteristics continue to change in the U.S. Some of these changes can negatively impact exhaust emissions, lubricity, stability and cold flow performance. Establishing a fuel quality preventative defense is a positive first step to mitigating fuel quality risk.

Common fuel contaminants are water and microbial contamination, which if left unattended can foul fuel systems provoking premature equipment failure. The largest contributor to these fuel deficiencies results from a lack of general housekeeping protocols. By implementing a couple of easy procedures, you can reduce the risk of accepting contaminated fuel, whether it be diesel, biodiesel or heating oil.

First, **Visually Inspect the Fuel**. Suspended water in fuel may result in water in all stages of fuel distribution. It is always a good idea to visually inspect incoming fuel for cleanliness and haze which could indicate the presence of water or wax (in cold weather). Have an ASTM haze rating chart on site for comparison.

Second, **Develop a Set of Guidelines for Receiving Fuel**. Defined below are just a sample of some of the questions you need to be prepared to answer to begin establishing your fuel quality preventative defense:

1. Is my fuel certified to meet its ASTM standard D975, D396, D6751 or combinations thereof?
2. Did my supplier provide me a certificate of analysis (COA) with this delivery?
3. Do I have a fuel receiving program in place, documenting before and after delivery inventories along with water level measurements?
4. Have I instructed my fuel supplier what cold weather temperature value I will require during the fall and winter?
5. Has the additive I have chosen to treat my fuels been validated to perform through laboratory testing verification? If not, contact a local analytical company for testing verification.

For additional information contact NBB's Petroleum Liaison, Advanced Fuel Solutions, Inc. at 1-877-251-5463 or info@fuelsolution.com for more information. Or, visit www.biodiesel.org to download a copy of the Fuel Quality and Performance Guide, (Publication #6346-012006-3000).

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