

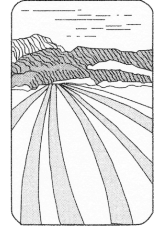


Oregon

Theodore R. Kulongoski, Governor

Department of Agriculture

635 Capitol Street NE
Salem, OR 97301-2532



July 22, 2009

To: Retail Dealers, Nonretail Dealers, and
Wholesale Dealers of Diesel Fuel in the State of Oregon

NOTICE: Blending Biodiesel with Petroleum Diesel to Meet Oregon's Renewable Fuel Standard

The 2009 Oregon Legislature passed and the Governor signed House Bill (HB) 3463 immediately activating Oregon's Renewable Fuel Standard (RFS) to blend diesel fuel with a minimum of 2% by volume biodiesel (creating a B2 Biodiesel Blend) due to the capacity of biodiesel production facilities in Oregon having reached at least five million gallons per year.

If you are a retail dealer, nonretail dealer (e.g., card lock), or a wholesale dealer (e.g., fuel loading terminal or fuel distributor) of diesel fuel in the State of Oregon, this rule affects you. A temporary administrative rule has been adopted immediately implementing HB 3463.

The implementation is as follows:

After August 1, 2009, all diesel fuel, except for diesel fuel sold or offered for sale for use by railroad locomotives, marine engines, and home heating, in the State of Oregon is mandated to be blended with a minimum of 2% by volume biodiesel in the following 9 counties: Clackamas, Clatsop, Columbia, Marion, Multnomah, Polk, Tillamook, Washington, and Yamhill Counties.

After October 1, 2009, all diesel fuel, except for diesel fuel sold or offered for sale for use by railroad locomotives, marine engines, and home heating, in the State of Oregon is mandated to be blended with a minimum of 2% by volume biodiesel in all of the remaining counties.

Important Information That Affects You:

Delivery Documentation. Delivery documentation of biodiesel blends is required to identify the specific volume percent of biodiesel blended with the petroleum diesel. An example of a sufficient statement for a 2% biodiesel blend is, "B2 Biodiesel Blend", *in addition* to all of the other required information on the documentation. This is to certify the volume percent of biodiesel that is blended into the diesel fuel.

Dispenser Labeling Requirements. If the fuel is a 5% or less biodiesel blend, then no additional dispenser ("pump") labeling is required. See Oregon Administrative Rule (OAR) 603-027-0430(6)(e) or the ODA Measurement Standards Division (MSD) web site (<http://oregon.gov/ODA/MSD>) for additional details.

Storage Tank Preparation. Biodiesel is a natural solvent and may absorb any water and contaminants in your storage tank. It may distribute them through your delivery system and into the consumer's vehicle. Due to this characteristic, the *maximum* permissible water in a biodiesel or biodiesel blend storage tank is 1/4 inch. Proper cleaning of the storage tanks to remove all water and other contaminants is essential *prior* to your first delivery of any biodiesel or biodiesel blend. Also during this transition, frequent changing of the dispenser's fuel filters may be required.

If you have any questions regarding this matter, please feel free to contact the ODA Measurement Standards Division at 503-986-4670 or e-mail to msd-info@oda.state.or.us.