



The State of Minnesota

2% Biodiesel (B2) Program

Storage, Handling and Sale

What is biodiesel?

Biodiesel is a clean-burning alternative fuel made from domestic, renewable resources. In Minnesota it is made primarily from soybean oil, but it can also be made from other vegetable oils, recycled frying oils and animal fats. The term 'biodiesel' refers to the pure, unblended fuel and is referred to as B100. Before biodiesel is accepted into the fuel distribution system, it must meet strict quality standards to insure trouble free performance. Raw vegetable oils and animal fats are NOT biodiesel - they can cause deposits and engine damage and can not be used to meet Minnesota's new law.

Biodiesel contains no petroleum, but it can be blended with petroleum diesel in any percentage. Biodiesel blends from 2 percent to 20 percent are already used by hundreds of vehicle fleets, including the U.S. military, Yellowstone National Park, and various counties and cities in Minnesota and other states. B5 is a common blend in Europe and is being added at refineries and distributed through pipelines there.

What is the so-called "B2" requirement?

Starting September 29, 2005, Minnesota law requires that diesel fuel sold or held for sale in Minnesota contain at least 2 percent biodiesel. This "B2" blend consists of 98 percent diesel fuel and 2 percent biodiesel.

Why require B2?

This B2 requirement will help reduce Minnesota's dependence on imported oil and increase demand for Minnesota's agricultural products. B2 will add lubricity to new Ultra Low Sulfur Diesel (ULSD) fuel mandated by the United States Environmental Protection Agency in 2006, and this new ULSD will enable diesel technologies that are more than 90 percent cleaner than today's diesel engines.

Are there any exceptions to the B2 requirement?

The B2 requirement does not apply to motors located at an electrical generating plant regulated by the Nuclear Regulatory Commission, off-road taconite and copper mining equipment and railroad locomotives. Biodiesel is not required in fuel oil for heating purposes or for use in turbine engines.

How will the state verify compliance?

Bills of lading for diesel fuel shipments received by retail outlets or bulk users are required to show the biodiesel content of the product. The Weights and Measures Division of the Minnesota Department of Commerce will continue to inspect diesel product in the normal manner. Among the tests conducted will be one that determines biodiesel content of the fuel. If the required amount of biodiesel is not detected, documentation may be required to show that diesel fuel received after September 29, 2005, contained at least 2 percent biodiesel.

Are there any special handling requirements for B2?

Delivery, storage and dispensing equipment designed for use with conventional diesel is suitable for use with B2 and requires no changes or modifications. As with diesel fuel, good housekeeping habits will help ensure trouble free operation with B2. For example, it is recommended that diesel fuel be stored in a clean, dry, vessel and that high temperature conditions be avoided. Some diesel manufacturers suggest the use of a fuel stabilizer additive in diesel fuel stored for extended periods. If you or your customer would normally consider using a fuel stabilizing additive continue to do so. If special winter precautions such as additives or kerosene blending are normally

used with diesel they should be continued with B2. As with all diesel fuels, contact with copper, brass, lead, tin and zinc should be avoided. Continue to check for and remove water bottoms as they can lead to bacterial contamination, corrosion and the formation of deposits in all diesel fuels.

Will there be enough biodiesel to meet consumer demand?

B2 use statewide will require about 16 million gallons of pure biodiesel. Minnesota has three new biodiesel plants with a combined production capacity of at least 58 million gallons. This will make Minnesota the nation's leading biodiesel producer, and will ensure that we have more than enough biodiesel to meet demand well into the future.

Where can I go for more Information?

Please keep the following contact numbers on hand for questions:

- For technical questions on biodiesel call The Biodiesel Helpline at 1-800-929-3437;
- For questions about state regulatory enforcement call the Minnesota Department of Commerce, Weights and Measures Division at 651-215-5821;
- For other questions call the Minnesota Department of Agriculture at 651-297-2223.

Other information can be found at the Minnesota Department of Agriculture web site www.mda.state.mn.us.