

BQ-9000 Quality Management System

Producer Requirements



Revision 9

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Table of Contents

Section	Page
Program Requirements	
1 SCOPE	1
2 TERMS AND DEFINITIONS	1
3 REFERENCES	2
4 DOCUMENTATION REQUIREMENTS	3
5 MANAGEMENT RESPONSIBILITY	4
6 OPERATIONAL ELEMENTS	5
7 LABORATORIES	5
8 SAMPLING AND TESTING	6
9 REMEDIATION ELEMENTS	11
10 FUEL BLENDING	12
11 BIODIESEL LOADOUT	12
12 PRODUCER PURCHASING BIODIESEL	13
Appendix A Policy Regulations (informative)	
1 CERTIFICATION PROCESS	14
2 CERTIFICATION SUSPENSION AND REVOCATION	17
3 RECONSIDERATION AND APPEAL OF NBAC DECISIONS	19
4 BQ-9000 PRODUCER PROVISIONAL STATUS	20
5 BQ-9000 PRODUCER SEEKING BQ-9000 MARKETER CERTIFICATION	22
6 BQ-9000 PRODUCER IDLED PLANTS	22
7 CHANGE OF OWNERSHIP AND ACQUISITIONS	24

Program Requirements

1 SCOPE

This document specifies requirements for a Biodiesel quality assurance program where an Organization needs to:

- a) Demonstrate its ability to provide product that meets ASTM D6751, Standard Specification for Biodiesel Fuel Blend Stock (B100) for Middle Distillate Fuels, and
- b) Address quality assurance through the effective application of the program, including processes for corrective action and the prevention of nonconformity.

The requirements specified herein are applicable to Biodiesel Producers. **The requirements are site and/or facility specific.** Only those locations approved by the National Biodiesel Accreditation Commission (NBAC) can be included in production, marketing and/or distribution material displaying the BQ-9000 logo. The process control requirements are prescriptive, while the remaining clauses are descriptive.

BQ-9000 certifications are site specific for individual quality management systems and DO NOT represent or certify any product quality. These program requirements do not supersede any additional Federal, state, or other requirements (regulatory or otherwise).

2 TERMS AND DEFINITIONS

For use in this program, the following terms and definitions apply. It is helpful for Organizations to define in-house terms and definitions used within their quality assurance programs, but it is not a requirement.

Note: The word “**shall**” indicates a mandatory requirement of this document. The word “**should**” indicates a mandatory requirement with some flexibility allowed in compliance methodology. Those choosing other approaches to satisfy a “should” must show their approach meets the intent of these requirements.

2.1 ASTM: ASTM International, originally known as the American Society for Testing and Materials (ASTM), was formed over a century ago. ASTM International is one of the largest voluntary standards development organizations in the world. ASTM develops technical standards for materials, products, systems, and services.

2.2 Biodiesel: A fuel comprised of mono-alkyl esters of long chain fatty acids derived from vegetable oils or animal fats and meeting ASTM D6751, designated B100.

2.3 Blend: A blend of Biodiesel with fuel oils in a specified ratio designated Bxx, where xx is the volume percent of Biodiesel.

2.4 Days: If less than or equal to ten (10), they are considered business; otherwise, calendar.

2.5 External Laboratory: A laboratory not located on-site and/or operated by a third party that the Biodiesel Organization can use to test product samples.

2.6 Internal Laboratory: A laboratory operated or managed by the Biodiesel Organization located on site.

2.7 Marketer: An entity engaged in the business of the wholesale distribution and sale of Biodiesel and/or Blends.

2.8 NBAC: The National Biodiesel Accreditation Commission is an autonomous committee of the National Biodiesel Board (NBB) that oversees and directs the BQ-9000 program.

2.9 Organization: A company involved in production, testing and/or distribution of Biodiesel or Blends.

2.10 Producer: An Organization involved in production of Biodiesel through assets under their direct control. Producers can either sell Biodiesel or Blends of B99 or higher. The Producer must be registered with the EPA as a renewable fuel producer.

2.11 Production Lot: A homogeneous production volume of finished Biodiesel from one or more sources held in a single container where representative samples are taken and analyzed to provide an authentic certificate of analysis (COA) for the specific volume.

2.12 Quality Manual: A document that describes the elements of the Quality Program used to assure requirements of this document are met.

2.13 Quality Program: The organizational structure, responsibilities, procedures, processes, and resources necessary to manage quality.

2.14 Verification: Confirmation by examination and provision of objective evidence that specified requirements have been fulfilled.

3 REFERENCES

3.1 Normative References

The following references contain provisions which, through reference herein, constitute provisions of these requirements. All referenced documents are subject to revision, and all those applying these requirements and use of any of these documents are required to have access to and apply the most recent editions of the references indicated below.¹

ASTM D1298, *Standard Test Method for Density, Relative Density (Specific Gravity), or API Gravity of Crude Petroleum and Liquid Petroleum Products by Hydrometer Method*

ASTM D4052, *Standard Test Method for Density, Relative Density, and API Gravity of Liquids by Digital Density Meter*

ASTM D4057, *Standard Practice for Manual Sampling of Petroleum and Petroleum Products*

ASTM D4176, *Standard Test Method for Free Water and Particulate Contamination in Distillate Fuels (Visual Inspection Procedures)*

ASTM D6751, *Standard Specification for Biodiesel Fuel Blend Stock (B100) for Middle Distillate Fuels²*

¹ ASTM documents are available from www.astm.org.

² Any approved alternative test methods listed in ASTM D6751 are acceptable for use in this program.

Form BQF-1, *BQ-9000 External Laboratory Verification* (<https://bq-9000.org/documents/>)

4 DOCUMENTATION REQUIREMENTS

The quality management system documentation shall include all of the following:

- a) Documented statement(s) of a quality policy.
- b) A Quality Manual.
- c) Documented procedures required by the BQ-9000 Program.
- d) Records required by this standard.

The Organization shall establish and maintain a documented quality management system containing provisions which explicitly, or by reference, include items that address requirements contained in this document. The Organization shall implement the newest revision of the BQ-9000 Quality Management System Producer Requirements into their quality management system within 90 days of the effective date of the latest revision. The Organization shall notify and document their notification to the NBAC when these quality system changes have been made.

4.1 Quality Manual

The Quality Program shall be documented in a Quality Manual, which meets the requirements herein, including means to ensure Biodiesel production conforms to ASTM D6751 and meets any customer specific requirements. The Quality Manual shall include, or refer to, quality system procedures.

4.2 Quality Policy

A quality policy shall be defined and documented which includes objectives for, and commitment to, quality. The quality policy shall be related to the business goals of the Biodiesel Organization and expectations of its customers. The quality policy shall be invoked throughout the Biodiesel operation and understood by all levels of personnel.

4.3 Quality System Procedures

Documented Quality System Procedures shall be prepared describing the process to be employed for determining and documenting how operational quality requirements will be met and be consistent with requirements herein. Procedures should refer to work instructions that explicitly define how an activity is to be performed.

To effectively implement the appropriate requirements, the Organization shall develop and document a training program that demonstrates competencies for all Biodiesel operations.

4.4 Document Control

The Quality Program shall contain provisions for maintaining and controlling BQ-9000 Quality Program related documents and records. Document Control shall have the following:

- a) A method of identifying the current document such as revision letter, a revision date, or an effective date on each page of the document.
- b) A means to establish the document status, such as a form that lists all documents in the Quality System Procedures, defines the current revision of each document per “a)” above, or the effective date of the revision.

