



December 22, 2022

Attendee Registration Open for 2023 Southeast Petro-Food Marketing Expo

Retailers may go to the Southeast Expo website to register for the upcoming Expo, March 1-2, 2023. Go to <https://www.sepetro.org> and click on the **Attendee** tab at the top of the homepage. Scroll down to the **Attendee Registration** button to enter your information.

While on the website, check out the **online directory** on the home page and set up your **Show Planner** so you can make sure you visit all the firms you need to while at the Expo. The online directory allows you to search by exhibiting company name, category, etc.

Also check out the **Seminars** page with info on the various educational seminars that will be presented the first morning of the show. **Room Blocks** can be found under the **Hotels** tab at the top of the home page. Most blocks end 30 days prior to the show so please make reservations early! Many hotels sell out in December.

VPCMA will be hosting our annual hospitality reception at the Sheraton hotel Wednesday, March 1st immediately after the show. We look forward to seeing you there!

EMA Sends Letter to Congressional Leadership on E15

The Energy Marketers of America (EMA) has sent a [letter to Congressional leadership](#) regarding the "Consumer and Fuel Retailer Choice Act of 2022," (S. 5145) that would allow E15 to be sold throughout the year. The legislation was endorsed by the American Petroleum Institute, NACS, NATSO, SIGMA and several agriculture associations including Growth Energy and the Renewable Fuels Association.

In the letter, EMA states it will support the legislation provided Congress appropriates sufficient funding for UST system compatibility upgrades for small business fuel marketers. Specifically, the grant program should include an "80-20" cost share (similar to the current federal EV infrastructure cost sharing formula), with the federal government covering 80 percent of the capital expenditures associated with UST system upgrades. UST system retrofits or replacement can cost more than \$100,000 per site in capital expenditures which are far beyond the ability of small business fuel retailers with multiple sites to pay. The EPA confirmed this in a January 2020 guidance document stating: "most older and even some newer existing UST systems (which includes but is not limited to tanks, pumps, ancillary equipment, lines, gaskets, and sealants) are not fully compatible with E15 and require modification before storing E15."

Unfortunately, the current 50/50 cost sharing formula for the United States Department of Agriculture's (USDA) Higher Blend Infrastructure Incentive Program (HBIIIP) does not provide a strong enough incentive for small business energy marketers to make compatibility upgrades. Under the HBIIIP program, many energy marketers would be saddled with capital investment expenditures for higher ethanol blend compatibility upgrades that far exceed their ability to pay. An 80/20 cost sharing formula would level the playing field across all federal alternative fueling infrastructure programs and provide energy marketers with strong and realistic incentives to upgrade their UST systems for higher ethanol blends.

Finally, the Biden Administration is reviewing a petition by a group of Midwest governors to permit the year-round sale of E15 in their states. The petition is authorized under a provision in the Clean Air Act allowing an exclusion from the 1 psi waiver for E10 upon notification by a governor that the higher RVP limit will increase air emissions in that state. The Clean Air Act then requires the EPA to grant the petition and promulgate regulations to revert to a 9 psi RVP for that area no later than 90 days after the date of receipt of the notification. However, if the EPA determines the request would result in a shortage of gasoline in the petitioning state, implementation may be delayed up to two years. No such determination has been made yet by the administration. EMA believes the approval of an exclusion from the 1 psi waiver would require the creation of a boutique fuel exclusive to the petitioning states, thus limiting gasoline supply to the region.

New \$600 Federal Tax Credit for B20 Compatible Furnaces and Boilers Available to Homeowners Beginning January 1, 2023

From EMA

The recently passed Inflation Reduction Act (IRA) includes a provision to incentivize the efficiency of heating oil equipment while increasing the amount of biodiesel blended into the fuel. Under the IRA, homeowners are eligible for tax credits of \$600 for installation of new oil/biofuel blend-compatible heating appliances. The credit is available to homeowners on an annual basis and capped at \$600 per year. Beginning January 1, 2023, heating oil dealers should make their customers aware of the new tax credit and explain how to apply for it. In order to qualify for the \$600 federal tax credit, the following conditions must be met:

Equipment Placed in Service After December 31, 2022

- Equipment must have 2021 Energy Star ratings (87 AFUE for oil boilers and 85 AFUE for furnaces) and be certified by the manufacturer to burn heating oil blended with a 20 percent biodiesel or renewable diesel fuel. This equipment is available now.

Equipment Placed in Service After December 31, 2026

- Equipment must have an AFUE of at least 90 percent and be certified for a 50 percent blend of biodiesel or renewable diesel fuel. This equipment will be made available in 2023.

Many new heating oil boilers and furnaces currently available from manufacturers should be compatible with 20% biodiesel blends and qualify for the \$600 credit on new installations beginning January 1, 2023. Manufacturers are currently providing certification for B20 compatibility on new equipment. Please check with your supplier to ensure their equipment is compliant and that certifications are available to provide to the homeowner. Homeowners may apply for the credit on IRS Form 5695 and file it with their 1040, 1040-SR or 1040-NR return. However, homeowners must wait for the IRS to issue an updated Form 5695 and guidance before filing for the credit. The IRS expects to publish the updated Form 5695 and guidance

sometime in January.

EMA will provide the form and guidance once they become available from the IRS.

UL Liquid Fuel Burner Safety Standard Amended to Include Biodiesel Blends Up To B100

From NORA

On November 14, 2022 an update to the standard UL 296 was published by Underwriters Laboratories (UL) which expands its scope to include liquid-fuel-fired burners intended for use with biodiesel blends of 20% to 100% (B20-B100) with heating oil. UL296 is the standard developed by Underwriters Laboratories for safety testing of liquid-fuel-fired burners.

Prior to this update, the UL standard included procedures for evaluation of burners for use with biodiesel blends up to B20. The updated standard includes the procedure and requirements for burners up to B20, including endurance of elastomers and seals in extended exposure to the fuels. Additionally, the updated standard has added a unique new test in which a burner is set-up for use with B100 as per manufacturer specifications. The fuel is then switched to heating oil without biodiesel included (B0), and no burner settings are modified. The burner still needs to operate cleanly and safely after this fuel change.

This new standard has been eagerly awaited by the liquid fuel heating industry as it allows for the development and market introduction of heating appliances rated to run on 100% low-carbon biodiesel, drastically reducing the carbon emissions of home heating systems.

A number of industry entities have been working towards this update of UL296, including NORA, Clean Fuels Alliance, Carlin Combustion Technologies and R.W. Beckett Corporation.

Michael Devine, NORA's president said, "This standard update is most welcome as it accelerates the liquid fuel industry's conversion to low-carbon home heating. The ever-increasing blends of biodiesel in our fuel eliminates more and more carbon, making liquid fuel heating an essential component in addressing climate change. Amending UL 296 allows liquid fuel equipment manufacturers to provide equipment that aligns with public policy requirements for carbon reduction. NORA has been able to demonstrate that a home heated with 100% biodiesel using solar panels to produce its electricity can become a Net-Zero home quickly and at an economically viable cost."



Merry Christmas to you and yours and Happy New Year!

Mike O'Connor & Elizabeth Zyglocke