

SHB 2738 - H AMD 798

By Representative Holmquist

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that it is in the
4 public interest to establish a market for alternative fuels in
5 Washington. By requiring a growing percentage of our fuel supply to be
6 renewable biofuel that meets appropriate fuel quality standards, we
7 will reduce our dependence on imports of foreign oil, improve the
8 health and quality of life for Washingtonians, and stimulate the
9 creation of a new industry that benefits our farmers and rural
10 communities.

11 NEW SECTION. **Sec. 2.** A new section is added to chapter 19.112 RCW
12 to read as follows:

13 (1) Special fuel licensees under chapter 82.38 RCW, other than
14 international fuel tax agreement licensees and special fuel
15 distributors, shall provide evidence to the department of licensing
16 that at least two percent of total annual diesel fuel sales are
17 biodiesel fuel sales, when the director determines that feedstock grown
18 in Washington state can satisfy a two-percent requirement, or the date
19 November 30, 2008, has passed.

20 (2) Special fuel licensees under chapter 82.38 RCW, other than
21 international fuel tax agreement licensees and special fuel
22 distributors, shall provide evidence to the department of licensing
23 that at least five percent of total annual diesel fuel sales are
24 biodiesel fuel sales, when the director determines that both in-state
25 oil seed crushing capacity and feedstock grown in Washington state can
26 satisfy a three-percent requirement.

27 (3) For the purposes of this chapter, "biodiesel fuel" has the
28 meaning provided in RCW 82.29A.135.

1 (4) The director and the director of licensing shall adopt rules
2 for enforcing and carrying out the purposes of this section.

3 NEW SECTION. **Sec. 3.** A new section is added to chapter 19.112 RCW
4 to read as follows:

5 (1) Beginning December 1, 2008, all gasoline sold or offered for
6 sale in Washington shall contain at least two percent denatured ethanol
7 by volume.

8 (2) If the director of ecology determines that ethanol content
9 greater than two percent will not jeopardize continued attainment of
10 the federal clean air act's national ambient air quality standard for
11 ozone pollution in Washington and the director of agriculture
12 determines that sufficient raw materials are available within
13 Washington to support economical production of ethanol at higher
14 levels, the director of agriculture may require by rule that all
15 gasoline sold or offered for sale in Washington shall contain up to a
16 maximum of ten percent of denatured ethanol by volume. The director of
17 agriculture shall allow blenders and retailers six months to meet the
18 new minimum content requirement.

19 (3) The director of agriculture shall adopt rules for enforcing and
20 carrying out the purposes of this section.

21 **Sec. 4.** RCW 19.112.020 and 1990 c 102 s 3 are each amended to read
22 as follows:

23 (1) This chapter shall be administered by the director or his or
24 her authorized agent. ~~((For the purpose of administering this
25 chapter,))~~

26 (2) The director shall adopt rules for maintaining standards for
27 biodiesel fuel or fuel blended with biodiesel fuel by adopting all or
28 part of the standards set forth in the Annual Book of ASTM Standards
29 and supplements ((thereto, and revisions thereof, are adopted)),
30 amendments, or revisions thereof, all or part of the standards set
31 forth in the National Institute of Standards and Technology (NIST)
32 Handbook 130, Uniform Laws and Regulations in the areas of legal
33 metrology and engine fuel quality rules, and any supplements,
34 amendments, or revisions thereof, together with applicable federal
35 environmental protection agency standards. If a conflict exists
36 between federal environmental protection agency standards, ASTM

1 standards, or ((state)) NIST standards, for purposes of uniformity,
2 federal environmental protection agency standards shall take precedence
3 over ASTM and NIST standards. ((~~Any state standards adopted must be~~
4 ~~consistent with federal environmental protection agency standards and~~
5 ~~ASTM standards not in conflict with federal environmental protection~~
6 ~~agency standards.~~) The department of agriculture shall not exceed ASTM
7 standards for diesel.