- c) A distribution list of those in possession of controlled Quality Manuals.
- d) A method for controlling distribution of new and updated sections of your Quality System Documents. This should include a mechanism to remind recipients to destroy any copies of obsolete documents. This is particularly important where forms are copied in advance of use.

4.5 Control and Retention of Records

Records shall be established and maintained to provide evidence of effective implementation, operation, and compliance of the Organization's quality system and this standard. Records shall be legible, identifiable, and accessible. Records shall be retained for a minimum of two (2) years. Some records may need to be kept indefinitely to demonstrate documented evidence of conformance to certain aspects of this program. The storage of quality records shall be done in a manner ensuring record integrity. This requirement does not supersede any federal, state, or other requirements (regulatory or otherwise) for further retention of records.

5 MANAGEMENT RESPONSIBILITY

5.1 Quality Management Representative

A quality management representative (QMR) shall be appointed and irrespective of other duties, should chair quality management review meetings, ensure a Quality Program is established and that it meets the requirements herein, report on the performance of the Quality Program, and ensure the most recent versions of the quality documents are made available to personnel.

5.2 Internal Quality System Audit

The Organization shall develop and implement a system for performing internal quality audits. Internal quality system audits of each quality system element shall occur a minimum of once per year to verify the Organization's operations comply with the requirements stated in its quality management system to determine the effectiveness of the Quality Program. Audits should be performed by persons other than those responsible for the area being audited. Audit frequency should be increased when audit results indicate increased frequency would be beneficial. Audit results shall be presented to personnel responsible for the audited area and cited nonconformities shall be resolved in a timely manner as defined in documented procedures. The audit process, nonconformance reports, corrective action plans, and effective corrective actions shall be referenced and obtainable through internal audit records.

5.3 Quality Management Review

Quality management review meetings shall be held at least once every six (6) months and should be chaired by the QMR. Records shall be kept of all review meetings. The input to quality management review meetings should include information on the following:

- a) Results of Internal/External Quality System Audits.
- b) Customer feedback, including a review of customer complaints.
- c) Process performance and product conformity.
- d) Status of preventive and corrective actions along with discussions of root causes and effectiveness of implementations.
- e) Follow-up actions from previous quality management reviews.

- f) Changes that could affect the documented quality management system, such as discussions to optimize system operations or involving the purchasing of Biodiesel.
- g) Recommendations for improvement.

Outputs and action items shall also be documented as a result from these meetings.

6 OPERATIONAL ELEMENTS

6.1 Management of Change

A record of process changes, and the rationale(s) for determining significance, shall be maintained by the Organization. A significant process change is one that could materially alter the composition of the Biodiesel. The QMR shall be responsible for helping determine whether any change is considered significant. Other changes may prompt a change to a procedure or may require additional testing/training that will also need to be documented (see section 8.3).

The following are examples of what could be considered a significant process change:

- a) The use of substantially different ingredients (e.g., changing from methanol to ethanol).
- b) The use of substantially different feedstocks (e.g., changing from a low Free Fatty Acid (FFA) to a high FFA feedstock).
- c) The use of new or modified equipment that now functions differently than what was replaced.
- d) Refurbishment of existing equipment if it now functions differently than what was replaced.
- e) Change of catalyst technology (changing from homogeneous to heterogeneous [fixed bed], or changing type of homogeneous catalyst (e.g., KOH to NaOH), or changing type of heterogeneous catalyst).
- f) Change in production technology (e.g., changing from batch to continuous processing).

6.2 Production Lots

The Organization shall develop documented procedures for identifying the Biodiesel through a unique identification of individual product, batches, or Production Lots as defined in Section 2. Each separate Production Lot shall be identified in a manner that corresponds to that particular volume of fuel. All Production Lots shall be tested as described herein. Production Lots shall be managed so once the Production Lot is identified no other product shall be introduced into the Production Lot without reconfirming it meets specification.

7 LABORATORIES

7.1 Laboratory Practices

Each Internal and External Laboratory used by the Organization shall implement the following practices:

- a) Have access to the current ASTM D6751 specification and the test method(s) for the test(s) being conducted in the laboratory.
- b) Have all equipment, standards, and/or test methods required for testing being conducted.
- c) Have calibrated the equipment and standardize reagents at least as frequently as required by methods for testing Biodiesel to ASTM D6751 specifications. If there is not a requirement

for calibrations, then a lab specific schedule shall be established for each test method used by the laboratory. Calibrations and standardizations shall be documented.

- d) Have a training program that demonstrates competencies for testing Biodiesel for conformance with ASTM D6751.
- e) At least once every four (4) months, a laboratory shall execute a documented program to verify that their testing results are accurate by sending duplicate samples out to an independent laboratory, purchasing and testing standards, or actively participating in an ASTM (or equivalent) Biodiesel cross check program,
- f) Determine, collect, and monitor appropriate data to demonstrate the effectiveness of the testing performance; and address non-conformities through corrective actions.
- g) Maintain records that indicate which, if any, test results were produced by an External Laboratory.
- h) Reference all test methods utilized.

7.2 Laboratory Auditing Protocol

7.2.1 Internal Laboratories

Internal Laboratory audits shall be included as part of the Internal Quality System Audit (see 5.2).

7.2.2 External Laboratories

Organizations using External Laboratories which are not BQ-9000 Laboratory accredited shall have a completed and signed form BQF-1 for each External Laboratory used with supporting documentation indicating their compliance with the requirements specified in 7.1. This BQF-1 form, or Verification of a BQ-9000 Laboratory certification, shall be completed annually (every 12 months) and documented evidence shall be retained by the Organization for a minimum of two years.

8 SAMPLING AND TESTING

Inspection, sampling, and testing functions associated with the Verification that specified requirements are being met shall be defined in documented procedures. Such procedures shall include types of inspection and testing performed and records established by same.³

The procedures for final inspection and testing shall require all specified inspections and tests have been carried out and all results meet specified requirements. A procedure for control of nonconforming product shall be employed (see 9.1) when a Production Lot fails to pass a required inspection or test.

8.1 Production Lot Homogeneity

Production Lot Homogeneity is required to ensure separate shipments from a single Production Lot would be representative of the entire product in that Production Lot and of a single Certificate of Analysis (COA). Means must be in place (filling techniques for non-mechanically agitated tanks, a circulating loop, mechanical tank agitators, or process techniques) to ensure this requirement is met.

Homogeneity is also required since the sampling method for the Cold Soak Filtration Test is very specific on minimizing the sample's contact with multiple sample containers (that could result with

³ Organizations should check with their laboratories to determine the optimal volume of fuel needed for testing the Biodiesel and for acceptable shipping containers and procedures.

collecting multi-level samples and then combining them into a single sample).

8.1.1 Homogeneity Testing

Homogeneity confidence is established after five (5) consecutive Production Lots utilizing a single feedstock meet the homogeneity requirements.⁴ Homogeneity is established by obtaining a representative sample from the tank, per the facility’s sampling process, and obtaining tank samples at the upper, middle, and lower regions of the tank. ASTM D4057, Standard Guide for the Sampling of Petroleum and Petroleum Products, addresses the issues relative to the sampling of tanks. All four (4) samples shall conform to the Homogeneity requirements.

Homogeneity Requirements:

Property	Test Method	Limits
Relative Density, or Density	ASTM D1298 or D4052	range 0.003

If a Production Lot consists of Biodiesel made from different (but not pre-blended) feedstocks, where a difference in relative density of 0.003 or greater exists, testing shall be conducted on the resulting Biodiesel Production Lot to determine product homogeneity.

