

Making It Happen

Building the Biofuels Industry in Illinois

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Illinois – A Great Venue

- ✦ Ethanol industry born in Illinois
- ✦ Mindset of legislators
- ✦ Non-attainment areas
- ✦ Rural & Economic Development

How to Be a Millionaire

- ✦ First you get a million bucks...



How to Be a Biofuels State

- ✱ First, you create biofuels..
- ✱ Talk about the fuels to EVERYONE
- ✱ Educate core groups
- ✱ Run pilot projects that WORK
- ✱ Raise awareness
 - ✱ Environment
 - ✱ Energy security
 - ✱ Introduce legislation

Partners

- ✦ Illinois Corn Growers Association
- ✦ Illinois Farm Bureau
- ✦ Illinois Farmers' Union
- ✦ Renewable Fuels Association
- ✦ Illinois Soybean Association
- ✦ Illinois Construction Laborers' Union

SB 46

- ✦ Extends current tax credit for ethanol to 2013
- ✦ Adds new products including biodiesel and E-85
- ✦ Pays for itself – IDOR eventually claimed revenue gainer



How It Works – 10% or Below

| Diesel | | Biodiesel (B1) |
|----------------|--------------------|----------------|
| \$1.00 | Ret. Cost f/Diesel | .99 |
| | Biodiesel (\$1.50) | .015 |
| .24 | Federal Tax | .24 |
| 1.24 | Subtotal | 1.245 |
| .078 6.25% | IL Sales Tx 5% | .062 |
| .22 | IL Motor Fuels Tx | .22 |
| \$1.538 | Total | \$1.527 |

How It Works – Above 10%

| Diesel | | Biodiesel (B11) |
|----------|----------------------|-----------------|
| \$1.00 | Ret. Cost for Diesel | .89 |
| | Biodiesel (\$1.50) | .165 |
| .24 | Federal Tax | .24 |
| 1.24 | Subtotal | 1.295 |
| .0775 | 6.25% IL Sales Tx | 0% 0 |
| .22 | IL Motor Fuels Tx | .22 |
| \$1.5375 | Total | \$1.515 |

Illinois Renewable Fuels Program Development Act

- \$15 M in Build Illinois Funds (subject to annual appropriation)
- Constructing, modifying, altering or retrofitting renewable plants in IL
- 30 million gallon capacity minimum
- Project labor agreement

IRFPDA

- ✦ Driven by ethanol needs
- ✦ Language includes biodiesel

Benefits

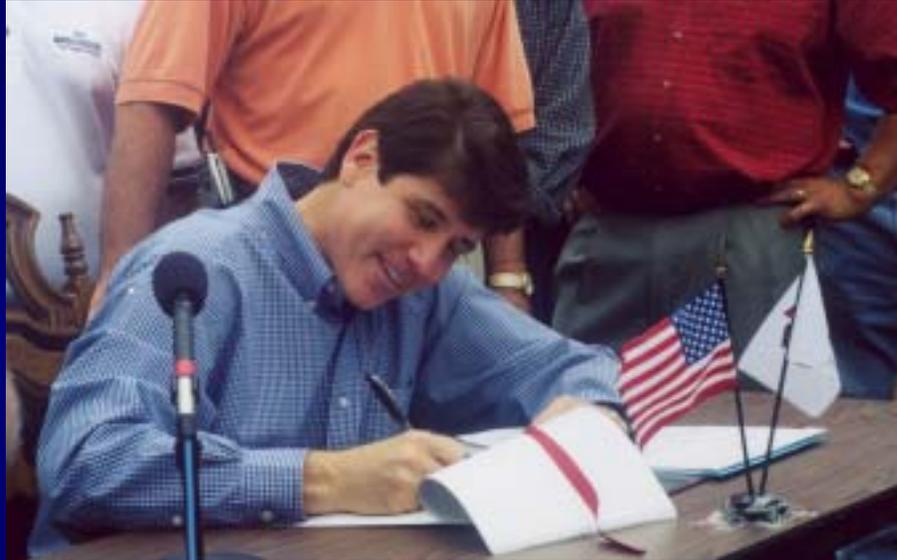


- ✦ Creates jobs
- ✦ Decreases dependence on foreign oil
- ✦ Positions state as hub for renewable fuels
- ✦ Dollars for farmers and the state

The Journey

- ✦ Third year for legislation
- ✦ Key sponsors
- ✦ Dept. of Revenue
- ✦ Building Co-sponsors
- ✦ Negotiating with Labor
- ✦ New administration

A Bill Becomes LAW!!!!!!



Illinois Governor Rod Blagojevich signed SB46 into law June 11, 2003

Public Act Became Effective July 1, 2003

It's working!!!!

Next Steps

- ✦ Educate fuel marketers and retailers
- ✦ Work with DCEO in final Rulemaking process for IRFPDA
- ✦ Continue working with state fleet managers
- ✦ Focus on federal legislation
- ✦ Create new state programs

Illinois Clean School Bus Program

- ✦ Administered through IEPA
- ✦ Announced October, 2003
- ✦ Targets school bus fleet managers
- ✦ 10 Workshops throughout Illinois
- ✦ B20 buydown qualifies for funding

NEED Program

- ★ National Energy Education Development
- ★ Federal funding through National Biodiesel Board
- ★ Raise Awareness and Change Mindset of Renewable Energy
- ★ Long-term goals

Workshops, Seminars, Exhibits

- ✦ Government Fleet Managers
- ✦ Farm Fuel Sales Force
- ✦ Truckers Association
- ✦ School Board Conventions
- ✦ Petroleum Marketers

Bottom Line – Never refuse an invite!



Sleep Little...Talk Lots

You'll get plenty of rest the first
year you're dead!



Questions?

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