

# HOUSE BILL REPORT

## ESHB 1242

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### As Passed Legislature

**Title:** An act relating to the use of biodiesel.

**Brief Description:** Establishing requirements for the use of biodiesel by state agencies.

**Sponsors:** By House Committee on Technology, Telecommunications & Energy (originally sponsored by Representatives Sullivan, Crouse, Wood, Morris, Grant, Schoesler, Quall, Ruderman and Mielke).

#### **Brief History:**

##### **Committee Activity:**

Technology, Telecommunications & Energy: 1/29/03, 2/4/03 [DPS].

##### **Floor Activity:**

Passed House: 3/11/03, 86-7.

Passed Senate: 4/9/03, 48-0.

Passed Legislature.

#### **Brief Summary of Engrossed Substitute Bill**

- Encourages state agencies to use a 20 percent biodiesel blended fuel for diesel fuel vehicles.
- Directs state agencies to use at least 2 percent biodiesel as an additive to ultra-low sulfur diesel if appropriate and cost effective when meeting federal ultra-low sulfur diesel requirements beginning in 2006.

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### HOUSE COMMITTEE ON TECHNOLOGY, TELECOMMUNICATIONS & ENERGY

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Morris, Chair; Ruderman, Vice Chair; Sullivan, Vice Chair; Crouse, Ranking Minority Member; Nixon, Assistant Ranking Minority Member; Blake, Hudgins, Kirby, Romero, Tom, Wallace and Wood.

**Minority Report:** Do not pass. Signed by 5 members: Representatives Anderson, Bush, DeBolt, Delvin and McMahan.

**Staff:** Pam Madson (786-7166).

**Background:**

Biodiesel is a non-petroleum diesel fuel produced from renewable sources such as vegetable oils, animal fats, and recycled cooking oils. It can be blended at any percentage with petroleum diesel or used as a pure product (neat diesel). Other states have adopted policies and incentives to encourage the use of biodiesel.

Blended biodiesel is in use in Washington to fuel some passenger cars and municipal vehicles.

Ultra-low sulfur diesel fuel is a specially refined diesel fuel that has lower sulfur content than regular on-highway diesel. The sulfur content ranges from 15 to 30 parts per million. Regular diesel has a maximum of 500 parts per million of sulfur.

The U.S. Environmental Protection Agency is requiring that all on-highway diesel fuel must meet the ultra-low sulfur diesel standards beginning in 2006.

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**Summary of Engrossed Substitute Bill:**

All state agencies are encouraged to use a blend of 20 percent biodiesel (B20) with petroleum diesel for diesel fuel vehicles.

By June 1, 2006, in complying with the federal standard for diesel fuels, state agencies must use biodiesel as an additive to ultra-low sulfur diesel in an amount not less than 2 percent biodiesel if the use of a lubricity additive is warranted and if the performance and cost of a biodiesel additive is comparable to other lubricity additives.

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**Appropriation:** None.**Fiscal Note:** Not Requested.**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** This bill is part of a package of bills that is designed in a comprehensive fashion to help farmers, improve air quality, and create jobs. Diesel fuel is a significant contributor to air pollution. There are fuels and technologies to make diesel fuel dramatically cleaner. By 2006 ultra-low sulfur diesel will replace current diesel fuel for on-highway use. There are currently fleet cars that can run on alternative fuels or petroleum fuels. The fuel is not readily available but, if it was, it would be more widely used. The state should be a leader in encouraging the use of biodiesel and ultra-low sulfur diesel. Spreading the use of biodiesel to all agencies will help support market development. The ferry system will be conducting a pilot project using a

biodiesel fuel blend on the ferry Rhododendron. Increasing demand for biodiesel would not create a distribution problem for the fuel industry. The D 6751 designation reflects 10 years of testing and approval by engine manufacturers. Newer engines do not show an increase in harmful emissions from the use of biodiesel fuels.

**Testimony Against:** The petroleum industry supports affordable and environmentally beneficial fuels. However, the state should not distort the market place by mandating a particular product. Biodiesel reduces many emissions but does not reduce some of the most significant emissions that could have a harmful, long-term effect. There are concerns about the performance of biodiesel at low temperatures. No incentives in the form of subsidies should be granted without performance goals. This bill creates a mandate to use a particular product when there may be others that will work well and are more available and affordable. The industry is not set up to distribute both fuels.

**Testified:** (In support) Representative Sullivan, prime sponsor; Dennis McLerran, Puget Sound Clean Air Agency; Linda Graham, Puget Sound Clean Cities Coalition; Jim Armstrong, Spokane County Conservation District; Graeme Sackrison; Robert Pregulman, Washington Public Interest Research Group; Donna Ewing, League of Women Voters, Washington; Tony Usibelli, Washington State Department of Community, Trade and Economic Development; Toni Potter, Global Warming Action; Heather Rhoads-Weaver, Northwest Sustainable Energy for Economic Development; Patricia Patterson, Washington State Ferry System; and Don Whiting, South Ray Grange.

(Opposed) Dan Riley, Tesoro.