If the Production Lot under either test condition fails the homogeneity testing with the existing storage tank facilities, additional equipment must be installed, or the processes revised to ensure all Production Lots achieve homogeneity prior to proceeding with any further testing.

8.2 Sampling

Production Lots shall be sampled per ASTM D4057 to gain a representative sample of the Biodiesel. The preferred method is an all level sample or a sample from a sampling loop. Representative Biodiesel samples shall also be obtained from any subsequent storage tanks and for loads leaving the facility. Representative samples shall be retained for a minimum of 60 days.⁵

8.3 Testing

All Production Lot samples shall be tested to assure the customer-delivered Biodiesel shall be free from particulate matter, water, and unreacted material per test procedure by ASTM D4176 (Procedure 2) Free Water and Particulate Contamination in Distillate Fuels (maximum of 2). If the Biodiesel is out of specification appropriate corrective action shall be taken including documentation.⁶ For the purposes of confidence testing, consecutive Production Lots shall not contain more than 10% (by volume) from any previous Production Lots. Further, each Production Lot of Biodiesel shall be subjected to full specification testing (see 8.3.1) until sufficient confidence the production process consistently produces Biodiesel that meets ASTM D6751. The production of a minimum of seven (7) consecutive Production Lots that meet the standard may provide such a confidence level. For

⁴ Single feedstock could include multiple sources that were pre-blended before entering the biodiesel production process. Pre-blending means blending feedstocks prior to the feedstock entering the first step in the production process.

⁵ Retained samples (“retains”) shall be kept in an environmentally appropriate location to maintain the integrity of the sample for the period of time being retained. In most cases, retention of at least one liter of fuel should be sufficient. If it is anticipated that cetane number will need to be tested from the retained sample, then an additional liter of fuel would be needed.

⁶ ASTM D8148, with a minimum reading of 85, is an allowable alternative to D4176.

cetane number, three (3) consecutive Production Lots that meet the standard establish confidence in the cetane number. Once confidence has been established, all Production Lots of Biodiesel shall at a minimum be subjected to critical specification testing (see 8.3.2) and monthly testing (see 8.3.3).

Limited testing is not a guarantee of compliance with the full specifications. Additional testing, or confidence, may be necessary. It is expected full specification testing may be necessary as a condition of the sale of Biodiesel.

If a significant process change occurs (one that could materially alter the composition of the Biodiesel, see 6.1), full specification testing shall resume until confidence in the production process is re-established. Confidence is re-established with the production of a minimum of three consecutive Production Lots that meet the standard. For cetane number, one tested Production Lot is needed.

If any Production Lot testing fails to meet specification, the Production Lot shall be isolated and procedures for the control of nonconforming product shall apply (see 9.1). In cases where tighter limits exist for any property, those improved limits shall determine conformance.

8.3.1 Full Specification Testing

Full specification testing shall include testing to each limit defined in ASTM D6751 and the following:

Property	Test Method	Limits
Visual appearance	ASTM D4176 Procedure 2	2 max

When additional test properties are added to ASTM D6751, the Organization shall test three consecutive Production Lots to verify their Biodiesel meets the new specification requirement. The Organization shall keep a record of this testing. At such time, the NBAC will issue a notice to specify the necessary frequency of the additional tests.

8.3.2 Critical Specification Testing

Critical specification testing shall include testing performed on the Production Lot sample (except as noted in footnote 7) to each of the following limits, and on a COA at point of custody transfer:

Property	Test Method	Limits
Alcohol Control ⁷	Per ASTM D6751	per ASTM D6751
Water and Sediment, volume %	Per ASTM D6751	per ASTM D6751
Cloud Point, °C	Per ASTM D6751	per ASTM D6751
Acid Number, mg KOH/gm	Per ASTM D6751	per ASTM D6751
Free Glycerin, % mass	Per ASTM D6751	per ASTM D6751
Total Glycerin, % mass	Per ASTM D6751	per ASTM D6751
Monoglycerides, % mass	Per ASTM D6751	per ASTM D6751
Sulfur, ppm	Per EPA requirements	per EPA requirements
Oxidation Stability, hours	Per ASTM D6751	per ASTM D6751
Visual Appearance	ASTM D4176 Procedure 2	2 max
Cold Soak Filterability Test, seconds	Per ASTM D6751	per ASTM D6751

⁷ In ASTM D6751, Alcohol Control can be met using one of the following tests: 1) Methanol Content using EN14110 with a limit of 0.2% max by mass, or 2) Flash Point using ASTM D93 with a minimum temperature of 130°C. If performing Methanol Content for Alcohol Control, Flash Point must also be performed as part of the Monthly Specification Testing

At least once every six (6) months, a Production Lot shall be selected for full specification testing. However, only one (1) cetane number test per year is required.

8.3.2a Alternative Testing of Biodiesel for Markets Requiring EN 14214 Specifications

Alternatively, the Critical Specification Testing may be performed under the EN 14214 requirements. In such cases, the methods employed, and specifications used, shall be at least as stringent as those listed within the current version of ASTM D6751.

The critical testing for each Production Lot, at a minimum, shall include:

Property	Test Method	Limits
Methanol Content, % m/m	Per EN 14214	per EN 14214
Water Content, mg/kg	Per EN 14214	per EN 14214
Total Contamination, mg/kg	Per EN 14214	per EN 14214
CFPP, °C	Per EN 14214	per EN 14214
Acid Value, mg KOH/g	Per EN 14214	per EN 14214
Free Glycerol, % m/m	Per EN 14214	per EN 14214
Total Glycerol, % m/m	Per EN 14214	per EN 14214
Sulfur Content, mg/kg	Per EN 14214	per EN 14214
Oxidation Stability, hours	Per EN 14214	per EN 14214
Monoglycerides, % m/m	Per EN 14214	per EN 14214

At least once every six (6) months, a Production Lot sample shall be selected for full specification testing. However, only one (1) Cetane Number test per year is required.

8.3.2b Alternative Testing of Biodiesel for Markets Requiring CAN/CGSB-3.524 Specifications

Alternatively, the Critical Specification Testing may be performed under the CAN/CGSB-3.524 requirements. In such cases, the methods employed, and specifications used, shall be at least as stringent as those listed within the current version of ASTM D6751.

The critical testing for each Production Lot, at a minimum, shall include:

Property	Test method	Limits
Methanol Content, either % by mass or Flash Point, °C	Per CAN/CGSB-3.524	Per CAN/CGSB-3.524
Cloud Point, °C	Per CAN/CGSB-3.524	Per CAN/CGSB-3.524
Sulphur, mg/kg (ppm mass)	Per CAN/CGSB-3.524	Per CAN/CGSB-3.524
Density, kg/m ³	Per CAN/CGSB-3.524	Per CAN/CGSB-3.524
Water Content, mg/kg (ppm mass)	Per CAN/CGSB-3.524	Per CAN/CGSB-3.524
Particulate contamination, mg/L	Per CAN/CGSB-3.524	Per CAN/CGSB-3.524
Visual Appearance	Per CAN/CGSB-3.524	Per CAN/CGSB-3.524
Acid Number, mg KOH/g	Per CAN/CGSB-3.524	Per CAN/CGSB-3.524
Oxidation Stability, h	Per CAN/CGSB-3.524	Per CAN/CGSB-3.524
Free Glycerin, % by mass	Per CAN/CGSB-3.524	Per CAN/CGSB-3.524
Total Glycerin, % by mass	Per CAN/CGSB-3.524	Per CAN/CGSB-3.524
Cold Soak Filterability Test, s	Per CAN/CGSB-3.524	Per CAN/CGSB-3.524
Cold Soak Filter Blocking Tendency, no.	Per CAN/CGSB-3.524	Per CAN/CGSB-3.524

At least once every six (6) months, a Production Lot sample shall be selected for full specification testing. However, only one (1) Cetane Number test per year is required.

