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To: Lindsay Thompson, Executive Director  
Maryland Grain Producers Utilization Board

From: Jill N. Hamilton, President

Date: December 1, 2016

Subject: Final Report for *2016 E85 Infrastructure Development and Promotion Project*  
(2016204)

This document serves as the final report for Sustainable Energy Strategies, Inc. (SESI's EIN 54-1881156) contract (2016204). From all of us at SESI, thank you for your support and long-term commitment to ethanol expansion in the Mid-Atlantic region. Without MGPUB's efforts, E85 and now E15 infrastructure would not exist in Maryland. It would also be limited in Virginia. We project that by the end of the year, your support will have provided over 500 hours for SESI to provide coordination on the US Department of Energy Grant (Biofuels Infrastructure Project or BIP), technical expertise, research and coordinate the advertising campaign, serve as a local industry resource, and coordinate industry advocacy efforts.

Ethanol nationally contributes more than \$43 billion to the nation's GDP (source NCGA's Cardeno Centrix report). Throughout 2016, SESI continued to assist MGPUB and local farmers with regional ethanol expansion. We recently learned that a few farmers are now selling corn to the Hopewell Green Plains ethanol plant, a first for Maryland agriculture. Per your own Chip Bowling (NCGA Chairman), "We need to keep investing in our ethanol infrastructure, especially here on the East Coast, to meet demand from consumers where they live and work." Regardless, ethanol boosts corn demand nationally, helping the economic viability of all corn sold in the Maryland. Below is an overview of activities followed by a detailed report.

## *Overview*

This year, SESI managed MGPUB's role in the USDA BIP grant. The primary goal of this grant is to bring E15 to Maryland and Virginia by adding 40 new ethanol stations and 200 pumps to the region, 22 of those stations in Maryland. While the grant was planned to be completed within one year, the partners requested an extension and additional grant funding for more stations in Virginia. That extension is under review at USDA. This year's highlights are detailed below:

1. Completed two (2) new E15/E85 stations, with three (3) under construction of a total of 22 planned. The remainder are expected to be completed by the end of March 2017. A current list of BIP stations can be found in Attachment 1.
2. Was given approval by the Maryland Comptroller to sell E15 in the state.
3. Approximately 13,000 Flex Fuel Vehicle owners near E85 stations received a postcard mailer promoting the "You have a Choice" campaign.
4. 26 videos were submitted to our video contest. More than 2,000 view the videos.
5. We raised \$10,000 from Protec for Baltimore and Montgomery County bus ads.

6. Added 300 names to our mailing list for future public outreach.

SESI visited, called and/or emailed Maryland ethanol stations to provide technical assistance, training information and educational materials. SESI, on behalf of MGPUB, discussed advertising campaigns with digital, TV, radio, video and print media outlets to obtain quotes that allow MGPUB to target, educate and advertise within the region. We represented MGPUB at dozens of speaking engagements and meetings including the National Ethanol Conference, Maryland State Fair Fox News live broadcast, Greater Washington Region Clean Cities meetings, ethanol station openings, the Commodity Classic, and BIP management meetings.

We also discussed ethanol and Flex Fuel vehicles (FFVs) with state representatives, industry partners, auto dealers, fuel providers and fleet managers. We encouraged the use of ethanol fuels and FFVs and took time to educate drivers, sales staff, retail sales clerks and fleet managers.

### ***Advertising Campaign***

SESI worked with MGPUB staff, Owl Creek Consulting, industry partners and advertising agencies to design an advertising campaign for the USDA BIP grant. The campaign includes print, digital, bus, radio, video, and social media outreach efforts.

**Postcard and Press Releases:** One (1) of two (2) postcard mailers was developed, printed and mailed to 12,897 Flex Fuel Vehicle owners living within two (2) miles of our existing public ethanol stations. An additional 2,000 postcards were printed and used as promotional materials at station openings, the Commodity Classic and the Maryland State Fair. The postcard slogan mirrored the 2016 campaign web-slogan “You Have a Choice”. Funding support for the printing, the data run to find addresses, and mailing costs came from Maryland Department of Agriculture and MEA. A second, similar post card is being planned for April 2017 and is being developed for FFV owners located near the newest stations. We also wrote and distributed a press release on the video winners. Owl Creek boosted the video contest on Facebook. The highly successful contest attracted more than 400 views and 26 responses (see Video Contest below).

