

Success for Iowa's biodiesel industry
means success for Iowa's economy

I support a B5 requirement in Iowa.

5 FACTS on the B5 Requirement

- FACT 1. In 2007 (one of Iowa's best biodiesel sales year), only 76 retailer/truck stop companies have benefited from current biodiesel tax credits. This is only 6% of all Iowa diesel retail stations. (*Source: Iowa Biofuels Retailer Tax Credits report, IA Dept. of Revenue).
- FACT 2. Fuel in Iowa is already mandated. Only ultra-low sulfur diesel (ULSD) and unleaded gasoline can be sold in Iowa today.
- FACT 3. The Magnuson Moss Warranty Act (1975) provides guidelines for warranty protection. This has been interpreted as “ a vehicles warranty cannot be voided solely due to biodiesel use. Even if the manufacturers warranty recommends a 5% blend, and the consumer uses B20 or even B99, this does not void the warranty. “
- FACT 4. A vote for the B5 requirement fulfills campaign promises to reduce dependence on foreign oil. At a B5 level, this bill will reduce Iowa's petroleum consumption by 1 million barrels per year.
- FACT 5. Iowa petroleum distributors have experience selling high quality, blended biodiesel in the winter. A B5 blend of biodiesel in the winter only increases the cloud point of diesel fuel by 4-6 degrees.

Success for Iowa biodiesel = Success for Iowa's economy

- Iowa biodiesel production facilities employ more than 300 people full-time
- Iowa's biodiesel industry supports more than 6,100 full-time jobs from raw material production to transportation and services.
- Biodiesel supports Iowa agriculture because we add value to farmers' by-products after we feed the world, whether it be soybean oil, waste animal fats or left over restaurant grease.
- More than 4,000 Iowans are invested in Iowa biodiesel production facilities representing more than \$150 million in local investments.
- ***Biodiesel makes a significant contribution to the Iowa economy, expanding the economic base, generating income, supporting the creation of new jobs and generating tax revenue.***

Supply and infrastructure are ready to meet B5 requirement

- Iowa biodiesel CAN provide enough biodiesel to meet requirements
 - 800 million gallons of diesel fuel were sold in Iowa in 2008.
 - Currently, Iowa biodiesel production capacity is more than 310 million gallons of biodiesel per year.
 - Only 40 million gallons of biodiesel are required for an Iowa B5 blend requirement
- Most Iowa petroleum distributors could easily manage a B5 blend immediately and with no additional infrastructure costs.
- Grants for up to \$50,000 through IDED are available to implement new infrastructure, should a distributor request it.

Biodiesel is competitively priced with #2 ULSD. In fact, with the value of RINs, it's less expensive!

- RINs are the federal tracking mechanism for Renewable Fuels Standard.
- RINs are purchased by those who find it more profitable to buy credits rather than biofuels. RINs are sold by those who generate excess RINs by using more biofuels than required.
- Using March 17 prices, B5 is actually *cheaper* than #ULSD.

Biodiesel is competitively priced with #2 ULSD. In fact, with the value of RINs, it's less expensive!

Biodiesel is competitively priced with #2 ULSD. In fact, sometimes it's less expensive!	
#2 ULSD Des Moines Rack Price	\$1.275
B99 Biodiesel Price	\$1.290
Final B5 Blended Price	\$1.275
No freight prices included. March 13 pricing. REG-9000-10 product from Iowa plant. Additional value available to petroleum distributors looking to participate in RINs program. \$.01625/RIN. or 24 cents/gallon	

Original engine manufacturers support biodiesel blends

- All engine manufacturers explicitly endorse the use of B5 in their engines today .
- For higher blends, the Magnuson Moss Warranty Act provides guidelines for warranty protection.
- This act has been interpreted as “ a vehicles warranty cannot be voided solely due to biodiesel use. Even if the manufacturers warranty recommends a 5% blend, and the consumer uses B20 or even B99, this does not void the warranty.