8.3.3 Monthly Specification Testing

Some specifications require monitoring less frequently than every Production Lot, but more frequently than every six (6) months. Specifications that fall into this category shall be tested monthly as part of Production Lot testing. This includes:

Property	Test Method	Limits
Sodium and Potassium, ppm	Per ASTM D6751, EN 14214 or CAN/CGSB-3.524	Per ASTM D6751, EN 14214 or CAN/CGSB-3.524
Calcium and Magnesium, ppm	Per ASTM D6751, EN 14214 or CAN/CGSB-3.524	Per ASTM D6751, EN 14214 or CAN/CGSB-3.524
Flash Point ⁷	Per ASTM D6751, EN 14214 or CAN/CGSB-3.524	Per ASTM D6751, EN 14214 or CAN/CGSB-3.524

8.4 Certificates of Analysis (COA)

A COA shall be generated for each Production Lot and shall reference a unique lot identification. When full specification testing has been performed on a Production Lot, the COA shall contain a listing of each of the actual results. When critical specification testing has been performed on a Production Lot, the COA shall contain a listing of each of the actual results of the critical testing. The results for the remaining specification parameters shall indicate they were not results of tests performed on this particular Production Lot and are results from previous testing. Visual appearance results should be reported on the COA along with the appropriate ASTM D6751 results.

The COAs provided for any shipment shall represent the Production Lot(s) from which the shipment was filled. Any commingling of Production Lots (see 8.5), or subsequent changes to a Production Lot, requires appropriate retesting and documentation.

8.5 Commingling of Production Lots

Once Production Lots have been tested under the protocols outlined in Section 8.3 and have met the specification limits of the tests conducted, they can be commingled with other verified lots. However:

The cloud point of the commingled Production Lots shall be reported as either:

- a) The highest cloud point of the Production Lots being commingled, or
- b) The measured cloud point of a representative Blend.

The oxidation stability shall be reported as either:

- a) The lowest oxidation stability hours of the Production Lots being commingled, or
- b) The measured oxidation stability of a representative Blend.

The cold soak filterability shall be reported as either:

- a) The highest cold soak filterability Test of the Production Lots being commingled, or
- b) The measured cold soak filterability Test of a representative Blend.

All additional properties for commingled Production Lots shall be reported as either:

- a) The least favorable value of the Production Lots being commingled,
- b) The measured value for a representative blend, or
- c) The weighted average of the values of the Production Lots being commingled.

Results not obtained through physical testing shall be noted and documented as to how they were obtained.

8.6 Stored Biodiesel Product Verification

If a Biodiesel storage tank has not had any incoming product for 45 days, product shall not be shipped from the storage tank until an outlet sample, or a representative sample of the product according to ASTM D4057, is taken and tested for Haze per ASTM D4176 (Procedure 2, Maximum value of 2), Water and Sediment, and Oxidation Stability per current ASTM D6751. If any testing fails to meet specification, the Biodiesel shall be isolated and procedures for the control of nonconforming product shall apply (see section 9.1).

9 REMEDIATION ELEMENTS

9.1 Nonconforming Product

The Organization shall develop documented procedures to ensure product is prevented from unintended use or shipment, particularly if it is found to be nonconforming. Controls shall be defined that provide for identification, documentation, evaluation, segregation (when practical), disposition of nonconforming product, and for notification to the functions concerned. Personnel with the authority to review and “sign-off” on the disposition of nonconforming product shall be identified and documented. The review of nonconforming product shall be conducted according to the documented procedures along with initiating a Corrective Action, as per Section 9.2. The disposition of nonconforming product may be categorized as:

- a) Reprocessed/remediated to meet specification,
- b) Re-classified to another application, or
- c) Rejected or destroyed.

Any reprocessed or remediated Biodiesel shall be re-inspected and tested to assure it meets specification. The re-inspection and results shall be documented.

9.2 Corrective and Preventive Action Procedures

Corrective and Preventive Actions shall be managed using documented procedures. Records shall be maintained for corrective and preventive actions. Corrective actions shall be issued in response to Biodiesel quality nonconformities (including both internally identified and customer complaints related to Biodiesel quality) and identified nonconformities related to processes of the Quality Management System (including internal and external audits).

For Corrective Actions, the procedure shall require a clear statement of the nonconformity; assignments of responsibility for definition and completion of corrective actions taken; identification of root cause; identification of the corrective action(s) intended to prevent recurrence of the nonconformity, and Verification of the effectiveness at an appropriate interval following the implementation of the corrective action. The corrective action process shall not be closed until Verification of effectiveness activities have been completed and recorded. Records of corrective actions shall be documented using a form that supports the above required processes.

For Preventive Actions, the procedure shall require a clear statement of the condition that could result in a nonconformity (either related to Biodiesel quality or processes of the Quality Management System), assignments of responsibility for the definition and completion of the preventive action, and identification of the preventive action(s) intended to prevent the occurrence of the nonconformity. Records of preventive actions shall be documented via memos and /or use of forms implemented for corrective actions. Within these procedures, these forms shall have documented timeline requirements for their completion, review, and Verification.

10 FUEL BLENDING

10.1 Fuel Blending

Those Producers wishing to create Bxx Blends, other than B99, and maintain their BQ-9000 status, should also register and apply as a BQ-9000 Marketer (see section 5.0 of the Appendix A Policy Regulations). Blends of B99 will be exempt from Blend Verification testing within the program. However, during the process of creating a B99 Blend, the blending operation shall be monitored to assure correct proportions of the products. This includes measuring and recording volumes and Blend levels as verified through bills of lading, meter printouts, or other auditable records of both Biodiesel and diesel fuel, which comprise the Blend. These records shall be kept for a minimum of two years, or as necessary to meet any regulatory requirements.

11 BIODIESEL LOADOUT

11.1 Inspection and Cleanliness of Trucks, Railcars, and Vessels

The Quality Program shall include cleanliness requirements and procedures that address material and chemical compatibility issues, inspections, and cleanliness for trucks, railcars, and vessels used for distributing Biodiesel and Biodiesel Blends in a BQ-9000 Producer's supplied trucks, railcars, and vessels. Trucks, railcars, and vessels shall be inspected prior to loading. If the previous load is suspected to have contained a product that would contaminate the Biodiesel (e.g., gasoline, ethanol, methanol, lube oils, raw vegetable oil, or animal fats, etc.), the procedures shall enable the Producer to document the course of action taken to prevent the contamination. This would include dyed products and products in excess of 15 ppm sulfur when the Biodiesel is destined for ULSD applications. Each inspection shall be documented and retained per program requirements.

It shall be documented when contracted transportation companies are used that they have been forwarded the Organization's cleanliness requirements on an annual basis. Customers that provide their own transportation shall also be made aware of the Organization's requirements annually. Any customer supplied transport not meeting the Organization's cleanliness requirements would require documented customer approval to load.

12 PRODUCER PURCHASING BIODIESEL

12.1 Fulfilling a Purchase Contract

There may be times when a Producer wishes to fulfill a contract beyond their available production capacity. A Biodiesel Producer may purchase up to a maximum of 15% of their yearly public production capacity for such situations. The Producer shall document from whom the Biodiesel fuel was received, their BQ-9000 status, and amount of fuel received. The Producer shall only accept product transfer documents with an EPA registration number for the seller.

