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

From: Jill N. Hamilton, President 

Date: November 20, 2017

Subject: Final Report for *2017 E85 Infrastructure Development and Promotion Project (2017204)*

This document serves as the final report for Sustainable Energy Strategies, Inc. (EIN 54-1881156) contract (2017204). Thank you for your support and long-term commitment to ethanol expansion in the Mid-Atlantic region. This year's accomplishments included:

1. Coordinating and completing the 2017 Biofuels Infrastructure Grant Project (BIP) advertising campaign.
2. Reaching approximately 22 million individuals through an advertising campaign, attracting 170,000 page-visits to the DriveFlexFuels.org website. Compared to 2016 page-visits, this is 16 times the normal page-visits per month.
  - a. Digital campaign generated 22,542 click-throughs to the site.
  - b. Video campaign generated 1,710 clicks, but more than 100,000 individuals viewed 100% of a MGPUB ethanol video.
  - c. Radio campaign was heard an estimated 19 million times, and could be responsible for remainder of the clicks (~135,000).
3. Printing, mailing or distributing approximately 23,500 postcards to Flex Fuel Vehicle owners near E85stations (this is in addition to the 2016 mailing of 13,000 cards).
4. Realizing almost a 25% increase (315,000 E85 gallons) in fuel sales at the 16 Protec stations following the advertising campaign. Total Protec E85 gallons sold were 1.3 million. Note, E85 is also blended with unleaded to dispense E15. This increase is equivalent to about **100,000 additional bushels of corn per year.** By comparison, Virginia Sheetz' 12 stations saw 400% increase in E15, and their E85 volume doubled in the past year. Sheetz' E85 quadrupled over the past two years. Their E15 volumes hit one million gallons, and E85 hit 898,000 gallons in 2017. This is equivalent to an **increased demand for about 374,000 bushels of corn per year.**
5. Installing seven (7) E15/E85 stations and 36 dispensers under the BIP grant to date:
  - a. BWI (completed last year);
  - b. NEXCOM, Annapolis;
  - c. Crown, Baltimore;
  - d. Royal Farms, Baltimore;
  - e. Ft. Meade Auto Center, Laurel;
  - f. Royal Farms, Elkridge<sup>1</sup>; and
  - g. NEXCOM, Patuxent (started)

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<sup>1</sup> The first night Elkridge station opened clerks gave out all 300 promotional E15/E85 flyers.

6. Assisting in securing an additional \$800,000 from BIP for VA/MD stations.
7. Completing four (4) educational and outreach events, reaching more than 35,000 people.
8. Helping to secure \$210,000 in 2017 Maryland Energy Administration (MEA) grant funding for Protec BIP stations costing over \$2.1 million. Because of the MEA grant, Protec is better able to fund additional Maryland stations.

Without MGPUB's investments, the above activities would not have been accomplished and infrastructure for higher blends of ethanol would likely not exist in Maryland.

## *Summary*

This year, SESI managed MGPUB's role in the 2016 USDA BIP grant. Virginia Clean Cities Coalition (VCC) and the Virginia Department of Mines, Mineral and Energy (DMME) are administering the grant on behalf of both states. The grant's primary goal is to bring E15 and E85 to Maryland and Virginia by adding 200 ethanol pumps to approximately 40 stations in the region, 22 of those stations for Maryland.

The one-year grant was extended through 2017 and, as of the date of this report, grant administrators and partners have requested, and expect to receive, an additional extension through 2018. The second extension was necessary for three main reasons: 1. DMME applied for, and received, additional funding for 2018 to add stations, but additional time is needed to complete the work. The funds were available when other states failed to use their allocations and returned funding to USDA; 2. USDA delayed project approvals for more than six months because of the new administration; and 3. After environmental approvals were received and equipment ordered, MD/VA equipment was sent to hurricane-hit areas, further delaying station installations. In the meantime, project partner, Protec Fuels Management, LLC (Protec), has been lining up interested retailers in Maryland to replace original partners, Empire and Liberty -- both were slow to form agreements and contracts. With SESI help, Protec sought new retailer relationships with Royal Farms. As a result, 11 approved stations (primarily Empire and Liberty) were swapped for Royal Farms. Another challenge was one station owner dropped the project when an oil company representative told him that ethanol will hurt customers' engines. Protec could not convince them otherwise and reported to SESI that this is not uncommon with the non-franchised retailers/stations.



*Figure 1 Royal Farms Stations Now Partnering for E15 & E85*

In addition to bringing Royal Farms to the project, SESI reached out to 7-Eleven and found them very receptive to E15 and E85 pumps. While no 7-Eleven stations have been proposed under the BIP grant, SESI has introduced them to Protec and encouraged them to apply for the MEA Alternative Fuel Infrastructure Grant. 7-Eleven is interested in ethanol and would like to start installing E15 and E85 pumps at their stations in 2018, after the company is officially purchased by Sunoco.