8 (3) The director may establish a fuel testing laboratory or may
9 contract with a laboratory for testing. The director may also adopt
10 rules on false and misleading advertising, labeling and posting of
11 prices, and the standards for, and identity of, motor fuels. The
12 director shall require fuel pumps offering biodiesel and ethanol blends
13 to be identified by a label stating the percentage of biodiesel or
14 ethanol.

15 NEW SECTION. Sec. 5. A new section is added to chapter 19.112 RCW
16 to read as follows:

17 The director shall establish a biofuels advisory committee to
18 advise the director on implementing or suspending the minimum renewable
19 fuel content requirements. The committee shall advise the director on
20 applicability to all users; logistical, technical, and economic issues
21 of implementation; and how the use of renewable fuel blends greater
22 than two percent could achieve the goals of this act. The director
23 shall make recommendations to the legislature and the governor on the
24 implementation or suspension of this act by September 1, 2007.

25 NEW SECTION. Sec. 6. A new section is added to chapter 19.112 RCW
26 to read as follows:

27 The governor, by executive order, may suspend all or portions of
28 the minimum renewable fuel content requirements in section 2 or 3 of
29 this act, or both, based on a determination that such requirements are
30 temporarily technically or economically infeasible.

31 NEW SECTION. Sec. 7. A new section is added to chapter 19.112 RCW
32 to read as follows:

33 (1) By November 30, 2008, the director shall determine whether the
34 state's diesel fuel supply is comprised of at least ten percent

1 biodiesel made predominantly from Washington feedstock, and whether the
2 goals of section 2 of this act have been achieved.

3 (2) By November 30, 2008, the director shall determine whether the
4 state's gasoline fuel supply is comprised of at least five percent
5 ethanol made predominantly from Washington feedstock, without
6 jeopardizing continued attainment of the federal clean air act's
7 national ambient air quality standard for ozone pollution, and whether
8 the goals of section 3 of this act have been achieved.

9 (3) By December 1, 2008, the director shall notify the governor and
10 the legislature of the findings in subsections (1) and (2) of this
11 section.

12 (4) If the findings from the director indicate that the goals of
13 section 2 or 3 of this act, or both, have been achieved, then the
14 governor shall issue an executive order declaring that section 2 or 3
15 of this act, or both, are no longer applicable."

EFFECT: Requires special fuel licensees, other than international
fuel tax agreement licensees and special fuel distributors, to provide
proof to the Department of Licensing that at least two percent of total
sales are biodiesel fuel sales when the Director of Agriculture
determines that feedstock grown in Washington can satisfy a two-percent
requirement, or the date November 30, 2008, has passed.

Requires special fuel licensees, other than international fuel tax
agreement licensees and special fuel distributors, to provide proof to
the Department of Licensing that at least five percent of total sales
are biodiesel fuel sales, when the Director of Agriculture determines
that both in-state oil seed crushing capacity and feedstock grown in
Washington state can satisfy a three-percent requirement.

Requires the label on fuel pumps to reflect the percentage of
biodiesel or ethanol.

Expands the responsibilities of the Biofuels Advisory Committee to
advise the Director of Agriculture on implementation or suspension of
minimum renewable fuel content requirements and the logistical,
technical, and economic issues of implementation.

Provides that the Governor may suspend all or portions of the
minimum fuel content requirements, or both, based on a determination
that such requirements are temporarily or economically infeasible.

Specifies the Director of Agriculture shall determine by November
30, 2008, whether the state's diesel fuel supply is comprised of at
least ten percent biodiesel made predominantly from Washington
feedstock, and whether the goals of the act are achieved.

Specifies the Director of Agriculture shall determine by November
30, 2008, whether the state's gasoline fuel supply is comprised of at

least five percent biodiesel made predominantly from Washington feedstock, without jeopardizing continued attainment of the federal clean air act's national ambient air quality standard for ozone pollution, and whether the goals of the act are achieved.

Specifies that the Governor shall issue an executive order stating goals of this act are no longer applicable when the Director of Agriculture notifies the Governor and the legislature that the goals of this act have been achieved.

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