



State of  
**North Dakota**  
*Office of the Governor*

John Hoeven  
*Governor*

# NEWS

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## **HOEVEN LAUNCHES \$2 MILLION BIOFUELS BLENDER PUMP PROGRAM**

FARGO, N.D. – Gov. John Hoeven was joined today by representatives of the North Dakota Corn Growers Association, North Dakota Ethanol Producers Association, North Dakota Soybean Association, and industry leaders from O'Day Equipment LLC and Petro Serve USA to launch a new \$2 million Biofuels Blender Pump program.

The Biofuels Blender Pump program is an incentive program operated by the North Dakota Department of Commerce that will provide cost-share grants for the installation of ethanol and biodiesel blender pumps. Grants will be provided to fuel retailers to encourage the installation of pumps capable of dispensing various blends of gasoline and ethanol as well as consumer determined mixes of biodiesel and traditional diesel fuel.

The new pumps will allow consumers with flexible fuel vehicles to purchase a wide variety of new biofuels products at North Dakota retail service stations. Blender pumps allow drivers to select from a range of different varieties of motor fuel, from pure gasoline, to E10, E85, and any blend in between.

“We’re excited about this initiative because it is a win for consumers, farmers, retailers and ethanol producers,” said Hoeven, who is also chairman of the Governor’s Biofuels Coalition, a bipartisan alliance of 36 U.S. states and six international members committed to promoting the development and use of biofuels. “Making renewable fuels more available is an important component of achieving greater long-term energy independence. This initiative will equip retailers to sell traditional and renewable fuels together, and provide consumers with more options.”

Hoeven proposed, and the 2009 Legislature approved, \$2 million in funding for the program to encourage retailers to upgrade equipment to allow for the sale and purchase of more biofuels products that are being produced in North Dakota. State grants of up to \$5,000 per pump and \$40,000 per retail station will be available for retailers. The North Dakota Corn Growers Association and the Corn Utilization Council have also allocated \$500,000 to provide an additional \$2,500 per pump for retailers installing ethanol blender pumps. The funds will be used as a cost-share for a portion of the installation of a blender pump, which can cost an average of \$25,000 each.

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“Incentives like this improve the cost-benefit ratio of installing blender pumps and encourage the sale and use of biofuels,” said Kent Satrang, CEO of Petro Serve USA. “This program will convert up to 400 North Dakota pumps from traditional gasoline to modern blender pumps that will be adaptable for future fuels.”

“This program helps complete the integration of biofuels into the North Dakota fuel supply chain,” said Randy Schneider, President of the North Dakota Ethanol Producers Association. “From the planter box to the pump, we in North Dakota have worked together to develop the feed stock, production and distribution of renewable fuels to the North Dakota consumer.”

Schneider said keeping product in state to fuel North Dakota’s existing 29,000 flexible fuel vehicles could generate additional sales of 11 million gallons of ethanol (at E30), save producers \$2.3 million in shipping costs, save consumers \$1.9 million in fuel costs (at 5 cents/gallon), and generate another \$115,000 in state tax.

The North Dakota Corn Growers Association is a partner in the program. North Dakota-produced ethanol uses 88 million bushels of corn, 95 percent of which is grown in North Dakota. North Dakota ethanol plants consume 35 percent of the state’s total corn production.

“Corn production has significantly increased farm income in North Dakota and corn’s profitability has helped attract young producers back to production agriculture,” said Tom Lilja of the North Dakota Corn Growers Association said.

O’Day Equipment is one of the suppliers in the state that will sell and install the biofuel blender pumps for station owners. Company president Duane Grippe explained that his firm was excited about the support that the pumps could provide for the domestic renewable fuel industry. O’Day Equipment had blender pumps on display for the announcement.

Retailers interested in the program can find applications at [www.blenderpumps.nd.gov](http://www.blenderpumps.nd.gov). Projects must be completed and reimbursement must be requested by Oct. 31, 2010. For more information, contact Andrea Holl Pfennig at the North Dakota Department of Commerce, 701-328-5300.

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