



Maryland Department of Agriculture

Agriculture | Maryland's Leading Industry

Office of the Secretary

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Dear Applicant:

On behalf of the Renewable Fuels Incentive Board ("Board"), I am pleased to provide you with a State of Maryland Ethanol Production Credit Application. Under the Renewable Fuels Promotion Act of 2005, the State has created a program that provides a certain number of production credits to qualifying producers of ethanol and biodiesel motor fuels whose applications have been approved by the Board.

The program's purpose is to help develop a biofuels and ethanol industry in this State that, among other goals, will expand market and investment opportunities for area farmers, help the environment, and reduce dependence on imported oil.

In keeping with this purpose, applicants are encouraged to submit proposals which maximize benefits to Maryland farmers by expanding their market and investment opportunities and which provide environmental benefits by encouraging the production of small grains grown as a winter cover crop. Your interest in this very important program is to be commended. The following information is provided to assist you through the application process.

The Board meets quarterly (December, March, June, September) contingent upon the receipt of an application. The Board will respond to applicants within 60 days of a meeting. The acceptance of applications after that date will be dependent on the Board's authority to certify additional ethanol production credits.

The Board may not certify ethanol production credits for more than: 15,000,000 gallons per calendar year, of which at least 10,000,000 gallons shall be produced from small grains. Ethanol credits may not exceed the maximum amount certified by the Board and shall be: 20 cents per gallon for ethanol produced from small grains (wheat, rye, triticale, oats, hulled or hull-less barley) and 5 cents per gallon of ethanol produced from other agricultural products. Ethanol eligible for credits is fermented ethyl alcohol from agricultural or forest products that satisfies the American Society for Testing and Materials Specifications D 4806-88 and is denatured as specified in 27 C.F.R. Parts 20 and 21.

The Board may pay a credit for ethanol produced on or after December 31, 2007, but may not pay a credit for ethanol produced after December 31, 2017. After February 1, 2008, to receive a credit payment from the State of Maryland, a certified producer shall file a claim with the Board by the end of January, April, July and October of each year. If eligible, a producer may apply to the Board for certification for additional credits if the producer increases the production capacity of the facility. If a facility does not achieve its certified capacity for two consecutive years, the Board may revise the stated production capacity of the facility and the corresponding credit certification of the producer to reflect actual production.

Claims shall state the producer's total ethanol production in the State of Maryland during the previous quarter, categorized by ethanol produced from small grains and ethanol produced

from other agricultural products; the location of the producer; the average number of Maryland citizens employed by the producer in the previous quarter; the number of bushels of Maryland-grown small grains and other agricultural commodities used by the producer in the previous quarter.

Claims filed will be reviewed by an independent Certified Public Accountant with respect to, as appropriate: total ethanol production; the breakdown between ethanol produced from small grains and ethanol produced from other agricultural products.

Claims submitted to the Board are not subject to disclosure under the Maryland Public Information Act.

If you should have any questions regarding this application or the credit certification process, please contact Mark Powell at MDA, (410) 841-5775, or powellms@mda.state.md.us.

Sincerely,

A handwritten signature in cursive script that reads "Roger Richardson".

Roger L. Richardson
Secretary