



January 12, 2010

TO: ALL MEMBERS

RE: Suspension of 5 Percent Biodiesel in #1 Diesel

Following is a Press Release from the Minnesota Department of Commerce which effectively suspends the requirement that 5 percent biodiesel be blended into #1 diesel fuel. The suspension goes from January 15 – March 31, 2010. The law now requires 5 percent biodiesel in #2 and allows for 0 percent in #1 diesel fuel. The percent of biodiesel in a blend of #1 and #2 does not have to be determined. The law simply requires 5% biodiesel in the #2 before blending with #1.

Any questions please give us a call.

(ST. PAUL, MN) The Minnesota Department of Commerce will temporarily waive the requirement that #1 diesel fuel be blended with 5 percent biodiesel (B5).

The waiver, which will become effective Friday, January 15 and last through March 31, 2010, was issued in response to concerns from the Minnesota Biodiesel Council and the Minnesota Petroleum Marketers Association that the mix of 5 percent biodiesel with #1 diesel fuel could lead to clogged filters in extreme cold weather. The effective date allows petroleum wholesalers to make any necessary operational adjustments to ensure consistent supply. The B5 mandate still applies to #2 diesel fuel.

"Minnesota's fuel quality policies ensure a strong renewable fuel industry," said James Pearson, Deputy Commissioner at the Minnesota Department of Commerce. "Our action today is in response to concerns raised by some consumers. The waiver will relieve some of the pressure felt by suppliers and consumers while we get to the bottom of any issues."

Samples of diesel fuel and filters have been collected from locations statewide and are being tested to help determine the cause of the reported problems. While a small segment of the diesel consumer population has reported problems, the majority of refiners, terminals and users have not experienced trouble. Minnesota's Biodiesel Technical Cold Weather Issues Team, which investigates cold-weather issues related to diesel fuel, biodiesel and blends, will meet later this month to discuss concerns with B5 in #1 diesel fuel. The team is comprised of officials and experts from government and the biodiesel and petroleum industries.

Minnesota was the first state in the nation to mandate the use of biodiesel. In 2009, the state's mandate required all diesel fuel be blended with 5 percent biodiesel, an increase from the original 2 percent requirement set in 2005.

The Minnesota Department of Commerce's Weights and Measures Division is responsible for enforcing petroleum quality laws in the state of Minnesota. The division also assures the accuracy of all commercial weighing and measuring equipment in Minnesota, from gas pumps to grain elevators to grocery scales.