12.2 Purchase Requirements of Biodiesel

A BQ-9000 Producer has two options when purchasing Biodiesel:

1) Receive Biodiesel from an accredited BQ-9000 Facility

In this circumstance, the Producer can accept the Certificate of Analysis (COA) so long as the identity of the Biodiesel can be fully traced to a site-specific BQ-9000 Organization. If the analysis is no more than 45 days old, the Producer can immediately resell this lot of Biodiesel or the Producer may offload the Biodiesel into storage per the Producer Program Requirements section 8.5 Commingling of Production Lots.

If the analysis is older than 45 days for the Biodiesel in question, it may not be offloaded nor resold until tested and confirmed to meet the requirements for Water and Sediment and Oxidation Stability per ASTM D6751 at a minimum.

2) Receive Biodiesel from a non BQ-9000 Facility

Under this circumstance if the Producer receiving the Biodiesel is unable to verify the traceability to a site-specific BQ-9000 Organization, the Producer must either:

- a) Obtain a complete COA to verify that the full D6751 analysis was performed by an independent lab (not by the seller's laboratory), or
- b) Perform the full D6751 analysis in its own Internal Laboratory.

Satisfactory test results are required before the purchased Biodiesel can be resold or commingled with additional Biodiesel.

The Producer shall document from whom the Biodiesel fuel was received, their BQ-9000 status, and amount of fuel received. The Producer shall only accept Biodiesel transfer documents with an EPA registration number for the seller.

In any case, a representative sample of the Biodiesel received shall be taken and retained for a minimum of 60 days. This sample shall be tested per ASTM D4176 (Procedure 2, Maximum Value of 2), in addition to any other required analysis mentioned previously.

12.3 Producer Limits on Purchasing and Blending Biodiesel

If a BQ-9000 Producer wishes to exceed the volumes specified in section 12.1, or sell Blends lower than B99, the Producer should become a BQ-9000 Marketer (see section 5.0 of the Appendix A Policy Regulations). BQ-9000 Marketer requirements for marketing and blending operations involve different product testing, validations, and recordkeeping to maintain product integrity than are otherwise included within the BQ-9000 Producer program requirements. Additional policies and regulations for the Program may be found within Appendix A.

Appendix A Policy Regulations (informative)

1 CERTIFICATION PROCESS

1.1 Initial Certification

The initial certification, with a Certification Audit process, is described in the NBAC BQ-9000 Application Package document. This document also contains requirements necessary for participation within the program and can be found on the BQ-9000 website (www.bq-9000.org/). The date the NBAC approves the BQ-9000 certification for an applicant becomes the anniversary date of their certification. Approximately one (1) year from their certification anniversary date, an on-site Surveillance Audit will be held. Approximately two (2) years from their certification anniversary date a second Surveillance Audit will be held. At the end of three (3) years, the Organization's BQ-9000 certification expires. If the Organization wishes to continue in the BQ-9000 certification program, they must provide notice and complete a Recertification Audit that can be reviewed and approved before their certification expiration date.

An Auditor is assigned to perform a Certification (or Recertification) Audit and the following two (2) Surveillance Audits as well as any interim follow-up audits. When the Organization is required to have a Recertification Audit, a new auditor may be assigned to get a second perspective on the Organization's performance of its quality system. However, an Organization may request the same auditor for a second cycle of three (3) years only once following their initial certification.

1.2 Surveillance Audit

The Surveillance Audit is a one-day on-site audit where the Auditor reviews program elements of the BQ-9000 Organization. This audit is to verify the BQ-9000 accredited Organization continues to comply with all requirements of the BQ-9000 program including any changes in the program Requirements since the last audit. A second Surveillance Audit is required approximately two (2) years from their original certification date.

1.3 Recertification / Renewal

At three (3) years from the original certification date, an Organization's BQ-9000 certification expires. The Organization may request to continue in the program and must participate in a Recertification Audit. A Recertification Audit is a one and one-half day audit similar to the Initial Certification Audit in which the auditor looks at all elements of the Organization's quality system.

Approximately four (4) months prior to the expiration of the BQ-9000 certification, a Recertification Audit shall be scheduled to allow the Organization to process any nonconformances and allow the NBAC time to review the audit and approve recertification before the Organization's current certification expires. The same cycle of Surveillance Audits will then follow the recertification.

1.4 Post-audit Requirements: Surveillance and Recertification Audits

Upon completion of an audit, the Auditor will produce an audit report, noting any nonconformances, deficiencies, and areas of concern. The report will be submitted to the Organization's quality management team for their review and comment.

At the closing meeting, if the QMR and/or a member of the Organization's quality management team believes a cited nonconformance is the result of differing interpretations of a program element and cannot settle the issue with the Auditor, the QMR can within five (5) days of the closing meeting, contact the NBAC Program Manager (<https://bq-9000.org/nbac/>) at the National Biodiesel Board and

provide written information concerning the interpretation of the specific program element(s) and the Organization's position on the nonconformance.

After this, the NBAC Program Manager will meet with the NBAC Chairman and one or more NBAC Commissioners to review the program requirements and may discuss with the Auditor their interpretation of the requirement. This NBAC group will make a determination of the correct interpretation and will normally inform the Organization of their decision within 10 days of the receipt of the Organization's information.

The Organization should submit an action plan to the Auditor within 30 days of the audit date describing how the Organization will address each of identified nonconformance. The Organization must submit a Corrective Action form and, at a minimum, must supply the following information to the Auditor:

- a) The nonconformance stated.
- b) The root cause of the nonconformance.
- c) The action plan to address the nonconformance.
- d) The person responsible for executing the action plan.
- e) The expected time to complete the corrective action.
- f) An approval signature of the QMR or responsible management person who is approving this specific action plan.

If the Organization satisfactorily completes their corrective actions on all nonconformances within 30 days of their recently completed audit date, the Organization is not required to submit their action plans.

Evidence that corrective actions have addressed the nonconformances can be mailed or emailed to the Auditor. Under certain circumstances, a follow-up visit may be required to confirm the corrective action of a specific nonconformance.

All nonconformances are expected to be closed within 60 days of the audit date. The NBAC recognizes there may be a specific nonconformance which cannot be closed within 60 days and this will be acceptable if the Auditor is informed of such when the Organization issues its action plans. An Auditor may reject one or more of the Organization's action plans if the plan(s) does not fully address the nonconformance(s). The Organization must then revise and resubmit this action plan to the Auditor.

If an Organization cannot reach an agreement with the Auditor on an action plan for a specific nonconformance and has submitted at least two action plans to remedy the nonconformance, the Organization's QMR or designated representative can take the following steps: Within five (5) days of the rejection of a second submitted action plan for a nonconformance, contact the NBAC Program Manager at the NBB office and provide written information concerning the validity of the proposed action plan(s) for this nonconformance. The Program Manager will meet with the NBAC Chairman and one or more NBAC Commissioners to review the submitted action plan(s) as it relates to the cited nonconformance, and may discuss with the Auditor, their position on the proposed action plan(s). This NBAC group will make a determination on the proposed action plan(s) and will normally inform the Organization of their decision within 10 days of the receipt of the information from that Organization.

BQ-9000 Producer Requirements

If the Organization delays closing their nonconformances beyond the 60 days (except in the circumstance noted in the above paragraph) requiring further Auditor attention, the Organization may be charged \$150 per hour for the extra time the Auditor had to spend reviewing the audit.

