



Minnesota Biodiesel Council
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PRESS RELEASE

May 12, 2008

Mankato, MN - When Governor Pawlenty signed the Omnibus Ag and Veterans bill this morning, he set into motion another strategic step in the plan that will move Minnesota closer to energy security.

“The Minnesota Biodiesel Council commends and applauds the legislature, the bill’s authors, as well as the governor, for their commitment to renewable fuels and for coming together in a bipartisan way,” said Chuck Neece, Chairman of the Minnesota Biodiesel Council. “The final legislation incorporates many of the ideas that Minnesota’s biodiesel producers requested as part of the Governor’s Biodiesel Task Force.”

According to the legislation, the current 2 percent biodiesel mandate will increase to 5 percent on May 1, 2009; to 10 percent on May 1, 2012; and to 20 percent on May 1, 2015. The 10% and 20% increases are mandated for seven months of the year, April through October. The bill provides that when new technologies in biodiesel processing come to the forefront in the future that allows year-around operability, that those will be incorporated as well.

“The increases are not automatic, however,” explained Neece. “There is well-thought-out built-in flexibility, including an approval process before moving to higher blends. This will allow all involved, from the legislature, state agencies, end users, consumers and biodiesel producers to gauge the economic, supply and environmental impacts before moving to a higher blend.”

The legislation also includes quality assurance by requiring that all biodiesel fuel exceeds federal ASTM specifications and boosts the state’s economic benefits by requiring that 50 percent of the biodiesel be produced in Minnesota

“Implementation of the legislation starting in May of 2009 is timely and workable,” Neece said. “Because the supply from the current biodiesel production capacity in Minnesota already exceeds 64 million gallons, more than enough to meet the five percent requirement (40 million gallons).”

A number of “off ramps” are provided in the bill that are intended to mitigate food versus fuel issues, operational concerns, cost and supply issues, and environmental concerns.

“This forward-thinking bill is the first to attempt to deal with all of those concerns,” Neece said.

The legislation also fosters the use of non-traditional feedstocks to fulfill the mandate by requiring that 5 percent of the feedstock come from biological resources other than an agricultural resource traditionally grown or raised in this state, including, but not limited to, algae cultivated for biofuels

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production, waste oils, tallow and other animal-fat-type products, as well as other future feedstocks that are already being researched here in the state, such as cuphea (an oilseed plant that can grow on marginal soils) and industrial hazelnuts.

In addition, as members of the National Biodiesel Board, Minnesota's biodiesel producers have joined with other biodiesel producers across the US to assure that biodiesel is produced in a sustainable manner. To that end, the NBB has established a Sustainability Task Force who's mission is: To guide and support the US Biodiesel industry's ongoing efforts to assess and improve business practices related to environmentally, economically, and socially responsible biodiesel production

“This legislation sets forth a plan to continually look to the future for new technologies and the processing of agricultural based fuels which can be incorporated into our energy future,” Neece concludes. “Once again, Minnesota leads the way and has put together a model for other states to follow. I want to thank the legislature, the bill's authors and Governor Pawlenty for moving Minnesota forward in renewable fuels. We look forward to being part of the first, second and third generation of Minnesota's renewable energy system.”

The Minnesota Biodiesel Council is made up of biodiesel stakeholders, producers, feedstock suppliers and others. Its mission is to *promote* the use and understanding of biodiesel, *educate* consumers and biodiesel industry partners, and to *advance* the use and acceptance of biodiesel as an alternative to petroleum-based diesel fuel.

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