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The Annual Clean Cities Conference is Next Month—It's not too late to sign up!

Variety and variety alone will be seen in abundance at the Clean Cities Congress and Expo 2006, May 7-10, in Phoenix, Arizona. Whether it's biodiesel or natural

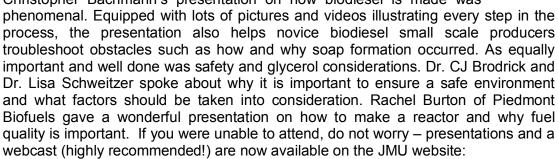


gas, hybrids or fuel cells, you'll see it there. From UPS and Swift Transportation fleet representatives to U.S. Senator John McCain, variety is everywhere.

With 150 speakers, 100 exhibitors and 1,500 attendees, this Congress is one stop shopping for anyone interested in exploring the economic advantages of alternative fuels and vehicles. April 28 is the last day to pre-register for the Congress: http://www.afvi.org/PhoenixCongress2006/

2006 Virginia Biodiesel Conference – A Success!

The Virginia Biodiesel Conference was held on April 3, 2006 at James Madison University. Turnout was great, content was excellent, and the energy of the group was contagious. Matthew Lohr, Virginia House Delegate and farmer, gave a highly motivational speech about biodiesel in the agricultural community and current legislation. Dr. Christopher Bachmann's presentation on how biodiesel is made was phenomenal. Equipped with lots of pictures and videos illustrating every st process, the presentation also helps novice biodiesel small scale particularly process.



http://www.cisat.jmu.edu/biodiesel/conference2006.html 4/3 - 2006 Virginia Biodiesel Conference (Video)

Items of interest this month:

- Successful Biodiesel Pilot at Gloucester County Public Schools
- Shell Partners with BioWillie Biodiesel
- New Ford E85 Commercial
- Biodiesel Testing in Virginia B20 Pilots 2005-2006, Final Report Issued
- MotorWeek special shows featuring renewable/alternative fuels
- Planning has begun for National AFV Day Odyssey: October 12, 2006
- 2 new publications released by NGVAmerica
- Honda & FuelMaker Offer Incentives to Clean Cities Stakeholders
- Sothereastern Biodiesel Workshop: May 15-17, 2006

Gloucester County's School Buses To Run on Biodiesel!

Gloucester County has been running a 20% blend of biodiesel in 5 of their school buses. The Schools Transportation Director has had a positive biodiesel experience thus far. After briefing the School Board on the use of biodiesel and receiving positive feedback about the program, it looks as though Gloucester will convert the entire fleet in September if the study continues to be positive.

Way to go Gloucester County!

Read an article in the Daily Press about Gloucester's biodiesel use: http://www.dailypress.com/news/local/dp-biodiesel0413apr13,0,412748.story?coll=dp-news-local-final

Shell partners with BioWillie Biodiesel

Motiva Enterprises LLC, a major oil company with petroleum supply terminals throughout the country, this month added its Dallas facility to the growing ranks of about 25 supply terminals that now offer biodiesel blends.

Motiva, a partnership between Shell Oil Co. and Saudi Refining Inc, will market biodiesel made by Earth Biofuels, a producer and the exclusive marketer of Willie Nelson's BioWillie brand.

Motiva said it has no immediate plans to provide blending at other terminals, said Dan Grinstead, general manager of commercial sales and distribution.

A similar move by Motiva at its terminals in Richmond and other Virginia cities could dramatically improve the costs and logistics of biodiesel distribution in the Commonwealth. Even while one of the few biodiesel refineries on the East Coast is located in New Kent County, an hour's drive from Southside Richmond's I-95 corridor of petroleum terminals, distribution of biodiesel blends requires labor-intensive tank to truck or truck to truck mixing and either double hauling of one or both of the blended products or two stops by a single truck at both a supply terminal in Richmond and the Virginia Biodiesel Refinery near West Point.

In the same month that Motiva announced any-ratio biodiesel blend capacity at its Dallas terminal, Sprague Energy celebrated the opening of that company's first Biofuel facility at its Albany, NY terminal and a Michigan-based petroleum company, RKA, became the first in that state to offer electronically blended biodiesel at its terminal in Romulus.

County musician Willie Nelson, who developed the BioWillie brand of biodiesel for truckers, was joined in Dallas by actor Morgan Freeman to announce the installation of a 30,000-gallon heated tank that will allow biodiesel to be loaded onto tanker trucks already fully blended with petroleum diesel. Blending at the terminal level reduces costs associated with "splash" blending inside trucks and provides a more consistent blend of the fuel. Nelson and Freeman are both on the board of directors of Earth Biofuels.