If after 60 days from the audit date, the Auditor has not received any communication pertaining to the action plans or corrective actions for this audit, the Organization will receive a warning letter from the NBAC stating the Organization's nonconformance must be completed within 30 days or their certification will be suspended if this is a Surveillance Audit, or their request for recertification will be denied if this is a Recertification Audit.

When the auditor has verified all nonconformances have been closed through corrective action, a final audit report will be submitted to the NBAC.

The Organization may submit written comments on this final report by submitting them to the NBAC chair or NBB Liaison within one week after receiving the Auditor's final report. The NBAC normally holds monthly meetings and should respond to the Auditor's reports and recommendations within 30 days.

Upon receipt of the Audit Report, the NBAC will set a meeting to vote on the Organization's certification status. The NBAC may request to have the Auditor present via conference call during its review to answer questions about his/her audit report. After dismissing the Auditor, the NBAC will perform a final review the Audit Report and any written comments. The NBAC can then proceed with one of the following actions:

- a) Based on a satisfactory Certification or Recertification Audit Report, vote to approve certification or recertification,
- b) Based on the review of a satisfactory Surveillance Audit Report, allow certification to continue,
- c) Based on the need for additional facts, vote to postpone the certification status decision and require additional information,
- d) Based on the determination the Organization needs significant improvement in the execution of their quality system, vote to postpone certification status and require a follow-up audit. This follow-up audit will take place after the Organization has had an opportunity to improve their quality system performance. A vote on the certification status will then take place after the results from the follow-up audit have been reviewed,
- e) Based on the determination that the Organization's performance was unsatisfactory, vote to suspend the Organization's certification and recommend a follow-up audit. The NBAC can then vote on reconsideration of the suspension based on the results of this follow-up audit, or
- f) Based on the determination the Organization's performance was poor, vote to revoke the Organization's certification.

If the NBAC determines additional facts are necessary, they may postpone the determination for no longer than sixty (60) days. If not, the NBAC shall proceed to determination. The determination will be accomplished by a vote of the commission, with each commissioner having one (1) vote. A majority of the commissioners must vote affirmatively on the certification request for certification to be granted. If certification is not granted, the basis for the denial, identifying all material deficiencies, will be sent to the applicant in writing.

If a follow-up audit is required, the audit fee and travel expenses shall be paid by the Organization.

If the Organization believes they have received an adverse decision from the NBAC, the Organization may use the Reconsideration or Appeal process to address their concerns. The details for Reconsideration and Appeal are found in the section Reconsideration and Appeal Process for NBAC Decisions (see Appendix A 3.0).

1.5 Audit Scheduling

Under most circumstances, the two Surveillance Audits shall be scheduled as noted above in section 1.1. Any interim follow-up audit between these required audits shall not change the due dates of Surveillance and Recertification Audits.

Normally at the close of a Surveillance Audit or Recertification Audit, the next audit should be scheduled. In such a case, the Auditor will report to the NBAC when the Recertification Audit is scheduled. If a new Auditor is assigned, he/she will contact the Organization and establish a mutual audit date.

1.6 Audit Fee Structure

See the BQ-9000 website for details on the fee structure for each type of audit (<http://bq-9000.org/costs/>). NBB Member Organizations wishing to take advantage of the NBB Member pricing within the program must be in good standing with the NBB.

2 CERTIFICATION SUSPENSION AND REVOCATION

2.1 Suspending BQ-9000 Producer, BQ-9000 Marketer, BQ-9000 Retailer, or BQ-9000 Laboratory Status

NBAC may suspend BQ-9000 Producer, Marketer, Retailer, or Laboratory status and remove a company's name from the list of BQ-9000 companies at www.BQ-9000.org for any of the following reasons:

- a) Failure to follow the approved quality management system, policies, or procedures resulting in a nonconformance without implementing corrective action,
- b) Denying access to an operation's facilities and records to the BQ-9000 auditors within the scope of the requested certification,
- c) Failure to pay NBAC required fees,
- d) Failure to respond to NBAC corrective actions in the timeframe provided, or
- e) A production facility falls under the suspension criteria in Policy 6.0 Idled Production Plants.

NBAC will notify the Organization in writing of the suspension and actions required to regain BQ-9000 status, including a deadline for all specified actions. If the suspended entity does not respond to the NBAC's initial notification of suspension within thirty (30) days, the entity's BQ-9000 status will be revoked. Information provided will not include specific remedies to violations.

If an Organization's actions or lack of actions do not meet the criteria described above, the NBAC may issue a Warning Letter to an Organization their continued certification is in jeopardy. The Organization shall receive a recommendation to initiate some action such as hiring a consultant to help them better develop their program or better execute their program, perform internal training,

and/or scheduling an interim follow-up audit to demonstrate their improved performance under their quality system.

2.2 Reinstatement of Suspended BQ-9000 Certification

BQ-9000 status for Organizations will remain suspended for reasons a, b, and d above until an on-site audit verifies effective corrective action has been taken. Final decisions on the suitability of corrective action and the Organization's eligibility for reinstatement are solely at the discretion of the NBAC.

BQ-9000 status for Organizations suspended for failure to pay fees will be reinstated when all outstanding fees and interest have been paid in full.

BQ-9000 status for Organizations suspended due to an idled production plant may be reinstated after the plant begins production and specific quality system requirements are met as defined in section 6.0 Idle Production Plants.

2.3 Revoking BQ-9000 Certification

NBAC may revoke BQ-9000 status and remove an Organization's name from the list of approved Organizations at www.BQ-9000.org for any of the following reasons:

- a) Repeated failure to maintain its system in conformance with the requirements of this directive and the approved quality system,
- b) Failure of a suspended operation to meet conditions for reinstatement within the required timeframe,
- c) Failure to respond to NBAC in given timeframe,
- d) Willful violation of Federal or State regulations relevant to BQ-9000 standards,
- e) Deliberate misrepresentation of the products or services distributed under a BQ-9000 system,
- f) Improper use of the BQ-9000 logo/language in advertising and promotional material or nonconformance with the BQ-9000 license agreement, or
- g) A production facility falls under the revocation criteria in Policy 6.3 Guidance.

NBAC will notify Organizations in writing of the revocation. Organizations whose approval has been revoked may reapply for BQ-9000 certification after a period of one (1) year.

Organizations may request Reconsideration or Appeal of an adverse decision by the NBAC. See section Reconsideration and Appeal of NBAC Decisions.

2.4 License Use of BQ-9000 Logo/Language

The NBAC's License Agreement with an Organization is co-extensive with their BQ-9000 certification per the NBAC License Agreement. Thus, when an Organization's certification is suspended or revoked, the Organization must remove the BQ-9000 logo/language from all their materials and cease to use it. An Organization's continued use of the BQ-9000 logo/language beyond the suspension or revocation date will be actionable as unlawful infringement of intellectual property. The Organization's name will be removed from the list of BQ-9000 Organizations on the NBAC website, but no other steps will be taken by the NBAC to publicize this step.

3 RECONSIDERATION AND APPEAL OF NBAC DECISIONS

3.1 Reconsideration of Adverse Decision

An applicant denied certification has thirty (30) days after the NBAC's adverse decision in which to submit a written request for Reconsideration of a denied certification or other adverse decision to the NBAC. The NBAC will grant Reconsideration if it believes a genuine issue of fact material to the decision it made. The Reconsideration request must identify the elements of the audit report or other basis for the NBAC decision alleged to be inaccurate or otherwise erroneous. The applicant may attach written evidence of the alleged inaccuracy or error. Before acting on Reconsideration, the NBAC reserves the right to submit to the applicant additional questions in writing or to direct further investigation by its staff or auditor, and to consider also evidence so acquired.

