The Biodiesel Industry – A National Perspective

J. Alan Weber

October 4, 2006

Biodiesel Demand & Industry Capacity

Inquiries & Sales Up in All Markets

ON-HIGHWAY USERS
- Trucking
- Fleets
- Passenger Vehicles

EPACT REGULATED FLEETS
- Federal
- State
- Selected Utilities

HOME HEATING

MARINE
- Recreational
- Tour Boats
- Environmentally Sensitive Areas

AG AND OFF-ROAD USERS
- Lubricity Enhancement

Biodiesel Demand in 2006

2006 Soybean Oil Usage for Methyl Esters		
	pounds	*gallons*
Jan-06	60,000,000	8,000,000
Feb-06	64,795,000	8,639,333
Mar-06	73,943,000	9,859,067
Apr-06	96,280,000	12,837,333
May-06	107,662,000	14,354,933
Jun-06	141,388,000	18,851,733
Jul-06	105,870,000	14,116,000
Department of Commerce Statistics (M311k Reports)		

12 mil/mo

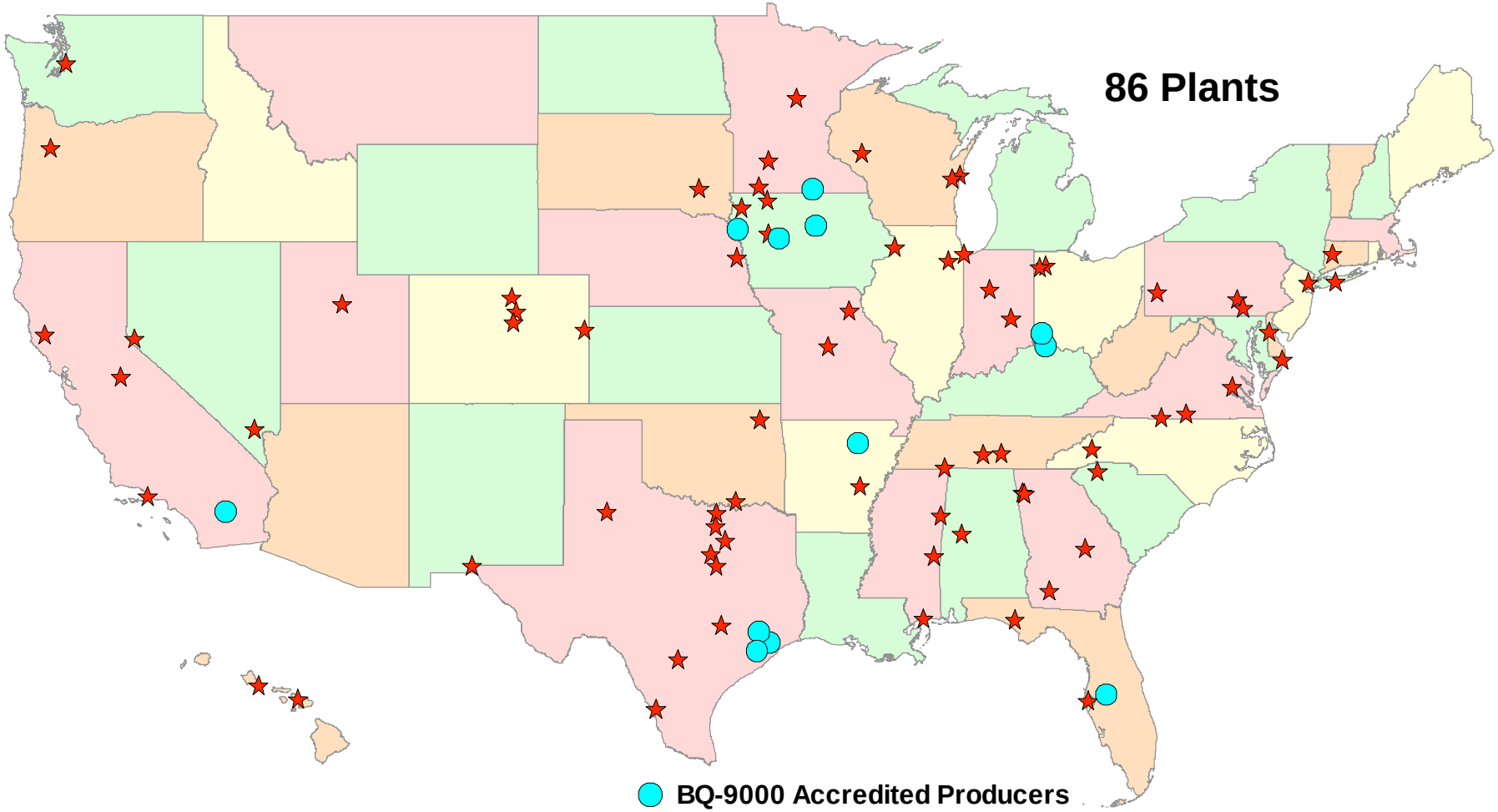
- **Average monthly usage approximately 12 million gallons.**
  - **If 85% of biodiesel sold is produced from SBO, annual production in 2006 approximately 172 million gallons.**
- **If average monthly usage is 16 million gallons, demand could increase to an estimated 225 million gallons.**

