



Nat'l Biodiesel Board  
605 Clark Ln.  
P O Box 104898  
Jefferson City, MO  
65110-4898  
(573) 635-3893 phone  
(800) 841-5849  
[www.biodiesel.org](http://www.biodiesel.org)

## **NOW AVAILABLE: Biodiesel Blends at Franchised Stations**

### **Fact Sheet**

The 2007 Energy Independence and Security Act not only expands the use of renewable fuels by increasing usage, but also lowers barriers for branded retailers to sell renewable fuels. An amendment to the Petroleum Marketing Practices Act (PMPA) states that branded petroleum refiners and distributors cannot prohibit a franchisee from selling renewable fuels including B20 (a 20 percent biodiesel blend with diesel fuel).

Sales of B20 biodiesel blends can now be sold under the canopy. The branded retailer cannot be prohibited from installing new tanks and pumps or converting existing equipment for biodiesel sales, nor can the branded fuel supplier or distributor stop the franchisee from advertising biodiesel.

The branded station can purchase renewable fuel from suppliers other than the brand and outside of the franchise contract.

Under provisions in the new law, franchise-related documents shall not contain any provisions restricting the franchisee or any affiliate of the franchisee from:

- Installing a renewable fuel pump or tank
- Converting an existing tank or pump for renewable fuel use, as long as the tank is either warranted or certified for use with renewable fuels
- Purchasing renewable fuel from sources other than the franchisor if the franchisor does not offer its own renewable fuel
- Advertising the sale of renewable fuel
- Selling renewable fuel on the marketing premises of the franchisee
- Listing renewable fuel availability or prices on service station signs, fuel dispensers, or light poles
- Allowing for payment of renewable fuel with a credit card

However, the refiner or distributor can place "reasonable requirements" on the franchisee. For example, franchisees remain prohibited from mislabeling, misbranding or violating the franchisor's trademark.

The revision to PMPA makes it much easier for owners of franchisee gas stations, service stations and truck stops to provide biodiesel even if the branded refiner or distributor does not supply it. Franchisees can make fuel sales choices based on customer demand.

The changes apply to distributors and retailers signing new franchise documents, such as branded supply agreements and leases, after December 2007. Now, branded retail franchises have more power to determine their product mix while helping the nation meet the renewable fuel standard (RFS) of 36 billion gallons annually by 2022.

*October 2008*