

www.michigan.gov
(To Print: use your browser's print function)

Release Date: October 23, 2006
Last Update: October 23, 2006

Contact: Lori Donlan (517) 373-9280

Agency: Labor & Economic Growth

Biofuel Incentives Available to Michigan Service Station Owners

October 23, 2006 - Governor Jennifer M. Granholm and Michigan Department of Labor & Economic Growth (DLEG) Director Robert W. Swanson announced today that incentives to install or convert fueling equipment to ethanol (E85) and/or biodiesel (B20) are now available to service station owners throughout Michigan.

"These incentives will move us closer to our goal of having 1000 biofuel pumps in Michigan by the end of 2008," Granholm said. "Michigan is positioning itself to become the leader in the development and production of alternative fuels like biodiesel and ethanol. Already in the past six months, nine ethanol or biodiesel plants have opened, broken ground or been announced right here in Michigan."

The cash incentives range up to \$3,000 per station for converting equipment to E85 or B20, up to \$4,000 for installing new equipment to dispense B20 or \$12,000 for E85. Projects must be completed and providing biofuel to the public by August 31, 2007 and station owners must agree to provide the E85 or B20 for at least 3 years after receiving the incentive. A total of \$200,000 is available for incentives and applications must be received by December 15.

Ethanol and biodiesel are clean-burning, renewable fuels that can be made from Michigan grown feedstocks. Currently, ethanol is made primarily from corn and biodiesel from soybean and other seed oils and waste grease. Auto manufacturers are producing E85 compatible vehicles in an increasing number of models and diesel powered vehicles can use biodiesel blends with no conversion needed.

"Renewable transportation fuels make sense for Michigan," Swanson said. "They benefit our agricultural and manufacturing economies and our environment. They provide another market for Michigan farmers, create jobs and reduce our dependence on foreign oil. I encourage all service station owners in Michigan to consider applying for these incentives."

In addition to the Michigan incentives, service station owners may also be eligible for a federal tax credit of 30%, up to \$30,000, for the cost of installing E85 and B20 equipment. For more information or to apply for the incentives, service station owners can contact NextEnergy Center in Detroit or Clean Energy Coalition in Ypsilanti. These two organizations were recently awarded grants to assist with marketing and administering the Biofuel Infrastructure Incentive Program.

The Biofuel Infrastructure Incentive program was initiated by P.A. 274, which was signed into law in July. The program is funded through a grant from the U.S. Department of Energy (www.energy.gov) and administered by the DLEG's Energy Office in cooperation with the Michigan Strategic Fund.

Contacts:

Dan Radomski, NextEnergy (313-833-0100, danr@nextenergy.org).

Sean Reed, Clean Energy Coalition (734-717-1455, reed@cec-mi.org).

Tim Shireman, Energy Office (517-241-6281, tashire@michigan.gov).

[Read more Michigan Department of Labor & Economic Growth press releases](#)