

NBB & IBB Annual Meeting

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Political Landscape 2019

- Governor - Kim Reynolds & Adam Gregg
 - Champions for Biofuels at the State and Federal Level
 - Lead in Pressing Congress and the Administration to Support the RFS
 - Outspoken Opponents to the Small Refinery Exemption
 - Heavily Engaged on the Biodiesel Blender's Tax Credit
 - Governor Reynolds is a Guest Speaker Tomorrow.



Governor Reynolds In Action

Gov. Reynolds releases statement on EPA Renewable Fuel Volumes Announcement – August 10, 2019

“I am extremely disappointed to see the EPA approve 31 small refinery exemptions from the RFS for 2018. This decision destroyed 1.43 billion gallons of biofuel demand...

“This action only puts additional pressure on Iowa Farmers facing difficulty due to ongoing trade disputes.

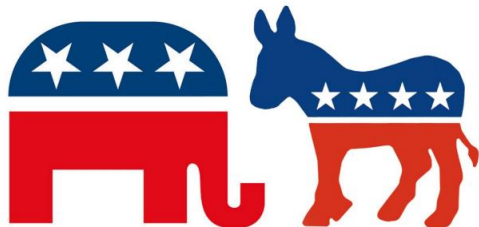
“Our farmers feed and fuel the world and a robust RFS is essential to a healthy ag economy across the entire country. Administrator Wheeler must uphold President Trump’s promise to Iowa farmers.”



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Political Landscape 2019

- Senate – 32 Republicans vs. 18 Democrats
 - Jack Whitver (R-Ankeny), Majority Leader
 - Charles Schneider (R- West Des Moines), President
 - Janet Petersen (D-Des Moines), Minority Leader
- House – 53 Republicans vs. 47 Democrats.
 - Linda Upmeyer (R-Clear Lake), Speaker
 - Chris Hagenow (R-Windsor Heights), Majority Leader
 - Todd Prichard D-Charles City), Minority Leader



Iowa Pro Biodiesel Programs

Promotion Tax Credit (Sunsets 1/1/2025)

B-5 credit is \$.035 and blends of B-11 are at \$.055.
Implemented a 7-year sunset.

Biodiesel Production Credit (Sunsets 1/1/2025)

Credit is equal to \$0.020 per gallon of pure biodiesel produced in Iowa. A single producer is limited to no more than \$500,000 in production credits each year.



Iowa Pro Biodiesel Programs

Fuel Tax Differential (Sunsets 6/30/2020)

\$.03 Differential in Fuel Tax for Blends of B-11 or Higher.

Review in 2019 due to legislature 1/1/2020.

Renewable Fuels Infrastructure Program (RFIP)

\$2.5 million annual appropriation.



Impact of RFIP, Fuel Tax Differential, and Tax Credits on Biodiesel Sales and Location

Product	2010	2015	2016	2017	2018	Percent Change
Clear Biodiesel Locations	205	405	471	507	771	276%
Dyed Biodiesel Locations	102	118	143	127	126	24%
Total Biodiesel Retailers	239	431	514	538	792	231%
Clear Biodiesel PBG	6,899,962	35,766,383	44,783,313	55,089,298	55,754,472	708%
Dyed Biodiesel PBG	528,711	1,752,126	1,929,127	2,079,877	2,269,016	329%
Total Biodiesel PBG	7,428,673	37,518,509	46,712,440	57,169,174	58,023,487	681%
Total Clear Diesel	575,052,787	634,137,010	629,954,114	631,149,200	637,067,328	11%
Total Dyed Diesel	165,079,923	193,649,552	211,657,576	197,028,373	188,988,065	14%
Total Diesel	740,132,710	827,786,562	841,611,690	828,177,573	826,055,393	12%
Clear Bio as % of Total Clear	1.20%	5.64%	7.11%	8.73%	8.75%	629%
Dyed Bio as % of Total Dyed	0.32%	0.90%	0.91%	1.06%	1.20%	275%
Total Bio as % of Total Diesel	1.00%	4.53%	5.55%	6.90%	7.02%	600%
Clear Blends B11 and Higher		172,790,794	240,172,247	315,255,171	302,011,475	75%
B11 and higher as % of clear		27.25%	38.13%	49.95%	47.41%	



2020 State Legislative Priorities

- Protect the Promotion and Production Tax Credits
- Full Funding of the Renewable Fuel Infrastructure Program
- Extend the B-11 and Higher Blend Fuel Tax Differential
- Maintain IBB Member Flexibility in the Private Generation Legislation (SF 583/HF 699)



Tax Credit Reviews

Reviews completed:

- 2009 - IDOR review per law passed in 2004
- 2014 - IDOR review per law passed in 2004
- 2015 - Legislative Tax Expenditure Review Committee
- 2016 - IDOR Tax Credit Program Evaluation Study
- 2018 - Legislative Tax Expenditure Review Committee - Reported 2019



Tax Credit Reviews

Reviews pending:

- 2019 - IDOR review per law passed in 2004
- 2019 - review by Tax Credit Review Interim
 - Review for credits that will foster economic growth and improve Iowa's overall tax and economic development climate.



