

# SENATE BILL REPORT

## SB 6514

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As Reported By Senate Committee On:  
Water, Energy & Environment, January 31, 2006

**Title:** An act relating to biodiesel mandates for state agencies and contractors.

**Brief Description:** Regarding biodiesel mandates for state agencies and contractors.

**Sponsors:** Senators Fraser, Poulsen, Pridemore, Regala, Rockefeller, Kohl-Welles, Kline and Keiser.

**Brief History:**

**Committee Activity:** Water, Energy & Environment: 1/24/06, 1/31/06 [DPS, DNP, w/oRec].

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### SENATE COMMITTEE ON WATER, ENERGY & ENVIRONMENT

**Majority Report:** That Substitute Senate Bill No. 6514 be substituted therefor, and the substitute bill do pass.

Signed by Senators Poulsen, Chair; Rockefeller, Vice Chair; Fraser, Honeyford, Pridemore and Regala.

**Minority Report:** Do not pass.

Signed by Senators Morton, Ranking Minority Member and Delvin.

**Minority Report:** That it be referred without recommendation.

Signed by Senator Mulliken.

**Staff:** Richard Rodger (786-7461)

**Background:** Biodiesel is a non-petroleum diesel fuel produced from renewable resources 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 (B100). According to the United States Department of Energy, biodiesel blends of up to 20 percent biodiesel (B20) can be used in nearly all diesel equipment with little or no engine modifications. Higher blends can also be used in many engines built since 1994 with little or no engine modification.

All state agencies are encouraged to use a fuel blend of 20 percent biodiesel and 80 percent petroleum diesel for use in diesel-powered vehicles and equipment.

Effective June 1, 2006, for agencies complying with the ultra-low sulfur diesel mandate of the United States Environmental Protection Agency for on-highway diesel fuel, agencies shall use biodiesel as an additive to ultra-low sulfur diesel for lubricity. The amount of biodiesel added to the ultra-low sulfur diesel fuel shall be not less than 2 percent.

The Governor's Executive Order 05-01 requires state agencies to use a 20 percent biodiesel blend by September 1, 2009. The order also encourages the agencies to use a 5 percent blend as soon as practicable.

**Summary of Substitute Bill:** Effective June 1, 2009, all state agencies are required to use a minimum of 20 percent as compared to total volume of all diesel purchases made by the agency for the operation of the agency's diesel-powered vehicles and equipment.

The Department of General Administration (GA) must assist state agencies seeking to meet the biodiesel fuel mandates by coordinating the purchase and delivery of biodiesel if requested by any state agency. GA may use long-term contracts of up to 10 years to secure a sufficient and stable supply of biodiesel for use by state agencies.

The Department of General Administration must coordinate a biodiesel technical assistance team, including representatives from the Department of Agriculture, the Department of Ecology, the Department of Community, Trade, and Economic Development's Energy Policy Division, and Washington State University's Energy Program. The team shall provide assistance to fleet managers and recommend best management practices concerning the use of biodiesel.

**Substitute Bill Compared to Original Bill:** Removes the following provisions: The requirement for vessels to use biodiesel; the 30 percent mandate scheduled for 2020; the requirement for biodiesel in state public works contracts; and the GA study on centralized power plants. Adds a requirement for GA to coordinate a technical assistance team.

**Appropriation:** None.

**Fiscal Note:** Available on original bill.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** The state should be a leader on energy and environmental issues. This bill will help create additional demand for biodiesel in Washington. Biodiesel has many benefits over diesel fuel. Its substitution for diesel will improve air quality, reduce dependency on oil, help diversify and create new crops for farmers, and improve the local economy. Biodiesel has been proven a success by the many businesses, agencies, and individuals who currently use it on a regular basis.

**Testimony Against:** There are concerns about the effects of biodiesel blends, the quality of the fuel, and the consistency of supply. Engine manufacturers may not provide warranty coverage for vehicles using biodiesel. Biodiesel has been shown to have problems at low temperatures and problems with fuel placed in storage. The bill should not extend beyond state agencies to contractors who win state public works contracts.

**Testimony Other:** The Washington State Ferry system is currently redesigning a pilot project for the operation of ferries using biodiesel. The project is being funded with federal monies and by the Puget Sound Clean Air Authority. The ferries should be exempted from this bill until the pilot project has been completed.

**Who Testified:** PRO: Senator Karen Fraser, prime sponsor; Jeff Stevens, Washington Biodiesel.

CON: Duke Schaub, Associated General Contractors; Scott Hazelgrove, Cadman.

OTHER: Paul Brodeur, Washington State Ferries; Charlie Brown, Washington Oil Marketers Association; Jim Bederson, PetroCard Company.