



FREQUENTLY ASKED QUESTIONS

BIODIESEL GRANT PROGRAM

QUESTION: Does the Manitoba government provide an incentive to support biodiesel production?

ANSWER: Manitoba has established a grant program to support the production of biodiesel in Manitoba. The grant program runs for five years from April 1, 2010 to March 31, 2015.

QUESTION: What is the biodiesel incentive?

ANSWER: The incentive is 14 cents per litre of biodiesel. To be eligible for the incentive the biodiesel must

- be produced in Manitoba by a producer with a valid commercial licence to manufacture biodiesel in the province;
- meet one of the quality standards for biodiesel adopted by Manitoba: ASTM D6751, Standard Specification for Biodiesel Fuel Blend Stock (B100) for Middle Distillate Fuels or EN 14214 Automotive Fuels – Fatty Acid Methyl Esters (FAME) for Diesel Engines – Requirements and Test Methods; and
- be sold either in Manitoba or for export or used by the producer to make blended biodiesel that the producer then sold in Manitoba or for export.

QUESTION: How often are grants paid?

ANSWER: Payments under the biodiesel grant program will be made quarterly based on quarterly grant applications.

QUESTION: How do I apply for a biodiesel grant?

ANSWER: To apply for a grant, a biodiesel producer must complete a grant application form and submit the form within 30 days after the end of a quarterly period to the Department of Innovation, Energy and Mines. The application form lists the information required and the address for submitting the application.

Grant application forms are available on the web site of Manitoba Innovation, Energy and Mines or from Innovation, Energy and Mines, Energy Division, 1200-155 Carlton Street, Winnipeg, Manitoba R3C 3H8.

QUESTION: Is there a deadline for submitting grant applications?

ANSWER: Grant applications must be submitted within 30 days after the end of the quarter.

QUESTION: What happens if a grant application is late?

ANSWER: If an application is late, the number of litres applied for in the late application can be added to the applicant's application in subsequent quarters in the 12-month period.

QUESTION: Are there limits or caps on the amount of the incentive?

ANSWER: The incentive is subject to caps. The maximum number of litres of Manitoba biodiesel eligible for an incentive in a 12-month period, which runs from April 1 to March 31 of the next year, is 20 million litres. There are also quarterly caps on the incentive in addition to the annual cap. The quarterly caps vary as follows:

- April – June: 7 million litres
- July – September: 7 million litres
- October – December: 2 million litres
- January – March: 4 million litres

QUESTION: What is the rationale for the caps?

ANSWER: The annual cap of 20 million litres approximates the amount of biodiesel required to meet Manitoba's 2% biodiesel mandate.

Quarterly caps ensure that grant monies are spread over an entire 12-month period. They also ensure that biodiesel producers can enter the grant program at any time during a year and still receive a grant.

QUESTION: What happens if grant applications are received in a quarter for more litres of biodiesel than the applicable grant cap for the quarter?

ANSWER: The grants payable will be prorated up to the cap among the applications received based on the number of litres of biodiesel sold during the quarter as reflected in the grant applications. Litres of biodiesel in excess of the cap will be carried forward to subsequent quarters in the applicable 12-month period and will be eligible to receive a grant if the number of litres applied for in subsequent quarters are lower than the caps for the remaining quarters.

QUESTION: What happens if the total number of litres of biodiesel applied for in grant applications in a quarter are less than the applicable grant cap for the quarter?

ANSWER: If the total number of litres of biodiesel applied for in a quarter are less than the applicable quarterly cap, the remaining grant room can be carried forward for use in subsequent quarters in the applicable 12-month period.

QUESTION: Can excess litres or cap room be carried forward from one 12-month period to another?

ANSWER: Excess litres or cap room cannot be carried forward from one 12-month period to another?

QUESTION: Will biodiesel producers be required to sign a grant agreement before receiving a grant?

ANSWER: The government of Manitoba has developed a standard form grant agreement that must be signed by biodiesel producers before they receive a grant.

QUESTION: Where can I obtain more information on the grant program?

ANSWER: Information about the grant program may be obtained from the Department of Innovation Energy and Mines, Energy Division, 1200-155 Carlton Street, Winnipeg Manitoba R3C 3H8 Attention: Biodiesel Grant Program

Phone Number: 945-7392

Toll free: 1-800-282-8069

Information including copies of the laws, regulations and forms can be found on the IEM web site at:

<http://www.gov.mb.ca/stem/energy/biofuels/biodiesel/index.html>