Ford Motor Company Has Begun Airing Their First E85 Television Commercial

This specific television advertising campaign will target North and South Dakota, Minnesota, Wisconsin, Iowa, Nebraska, Missouri, Iowa and Illinois. The National Ethanol Vehicle

Coalition has been working closely with Ford's advertising group in designing these innovative commercials. Even though this commercial will not air in this part of the country, it's still a cool commercial.

http://www.e85fuel.com/media/ford f150 commercial.php

Final Report Issued on Biodiesel Testing in Virginia, Concerns about Sulfur in Biodiesel Resolved

Previous testing of biodiesel used in several pilot projects revealed levels of sulfur exceeding EPA's "2007 Heavy-Duty Highway Final Rule." The Agency will require a 97 percent reduction in the sulfur content of highway diesel fuel from its current level of 500 parts per million to 15 parts per million by model year 2007.

The latest round of tests by Clean Cities detected no sulfur in a follow-up sample of B100 from Virginia Biodiesel Refinery LLC that was analyzed by a sub-contractor to Primary Laboratories of Mechanicsville, VA and reported on Feb. 2, 2006. Under normal circumstances this would not be worth reporting because neat biodiesel made from virgin soybean oil should contain virtually no sulfur. However, earlier tests of samples that were not retrieved directly from the producer found that three out of three samples of neat biodiesel contained sulfur in amounts that exceeded American Society for Testing and Materials (ASTM) standards for biodiesel and the standard for petroleum ultra low sulfur diesel (ULSD) that will be introduced to the market this fall.

It is essential that neat biodiesel contains less than 15 parts per million (ppm) of sulfur by mass so that it remains possible to blend biodiesel with ULSD when that product is introduced nationally in October. The latest test results should put that concern to rest and provide empirical support for the earlier intuitive proposition that previous samples not taken directly from the refinery had picked up sulfur from exposure to the tanks, pipes and hoses of the petroleum tank trucks in which the biodiesel had been transported or stored.

The full report including other test parameters of the ASTM D6751 standard for biodiesel is available upon request.



Motorweek Special Shows Featuring Renewable/Alternative Fuels

Our friends at MotorWeek are currently working on several special shows featuring new vehicle technologies and renewable/alternative fuels that will soon air on PBS stations and the Speed Channel nationwide and the Armed Forced Network worldwide. Below is a list of the topics and the week they will start airing below. Visit (www.MotorWeek.org) to check PBS show times and station listings for your local viewing area. Copies of the individual shows are available directly from the MotorWeek web site.

- 1. E-85 update: Saturday, May 6, 2006
- 3. Ethanol Goes Racing (w/Paul Dana tribute): Saturday, May 20, 2006

Odyssey 2006 Planning Already Underway

Does anyone remember AFV Day Odyssey 2004 that HRCCC hosted on April 2, 2004? The event brought together public and private organizations, government,



and Universities already taking advantage of American fuel and advanced technology vehicles. If you don't remember, it's okay... because we are hosting another one!

National AFV Day Odyssey will take place on October 12, 2006. This nationwide event is dedicated to promoting awareness of alternative fuel and advanced technology vehicles. Hampton Roads Clean Cities has agreed to host a site. If you are interested in collaborating with us on this event or have a great idea but the opportunity to implement hasn't presented itself, let us know. More information on Odyssey 2006 can be found here:

http://www.nationalafvdayodyssey.org/

Two Informative Reports Recently Released by NGVAmerica:

- Analysis of Vehicle, Fuel Station and Motor Fuels Excise Tax Incentives on School Bus Purchase and Operating Costs
- 2. Available Natural Gas Vehicles: A listing of Light-, Medium- and Heavy-Duty Vehicles and/or Engines available directly from Large OEMs or via Qualified System Retrofitters Using EPA-/CARB-Certified Systems from Small Volume OEMs (SVM)

Both reports are available for download on our website: http://www.hrccc.org/resources.html (this webpage was recently added, and is still under construction)

Calendar

May 6	MotorWeek Special "E-85 Update"
May 7-10	Clean Cities Congress & Expo, Phoenix, AZ
May 15-17	Southeastern Biodiesel Workshop
May 20	MotorWeek Special – "Ethanol Goes Racing"

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American Honda / FuelMaker / Clean Cities 2006 "Clean Connection" Program

Additional FuelMaker incentives offered exclusively to Clean Cities Stakeholders!

Terms and Conditions for Honda Funding:

- Available on Civic GX **ordered after** January 1, 2006, and **delivered prior** to December 31, 2006, or until program funding is depleted. Contact Honda & FuelMaker for funding verification.
- Qualifying customers include all private and government fleets (except Federal government). (Not applicable to natural gas utility fleets OR individual retail consumers). Retail consumers will get 10% off from FuelMaker.
- The Honda credit is not transferable from one customer to another, or from one dealer to another, without prior approval from Honda and FuelMaker.
- Honda will issue credit payable directly to FuelMaker, on qualified FuelMaker products to reduce the customer price.
 Honda credit is available based upon the following Funding Volume Schedule. (Customers ordering more than 12 vehicles should contact American Honda directly for additional consideration.)
- *Honda credit is on a per-vehicle-purchased basis and aggregates, regardless of which qualified FuelMaker system or quantity of FuelMakers are purchased.

