

GUIDE TO BIODIESEL GRANT PROGRAM

BIODIESEL GRANT PROGRAM

Manitoba's *Biofuels Act* provides for the creation of a grant program to support the production of biodiesel in Manitoba. Program details are outlined in the *Biodiesel Fund Grant Regulation*, M.R. 91/2010.

The grant program provides an incentive of 14 cents per litre of biodiesel and runs for five years from April 1, 2010 to March 31, 2015.

Grants are subject to caps. The maximum number of litres of Manitoba biodiesel eligible for an incentive in a 12-month period (April 1 to March 31 of the next year) is 20 million litres. There are also quarterly caps on the incentive. The quarterly caps vary:

- April – June: 7 million litres
- July – September: 7 million litres
- October – December: 2 million litres
- January – March: 4 million litres

Eligibility for the Program

To be eligible for the grant the biodiesel must

- be produced in Manitoba by a producer with a valid commercial licence to manufacture biodiesel in the province;
- meet either of the quality standards for biodiesel adopted by Manitoba: ASTM D6751, Standard Specification for Biodiesel Fuel Blend Stock (B100) for Middle Distillate Fuels or EN 14214 Automotive Fuels – Fatty Acid Methyl Esters FAME) for Diesel Engines – Requirements and Test Methods;
- be sold either in Manitoba or for export or used by the producer to make blended biodiesel that the producer then sold in Manitoba or for export.

Signing a Grant Agreement

All producers applying for a grant must sign a standard form grant agreement before receiving the first payment under the biodiesel grant program.

Applying for a Grant

Grants must be applied for on a quarterly basis. To apply for a grant, a biodiesel producer must complete a grant application form and submit the form to Manitoba Innovation, Energy and Mines within 30 days after the end of each quarter. If a producer has submitted a grant application for a quarter in a 12-month period and has no sales in a subsequent quarter in the period, the producer must still submit a NIL application for subsequent quarters in which there were no sales.

BIODIESEL GRANT PROGRAM HIGHLIGHTS

FIVE-YEAR PROGRAM

- April 1, 2010–March 31, 2015
- 14 cents/litre of biodiesel produced in Manitoba by a manufacturer with a valid commercial licence to manufacture biodiesel
- Biodiesel must
 - (a) meet adopted quality standards: ASTM D6751 or EN14214, and
 - (b) be sold in Manitoba or for export or used by the producer to make blended biodiesel that the producer then sold in Manitoba or for export.

QUARTERLY GRANT PAYMENTS

CAPS ON TOTAL GRANT PAYMENTS

- Annual cap: 20 million litres
- Quarterly caps:
 - April–June: 7 million litres
 - July–September: 7 million litres
 - October–December: 2 million litres
 - January– March: 4 million litres

Late Applications

If a grant application is late, the number of litres applied for in the late application will be added to the applicant's application in subsequent quarters in the 12-month period.

How the Grant is Calculated

The grant is calculated using the following formula:

$$\text{Grant} = \$0.14 \times A$$

A is the sum of the number of qualifying litres manufactured by the biodiesel producer making the application that, during the quarter to which the grant application relates, the producer:

- (a) sold in Manitoba or for export; or
- (b) used to make blended biodiesel that the producer then sold in Manitoba or for export.

Prorating the Grant

There are annual and quarterly caps on the total number of litres of biodiesel entitled to a grant.

Grants will be prorated up to the cap among the applications received based on the number of litres of biodiesel sold during the quarter as reflected in the grant applications. Litres of biodiesel in excess of the cap will be carried forward to subsequent quarters in the applicable 12-month period and may be eligible to receive a grant if the number of litres applied for in subsequent quarters are lower than the caps for the remaining quarters. Once the 20 million litres cap is reached, no further grants will be payable in a 12-month period.

Where the cap is not reached in a quarter, grant applicants will receive the total amount applied for in the quarter and the remaining grant room will be carried forward for use in subsequent quarters in the applicable 12-month period. There will be no carry forward of any remaining grant room from one 12-month period to the next.

COMPLETING THE GRANT APPLICATION FORM

Understanding the Application Form

The grant application uses the term “*qualifying litres*”. This term comes from the *Biodiesel Fund Grant Regulation* and means litres of biodiesel that were manufactured in Manitoba and meet either of the quality standards for biodiesel adopted by Manitoba: ASTM D6751, Standard Specification for Biodiesel Fuel Blend Stock (B100) for Middle Distillate Fuels or EN 14214 Automotive Fuels – Fatty Acid Methyl Esters (FAME) for Diesel Engines – Requirements and Test Methods.

In order to receive a grant the qualifying litres must be

- o manufactured by the biodiesel producer making the application; and
- o sold in the quarter to which the applicant relates or used by the producer to make blended biodiesel that the producer then sold in the quarter.