The question upon Reconsideration shall be the same question as upon original consideration: Shall the Application be approved? The vote required shall be the same as upon original consideration which is a majority of Commissioners in office. In its vote upon Reconsideration, the NBAC shall, weighing the evidence before it, act upon the basis of the evidence presented. The NBAC's decision shall contain findings of fact and conclusions based thereon.

3.2 Appealing NBAC Rulings

A party aggrieved by a decision of the NBAC upon Reconsideration may appeal that decision to an Appeal Board if within 20 days of the decision upon Reconsideration. Specifically, the party needs to write a letter to the NBAC stating grounds for appeal, requesting a hearing, and enclosing a fee of \$2,000 to offset the NBAC's miscellaneous costs incurred in the Appeal.

Upon request of such letter, the NBAC shall appoint an independent Appeal Board of three industry experts with, preferably, one from academia, one from government, and one from private industry.

The NBAC shall forward to each Appeal Board member the entire record of the matter appealed. The record on appeal shall consist of: All documents in possession of the NBAC with respect to Appellant at time of Reconsideration. The Appeal Board's decision shall be based solely on the record; no additional evidence shall be considered.

The Appeal Board shall:

- a) Within five days of appointment, elect a Chair.
- b) Within 10 days of appointment, receive and thoroughly review the record.
- c) Invite the Appellant to submit any further written argument, to be received no later than 14 days after appointment.
- d) Thoroughly review any written argument submitted.
- e) Schedule a conference call/webinar hearing on the appeal, to be conducted no later than 30 days after appointment.

At the oral argument session, the NBAC shall be represented by its Chair or its counsel. The appellant may appear in person or be represented by counsel. Each party may make an oral statement of no longer than 10 minutes. There shall be no further evidence introduced; however, each party shall, during oral argument, respond fully and faithfully to questions from the Appeal Board. There shall be no direct or cross-examination by the parties.

After all questions from the Appeal Board have been answered, the Board shall dismiss the parties and reach a decision. The Board may affirm the NBAC decision, reverse the NBAC decision, or remand to the NBAC for further action in accord with the Board's decision. The Board shall reverse or remand it if it determines the decision of the NBAC was not supported by substantial evidence in the record before the NBAC when reviewed. The Board shall affirm it if it determines the decision of the NBAC was supported by substantial evidence in the record before the NBAC when viewed. The Appeal Board Chair shall write the decision and send it to both parties. The written decision of the Appeal Board shall be final.

4 BQ-9000 PRODUCER PROVISIONAL STATUS

4.1 Background

When an Organization becomes accredited as a BQ-9000 Producer, the certification is both site and program specific. As the company becomes more established, they may want other facilities owned by the parent Organization to become BQ-9000 accredited. The following information provides guidance on how these facilities can become accredited.

A BQ-9000 company shall not imply or represent an additional facility owned by the company falls under an existing BQ-9000 certification. Nor shall the company imply or represent any other facility has met the BQ-9000 requirements unless the company has received BQ-9000 certification for that specific site.

The NBAC recognizes an existing BQ-9000 company's successful implementation of their quality management system demonstrates commitment to the BQ-9000 program and an understanding of the challenges of producing product from multiple production plants. The NBAC has created a Producer Provisional designation to expedite the recognition of additional production facilities the Organization wants to become BQ-9000 accredited.

In the normal BQ-9000 certification process a Biodiesel production facility must operate for six (6) months under their quality management system before they can be audited by NBAC to seek full BQ-9000 certification. This allows for sufficient time for the production facility personnel to become ingrained in the program elements of the BQ-9000 Producer Requirements, generate production and test data, and allots sufficient time for the QMR to gain experience in managing their quality management system. When an Organization wants its other Biodiesel production facilities to become BQ-9000 accredited, the Organization will need to implement its existing BQ-9000 Producer quality management system into these other production facilities. This allows these facilities to qualify under the BQ-9000 Producer Provisional Status, be recognized as a BQ-9000 production facility, and use the BQ-9000 logo before completing the six (6) months operational requirements and its Certification Audit.

4.2 Eligibility Requirements

If the BQ-9000 parent company has operated under the BQ-9000 program long enough to satisfactorily complete one Surveillance Audit, the corporation may seek Producer Provisional Status for an additional facility or facilities. In addition, if more than one new facility is seeking Producer Provisional Status, each facility is handled separately.

Under normal circumstances Producer Provisional Status is granted for a period not to exceed 12 months. After six (6) months, each production facility must have a satisfactory Certification Audit for full certification; otherwise the facility loses its Provisional Status and may no longer use the BQ-9000 logo for this facility.

4.3 Producer Provisional Status Prerequisites

There are a certain number of prerequisites that must be completed before NBAC can award Producer Provisional Status.

A corporation requesting provisional certification for an additional production facility shall complete the following steps:

- a) The BQ-9000 Producer shall submit a written request to the NBAC requesting permission to pursue Producer Provisional Status for a specific facility.
- b) Submit a completed application and the appropriate Producer Provisional Status fees.
- c) The new provisional facility shall submit copies to NBAC of any documented work instructions or procedures specific to this site not currently in the parent Producer's Quality Manual.
- d) The appointed QMR shall be from the parent Organization.
- e) Conduct at least one internal audit. The internal audit shall be completed under the supervision of the internal auditor or QMR either of which is from the existing BQ-9000 parent Organization.
- f) Hold at least one quality management review meeting led by the QMR from the existing BQ-9000 parent Organization.
- g) Submit any relevant documentation, a copy of the internal audit report, and a copy of the Management Review Meeting to the NBAC appointed auditor for Verification.

After Verification the prerequisites have been met, NBAC auditor shall make a recommendation to the NBAC/staff liaisons on the facility's request for Producer Provisional Status for review and approval.

While the new production facility is operating under the Producer Provisional Status, it must operate under its parent's Quality Manual. If the new facility plans to operate under its own Quality Manual, the Organization can develop its own manual during this time. The new facility's Quality Manual must be submitted to the NBAC Auditor, so the Auditor can perform a Desk Audit of the new manual prior to the Organization's Certification Audit. The new facility cannot operate under its new Quality Manual until it has been approved by the NBAC Auditor.

4.4 Provisional Status Fee

The fee for an Organization seeking Producer Provisional Status is identical to the Application Fee of any Organization seeking BQ-9000 Producer Certification.

4.5 Achieving Full BQ-9000 Producer Certification

In order for an Organization/facility to achieve a full Producer Certification, the following four (4) steps must be met:

- a) The facility must operate under their quality management system for a minimum of six (6) months after receiving Producer Provisional Status.
- b) During the time in which the new Producer Organization is operating under the Producer Provisional Status, the Producer's quality system shall be managed by the personnel involved in managing the quality management system of the parent BQ-9000 accredited Producer.

- c) The facility must complete a satisfactory On-Site Certification Audit by the NBAC appointed auditor.
- d) Resolve all nonconformances identified during the Certification Audit.

After all nonconformances have been successfully closed out, the NBAC auditor shall issue an Audit Report to the NBAC on the facility's request for full BQ-9000 Producer certification. The NBAC shall then vote on awarding the Organization full BQ-9000 Producer certification.

