



# Senate Special Session Committee on Energy Policies

Senator Mary Jo White  
Chairman

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## **Summary Special Session Senate Bill 36, P.N. 29**

**Prime Sponsor: Senator MJ White**

### **Short Title**

The Biodiesel Study and Production Incentive Act.

### **Biodiesel Content in Diesel Fuel Sold for On-road Use**

Requires all diesel fuel sold or offered for sale for use in on-road compression ignition engines to contain an increasing biodiesel content based on in-state production as follows:

- 60 million gallons – 2%
- 150 million gallons – 5%
- 300 million gallons – 10%
- 600 million gallons – 20%

In-state production volumes shall be calculated to include only biodiesel which is sold or offered for sale to ultimate consumers located within the Commonwealth.

### **Coal-to-Liquids Substitution**

Permits the use of nonsulfur diesel fuel derived from coal to be used in place of biodiesel, provided the fuel's carbon emissions are fully offset, either through carbon sequestration or carbon offset programs.

### **Vehicle Manufacturer Warranty Certification**

The biodiesel content volume standards shall only be effective if vehicle manufacturers certify that they recognize and extend engine warranties associated with the use of biodiesel blends at the percentages required under the act.

## **Infrastructure Report**

At least six months prior to the effective date of each mandated content requirement, the Department of Agriculture and the Department of Transportation shall certify as to whether there is sufficient transportation, distribution and other necessary infrastructure in the Commonwealth to meet the act's requirements.

The departments shall conduct at least three public hearings for each report required. All reports shall be submitted to the General Assembly and posted and maintained on each department's website.

### **Insufficient Infrastructure**

If any report determines there is insufficient infrastructure in place to meet the mandated content requirements of the act, the requirement shall be delayed at least six months, or until a new report is issued which certifies that sufficient infrastructure is in place, whichever is later.

## **Air Quality Impact Study**

The Department of Environmental Protection (DEP) shall contract with an independent, third-party certified in conducting ambient air quality studies to determine the impact of the act on the Commonwealth's ability to achieve and maintain the National Ambient Air Quality Standards.

The study shall be completed no later than July 1, 2009 or six months prior to the effective date of the first mandated content requirement, whichever is earlier.

The study shall be submitted to the General Assembly and posted and maintained on DEP's website.

## **Agency Responsibilities**

The Department of Agriculture is authorized to implement and enforce the act, and to promulgate regulations as necessary.

The Environmental Quality Board is authorized to promulgate regulations as necessary with regard to the carbon offset requirements.

## **Exception**

Requirements of act do not apply to aviation fuel or where prohibited by law.

## **Effective Date**

This act shall take effect in 90 days.