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Tax Credit Review Interim

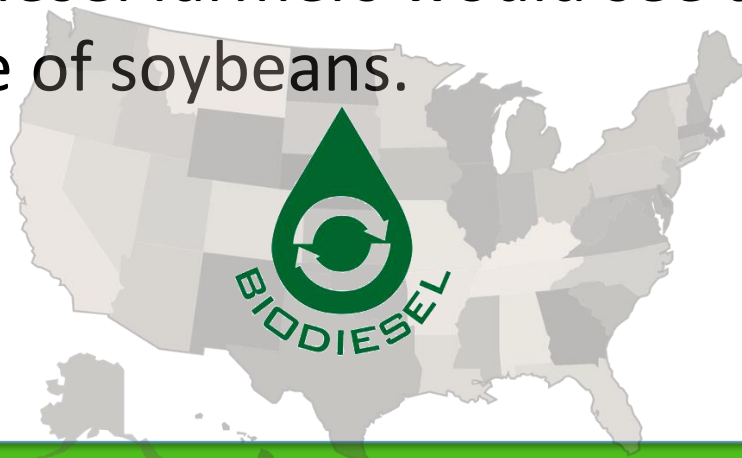
- ABF Economics - In Iowa, biodiesel:
 - supports 3,800 jobs.
 - contributes \$457 million in GDP.
 - supports \$278 million in household income.



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Tax Credit Review Interim

- Nationally, biodiesel
 - contributes 63 cents per bushel to the price of soybeans.
 - reduces the price of meal for livestock by \$21-\$41/metric ton.
- Without biodiesel farmers would see an 11% cut in the cash price of soybeans.



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Legislative Review of Fuel Taxes

The first such report shall be submitted to the general assembly no later than January 1, 2020, with subsequent reports developed and submitted by January 1 at least every sixth year thereafter.



SF 628 – Fuel Tax Differential

Passed out of the Senate Ways & Means Committee

Extends B-11 and Higher \$0.03 Differential

Eliminates the E-10 differential up of \$0.02

Creates an E-15 differential up to \$.06

Extends the E-85 differential up to \$0.14

Identifies the data source as reports to IDOR

New Sunset 7/1/2026



Homework

- Try to make three touches between now and January with your legislators.
 - Senator and Representative.

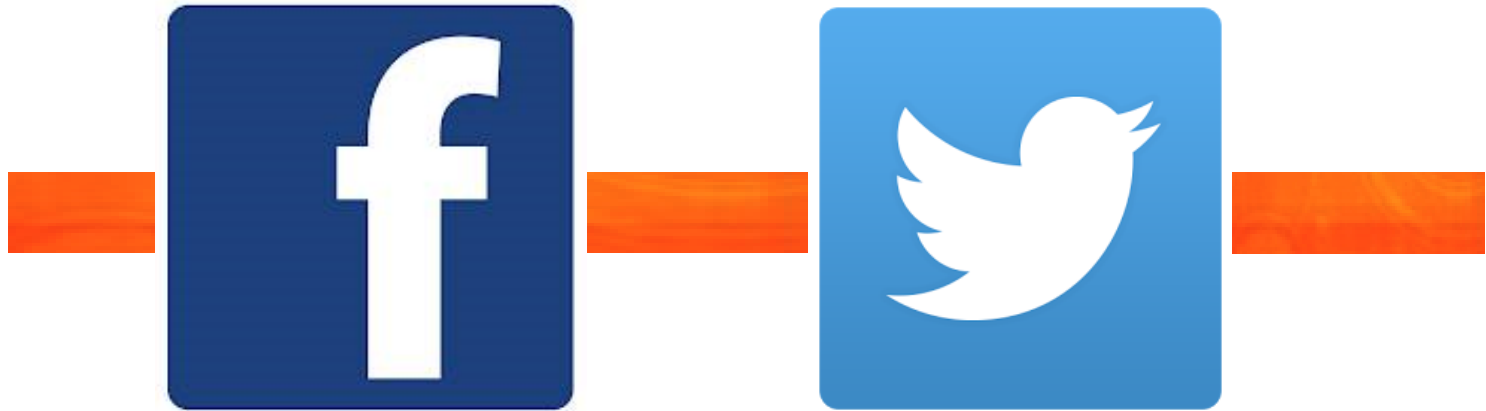


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Homework

- How do I do this?
 - Plant Tour
 - Invite them to coffee
 - Sign up for their newsletter – www.legis.iowa.gov
 - Attend and introduce yourself at a forum or town hall meeting (you can go to more than one)
 - Send an email or letter introducing yourself or referencing something you read about them.
 - Volunteer at a campaign headquarters
 - Ask for a yard sign
 - Attend a fundraiser

QUESTIONS?



Iowa-Biodiesel

@IowaBiodiesel