Staff visited, called and/or emailed Maryland ethanol stations to provide technical assistance, information and educational materials. Staff discussed advertising campaigns with digital, TV, radio, video and print media outlets and obtain quotes that allowed MGPUB to target, educate and advertise within the region. Staff represented MGPUB at speaking engagements and

meetings including the National Ethanol Conference, Maryland State Fair, Greater Washington Region Clean Cities meetings, the Maryland Commodity Classic, and BIP management meetings. Staff also discussed ethanol and Flex Fuel vehicles (FFVs) with state representatives, industry partners, auto dealers, fuel providers and fleet managers. Staff 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 a comprehensive multi-media advertising campaign to promote ethanol and generate interest in E15/E85 blends. The campaign included print, digital, bus, radio, video, and social media outreach efforts.

The campaign is being used by several organization, including Protec. Laurie Adelhardt, of Owl Creek, was asked by several states to share the project's graphics and messaging. Laurie represents MGPUB's on NCGA's state communications group and has shared the project's success and results.

The MGPUB website ([www.driveflexfuels.org](http://www.driveflexfuels.org)) was the landing page for most of the outreach effort. Throughout the campaign, content for videos, radio spots, graphics, etc. have been shared via social media and the agriculture communicator networks with the goal that the Maryland campaign (or parts of it) can be used nationwide. The website saw a 10-fold to 16-fold increase each month compared to prior months. The best month was May when the digital and online-video campaigns were running.



**Website:** SESI, through the help of Owl Consulting, continued to update the website to include information on ethanol's attributes: lower cost, cleaner air, and higher performance. As reported earlier, these themes were selected as high priorities by the ethanol industry during national advertising meetings. Web pages were formatted to track each advertising element for analysis of most effective digital campaign. The campaign used the same images in bus and digital advertising. The [driveflexfuels.org](http://driveflexfuels.org) website was maintained and updated as necessary. MGPUB shared digital content via social media and agricultural communicator networks and offered it to others to use for free.

Table 1 Drive FlexFuels.org Web statistics

Month	Unique visitors	Number of visits	Pages	Hits
Jan-17	287.0	355.0	899.0	2,854.0
Feb-17	302.0	337.0	743.0	2,778.0
Mar-17	328.0	440.0	1,289.0	4,840.0
Apr-17	1,359.0	1,744.0	5,629.0	29,794.0
May-17	4,719.0	5,645.0	21,589.0	59,894.0
Jun-17	2,863.0	3,547.0	11,889.0	46,933.0
Jul-17	692.0	1,118.0	2,599.0	11,538.0
Aug-17	720.0	1,264.0	2,845.0	5,434.0
Sep-17	642.0	1,037.0	2,468.0	4,976.0
Total	11,912.0	15,487.0	49,950.0	169,041.0
Avg During campaign	2,980.3	3,645.3	13,035.7	45,540.3
Avg Month Prior to Campaign	294.5	346.0	821.0	2,816.0
Times increase	10.1	10.5	15.9	16.2

**Video/Online:** The videos from the contest continue to be viewed on the driveflexfuels.org website. They are public domain, and staff continued to encourage industry members to use the video on their websites and presentations. Protec uses several of the videos in retail and dealership presentations.

**Outreach and Educational Activities:** MGPUB hosted an exhibit promoting ethanol for 11 days at the new *Innovation Station* building at the Maryland State Fair in Timonium. SESI helped staff the booth. This included large 88-octane signage, a life-sized car and fuel pump, e-Blend signage and handout materials. Attendees were invited to view the five-minute promotional ethanol movie from the video contest created for the Fair. As part of the draw to the location, MGPUB developed and provided the public opportunity to play with remote-controlled racecars decaled with ethanol stickers; estimated attendance was 35,000, three-times more than last year.

### **Education and Outreach**

**Promotion to Dealership:** SESI met several times with Protec Fuels to discuss and plan for a Maryland 2018 Dealership Education Project. Protec is very interested and enthusiastic to work with SESI and local dealerships as soon as the stations are completed. To date, some of the proposed activities include: choosing dealerships and retailers that are willing to work together, creating educational program and presentations for sales staff; educate retailers, creating graphics, create dealership sales award program for most FFVs sold; award dealership with certificates after all sales staff are trained, provide gift cards as sales staff incentive awards, and provide gas cards and hangtags for vehicles owner to receive upon purchase.

**Postcard:** The second of two postcard mailers was developed, printed and mailed to 23,510 Flex Fuel vehicle owners living within one-mile of existing and proposed public ethanol stations. The postcards were designed to match our website: [www.driveflexfuels.org](http://www.driveflexfuels.org). The slogan “It’s Your Choice” was used in both the 2016 and 2017 mailers.

