

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2793 Session of  
2008

INTRODUCED BY SONNEY, CAUSER, J. EVANS, EVERETT, FRANKEL, GEIST,  
GEORGE, GINGRICH, HENNESSEY, HERSHEY, MURT, O'NEILL, PYLE,  
RAPP, READSHAW, ROCK AND SIPTROTH, SEPTEMBER 29, 2008

REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY,  
SEPTEMBER 29, 2008

AN ACT

1 Amending the act of November 29, 2004 (P.L.1376, No.178),  
2 entitled "An act relating to alternative fuels; establishing  
3 the Alternative Fuels Incentive Fund; authorizing grants and  
4 rebates to promote the use of alternative fuels; imposing  
5 duties on the Department of Environmental Protection;  
6 providing for an annual report; allocating funds collected  
7 from the utilities gross receipts tax; making an  
8 appropriation; abrogating regulations; and making a repeal,"  
9 further providing for biomass-based diesel production  
10 incentives.

11 The General Assembly of the Commonwealth of Pennsylvania  
12 hereby enacts as follows:

13 Section 1. Section 3.1 of the act of November 29, 2004  
14 (P.L.1376, No.178), known as the Alternative Fuels Incentive  
15 Act, added July 10, 2008 (1st Sp.Sess., P.L. , No.2) is amended  
16 to read:

17 Section 3.1. Biomass-based diesel production incentives.

18 (a) Incentives.--The department shall expend up to  
19 \$5,300,000 annually from the fund unless the balance of the fund  
20 is less than \$5,300,000 on the first day of the fiscal year, in  
21 which case the department shall expend up to one-third of the

1 balance of the fund:

2 (1) As a production incentive of 75¢ per gallon for  
3 biomass-based diesel produced in this Commonwealth beginning  
4 July 1, 2008, and sold in this Commonwealth for commercial  
5 transportation purposes or for residential heating. In the  
6 case of biomass-based diesel, this incentive shall be  
7 available through June 30, 2011. If the total monthly amount  
8 of production incentives applied for by all qualified  
9 applicants exceeds the remaining amount available for those  
10 incentives, then the incentive shall be prorated among all  
11 qualified applicants. [An] Subject to the provisions of  
12 subsection (c), an individual qualified biomass-based diesel  
13 producer shall not receive more than \$1,900,000 in incentives  
14 in any one fiscal year. For purposes of this section, all  
15 facilities under common ownership shall be counted as a  
16 single facility.

17 (2) A producer of biomass-based diesel in this  
18 Commonwealth shall file for the production incentive on a  
19 monthly basis on a form furnished by the department. The form  
20 shall require the producer to submit proof of production of  
21 the biomass-based diesel and the number of gallons sold  
22 during the previous calendar month and such other information  
23 as the department deems appropriate. A biomass-based diesel  
24 producer shall also submit a certificate of analysis from an  
25 accredited laboratory for every 500,000 gallons of biomass-  
26 based diesel produced showing that the biodiesel meets the  
27 ASTM Specification D6751, Standard Specification for  
28 Biodiesel Fuel Blend Stock (B100) for Middle Distillate Fuels  
29 or its successor standard.

30 (b) Exception.--A qualified biomass-based diesel producer

1 who receives an incentive under this section shall not be  
2 eligible to receive an incentive under section 3.

3 (c) Proration required with balance of funds.--During any  
4 fiscal year in which the balance of the fund is equal to or in  
5 excess of \$5,300,000 on the first day of the fiscal year, if the  
6 total monthly amount of production incentives applied for by all  
7 qualified applicants is less than the remaining amount available  
8 for those incentives under the annual expenditure limitation  
9 specified in subsection (a), then the incentive shall be  
10 prorated among all qualified applicants who would have been  
11 otherwise limited to reimbursement of \$1,900,000 under  
12 subsection (a)(1).

13 Section 2. This act shall take effect in 60 days.