

## **SAMPLE APPLICATION LETTER FOR BIODIESEL**

**INSTRUCTIONS FOR APPLICATION LETTER: Complete all items in (**BOLD CAPS**). Remember to attach a copy of User Group Agreement.**

**(DATE)**

Ms. Karen Ross  
Secretary  
California Department of Food and Agriculture  
c/o Kevin Batchelor  
6790 Florin-Perkins Road, Suite 100  
Sacramento, California 95828

Re: Developmental Engine Fuel Variance

Dear Secretary Ross:

**(COMPANY NAME)** wishes to make formal application for a variance to the California Business and Professions Code, Division 5, Chapter 14, Section 13405 (B & P Code), which allows for the sales of developmental engine fuels under certain conditions. The variance requested is for the following fuels:

- ☐ 100% Biodiesel (B100)
- ☐ Greater than 20% Biodiesel (>B20)
- ☐ Other (Specify) \_\_\_\_\_

Biodiesel is a clean burning alternative fuel, produced from domestic, renewable resources such as virgin oils (i.e. soybean oil), recycled oils (i.e. second-use cooking oil), or animal fats. Biodiesel contains no petroleum, but it can be blended at any level with petroleum diesel to be used in compression-ignition (diesel) engines with little or no modifications. It is biodegradable, nontoxic, and essentially free of sulfur and aromatics.

Biodiesel benefits Californians in three significant areas: public health, environmental stability, and energy security.

### **(1) Public Health Benefits:**

The use of Biodiesel, either as either a greater than B20 blend or as a neat motor fuel, will have significant public health benefits for Californians through the reduction of criteria pollutants, toxics, and greenhouse gases.

Extensive research and testing of biodiesel has been conducted. It was the first alternative fuel to successfully complete Tier 1 and Tier 2 Health Effects testing requirements of the Clean Air Act Amendments of 1990. That study found that a greater than B20 blend reduced total hydrocarbons by up to 30%, carbon monoxide up to 20%, and total particulate matter up to 15%. Additional research documents that the ozone forming potential of the hydrocarbon emissions of pure biodiesel is nearly 50% less than that of petroleum fuel. Pure biodiesel does not contain sulfur and therefore reduces sulfur dioxide exhaust from diesel engines to virtually zero.

Research also shows that biodiesel emissions have lower levels of potential cancer causing compounds (polycyclic aromatic hydrocarbons (PAH) and nitrated PAH compounds (nPAH)) than petroleum diesel exhaust.

**(2) Environmental Benefits:**

Biodiesel can help reduce global warming through lifecycle reductions of greenhouse gases. As a renewable fuel derived from organic materials, biodiesel used as a greater than B20 blend or as a neat fuel can reduce the net amount of carbon dioxide in the biosphere. A U.S. Department of Energy study found that biodiesel production and use produces 78.5% less CO<sub>2</sub> emissions than petroleum diesel. Carbon dioxide is "taken up" by the annual production of crops such as soybeans and then released when vegetable oil based biodiesel is combusted. This makes biodiesel the best technology currently available for heavy-duty diesel applications to reduce atmospheric carbon.

**(3) Energy Security:**

California's demand for energy is escalating at a rapid pace. At present, the state is a net importer of crude and finished petroleum products. The use of biodiesel in a blended form or as a neat motor fuel can help California meet its growing energy demand.

The American Society for Testing and Materials (ASTM) has adopted a fuel specification for biodiesel used as a blend stock (ASTM D 6751). ASTM is presently in the process of developing a specification for finished blends of greater than B20 and a specification for neat biodiesel used as a motor fuel. Data collected as a result of this application may be used to assist ASTM with efforts in these areas.

**(INSERT CURRENT AND FUTURE ACTIVITIES THAT WILL ASSIST WITH STANDARDS DEVELOPMENT, INCLUDING NAMES OF ORGANIZATIONS. ATTACH ANY DOCUMENTS PERTAINING TO FUEL TESTING.)**

It is anticipated that users of **INSERT FUEL(S), i.e. >B20, B100, BXX** would constitute a broad range of applications including: on-road vehicular use; off-road mobile equipment; marine use; and stationary sources used to power equipment or generate electricity. More specifically: **(PROVIDE LIST OF CURRENT AND/OR POTENTIAL CUSTOMERS.)**

**(Examples: branches of the military; federal government agencies including the Postal Service; cities; counties; state agencies; transit agencies; private entities contracting services with a city, county, or state; special districts; private sector industries including solid waste collection fleets; electrical generation entities; agricultural industry; individuals via the formation of fuel coops or participation in controlled card-lock facilities).**

