



A review of Washington's Renewable Fuel Standards

Rep. Janéa Holmquist
13th Legislative District



Legislature's Intent?

- To allow sufficient time for new Washington state-based biodiesel, ethanol, and oil seed industries to spawn.
- Provide market access for these new industries along with access to the petroleum distribution network.
- Each gallon of renewable fuel produced and consumed in Washington represents symbolically one less gallon of petroleum-based fuel from foreign or domestic sources.
- Every gallon of renewable fuel produced and consumed in Washington realizes a significant reduction in the amount of harmful vehicle emissions.
- A renewable fuel standard is beneficial for the environment in all areas of the state, for agriculture and Washington's farm families, for commerce, for a general increase in our state's level of employment, and for functioning as a bridge that spans the gulf between the mainstream ideological differences of eastern and western Washington.
- While the legislation mandates the use of biofuels, it is designed to give consumers across the state more choice about the type of fuels they can use with their automobiles.

A. STATEWIDE MINIMUM FUEL CONTENT REQUIREMENT – Diesel

What?

- Special fuel licensees must provide evidence to DOL that **at least 2 percent** of their diesel fuel sales is biodiesel fuel.

When?

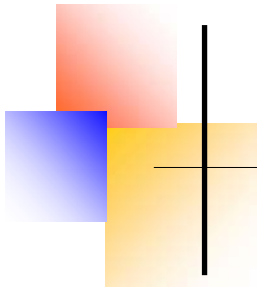
- **Six months** after Director of Agriculture determines Washington feedstock can satisfy 2 percent requirement; **OR**
- Nov. 30, 2008, whichever is earlier.

How much?

- **Two percent** of total diesel fuel sales.
- **Five percent** of total diesel fuel sales after the Director of Agriculture determines that there is enough in-state crushing capacity and feedstock to satisfy a 3 percent requirement.

How will this be implemented?

- The Director of Agriculture will **adopts rules** for biodiesel fuel by adopting all or part of the ASTM standards for fuel quality.
- The Director of Agriculture may establish a **fuel testing** lab or may contract with a lab for testing.
- Fuel pumps offering biodiesel or ethanol blends must be **labeled** with percentage of biodiesel or ethanol.
- The Director of Agriculture will form a Biofuel Advisory Committee to advise director on implementation issues (logistics, technical issues, and economic issues), as well as the potential for credit trading, compliance and enforcement issues, and the potential for adopting higher standards in the future.



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360-766-6585 (MOSES LAKE OFFICE)

360-786-7932 (OLYMPIA OFFICE—DURING SESSION ONLY)

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B. STATEWIDE MINIMUM FUEL CONTENT REQUIREMENT – Gasoline

What?

- Motor vehicle fuel licensees must provide evidence to DOL that **at least 2 percent** of total gasoline sold in Washington contains denatured ethanol.
- If the Department of Ecology determines that (1) ethanol greater than 2 percent of total gasoline sold does not jeopardize attainment of air quality standards under the Clean Air Act; and (2) there are raw materials within Washington to support production of ethanol at higher levels, then the Department of Agriculture can raise the ethanol requirement (i.e. more than 2 percent).

When?

- **December 1, 2008**

How much?

- **Two percent** of total gasoline fuel sales.
- **Up to 10 percent of total gasoline fuel sales** after the Director of Ecology determines effect of ethanol on clean air standards and the Director of Agriculture determines adequate raw materials in Washington support production of more ethanol.

How will this be implemented?

- The Director of Agriculture will form a Biofuel Advisory Committee to advise director on implementation issues (logistics, technical issues, and economic issues), as well as the potential for credit trading, compliance and enforcement issues, and the potential for adopting higher standards in the future.

C. STATEWIDE MINIMUM FUEL CONTENT REQUIREMENT – State Agencies

Who?

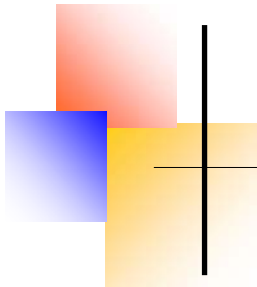
- State agencies

What?

- State agencies must use **20 percent or more** biodiesel as compared to total volume of all diesel purchases made by state agencies to operate diesel-powered vessels, vehicles, and construction equipment.
- State agencies must file quarterly reports on biodiesel usage (plus any problems encountered) starting July 1, 2006.
- Department of General Administration (GA) must assist state agencies by coordinating the purchase and delivery of biodiesel, upon request.
- GA may use long-term contracts (up to 10 years) when purchasing from in-state suppliers who use predominantly in-state feedstock.

When?

- **June 1, 2009**



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D. OPTION TO SUSPEND MINIMUM FUEL CONTENT REQUIREMENTS

- The governor may suspend all or part of minimum fuel content requirements (for ethanol or biodiesel) IF requirements are temporarily
 - Technically infeasible; OR
 - Economically infeasible.
- The governor may also suspend requirements if they pose a significant risk to public safety.

E. FUTURE ATTAINMENT GOALS

- **10% Goal (Biodiesel):** By Nov. 30, 2008, the Director of Agriculture shall determine whether diesel fuel supply in Washington equals at least 10 percent biodiesel made predominantly from Washington feedstock.
- **20% Goal (Ethanol):** By Nov. 30, 2008, the Director of Agriculture shall determine whether gasoline fuel supply in Washington equals at least 20 percent ethanol made predominantly from Washington feedstock (without jeopardizing Washington meeting the Clean Air Act's air quality standards).
- **Monitor:** If either or both of these goals (10 percent biodiesel; 20 percent ethanol) are not met, the Director of Agriculture shall monitor the diesel and ethanol fuel supply until they are met.
- **Victory Clause:** If the director finds that either the 10 percent biodiesel goal, the 20 percent ethanol goal, or both, are met, the governor shall issue an executive order declaring the requirements to be inapplicable.

F. REPORTING REQUIREMENTS

- **Confidentiality:** The Department of Licensing cannot release information submitted by fuel licensees, except information in aggregate form that does not reveal identifying information.
- **Public Disclosure:** The Public Disclosure Act is amended to include an exemption for financial or commercial information submitted by licensees under the Act, except information in aggregate form that does not reveal identifying information.

If you have any questions about Washington state's renewable fuel standards, please feel free to contact Rep. Holmquist at the following:

Rep. Janéa Holmquist
P.O. Box 40600
Olympia, WA 98837
Phone: (509) 766-6585
Fax: (509) 766-6586
E-mail: holmquist.janea@leg.wa.gov