**Digital:** SESI requested and revised proposals for video streaming, station and website retargeting, social media, banners, SEM (key word) searches and more. The contracts have not yet been signed due to delays in the grant construction phase. We expect them to be signed in January at the latest when we receive confirmation of Maryland station installations. Once signed we will finalize the messaging and use five (5) videos from our contest (see Video Contest below).

**Bus Advertisements:** SESI discussed with Protec Fuel Management the need for additional advertising. Protec agreed to and paid for a \$10,000 Baltimore and Montgomery County bus advertising campaign. SESI collected bids, discussed them with MGPUB and Protec, and received a signed contract in November 2016. Twenty buses in Montgomery County and 20 buses in Baltimore will advertise the “You Have a Choice” campaign, promoting higher ethanol blends. Advertisement language and graphics are currently under development and set to be installed on the buses as soon as all the stations are completed, likely in March or April 2017.

**Website Development:** Owl Creek and SESI worked closely to develop the new driveflexfuels.org website. Partners in the BIP grant agreed to use this site as the information portal for ethanol station locations and educational materials. It was also used to promote and provide information on the video contest (more information on the contest below). The BIP/MGPUB team determined the American Ethanol logo would be used for branding purposes for all grant outreach efforts to match bring unity to ethanol website across the nation. Again, the project’s website slogan “You Have a Choice” tied in with other advertising efforts. The slogan and website name have been communicated to other BIP winners with the offer that they can use/share our graphics and messaging.

For 2017, Owl Creek and SESI aim to increase websites usage by asking users to sign up for a mailing list both at events

and on the website. While attending the Maryland State Fair, Owl Creek collected more than 300 names for our mailing list as part of a video judging and gift card contest. The website received more than 3,200 visitors and had 45,445 hits, with the largest viewings during our video contest in June. Most visitors connected to site via direct address link (92%). Facebook attracted 5% of our visitors and search engines generated 3%.

Owl Creek is also participating in the Prime the Pump Board’s effort to develop a brand for E15 for marketing communications support programs. Growth Energy is coordinating the project. Stakeholder interviews were conducted earlier in October and the results will include messaging that will be used nationwide. Next year, SESI and Owl Creek will need to incorporate the results into MGPUB’s spring efforts.

**Video Contest:** As part of the advertising campaign, 30 and 15 second videos are required for the digital and radio advertising. Estimates for professional video production and scripts were prohibitively expensive. As an alternative, a video contest was developed to promote ethanol to students, retailers, professionals, and amateur videographers. Anyone interested was eligible to submit a video promoting ethanol blends and FFVs. All videos are on the driveflexfuels.org website and YouTube. The contest was promoted on Twitter and Facebook and by the press, BIP partners, and the industry. Twenty-six (26) video were submitted. There were prizes for first, second, third and most viewed (contest for most viewed ends December 15). To date, the videos have been watched by more than 2,000 viewers.