Below are the test conditions, monitoring practices, and method of distribution and storage for **(COMPANY NAME)** :

1. **Fleet Makeup: (THE USER GROUP FLEET WILL CONSIST OF (XXX) USERS. (PROVIDE A GENERAL DESCRIPTION OF THE FLEET MAKEUP, I.E. SIZE,**

**VEHICLE MAKE AND MODEL YEARS, ENGINE TYPES AND MODEL YEARS, ETC.)**

2. **Fuel Consumption: (PROVIDE PROJECTED GALLONAGE DISTRIBUTED OR USED PER MONTH)**
3. **Monitoring/Tracking procedures for potential engine problems: PROVIDE DETAILED DESCRIPTION**
4. **User Notification: PROVIDE METHODS OF NOTIFICATION RE. POTENTIAL RISKS ASSOCIATED WITH THE USE OF THIS FUEL. (EXAMPLE: AT THE PUMP, INVOICES, USER GROUP AGREEMENT).**
5. **Damage Liability: PROVIDE COPY OF USER GROUP AGREEMENT AND OTHER DOCUMENT(S) THAT DETAIL DAMAGE LIABILITY.**
6. **Distribution Control: PROVIDE DETAILS OF METHOD USED TO ENSURE FUEL IS NOT SOLD TO THE PUBLIC (EXAMPLE: MEMBERSHIP REQUIRED).**
7. **Reporting: (COMPANY NAME) AGREES TO PROVIDE INFORMATION ON A QUARTERLY BASIS USING THE REPORT FORM (ATTACHED). (COMPANY NAME) AGREES TO PROVIDE OTHER INFORMATION AS REQUESTED.**

I have read and agree to abide by the sections of the B & P Code and CCR that apply to the developmental engine fuels I wish to sell. I further agree to abide with all the conditions and monitoring practices specified in this application and make all study findings available directly to the applicable consensus organization developing a chemical and performance standard.

Please do not hesitate to contact us should you have questions or would like to discuss this further.

Sincerely,

SIGNATURE

NAME

TITLE

COMPANY NAME

COMPANY ADDRESS

PHONE NUMBER

FAX

EMAIL

**CALIFORNIA BUSINESS AND PROFESSIONS CODE  
DIVISION 5, CHAPTER 14**

**PETROLEUM**

**§ 13401. DEFINITIONS OF TERMS**

- (q) "Developmental engine fuel" means any experimental automotive spark-ignition engine fuel or compression-ignition fuel which does not meet current standards established by this chapter but has characteristics which may lead to an improved fuel standard or the development of an alternative fuel standard.

**§ 13405. DEVELOPMENTAL ENGINE FUELS**

The Department of Food and Agriculture may grant a variance from the specifications of this chapter for developmental engine fuels if all of the following conditions apply:

- (a) Variances may only be granted to provide for the development of information under controlled test conditions to assist in the creation of chemical and performance standards for engine fuels.
- (b) Developmental engine fuel shall only be distributed or sold to fleet-type centrally fueled vehicle and equipment users.
- (c) The applicant shall warn all parties in writing of any potential risk associated with the use of the developmental engine fuel.
- (d) The applicant shall report information when and as the department may prescribe in order for the department to monitor the progress of the developmental engine fuel technology evaluation.

The applicant for a variance shall comply with all other requirements, terms, and conditions that are contained in regulations adopted by the department to further the purposes and administration of this section.

In granting a variance, the department expresses no opinion as to whether an applicant's developmental engine fuel will perform as represented by the applicant. Nor does the department express any opinion to the extent, if at all, that the developmental engine fuel may be safely and effectively used as a substitute for other spark-ignition or compression-ignition engine fuels without incident. Damages caused by the sale, delivery, storage, handling, and usage of the developmental engine fuel shall be addressed in accordance with contractual provisions negotiated and agreed upon by the applicant and the user.

The department may withdraw a variance if the applicant does not adhere to the conditions required to obtain the variance or if the department recognizes a high probability of equipment harm with the continued use of the developmental engine fuel or to protect public safety.

Added Stats 2001 ch 596 § 2.