Note: Jan-06 data is an estimate. No date was available from M311k Reports.

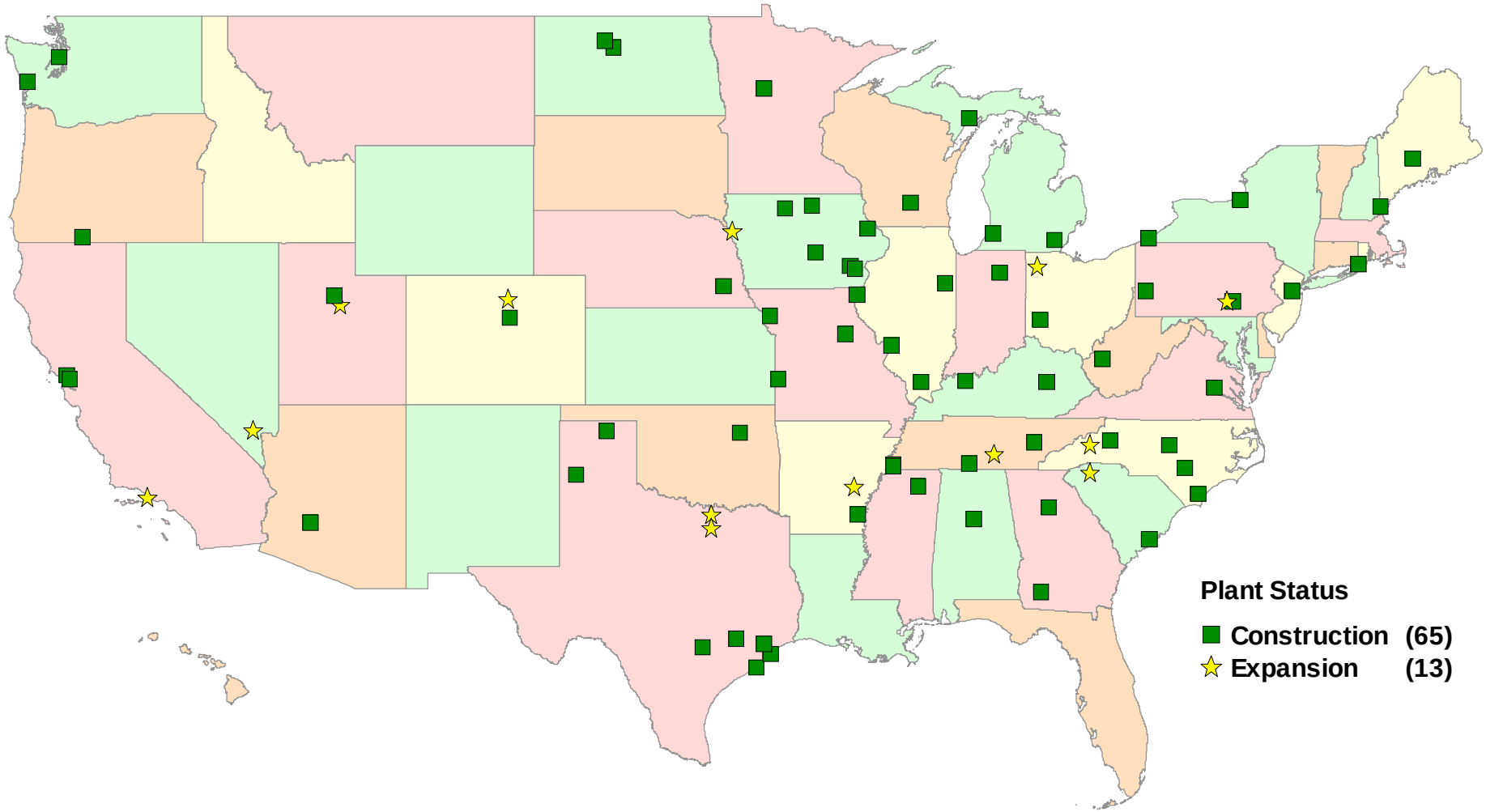
NBB Vision 2015

- **By 2015, biodiesel will be viewed as an integral component of a national energy policy which increasingly relies on clean, domestic, renewable fuels. Positive market dynamics coupled with federal counter-cyclical policy will support a significant and stable market. Sales, primarily in the form of low level biodiesel blends, will replace 5% of diesel demand by 2015. Energy security and environmentally driven uses, such as B20, remain a significant and visible source of demand. Grassroots involvement remains a strong & vital strength of the industry.**

Production Locations (9/13/06)



Biodiesel Plants Under Construction & Expansion (9/13/06)



Federal Initiatives Impacting Growth

Probable Legislative Issues in Next Congress

- **Biodiesel Tax Incentive Extension**
- **Extension of Small Agri-biodiesel Provisions**
- **Alternative Diesel Standard**
  - **Several bills introduced focusing on issue in current session.**

Regulatory Issues

- Renewable Fuel Standard
- ULSD
- Mechanical Dye Injection
- Small Agri Biodiesel Producer Credit
- Alternative Fuel Refueling Infrastructure Credit
- Renewable Diesel

OEM Efforts and NOx Emissions

Increasing OEM Support

- Diesel powered Jeep Grand Cherokee CRD to have B5 factory fill
- New Holland approves B20 in all of its diesel engines
- DaimlerChrysler approves B20 in 2007 Dodge Ram pickup's used in fleets
- GM working towards B20
- EMA approves a B20 test specification

Goals of 2007 OEM Program

Investigate the impact of B20 and lower biodiesel blends on 2007 and later fuel system, engine, and emission control technology

- **Fuel system simulation and validation**
- **Engine and emission control system performance**
- **System durability, preferably via field tests**

Results From Three Methods of Testing B20 for NO_x Emissions

Laboratory

Real-World

- **Engine**
  - **2 % increase (EPA review)**
  - **0% change (newer studies)**
- **Chassis**
  - **0% change (EPA review)**
  - **0% newer (newer studies)**
  - **0% change (NREL study)**
- **PEMs**
  - **0% change**

Source: *Biodiesel and Pollutant Emissions*, Bob McCormick with Aaron Williams, John Ireland, Bob Hayes, National Renewable Energy Laboratory Golden, Colorado, September 28, 2006.

