



BP Branded Diesel Exception Policies

Unbranded Diesel Volume Exception

Some Branded Marketers with diesel dispensers under the BP canopy may also have a significant diesel business outside of the branded canopy. Often all diesel dispensers at these sites draw from a single underground storage tank.

BP recognizes that outside the canopy diesel sales may be a large part of a site's overall business. Therefore, BP will allow Branded Marketers to apply for an exception to BP's branded diesel policy for those individual sites that meet either of the following criteria:

- 1) Diesel Volume is > 50% of the total site volume
- 2) Diesel Volume is > 40,000 diesel gallons per month
- 3) All diesel dispensers at the site are outside the branded canopy

BP will permit sales of unbranded diesel for sites meeting the criteria outlined above provided that the Jobber requests approval by following the procedures stated on the BP portal. Any unbranded diesel sold at a site must be properly labeled as non-BP-branded diesel in accordance with BP's image standards that can be found on the BP portal.

Unbranded Biodiesel Exception

Until such time as BP make biodiesel available for sale, BP will allow Branded Marketers to apply for an exception to the BP branded diesel policy for those individual sites that want to sell unbranded biodiesel. BP will permit sales of unbranded biodiesel at retail sites provided it is properly labeled as non-BP-branded biodiesel in accordance with BP's image standards that can be found on the BP portal.

BP Branded Marketers may enroll in the branded diesel offer and buy BP Diesel as the base fuel for unbranded biodiesel. If Branded Marketers sell an unbranded biodiesel blend, it must be labeled in compliance with BP's image guidelines that can be found on the BP portal. If Branded Marketers elect to sell unbranded biodiesel blends, they assume responsibility for the quality and performance of the product including compliance with all federal state and local laws regarding the sale of biodiesel. The BP product guarantee will not be extended to any unbranded biodiesel blends that you sell.

BP Product Policy

If BP branded diesel fuel is blended with any non-BP diesel, including biodiesel, the blended fuel **must not** be sold under the BP brand. In June of 2008, the ASTM International's D02 (motor fuels) committee voted to approve the formal incorporation of up to 5% biodiesel into ASTM D975 specification for diesel fuel. Blending of up to 5% biodiesel diesel into BP diesel must still be sold as unbranded diesel or unbranded biodiesel. It is the Branded Jobber responsibility to label this B5 blend according to any applicable state labeling laws and regulations.

Biodiesel blends being sold by Branded Marketers containing higher blends over 5 percent biodiesel may have a negative impact on the cold flow properties and performance of the fuel. It may also void certain Original Equipment Manufacturer's vehicle warranties. BP image guidelines will require biodiesel blends over B5 to be labeled with a "biodiesel" grade label to inform the consumer of the product's identity. It is the Branded Jobber responsibility to properly label biodiesel blends and provide consumers with adequate warnings that such fuels may not be suitable for use in all vehicles.

Technical Issues with Biodiesel

Tankage, handling, dispensing equipment, hoses, nozzles, etc. are still being developed by various manufacturers to be Biodiesel compatible. Existing equipment in use for the standard diesel formulations may not be compatible with biodiesel. Equipment issues involve three areas of interest:

1. Compatibility of wetted equipment parts in contact with biodiesel; i.e., seals and gaskets leaking prematurely.
2. Is the equipment listed or has it been proven to be safe?
3. Has the equipment received the necessary approvals for use (i.e., is the equipment employed in service certified for the storage and dispensing of biodiesel?)

Unless the equipment has been specifically designed for biodiesel, there may be issues and concerns with material integrity, safety, and/or may not meet federal and state regulatory requirements.

Rules and regulations for the storage, dispensing, labeling, etc. of biodiesel blends at retail locations may vary by state, region of the county (air quality attainment vs. non-attainment areas, etc.), local fire department codes and standards, etc. As biodiesel blends are relatively new products, these standards and regulations may be subject to frequent updates. Branded Marketers are responsible for complying with any and all applicable laws, rules and regulations in the areas in which you sell biodiesel.

Ultimately, it is the Branded Jobber responsibility to adhere to all federal, state, and local guidelines which may apply to the sale of diesel and biodiesel fuels. Branded Marketers

should seek their own legal and technical counsel to ensure compliance with all applicable laws, rules and regulations.