

# **BQ-9000 Policy 4.0**

## **BQ-9000 Producer Also Seeking BQ-9000 Marketer Status**

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### **Definitions**

**Marketer:** An entity engaged in the business of the distribution and sale of biodiesel and/or biodiesel blends of B2 or greater.

**Producer:** The entity responsible to the first purchaser of neat biodiesel for that neat biodiesel to meet the specifications of ASTM D6751. A producer can also be engaged in the distribution of biodiesel blends of B99 or higher.

**Tolling Producer:** An entity that contracts out all or part of its biodiesel processing capability to another party. In a tolling arrangement the contracting party is providing the feedstock to the Tolling Producer and taking responsibility for the quality of the product produced by the Tolling Producer.

### **Background**

- Q. **Can a BQ-9000 Producer supplement its existing production by buying product from another source without being required to become a BQ-9000 Marketer?**
- A. The BQ-9000 Producer Program Requirements only address the issue of supplemental production when a toll producer arrangement is in place. The program requirements do not specifically address cases where B99 or B100 is purchased and resold.
- Q. **Are there cases where a BQ-9000 Producer may need to purchase product from another producer on a temporary or short-term basis?**
- A. Yes, a BQ-9000 Producer may experience a temporary interruption of its production capability or may need to purchase a limited amount of product to fulfill a contract.
- Q. **Can a BQ-9000 Producer also become a BQ-9000 Marketer?**
- A. Yes, the company also has the same implementation obligations as companies applying to become a BQ-9000 marketer including actively performing marketing, blending or distribution activities during the implementation period.
- Q. **Does a BQ-9000 Producer need to become a BQ-9000 Marketer if the only biodiesel they sell was the biodiesel produced in their own plant or through a toll producer arrangement?**
- A. No, the function of selling B99 or B100 produced from internal sources is included in the scope of the BQ-9000 Producer Program.

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**Q. What is the BQ-9000 Marketer Program designed to include?**

A. The BQ-9000 Marketer Program is designed to address the issues associated with the purchase and resale of biodiesel and biodiesel blends. It is intend for companies who are either purchasing B99 or B100 from other entities and reselling that fuel or who are purchasing B99 or B100 and blending that fuel with petroleum distillates.

The BQ-9000 Marketer Program is not intended for BQ-9000 Producers who only purchase B99 or B100 from other sources when they experience a temporary interruption of their production capability or who may need to purchase a limited amount of product to fulfill a contract.

**Q. Can purchasing and reselling biodiesel blends fall under the scope of a BQ-9000 Producer?**

A. No, this activity requires a BQ-9000 Marketer Designation.

**Guidance**

**BQ-9000 Producers**

A BQ-9000 Producer may experience a temporary interruption of its production capability or may need to purchase a limited amount of product to fulfill a contract. Purchasing B99 or B100 from other sources is acceptable under the following conditions.

Production Capability Interruptions

1) On an annual basis up to 10% of the documented production capacity of the plant can purchased from other sources.

Fulfillment of Existing Contracts

1) The purchased B99 or B100 is supplementing existing production capability and is not a substitution for existing production.

2) On an annual basis up to 10% of the documented production capacity of the plant can purchased from other sources and used to fulfill a contract.

A producer has four purchase options when purchasing B99 or B100:

- a) The producer can purchase biodiesel from a BQ-9000 Producer.
- b) The producer can purchase the biodiesel from a non BQ-9000 Producer and verify that testing has been performed to produce a valid COA (see below).
- c) The producer can purchase the biodiesel from a BQ-9000 Marketer.
- d) The producer can purchase biodiesel from non BQ-9000 Marketer and verify that testing has been performed to produce a valid COA (see below).

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The producer shall document from whom the biodiesel fuel was purchased, their BQ-9000 status and the amount of fuel received. The producer shall only accept product transfer documents that include an EPA registration number.

In any case, a representative sample of the product purchased shall be taken and retained for a minimum of 60 days.<sup>1</sup> This sample shall be tested per ASTM D4176 (Procedure 2, Maximum Value of 2).

Product Received from a BQ-9000 Producer or BQ-9000 Marketer

If product is received from a BQ-9000 Producer or Marketer, the BQ-9000 Marketer may accept the COA or other documentation demonstrating that the product met the limits of the tests conducted by the biodiesel producer and off-load product directly into a distribution tank.

Product Received from a Producer or Marketer that is not BQ-9000 Certified

Product received from a producer or marketer that is not BQ-9000 certified shall be accompanied by certificate(s) of analysis where the tests were performed by either an independent lab or the buyer's internal lab to verify that the product meets full ASTM D6751 specifications.

**BQ-9000 Producers Who Have Received Their BQ-9000 Marketer Designation**

BQ-9000 Producers who have received their BQ-9000 Marketer designation or who have completed their registration audit for both designations at the time of this Guidance but have not marketed or distributed B99 or B100 purchased from a third party supplier or who have not sold biodiesel blends of B98 or lower have one year to perform these activities under their BQ-9000 Marketer quality management system. If no BQ-9000 Marketer activity has been recorded then the company will forfeit their BQ-9000 Marketer Status.

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<sup>1</sup> Retained samples ("retains") shall be kept in an environmentally appropriate location to avoid spoilage of the sample for the period of time being retained. In most cases, retention of at least one liter of fuel should be sufficient. If it is anticipated that cetane number will need to be tested from the retained sample, then an additional liter of fuel may be needed.