Original engine manufacturers support biodiesel blends

OEM	Biodiesel Blend Approval
Case IH	B100-half of all models B5-all models
John Deere	B20
New Holland	B100
Caterpillar	B30/B20/B5
Cummins	B20
Detroit Diesel	B5
General Motors	B20-2008 Silverado and GMC Sierra B5-all diesel models
Fort Motor Co.	B5
Chrysler	B20-2007 Dodge Ram and heavy equipment diesel engines B5-several other models
International	B5
Kubota	B5

Biodiesel helps Iowa reduce its carbon footprint and keeps Iowans healthy

- Biodiesel is a low-carbon fuel. It reduces carbon output by up to 78% as compared to petroleum diesel.
- Biodiesel creates 3.5 units of energy for each unit used in the production process.
- Nationally, biodiesel's annual contribution to reducing greenhouse gas emissions is now equal to removing 700,000 passenger vehicles from America's roadways.

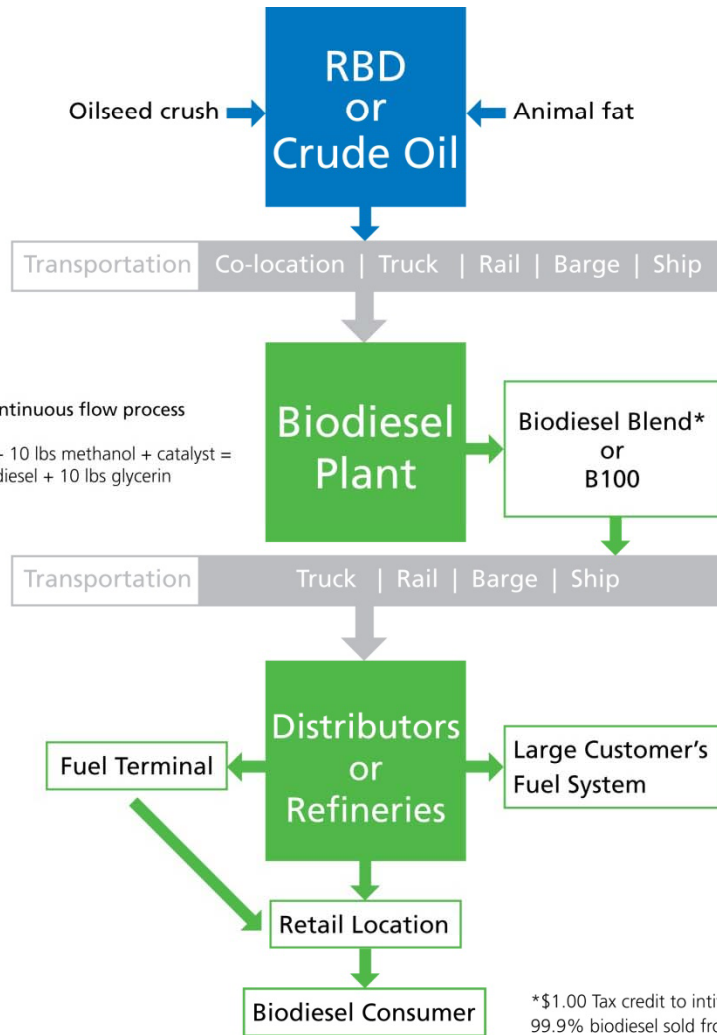
Keep Green Collar Workers Working

- Quality green collar jobs will help entice Iowa's bright youth to stay within the state.
 - For example: At Renewable Energy Group in Ames, 51 percent of the employees are under the age of 35.
 - A great majority of those employees graduated from Iowa colleges and universities.
- The biodiesel industry supports more than 6,100 full-time jobs in Iowa.
- Many policy initiatives are being proposed to create new jobs within the state. Maintaining the quality jobs already established is equally important.

Biodiesel Supply Chain: *Field gate to fuel tank*



Soybean oil continues to be an important feedstock for biodiesel



Oilseed Continuous flow process
 100 lbs oil + 10 lbs methanol + catalyst =
 100 lbs biodiesel + 10 lbs glycerin



Decker Truck Lines fills up their fuel tanker at Doolittle Oil in Ft. Dodge



Wall Lake biodiesel plant

*\$1.00 Tax credit to initial blender.
 99.9% biodiesel sold from several REG-partners plants