4.6 Audit Cycles

The audit dates of the existing BQ-9000 Producer do not change with the addition of the new BQ-9000 Producer. The audit scheduling of the new BQ-9000 Producer is totally independent of the audit dates of the existing BQ-9000 Producer. The new BQ-9000 Producer is treated as an independent Organization and its audit scheduling is based on when the new Producer achieves full BQ-9000 Producer certification.

5 BQ-9000 PRODUCER SEEKING BQ-9000 MARKETER CERTIFICATION

5.1 Requirements

If a BQ-9000 Producer wishes to exceed volumes specified in section 12.0 of the requirements on Producers Purchasing Biodiesel or if the Producer wishes to sell Blends lower than B99, the Producer should seek BQ-9000 Marketer certification.

5.2 Seeking Marketer Certification

If a BQ-9000 Producer wishes to become a BQ-9000 Marketer, the following must be met:

- a) An application must be filed and all required fees paid.
- b) A marketing Quality Manual must be developed based on the BQ-9000 Marketer Requirements manual.
- c) Audits executed in the same manner as for any BQ-9000 certification.

5.3 BQ-9000 Producers Who Have Received Their BQ-9000 Marketer Designation

BQ-9000 Producers who have received their BQ-9000 Marketer certification, but have not marketed or distributed B99 or Biodiesel purchased from a third-party supplier or have not sold Blends of B98 or lower, have one (1) year from the date of their BQ-9000 Marketer certification to perform these activities under their BQ-9000 Marketer quality management system. If no BQ-9000 Marketer activity has been recorded during this year, then the company shall forfeit their BQ-9000 Marketer Status.

6 BQ-9000 PRODUCER IDLED PLANTS

6.1 Background

BQ-9000 certification is granted for a period of three (3) years and may be renewed. However, a company undergoes annual Surveillance Audits to verify they are maintaining and using their quality management system. The NBAC expects BQ-9000 companies are continuously operating within the scope of their quality management system.

Nevertheless, a BQ-9000 Producer may choose to shut down or idle their plant for an extended period of time due to any number of factors such as poor economic conditions, major plant retooling

or labor issues. These may prompt questions concerning a plant's BQ-9000 status such as "How does a plant shutdown or idling affect a company's BQ-9000 status?" and "Are there any requirements for restarting the production facility?"

Plant shutdowns may affect plant staffing, quality management system maintenance and employee familiarity with the system. As a result, the effectiveness of the company's quality management system may be impacted. Therefore, the NBAC has outlined the following quality management system restarting Verification requirements for a production facility after a shutdown. These requirements are based upon the shutdown category classification.

6.2 Definitions

6.2.1 Category I Shutdown: The facility has not produced Biodiesel for more than 60 days (and up to 180 days), but the quality management system is still being followed and maintained.

6.2.2 Category II Shutdown: The facility has not produced Biodiesel for more than 180 consecutive days, but the quality management system is still being followed and maintained.

6.2.3 Category III Shutdown: The facility has not produced Biodiesel and the quality management system is not being followed and maintained.

6.3 Guidance

6.3.1 Category I Shutdown

A company enters Category I Shutdown when the facility has ceased production for more than 60 days, but less than 180 days, and shall complete the following requirements:

- a) The facility shall maintain product and tank testing requirements outlined in the quality management system.
- b) After 90 days of ceased production, the company shall test stored product for all critical parameters prior to shipment.
- c) Prior to startup the company shall hold an abbreviated Quality Management Review meeting to focus on startup issues such as refresher training, sampling, and testing. All affected personnel shall have had refresher training.
- d) If the shutdown exceeds 180 days, the company shall perform an internal audit to verify the effectiveness of the quality system within 60 days after startup.
- e) A full quality management review meeting shall then be held within 30 days after the internal audit.
- f) NBAC shall receive documentation of this classification.

No on-site NBAC external audit is required at the time of start-up and the company's BQ-9000 status is maintained. Future audits shall be scheduled within one (1) year from the previous external audit.

6.3.2 Category II Shutdown

After 180 days of no production activity, the company enters Category II Shutdown. At this time, a company's BQ-9000 certification is suspended. In order to attain reinstatement, the following must be adhered to:

- a) Prior to shipping stored product from their tanks, the Biodiesel shall be sampled and tested for all critical parameters which are identified in Section 8.3 of the Producer Requirements.

- b) The first Production Lot produced at startup shall receive full Biodiesel ASTM D6751 testing (except Cetane number) and must meet the specifications.
- c) Prior to startup they the company shall hold a Quality Management Review Meeting to focus on the startup issues such as refresher training, sampling, and testing. All affected personnel shall have had refresher training.
- d) Within 60 days after startup the company shall perform an internal audit to verify the effectiveness of the quality system and a quality management review meeting shall be held within 30 days after the internal audit.
- e) An external audit shall be scheduled and occur within six (6) months of startup.
- f) NBAC shall receive documentation of this classification.

6.3.3 Category III Shutdown

BQ-9000 certification is revoked (refer to section 2.3).

7 CHANGE OF OWNERSHIP AND ACQUISITIONS

7.1 Background

As the Biodiesel industry expands, it is possible Biodiesel companies will acquire other Biodiesel facilities (Producer, Marketer, and/or Laboratory). This policy provides guidelines to ensure ownership changes are properly accounted for when involving an Organization with a BQ-9000 certification.

7.2 Ownership Changes and Acquisition Scenarios

There are three common scenarios involving ownership change or acquisition:

- a) The BQ-9000 Organization is purchased by another BQ-9000 Organization.
- b) The BQ-9000 Organization is purchased by an organization with no BQ-9000 certification.
- c) The BQ-9000 Organization purchases a non BQ-9000 organization and wants it to become BQ-9000 accredited.

A BQ-9000 Organization involved in an ownership change must meet the following requirements to maintain their BQ-9000 certification:

- a) If the acquired BQ-9000 Organization maintains its identity and wants to maintain its BQ-9000 certification, the acquiring Organization must inform the NBAC Program Manager in writing of this request. If either entity is a member of the NBB they must also complete the Name Change Form (www.bq-9000.org/documents/) and submit it to the NBAC Program Manager along with the Name Change Fee. Should this be the case, both entities will exist under their respective BQ-9000 certifications, and from a BQ-9000 perspective, will be treated as separate and independent entities for audit scheduling.
- b) If the acquiring entity is not a BQ-9000 accredited Organization and the entity being acquired is BQ-9000 accredited, there are two (2) possible cases: one where the existing BQ-9000 quality system is maintained and one where it is not.
 - i. If the entity being acquired retains its original quality management system and the quality management team will remain (or remain for a sufficient time) to train a new quality management team, the certification is maintained under the following provisions. The acquiring entity must inform the BQ-9000 Program Manager in writing that the acquired

BQ-9000 Producer Requirements

BQ-9000 Organization's quality system and quality management team will continue. If the acquired entity is a member of the NBB they must complete the Name Change Form, submit it to the NBAC Program Manager, along with the Name Change Fee.

- ii. If the non-BQ-9000 organization does not adsorb the BQ-9000 Organization's quality system and its quality management team, then the acquired BQ-9000 Organization is no longer considered BQ-9000 accredited. The organization being acquired may achieve BQ-9000 certification via the process described in the NBAC BQ-9000 Application Package. The acquired entity may be eligible for expedited recognition as a BQ-9000 accredited Organization under the Provisional Status process. This is outlined in the Policies on Producer Provisional Status (refer to Section 4).

7.3 Fees and Payments

The additional number of audits and audit costs when mergers occur are described in the BQ-9000 website under Program Costs.