**CALIFORNIA CODE OF REGULATIONS  
DIVISION 9, CHAPTER 6**

**4145. Specifications – Developmental Fuels.**

- (a) Sales of developmental engine fuels authorized by the Department are not subject to restrictions imposed upon the sale of non-conforming fuel products as set forth in Business and Professions Code Sections 13441, 13442 and 13451, but the Department's authorization does not create a variance or waiver from any other applicable California statute or regulation.
- (b) An applicant for authorization to sell developmental engine fuel must submit the following information to the Department:
  - (1) a statement of the potential benefit of the fuel to the people of California; and
  - (2) a description of test conditions associated with the use of the fuel, including control and monitoring practices, and the method of distribution and storage.
- (c) Any authorization provided by the Department is subject to the following terms and conditions:
  - (1) The authorization is limited to a period of two years, with an automatic renewal for an additional two years in the absence of action to revoke the authorization by the Department; and,
  - (2) Damages caused by sale, delivery, storage, handling and usage of the fuel shall be addressed in accordance with contractual provisions negotiated and agreed upon by the authorization holder and the user; and,
  - (3) The authorization holder shall report information to the Department as required to monitor the use of the fuel during the process of developing a generally recognized chemical and performance standard through a recognized consensus organization or standards writing organization, such as ASTM International or SAE International. The Department shall specify the reporting requirements on a case by case basis at the time the authorization is granted.
  - (4) Any device used for the sale or distribution of a developmental engine fuel must comply with the Business and Professions Code Section § 12500 (e).
- (d) The Department may take action to revoke the authorization at any time. Revocation of the authorization is effective and final upon receipt of written notification by the authorization holder. The Department may take action to revoke the authorization if the Department finds:
  - (1) the authorization holder has violated any of the terms and conditions of the authorization; or,

- (2) the authorization holder has abandoned efforts to develop a generally recognized chemical and performance standard for the fuel through a recognized consensus organization or standards writing organization.
  - (3) there is a high probability of equipment harm with the continued use of the developmental fuel or to protect the public safety.
- (e) The authorization shall cease to exist upon publication of a generally recognized chemical and performance standard for the fuel.

**4148. Specifications – Biodiesel Blends.** – Biodiesel Fuel Blends shall meet the following specifications:

- (a) Biodiesel blends with a concentration of 5. volume percent biodiesel or less shall meet the specification set forth by ASTM International in the latest version of the “Standard Specification for Diesel Fuel Oils” D975, publication entitled: Annual Book of ASTM Standards, Section 5.
  - (b) Biodiesel blends with a concentration from 6. to 20. volume percent biodiesel shall meet the specifications set forth by ASTM International in the latest version of the “Standard Specification for Diesel Fuel Oil, Biodiesel Blend (B6 to B20)” D7467, contained in the ASTM publication entitled: Annual Book of ASTM Standards, Section 5.
  - (c) Any finished biodiesel fuel blend greater than 20. volume percent biodiesel, shall meet the specifications set forth by ASTM International in the latest version of the specifications set forth for biodiesel blends greater than 20. volume percent biodiesel.
- (1) Absent an ASTM International specification, the CDFA shall establish specifications pursuant to Business and Professions Code, Division 5, Chapter 14, Section 13450 using the data determined upon completion of the California Energy Commission Interagency Agreement, wherein the CDFA will perform test methods and standards development for biodiesel blends greater than 20 volume percent. (2) These interim standards will remain in place until such time as a recognized consensus organization or standards writing organization, such as ASTM International or SAE International, adopts specifications for biodiesel blends greater than 20. volume percent.
- (3) Biodiesel blends greater than 20. volume percent may only be sold under a developmental engine fuel variance obtained pursuant to Section 4145 of this article. Any variance granted will expire at such time as the CDFA adopts specifications for biodiesel blends greater than 20. volume percent biodiesel.

**4202. Labeling and Price Sign Advertising Requirements for Biodiesel and Biodiesel Blends.**

- (a) The labeling on biodiesel and biodiesel blend dispensers shall meet the requirements found in the latest version of the Federal Trade Commission (FTC) 16 CFR Part 306 "Automotive Fuel Ratings, Certification and Posting" Rule.
- (b) The name of the product and grade designation shall be on all dispensers, advertising signs, and storage tank labels as required in Section 13480 and 13532 of the Business and Professions Code.
- (c) Every biodiesel dispenser dispensing blends greater than 5. volume percent shall display on each customer side, as required by Section 13484 of the Business and Professions Code, a sign clearly visible which reads as follows:

"THIS FUEL CONTAINS BIODIESEL. CHECK THE OWNER'S  
MANUAL OR WITH YOUR ENGINE MANUFACTURER BEFORE  
USING."