Qualifying litres do not have to be produced and sold in the same quarter in order to be eligible for a grant. Biodiesel produced in one quarter but not sold until a subsequent quarter must be included in the grant application for the quarter in which it is sold. The sale can be for domestic use or for export.

The grant is payable to the biodiesel producer.

Information Required

YEAR AND QUARTER: State the year of the application and check the quarterly period for which the application is being made.

Section 1 -- BIODIESEL MANUFACTURER NAME AND DETAILS: Requires identifying information about the biodiesel producer who is applying for the grant, including the applicant's name, address of the biodiesel manufacturing facility, biodiesel licence number, contact person, telephone and fax number and email address.

Section 2 -- BIODIESEL GRANT PROGRAM CRITERIA: Requires the grant applicant to confirm three things about the qualifying litres:

- that they were manufactured by the applicant at the biodiesel manufacturing facility indicated in section 1 of the form;
- that they meet either of the quality standards for biodiesel adopted by Manitoba: ASTM D6751, Standard Specification for Biodiesel Fuel Blend Stock (B100) for Middle Distillate Fuels or EN 14214 Automotive Fuels – Fatty Acid Methyl Esters (FAME) for Diesel Engines – Requirements and Test Methods; and
- that they were sold in the quarter or used by the producer to make blended biodiesel that the producer then sold in the quarter.

Manitoba may request supporting documentation such as certificates of analysis as evidence that the biodiesel meets the adopted fuel quality standards. Under *The Biofuels Act*, Manitoba also has the authority to inspect, take samples and test the biodiesel produced.

Section 3 -- PRODUCTION AND SALE INFORMATION: Requires information about the manufacture and sale of the qualifying litres of biodiesel.

| | |
|--|---|
| A. Qualifying litres in inventory at the beginning of the quarter | Inventory of on-spec biodiesel on hand at the beginning of the quarter (in litres) |
| B. Qualifying litres manufactured in the quarter | On-spec. biodiesel manufactured in the quarter (in litres) |
| C. Qualifying litres sold in Manitoba in the quarter | On-spec. biodiesel that the producers sold in Manitoba in the quarter (in litres) |
| D. Qualifying litres sold for export in the quarter | On-spec. biodiesel that the producer sold for export in the quarter (in litres) |
| E. Qualifying litres that the manufacturer used to make blended biodiesel that the manufacturer sold in Manitoba in the quarter | If a producer uses on-spec. biodiesel it produces to blend with petroleum diesel to make a biodiesel blend that the producer then sells for consumption in Manitoba in the quarter, the litres of biodiesel used in the blend must be included under E |
| F. Qualifying litres that the manufacturer used to make blended biodiesel that the manufacturer sold for export in the quarter | If a producer uses on-spec. biodiesel it produces to blend with petroleum diesel to make a biodiesel blend that the producer then sells for export in the quarter, the litres of biodiesel used in the blend must be included under F |
| G. Qualifying litres in inventory at the end of the quarter | Inventory of on-spec. biodiesel on hand at the end of the quarter |
| Total Litres Claimed | Add the litres recorded under C, D, E and F |

Section 4 – DECLARATIONS: Requires the person completing the application form to declare that the information is true, complete and correct, that he or she is authorized to provide the information and make the declarations in the form and that the person understands that grants are subject to caps and may be prorated among the applicants.

The application form must be signed, and dated and delivered to Manitoba Innovation, Energy and Mines at the address on the back of the form. The address is also provided below.

Application forms must be submitted by Mail or Courier or Hand Delivery. A copy may also be faxed.
PLEASE DO NOT E-MAIL THE FORM.

Where and How to Submit Grant Application Form

A completed ORIGINAL GRANT APPLICATION form must be submitted within 30 days after the end of the quarter.

Submit by MAIL OR COURIER OR HAND DELIVERY:

**Manitoba Growth, Enterprise & Trade
Energy Division
1200 -155 Carlton Street
Winnipeg, MB R3C 3H8
Attention: Biodiesel Grant Program**

A copy of the application form may also be submitted by FAX:

**Manitoba Growth, Enterprise & Trade
Energy Division
1200 -155 Carlton Street
Winnipeg, MB R3C 3H8
Fax: 204-943-0031
Attention: Biodiesel Grant Program**

Obtaining Information about the Grant Program

Information about the grant program may be obtained from: Manitoba Growth, Enterprise & Trade
Energy Division
1200-155 Carlton Street
Winnipeg Manitoba R3C 3H8
Attention: Biodiesel Grant Program

Phone Number: 945-7392

Toll free: 1-800-282-8069

Information including copies of the laws, regulations and forms can be found on the IEM web site at:
<http://www.gov.mb.ca/stem/energy/biofuels/biodiesel/index.html>