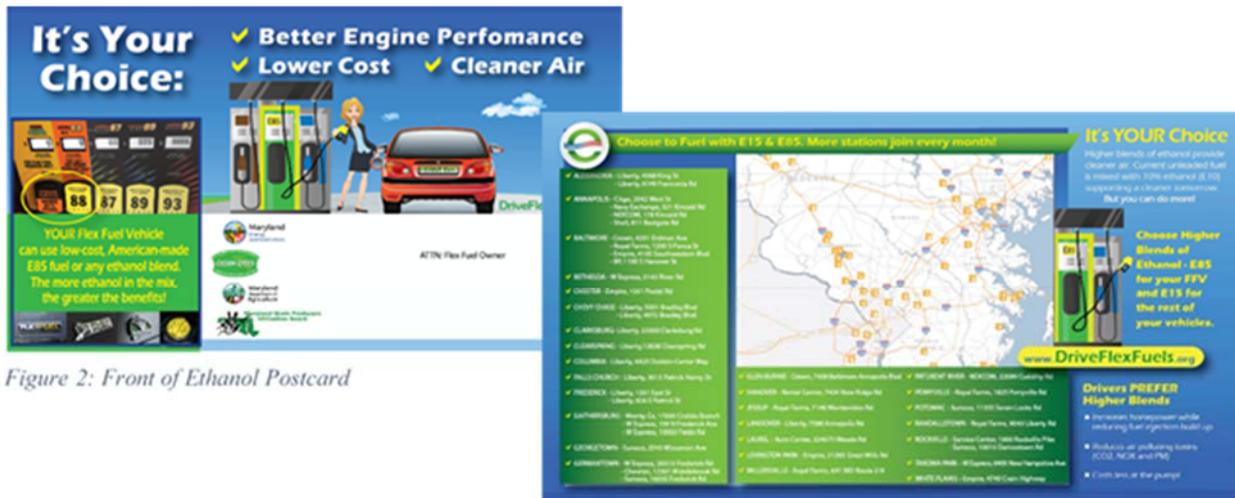


Figure 2: Front of Ethanol Postcard

Figure 2: Back of Ethanol Mailer

### ***BIP Grant Coordination***

SESI, on behalf of MGPUB, continued to coordinate Maryland’s grant BIP activities. This included participating on bi-weekly calls, partner discussions to coordinate the advertising campaign and additional funding for promotional activities. SESI provided support and coordination with Protec, including reviewing potential station locations, traveling to sites for photos and encouraging applications to the MEA grant process for additional infrastructure support. In addition to weekly calls and station openings, SESI continued to work with Protec on station fuel prices and contracts to include a statement on keeping E15 and E85 prices lower than unleaded. In 2016, staff reported contacting Royal Farms and Liberty about ethanol stations and partnering on the BIP grant. Due to this effort, Protec now has added Royal Farms stations as a major project partner. Liberty Fuels is also interested in possible future stations. This year, from attending the National Ethanol Conference, staff introduced ourselves to a 7-Eleven representative. From our relationship and follow-through, Protec and 7-Eleven now have a relationship and 7-Eleven is very interested in adding higher blends of ethanol to their station in 2018. SESI disseminated the 2018 infrastructure grant opportunity for the Maryland Energy Administration Alternative Fuel Infrastructure Program (AFIP) to Liberty, Royal Farms, Sheetz and 7-Eleven. Seven-Eleven is interested and would like to apply for a MEA grant and start stations in 2018, but only after the asset purchase agreement is completed with Sunoco.

### ***2017 MEA Infrastructure Grant***

SESI notified Protec of the MEA AFIP grant announcement for alternative fuel infrastructure due early 2017. SESI, working with Protec, submitted their application. The company received notice of funding mid-year and began working on the stations. The grant requested funding for eight Maryland stations: seven BP and one Navy Exchange. The application stated “There is approximately 7000 fleet vehicles targeted to use the five stations. Private FFVs located in or near the stations is estimated to be 29,345 in Maryland.” The \$2.18 million project includes a 70 percent match/cost share from Protec. After completion, Protec estimated the eight stations would displace 1.4 million gallons of petroleum with E85/year and 247,000 of petroleum with E15/year.

Again, thank you for your continued commitment to ethanol in the region. This year has been an amazing success, 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  
Current list (10/23/17) of BIP Stations

Current List of BIP MD Stations  
As of 11/13/2017

Station Name	Address
NEXCOM	Building 178 Kincaid Rd., Annapolis, MD
Ft. Meade Auto	3240 Laurel Fort Meade Rd, Laurel, MD
BWI Airport Rental Facility	7434 New Ridge Rd, Hanover, MD
Royal Farms 54	8268 Lark Brown Road, Elkridge, MD
NEXCOM	22099 Cuddihy Road, Patuxent River, MD
Crown	4201 Erdman Ave., Baltimore, MD
Royal Farms 111	1200 S Ponca Street, Baltimore, MD
Royal Farms 182	5901 Harford Road, Baltimore, MD 21214 (Jessup)
Royal Farms 206	700 Annapolis Road, Millersville, MD
Royal Farms 267	125 Perryville Rd, Perryville, MD
Royal Farms 278	100 Monument Avenue. National Harbor, MD
Royal Farm 186	9585 Snowden River Parkway, Columbia, MD
BP	23 Carroll Plaza, Westminster, MD (may get replace with nearby RF)
East Street Liberty	1301 East Street, Frederick, MD
Empire	4105 Southwestern Blvd, Baltimore, MD
Royal Farms 244	6901 Van Dusen Road, Laurel, MD
Royal Farms 294	1105 South Mountain Road, Joppa, MD
Royal Farms 077	2603 Philadelphia Road, Edgewood, MD
Royal Farms 75	9210 Woodsboro Pike, Walkersville, MD