Funding Volume Schedule

Vehicles Purchased	Honda Credit*	FuelMaker Credit**				
1 – 4	\$1,400	\$900 per FMQ2-36, or \$2,800 per FMQ8-36				
5 – 8	\$2,800	\$900 per FMQ2-36, or \$2,800 per FMQ8-36				
9 – 12	\$4,200	\$900 per FMQ2-36, or \$2,800 per FMQ8-36				

Terms and Conditions for FuelMaker Funding:

- Available only on qualified FuelMaker models for which Honda has authorized credits.
- **The FuelMaker credit is on a per-FuelMaker-unit basis and will accumulate with each FuelMaker purchase, up to the total quantity of Civic GXs purchased. (No more than one FuelMaker credit for each Civic GX purchased.)
- FuelMaker will show the Honda credit and their credit off the standard price of the following products:

Qualified Model #	Description	Standard Price	Honda Credit*	FuelMaker Credit**
FMQ - 2 - 36s	Single Hose System	\$7,440	See Vol. Schedule	\$900
FMQ – 2 – 36d	Dual Hose System	\$7,670	See Vol. Schedule	\$900
FMQ – 2 – 36r	Supports Remote Systems	\$7,245	See Vol. Schedule	\$900
FMQ - 8 - 36	Any Configuration	\$25,400	See Vol. Schedule	\$2,800
Pricing is without accessories, installation, freight or other necessary equipment.				

For pricing on other equipment (hoses, nozzles, fast-fill storage, etc.), contact FuelMaker at: 1-800-898-3835

Claim Procedure:

- 1. Honda GX Dealer contacts American Honda with the customer request for purchase and credit.
- 2. American Honda issues the customer a non-transferable credit for the purchase of a qualified product from FuelMaker Corp. FuelMaker arranges package price details and installation.
- 3. FuelMaker reflects the American Honda credit and the FuelMaker credit on the invoice to the customer.
- 4. FuelMaker sends a copy of the customer invoice, and the original Honda credit memo to Honda for reimbursement of the Honda credit.

Examples of Several Possible Honda/FuelMaker Purchases by GX Customers:

	Civic GX Quantity	FuelMaker Mode	I & Qty	Honda Discount	FuelMaker Discount	Total Discount	Discount Total Price
Α	1 – 4 GXs	FMQ - 2 - 36s	1	\$1,400	\$900	\$2,300	\$5,140
В	1 – 4 GXs	FMQ - 2 - 36d	2	\$1,400	\$1,800	\$3,200	\$12,140
С	5 – 8 GXs	FMQ – 2 – 36s	1	\$2,800	\$900	\$3,700	\$3,740
D	5 – 8 GXs	FMQ – 2 – 36d	4	\$2,800	\$3,600	\$6,400	\$24,280
Ε	5 – 8 GXs	FMQ - 8 - 36	1	\$2,800	\$2,800	\$5,600	\$19,800
F	9 – 12 GXs	FMQ - 2 - 36s	1	\$4,200	\$900	\$5,100	\$2,340
G	9 – 12 GXs	FMQ – 2 – 36d	6	\$4,200	\$5,400	\$9,600	\$36,420
Н	9 – 12 GXs	FMQ - 8 - 36	1	\$4,200	\$2,800	\$7,000	\$18,400
I	9 – 12 GXs	FMQ - 8 - 36	2	\$4,200	\$5,600	\$9,800	\$41,000



MAY 15 - 17, 2006 - ATHENS, GA

Biodiesel is one of the hot topics in renewable fuels today. Entrepreneurs across the country are exploring biodiesel production, engine manufacturers are including biodiesel as an approved fuel in their engines, corporate and government fleets are incorporating Biodiesel use and many states throughout the nation are developing legislation to promote the use of biodiesel and other renewable fuels.

This trend is being driven by increasing fuel costs, the environmental impact of fossil fuels and the mounting public demand for national energy security. Biodiesel, as well as other biomass based energy fuels, address these concerns and biodiesel in particular is capable of immediate implementation. There are however a number of issues with and potential challenges to biodiesel production that must be addressed.

The Southeastern Biodiesel Workshop will provide an excellent overview of Biodiesel from both the technical and practical industrial perspectives. The workshop will highlight successes, opportunities and challenges facing the Biodiesel industry today and provide entrepreneurs with the needed resources to accurately determine their role in this emerging industry.

Classroom teaching as well as ample hands-on lab scale production will be presented allowing the attendee to gain a working knowledge of Biodiesel production. Its benefits and potential will be presented, as well as the challenges and roadblocks to production. Classes will be taught by industry leaders with real world experience and academic experts who study the cutting edge in technology development.

MAY 15 - 17, 2006
THE GEORGIA CENTER FOR CONTINUING EDUCATION
ATHENS, GA

FOR MORE INFORMATION GO TO: HTTP://BIOREFINERY.SREF.INFO OR CALL:

(706) 542-4493



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