
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2

Special Session No. 1 of
2007-2008

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MUNDY, PARKER, VITALI, WALKO, YUDICHAK, DeWEESE, JOSEPHS AND
MELIO, SEPTEMBER 24, 2007

REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY,
SEPTEMBER 24, 2007

AN ACT

1 Providing for the sale of transportation fuels containing clean,
2 renewable or alternative fuel content.

3 The General Assembly of the Commonwealth of Pennsylvania
4 hereby enacts as follows:

5 Section 1. Short title.

6 This act shall be known and may be cited as the Clean Fuels
7 and Energy Independence Act.

8 Section 2. Purpose.

9 The purpose of this act is to do the following:

10 (1) Establish mandates for renewable content in on-road
11 transportation fuels sold at retail in this Commonwealth.

12 (2) Improve air and water quality and reduce production
13 of greenhouse gases and other environmentally harmful
14 emissions in this Commonwealth.

15 (3) Promote energy independence.

16 (4) Stimulate this Commonwealth's economy by increasing

1 demand for homegrown alternative fuel, creating production
2 facility construction jobs and creating long-term
3 manufacturing jobs.

4 (5) Provide alternative fuel sources that can be used to
5 protect consumers in this Commonwealth, both individuals and
6 businesses, from the volatile and ever-increasing costs of
7 traditional fuel sources.

8 Section 3. Definitions.

9 The following words and phrases when used in this act shall
10 have the meanings given to them in this section unless the
11 context clearly indicates otherwise:

12 "Biodiesel." A renewable, biodegradable, mono alkyl ester
13 combustible liquid fuel that meets American Society for Testing
14 and Materials Specification D6751 or its successor standard,
15 Standard Specification for Biodiesel Fuel Blend Stock (B100) for
16 Middle Distillate Fuels.

17 "Department." The Department of Environmental Protection of
18 the Commonwealth.

19 "Ethanol." An ethyl alcohol that has a purity of at least
20 99%, exclusive of added denaturants, that adheres to all of the
21 following standards:

22 (1) It has been denatured in conformity with a method
23 approved by the Bureau of Alcohol, Tobacco, Firearms and
24 Explosives of the United States Department of Justice, as
25 specified in 27 CFR Pts. 20 (relating to distribution and use
26 of denatured alcohol and rum) and 21 (relating to formulas
27 for denatured alcohol and rum).

28 (2) It meets all of the requirements of American Society
29 for Testing and Materials Specification D4806 or its
30 successor standard, Standard Specification for Denatured Fuel

Ethanol for Blending with Gasolines for Use as Automotive
Spark-Ignition Engine Fuel.

"E85." A petroleum product that is a blend of denatured
ethanol and gasoline or natural gasoline that typically contains
85% ethanol by volume. E85 produced for use as a motor fuel
shall comply with American Society for Testing and Materials
Specification D5798 or its successor standard.

Section 4. Biodiesel content in diesel fuel sold in this
Commonwealth.

(a) Volume standards.--The following standards shall apply:

(1) All diesel fuel sold or offered for sale in this
Commonwealth must contain at least 2% biodiesel by volume,
one year after in-State production volume of 30 million
gallons of biodiesel has been reached and sustained for three
months on an annualized basis.

(2) All diesel fuel sold or offered for sale in this
Commonwealth must contain at least 5% biodiesel by volume,
one year after in-State production volume of 75 million
gallons of biodiesel has been reached and sustained for three
months on an annualized basis.

(3) All diesel fuel sold or offered for sale in this
Commonwealth must contain at least 10% biodiesel by volume,
one year after in-State production volume of 150 million
gallons of biodiesel has been reached and sustained for three
months on an annualized basis, provided vehicle manufacturers
recognize engine warranties associated with the use of
biodiesel blends 10% or greater.

(4) All diesel fuel sold or offered for sale in this
Commonwealth must contain at least 20% biodiesel by volume,
one year after in-State production volume of 300 million

1 gallons of biodiesel has been reached and sustained for three
2 months on an annualized basis, provided vehicle manufacturers
3 recognize engine warranties associated with the use of
4 biodiesel blends 20% or greater.

5 (b) Exception.--The requirements of subsection (a) shall not
6 apply to aviation fuel or where prohibited by law.

7 (c) Coal-to-liquids substitution.--Nonsulfur diesel fuel
8 derived from coal can be used in place of biodiesel to meet the
9 requirements of this section provided the fuel's carbon
10 emissions are fully offset, either through carbon sequestration
11 or by participating in carbon offset programs as provided by
12 section 6(b)(1).

13 Section 5. Ethanol content in gasoline sold in this
14 Commonwealth.

15 (a) Ethanol content required.--All gasoline sold or offered
16 for sale in this Commonwealth, except gasoline sold for use as
17 aviation fuel or as prohibited by law, must contain at least 10%
18 ethanol by volume as determined by an appropriate United States
19 Environmental Protection Agency or American Society for Testing
20 and Materials standard method of analysis within one year after
21 the following conditions have been met:

22 (1) An in-State production volume of 200 million gallons
23 of ethanol has been reached and sustained for three months on
24 an annualized basis.

25 (2) The department and the Department of Transportation
26 have made a determination, after a public hearing process,
27 that infrastructure sufficient to accommodate the
28 distribution and sale of gasoline containing 10% ethanol by
29 volume is in place Statewide. In making this determination
30 the department and the Department of Transportation shall

1 assess rail capability Statewide, including terminal
2 facilities capable of handling volumes of ethanol sufficient
3 to meet the requirements of this act.

4 (b) Reporting required.--If the department and the
5 Department of Transportation determine that the necessary
6 infrastructure is not in place Statewide under subsection
7 (a)(2), the agencies shall, within 60 days following the
8 determination and annually thereafter, if necessary, report to
9 the Governor and the General Assembly as follows:

10 (1) Identify areas where necessary infrastructure is not
11 in place.

12 (2) Describe actions planned or being taken to install
13 the necessary infrastructure.

14 (3) Identify any impediments to the installation of the
15 necessary infrastructure.

16 (4) Make recommendations for the installation of the
17 necessary infrastructure.

18 (c) Construction.--Nothing in this section shall prohibit
19 the sale of E85 or gasoline with concentrations of ethanol
20 greater than 10%.

21 Section 6. Agency responsibilities.

22 (a) Department of Agriculture.--With the exception of
23 section (4)(c), the Department of Agriculture shall ensure
24 compliance with this act and, in consultation with the
25 department and the Department of Transportation, promulgate
26 regulations as necessary to enforce the requirements of this
27 act.

28 (b) Department.--

29 (1) The department shall promulgate and ensure
30 compliance with regulations for achieving the carbon offset

1 requirements of section (4)(c).

2 (2) The department shall conduct a study to evaluate the
3 effects this act has on the ability of this Commonwealth to
4 attain and maintain the National Ambient Air Quality
5 Standards.

6 Section 7. Effective date.

7 This act shall take effect immediately.