

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL**No. 1202** Session of
2007

INTRODUCED BY GERBER, GEORGE, BENNINGTON, CALTAGIRONE, CONKLIN,
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MAY 24, 2007

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES,
JUNE 19, 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.

1 (3) Promote energy independence.

2 (4) Stimulate this Commonwealth's economy by increasing
3 demand for homegrown alternative fuel, creating production
4 facility construction jobs and creating long-term
5 manufacturing jobs.

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

10 Section 3. Definitions.

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

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

19 "Department." The Department of Environmental Protection of
20 the Commonwealth.

21 "Ethanol." An ethyl alcohol that has a purity of at least
22 99%, exclusive of added denaturants, that adheres to all of the
23 following standards:

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

30 (2) It meets all of the requirements of American Society

1 for Testing and Materials Specification D4806 or its
2 successor standard, Standard Specification for Denatured Fuel
3 Ethanol for Blending with Gasolines for Use as Automotive
4 Spark-Ignition Engine Fuel.

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

10 Section 4. Biodiesel content in diesel fuel sold ~~for on road~~ ←
11 ~~use~~ IN THIS COMMONWEALTH. ←

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

13 (1) All diesel fuel sold or offered for sale in this
14 Commonwealth ~~for use in on road compression ignition engines~~ ←
15 must contain at least 2% biodiesel by volume, one year after
16 in-State production volume of 30 million gallons of biodiesel
17 has been reached and sustained for three months on an
18 annualized basis.

19 (2) All diesel fuel sold or offered for sale in this
20 Commonwealth ~~for use in on road compression ignition engines~~ ←
21 must contain at least 5% biodiesel by volume, one year after
22 in-State production volume of 75 million gallons of biodiesel
23 has been reached and sustained for three months on an
24 annualized basis.

25 (3) All diesel fuel sold or offered for sale in this
26 Commonwealth ~~for use in on road compression ignition engines~~ ←
27 must contain at least 10% biodiesel by volume, one year after
28 in-State production volume of 150 million gallons of
29 biodiesel has been reached and sustained for three months on
30 an annualized basis, provided vehicle manufacturers recognize

1 engine warranties associated with the use of biodiesel blends
2 10% or greater.

3 (4) All diesel fuel sold or offered for sale in this
4 Commonwealth ~~for use in on road compression ignition engines~~ <—
5 must contain at least 20% biodiesel by volume, one year after
6 in-State production volume of 300 million gallons of
7 biodiesel has been reached and sustained for three months on
8 an annualized basis, provided vehicle manufacturers recognize
9 engine warranties associated with the use of biodiesel blends
10 20% or greater.

11 (B) EXCEPTION.--THE REQUIREMENTS OF SUBSECTION (A) SHALL NOT <—
12 APPLY TO AVIATION FUEL OR WHERE PROHIBITED BY LAW.

13 ~~(b)~~ (C) Coal-to-liquids substitution.--Nonsulfur diesel fuel <—
14 derived from coal can be used in place of biodiesel to meet the
15 requirements of this section provided the fuel's carbon
16 emissions are fully offset, either through carbon sequestration
17 or by participating in carbon offset programs as provided by
18 section 6(b)(1).

19 Section 5. Ethanol content in gasoline sold ~~for on road use~~ IN <—
20 THIS COMMONWEALTH.

21 (a) Ethanol content required.--All gasoline sold or offered
22 for sale in this Commonwealth ~~for use in on road internal~~ <—
23 ~~combustion engines~~, EXCEPT GASOLINE SOLD FOR USE AS AVIATION <—
24 FUEL OR AS PROHIBITED BY LAW, must contain at least 10% ethanol
25 by volume AS DETERMINED BY AN APPROPRIATE UNITED STATES <—
26 ENVIRONMENTAL PROTECTION AGENCY OR AMERICAN SOCIETY FOR TESTING
27 AND MATERIALS STANDARD METHOD OF ANALYSIS within one year after
28 the following conditions have been met:

29 (1) An in-State production volume of 200 million gallons
30 of ethanol has been reached and sustained for three months on

1 an annualized basis.

2 (2) The department and the Department of Transportation
3 have made a determination, after a public hearing process,
4 that infrastructure sufficient to accommodate the
5 distribution and sale of gasoline containing 10% ethanol by
6 volume is in place Statewide. In making this determination
7 the department and the Department of Transportation shall
8 assess rail capability Statewide, including terminal
9 facilities capable of handling volumes of ethanol sufficient
10 to meet the requirements of this act.

11 (b) Reporting required.--If the department and the
12 Department of Transportation determine that the necessary
13 infrastructure is not in place Statewide under subsection
14 (a)(2), the agencies shall, within 60 days following the
15 determination and annually thereafter, if necessary, report to
16 the Governor and the General Assembly as follows:

17 (1) Identify areas where necessary infrastructure is not
18 in place.

19 (2) Describe actions planned or being taken to install
20 the necessary infrastructure.

21 (3) Identify any impediments to the installation of the
22 necessary infrastructure.

23 (4) Make recommendations for the installation of the
24 necessary infrastructure.

25 ~~(c) Gasoline ethanol blend standard. A gasoline/ethanol~~ ←
26 ~~blend will be construed to be in compliance with this section if~~
27 ~~the ethanol content, exclusive of denaturants and permitted~~
28 ~~contaminants, is not less than 9.2% by volume and not more than~~
29 ~~10% by volume of the blend as determined by an appropriate~~
30 ~~United States Environmental Protection Agency or American~~

1 ~~Society for Testing and Materials standard method of analysis of~~
2 ~~alcohol/ether content in motor fuels.~~

3 ~~(d)~~ (C) Construction.--Nothing in this section shall ←
4 prohibit the sale of E85 or gasoline with concentrations of
5 ethanol greater than 10%.

6 Section 6. Agency responsibilities.

7 (a) Department of Agriculture.--With the exception of
8 section ~~4(b)~~ (4)(C), the Department of Agriculture shall ensure ←
9 compliance with this act and, in consultation with the
10 department and the Department of Transportation, promulgate
11 regulations as necessary to enforce the requirements of this
12 act.

13 (b) Department.--

14 (1) The department shall promulgate and ensure
15 compliance with regulations for achieving the carbon offset
16 requirements of section ~~4(b)~~ (4)(C). ←

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

21 Section 7. Effective date.

22 This act shall take effect immediately.