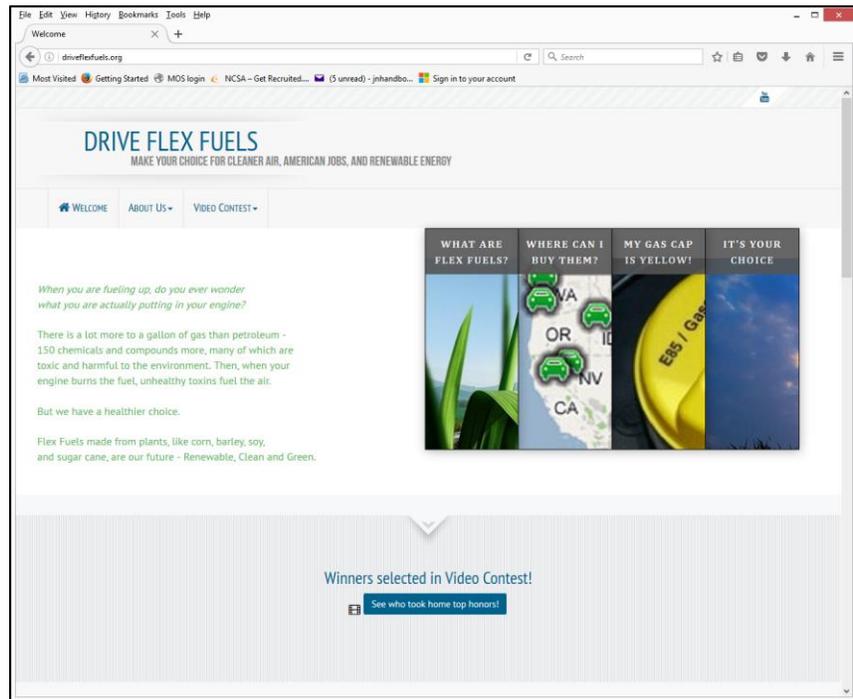


Figure 1 Drive Flex Fuels Home Page

## *Education and Outreach*

**Promotion to Dealership:** Throughout the year, SESI met with the Washington Area New Dealership Association, and local dealerships to discuss partnering in an advertising partnership. We asked to collaborate to provide customers with educational flyers and train dealership staff on the benefits of higher levels ethanol blends. Dealers were given the Maryland ethanol brochure to put in each car. While the dealerships have shown interest in promoting FFVs, they have been hesitant to allocate funding from their advertising budgets without proof that sales will increase. This direct communication effort is worth continuing in 2017.

**Station Visits:** All 19 existing ethanol stations and three (3) ethanol supply companies were contacted by letter and email prior to the postcard mailing. The correspondence explained the advertising effort (web, digital, videos, etc.), the postcards mailer, information on E15 and E85 and future stations. In addition, we visited or called all stations to discuss the campaign and educate the retail station about the campaign and both E15 and E85. Because station staff change often, continual educational efforts are needed. SESI continued to communicate with station owners and marketers throughout the year about sales and fuel pricing.

**BIP Meeting/Coordination:** SESI, on behalf of MGPUB, continues to coordinate Maryland's grant BIP activities. This includes participating on bi-weekly calls, discussions with partners to coordinate advertising campaign and discuss additional funding for promotional activities. SESI provided support to Protec, including reviewing potential station locations and encouraging applications to the MEA grant process for additional infrastructure support. While Protec was unsuccessful last year, they have another opportunity in 2017. If awarded, MEA's grant will provide cost-share to the BIP project or expand on the planned stations. We were also asked to attend and participate in the BIP ethanol station openings in Manassas and Woodbridge events. We are also planning an Earth Day grand opening event in Maryland at one of the new stations. In addition to weekly calls and station openings, SESI worked with Protec to adjust their contracts to include a statement on keeping E15 and E85 prices lower than unleaded. This should help the economic competitiveness in Maryland. Further, we had several calls with potential retailers, such as Liberty and Royal Farms. Both organizations are likely to add Flex Fuel pumps in the coming year.



*Figure 2: Jill Hamilton presenting on behalf of MGPUB at station opening*

## *E15 Policy Issues in Maryland*

Late 2015, MGPUB sent a letter to the Maryland Comptroller to further clarify the E15 registration process in Maryland. Thus, the Comptroller's office provided an email stating that E15 can be sold in Maryland if all EPA rules and regulations are followed. Staff in the Comptroller's office was concerned about the possibility of misfueling and recommended dispensers with separate nozzles to eliminate this potential problem.