Fuel Quality

Fuel Quality

- **Fuel quality is of the utmost concern and importance to the biodiesel industry.**
- **ASTM D 6751 is the specification for biodiesel fuels irrespective of the feedstock source and/or processing method.**
  - **National Quality Program (BQ-9000) Launched for Biodiesel Marketers and Producers**
  - **Look for BQ-9000 Certified Marketers: Biodiesel's 'Good Housekeeping' Seal of Approval**

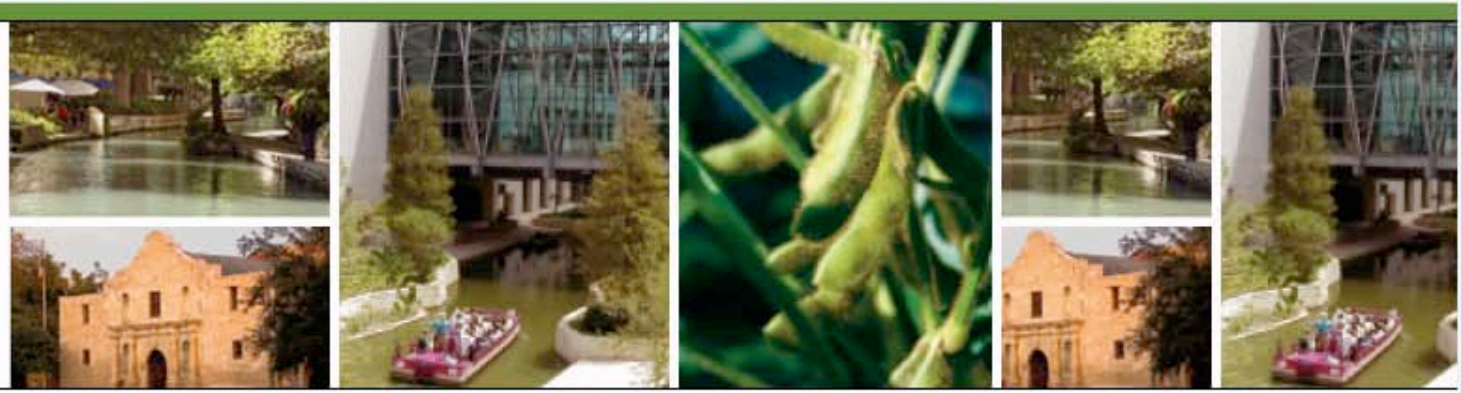
BQ-9000 Seals

Thank You…and an Invitation

Hosted by the National Biodiesel Board

Save the Date! Henry B. Gonzalez Convention Center · San Antonio, Texas · February 4-7, 2007

NATIONAL BIODIESEL CONFERENCE & EXPO 2007



2007 CONFERENCE INFO

- Conference Info/Pricing
- Pre-Conference Activities
- Schedule-At-a-Glance
- Educational Tracks
- Speakers
- Scholarships

EXPO/TRADESHOW INFO

- 2007 Exhibitor/Sponsor Packet
- Schedule
- Floor Plan
- Booth Registrations
- Exhibitors

Please Join Us in San Antonio!

Make plans now to attend the National Biodiesel Conference & Expo 2007 from February 4-7 in stunning San Antonio, Texas!

With a record number of biodiesel marketers, feedstock growers, fuel distributors, government leaders and biodiesel users attending the 2006 meeting, you won't want to miss the 2007 meeting in exhilarating San Antonio, Texas. Again in 2007, the National Biodiesel Board is planning a rich educational program featuring presentations and discussions from the industry's most influential leaders. The conference, to be held at the impressive Henry B. Gonzales Convention Center, will include an array of networking and social events in this dynamic city, along with our always popular and exciting

San Antonio, now the eighth largest city in the United States, is a fabulous historic, yet cosmopolitan, setting for our 2007 meeting. With the Alamo museum and shrine at its center, the city has grown to be one of the most popular tourist destinations for history buffs and adventurers alike. Amidst the busy business district lies the Paseo del Rio, or River Walk. River Walk's cobblestone and flagstone paths border both sides of the San Antonio River as it winds its way two and one-half miles through the city. As you explore by foot or river taxi, you'll find park-like settings as well as sidewalk cafes, boutiques, nightclubs and easy access to the city's myriad historic and cultural sights. You'll also find an abundance of outdoor sports and recreation activities available - from golf to white-water rafting to horseback riding, and so much more.

Done Internet

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