## HOUSE BILL 2738

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State of Washington 59th Legislature 2006 Regular Session

By Representatives Holmquist, Dunshee, Dunn, Chase, Grant, Rodne, Haler, Kessler, Kilmer, Green, Sells, Kenney, McCoy, Simpson, Roberts, Ormsby, Moeller, Morrell, Linville, Hudgins, McCune and Hinkle; by request of Governor Gregoire

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- 1 AN ACT Relating to developing minimum renewable fuel content
- 2 requirements and fuel quality standards; amending RCW 19.112.020;
- 3 adding new sections to chapter 19.112 RCW; and creating a new section.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 <u>NEW SECTION.</u> **Sec. 1.** The legislature finds that it is in the
- 6 public interest to establish a market for alternative fuels in
- 7 Washington. Minimum renewable fuel content in our fuel supply that
- 8 meets appropriate fuel quality standards will reduce our dependence on
- 9 imports of foreign oil, provide cleaner air for our citizens, and
- 10 stimulate the creation of a new industry that benefits our farmers and
- 11 rural communities.
- 12 <u>NEW SECTION.</u> **Sec. 2.** A new section is added to chapter 19.112 RCW
- 13 to read as follows:
- 14 (1) Beginning July 1, 2007, all diesel fuel sold or offered for
- 15 sale in Washington shall contain at least two percent biodiesel fuel by
- 16 volume.
- 17 (2) If the director determines that both in-state oil seed crushing
- 18 capacity can satisfy the two percent requirement and a significant

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- portion of the feedstock was grown in Washington state, all diesel fuel sold or offered for sale in Washington must contain at least five percent biodiesel fuel by volume. The director shall allow blenders and retailers six months to meet the five percent requirement.
- 5 (3) For the purposes of this chapter, "biodiesel fuel" has the 6 meaning provided in RCW 82.29A.135.
- 7 (4) The director shall adopt rules for enforcing and carrying out 8 the purposes of this section.
- 9 <u>NEW SECTION.</u> **Sec. 3.** A new section is added to chapter 19.112 RCW to read as follows:
- 11 (1) Beginning July 1, 2007, all gasoline sold or offered for sale 12 in Washington shall contain at least 2.5 percent denatured ethanol by 13 volume.
  - (2) If the director of ecology determines that ethanol content greater than 2.5 percent will not violate federal clean air act provisions or increase the risk of ozone pollution in Washington and the director of agriculture determines that sufficient raw materials are available within Washington to support economical production of ethanol at higher levels, the director of agriculture may require by rule that all gasoline sold or offered for sale in Washington shall contain up to a maximum of ten percent of denatured ethanol by volume. The director shall allow blenders and retailers six months to meet the new minimum content requirement.
- 24 (3) The director shall adopt rules for enforcing and carrying out 25 the purposes of this section.
- 26 **Sec. 4.** RCW 19.112.020 and 1990 c 102 s 3 are each amended to read 27 as follows:
- 28 <u>(1)</u> This chapter shall be administered by the director or his or 29 her authorized agent. ((For the purpose of administering this 30 chapter,))
- 31 (2) The director shall adopt rules for maintaining standards for 32 biodiesel fuel or fuel blended with biodiesel fuel by adopting all or 33 part of the standards set forth in the Annual Book of ASTM Standards 34 and supplements ((thereto, and revisions thereof, are adopted)), 35 amendments, or revisions thereof, all or part of the standards set 36 forth in the National Institute of Standards and Technology (NIST)

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- Handbook 130, Uniform Laws and Regulations in the areas of legal 1 metrology and engine fuel quality rules, and any supplements, 2 amendments, or revisions thereof, together with applicable federal 3 environmental protection agency standards. If a conflict exists 4 between federal environmental protection agency standards, ASTM 5 standards, or ((state)) NIST standards, for purposes of uniformity, 6 7 federal environmental protection agency standards shall take precedence over ASTM and NIST standards. ((Any state standards adopted must be 8 9 consistent with federal environmental protection agency standards and 10 ASTM standards not in conflict with federal environmental protection agency standards.)) 11
- 12 (3) The director may establish a <u>fuel</u> testing laboratory <u>or may</u>
  13 <u>contract with a laboratory for testing</u>. The director may also adopt
  14 rules on false and misleading advertising, labeling and posting of
  15 prices, and the standards for, and identity of, motor fuels.
- NEW SECTION. Sec. 5. A new section is added to chapter 19.112 RCW to read as follows:
- The director shall establish a biofuels advisory committee to advise the director on implementing the minimum renewable fuel content requirements.
- NEW SECTION. Sec. 6. A new section is added to chapter 19.112 RCW to read as follows:
- 23 The director may suspend all or portions of the minimum renewable 24 fuel content requirements in sections 2 and 3 of this act based on a 25 determination that such requirements are temporarily technically or 26 economically infeasible.

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