SESI organized and coordinated discussions with partners and the Maryland Comptroller's office to specifically understand requirements to dispense E15 in Maryland. In February, there was a meeting with the Chuck Ulm, a representative from the Comptroller's office, in which he stated no legal issues remain to register and sell E15 in the state. After which, he reported an issue with the dispenser hose set-up. Throughout the first half of the year, we worked with Sheetz, Protec, VA Clean Cities, MEA, and Growth Energy to ensure that E15 would be permitted in MD. As of this report, we understand that all concerns have been addressed and the permission has been granted to move forward with the project.

Early in the project, a Sheetz representative contacted us and stated that the Comptroller's office indicated sales of E15 was not allowed. We were not contacted during these conversations and were only made aware of the issue after Sheetz would no longer work in Maryland. Sheetz is installing infrastructure in many states without issues so they decided to withdrawal from MD. This not only affected the number of Sheetz stations but prohibit them from providing advertising/education funding for Maryland. It will also hinder further competition among venders in Maryland. In November, SESI met with a Sheetz representative where we informed him that Protec and SESI have worked with MD and there are no longer issues in Maryland to install higher ethanol blends. It is our understanding that he they will go back to the company and consider the potential to expand in Maryland. SESI will continue to coordinate with Sheetz on this effort.

## *2017 Grant Opportunities*

MEA has an Alternative Fuel Infrastructure Program (AFIP) grant opportunity that closed in early February 2017. Thirty-five thousand dollar grants are being provided to companies to install ethanol infrastructure who can provide, at a minimum, a 50 percent match. SESI has spoken and provided information to both Sheetz and Protec for these grants. As of this report, neither company has begun to complete the application. But we understand that Protec is interested and is working with Liberty. Sheetz, since our last meeting with them in November, may be interested if their Maryland stations are easily converted to ethanol blends with no need for new tanks or piping. We will continue to monitor the progress of both company.

Again, I would like to thank MGPUB for your continued commitment to ethanol in the region. This year has been very successful and we look forward to working with you in the future. If you have any questions, please feel free to contact me at 703-322-4484.

## Attachment 1

	<b>Station Name</b>	<b>Site/Station Address</b>	<b>Pumps</b>	<b>Progress</b>
MD-1	NEXCOM	Building 178 Kincaid Rd., Annapolis, MD	1	Completed
MD-2	Bradley	5001 Bradley Blvd., Chevy Chase, MD	4	
MD-3	Clarksburg Liberty	23300 Clarksburg Road, Clarksburg, MD	4	
MD-4	Fort Meade Auto	3240 Ft. Meade Road, Laurel, MD	4	started
MD-5	NEXCOM	22099 Cuddihy Rd, Patuxent River, MD	2	started
MD-6	Clearspring Liberty	12828 Clearspring Road, Clearspring, MD	4	
MD-7	Columbia	6425 Dobbin Center Way, Columbia, MD	6	
MD-8	Westminster	23 Carroll Plaza Shopping Center, Westminster, MD	4	
MD-9	Rockville Service Center	1900 Rockville Pike, Rockville, MD	4	
MD-10	East Street Liberty	1301 East Street, Frederick, MD	4	
MD-11	East West Liberty	7588 Annapolis Road, Landover, MD	4	
MD-12	RF	9043 Liberty Rd., Randallstown, MD	4	
MD-13	Empire Sunoco	1907 Weirs Mill Road, Rockville, MD	4	
MD-14	Liberty	4972 Bradley Blvd, Chevy Chase, MD	4	
MD-15	Empire	4740 CRAIN HWY White Plains, MD	4	
MD-16	Empire	1501 Postal Rd Chester, MD	4	
MD-17	Empire	21265 GREAT MILLS RD Lexington Park MD	4	
MD-18	Empire	4105 SOUTHWESTERN BLVD Baltimore, MD	4	
MD-20	East Patrick Liberty	826 East Patrick St., Frederick, MD	4	
MD-21	Crown	4201 Erdman Avenue Baltimore MD	4	Started
MD-22	BWI Airport	7434 New Ridge Rd, Hanover, MD	4	Completed
MD-23	BP	1100 South Hanover St. Baltimore, MD	4	
MD-24	Crown	7408 Baltimore Annapolis Blvd. Glen Burnie, MD	4	
VA-1	King Street Liberty	4368 King Street, Alexandria, VA	4	
VA-2	Franconia Liberty	6149 Franconia Rd., Alexandria, VA	3	
VA-3	7 corners Liberty	3015 Patrick Henry Dr., Falls Church, VA	4	
VA-4	NEXCOM	1449 Tomcat Blvd., Virginia Beach, VA	2	
VA-5	Sanjeev Citgo	810 Port Republic Road, Harrisonburg, VA	4	

