

**3SHB 2939 - H AMD 816**

By Representative Anderson

**FAILED 2/11/2006**

1 On page 8, after line 32, insert the following:

2 "NEW SECTION. **Sec. 9.** (1) No later than January 1, 2010, the  
3 office of financial management shall contract for an independent  
4 study of the extent to which any state investments made under this  
5 act in ethanol and biodiesel production as alternative fuels are  
6 resulting in a positive net energy balance.

7 (2) In evaluating the net energy of ethanol produced with the  
8 assistance of this act, the independent study shall consider, at a  
9 minimum, the following:

10 (a) the cost of the feedstock per gallon of ethanol;

11 (b) the number of distillation steps necessary to separate the  
12 ethanol;

13 (c) the amount of treatment and energy required to produce the  
14 pure ethanol for mixture with gasoline; and

15 (d) the amount of energy contained in the final ethanol  
16 product.

17 (3) In evaluating the net energy of biodiesel produced with the  
18 assistance of this act, the independent study shall consider, at a  
19 minimum, the following:

20 (a) the cost of production of the soybean, sunflower, mustard  
21 seed or other crops per gallon of biodiesel;

22 (b) the amount of energy consumed in producing the crops and  
23 converting the crops to biodiesel fuel; and

24 (c) the amount of energy in the final biodiesel product.

25 (4) The office of financial management shall submit a report to  
26 the governor and the appropriate policy and fiscal committees in  
27 the legislature by December 1, 2010. The report shall include  
28 recommendations as to whether continued review of net energy  
29 balances resulting from state investments in ethanol and biodiesel  
30 fuel production are necessary and desirable."

1           Renumber the remaining sections and correct internal references  
2 accordingly.   Correct the title.

3           On page 9, line 4, after "9" insert ", 11,"

**EFFECT:** Directs the Office of Financial Management to contract by January 2010 for an independent study of whether state investments in biodiesel and ethanol production have resulted in a positive net energy balance. Establishes criteria to be used in evaluating net energy production. Requires OFM to report to the governor and the legislature by December 1, 2010, on whether continued review of such net energy balances would be necessary and desirable.