VA-7	East Coast	6460 Boydton Plank Rd., Petersburg, VA	6	Completed
VA-8	East Coast	10150 Hull Street Rd., Midlothian, VA	6	Started
VA-9	East Coast	9800 West Broad St., Glen Allen, VA	6	Started
VA-10	East Coast	801 England St., Ashland, VA	6	Completed
VA-11	Sheetz #207	1683 Berryville Pike Winchester VA	6	Completed
VA-12	Sheetz #403	3927 Wards Road Lynchburg VA	4	Completed
VA-13	Sheetz #407	1340 North 4th Street Wytheville VA	4	Completed
VA-14	Sheetz #408	2156 West Main Street Waynesboro VA	4	Completed
VA-15	Sheetz #491	135 Market Street Zion Crossroads VA	6	Completed
VA-16	Sheetz #514	600 East Nelson Street Lexington VA	4	Completed
VA-17	Sheetz #532	2807 Lafayette Blvd Fredericksburg, VA	5	Completed
VA-18	Sheetz #565	4201 Anderson Highway Powhatan VA	8	Completed
VA-19	Sheetz #579	11774 Sudley Manor Dr Manassas, VA	4	Completed
VA-20	Sheetz #701	227 Conicville Rd Mt. Jackson, VA	5	Completed
VA-21	Mobil Potomac Hills	14496 Gideon Drive, Woodbridge, VA 23112	2	completed
VA-22	East Coast	626 Warrenton Rd Fredericksburg, VA	4	
VA-23	East Coast	10007 James Madison Hwy Warrenton, VA	6	
VA-24	East Coast	13200 Kingston Ave Chester, VA	6	
VA-25	Tiger Fuels	80 Irvington Rd Kilmarnock, VA	2	Started
	Shell	Address TBA	4	
VA-26	Tiger Fuels	895 Rappahannock Rd White Stone, VA	3	Started
VA-27	City of Chesapeake	956 Greenbrier Pkwy Chesapeake, VA	1	
VA-28	Sheetz #186	1503 N Frederick Pike Winchester, VA	4	
VA-29	Sheetz #197	747 Fairfax St Stephens City, VA	4	
VA-30	Sheetz #198	111 W Reservoir Rd Woodstock, VA	4	
VA-31	Sheetz #309	1574 Martinsburg Pike Winchester, VA	6	
VA-32	Sheetz #350	7035 W Broad St Richmond, VA	7	
VA-33	Sheetz #440	14449 Forest Rd Forest, VA	4	
VA-34	Sheetz #543	9825 Hospital Boulevard Fredericksburg, VA	5	

VA-35	Sheetz #545	8533 Jefferson Davis Hwy Fredericksburg, VA	5	
VA-36	Sheetz #572	2870 Stuarts Draft Hwy Stuarts Draft, VA	5	
VA-37	Sheetz #573	8206 Kings Hwy King George, VA	5	
VA-38	Sheetz #588	216 East Main St Louisa, VA	4	
VA-39	Sheetz #590	1175 Garrisonville Rd Stafford, VA	5	
VA-40	Sheetz #595	13039 Ballsford Rd Gainesville, VA	5	
VA-41	Sheetz #599	2415 Lee Hwy Bristol, VA	4	
VA-42	Sheetz #601	1084 E Stuart Dr Galax, VA	4	
VA-43	Sheetz #606	2500 Caton Hill Rd Prince William, VA	4	