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BIODIESEL INCENTIVE BILL SIGNED IN PENNSYLVANIA

Governor Rendell Accelerates State's Energy Independence Strategy by Signing Special Session Senate Bill 22

Harrisburg, Pa. (July 11, 2008) – Governor Edward G. Rendell signed key legislation yesterday that is essential to achieving energy independence for the Commonwealth of Pennsylvania. Special Session Senate Bill 22 provides a 75-cent-per-gallon production incentive for Pennsylvania's in-state biodiesel industry. The signing took place at the National Armory in Montgomery County.

"Pennsylvanians are struggling with higher fuels costs," said Governor Rendell. "Record-high fuel prices are straining family budgets and pinching the bottom lines of our businesses. We need to reduce our dependence on foreign oil and keep our energy dollars in Pennsylvania, to invest in our economy and create jobs."

On July 4th, the Pennsylvania General Assembly celebrated America's Independence Day by passing Special Session Senate Bill 22 and forwarding to the governor for signature. The bill, sponsored by Senator Tommy Tomlinson (R-Bucks), was the product of a bipartisan effort led by Sens. John Gordner (R-Snyder), John Pippy (R-Pittsburgh) and Wayne Fontana (D-Pittsburgh) and Rep. David Kessler (D-Berks).

Pennsylvania's biodiesel industry is at the forefront of the state's alternative energy movement. Whereas many alternative energy technologies are in their infancy and require significant

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research and development before they can be widely used, biodiesel is a technology that is proven and available today. Biodiesel fuel is manufactured from a variety of sustainable sources, ranging from soybean feedstock to recycled yellow grease and rendered animal fats. These resources are renewable and provide jobs and new markets for Pennsylvania agricultural producers and food product companies.

In addition, with the cost of home heating oil and all petroleum-based fuels hitting record highs, the opportunity for Pennsylvanians to switch to biodiesel and other alternative fuels is essential to the state's future. Biodiesel fuel also reduces environmental impacts by allowing diesel engines to reduce reliance upon petroleum diesel fuel, which generates significant particulate air pollution. Clean biodiesel can be used – without engine modification – in diesel trucks, school buses, fire apparatus, emergency generators, construction equipment, transit vehicles, and other applications.

Due to significant and long-standing subsidies enacted in other states and market economics that have unfairly advantaged large Midwest grain conglomerates, Pennsylvania's biodiesel industry has been at a distinct disadvantage in producing and distributing product within the Commonwealth.

As a result, a unique public-private partnership strategy was formed to provide necessary and balanced financial support to the Pennsylvania biodiesel industry during the next three years while the marketplace matures. This partnership, made possible by the passage of SB 22, ensures that Pennsylvania's biodiesel producers are viable and competitive – and thus able to bring jobs and prosperity to Pennsylvania farmers and citizens – for years to come.

"By passing this legislation today, on Independence Day, the General Assembly has ensured that Pennsylvanians can also celebrate Energy Independence Day, and for that we are extremely thankful for their courage and bipartisan commitment to a shared alternative energy future," said

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Ben Wootton, chairman of the Pennsylvania Biodiesel Producers Group (PABPG) and president of Keystone BioFuels, Inc. of Shiremanstown, Cumberland County. Wootton added that this legislation will allow his company and other PABPG member firms to maintain and expand their operations to meet Pennsylvania's growing biofuel needs.

The PABPG also acknowledged the following Senators for their hard work on the bill: President Pro Tem Joe Scarnati (R-Jefferson), Mary Jo White (R-Venango), and Pat Vance (R-Cumberland). In addition, the PABPG acknowledged the following Representatives for their critical support as well: Majority Whip Keith McCall (D-Carbon), Bud George (D-Clearfield), Glen Grell (R-Cumberland), Russ Fairchild (R-Union), Stan Saylor (R-York), Ron Miller (R-York), Keith Gillespie (R-York), John Payne (R-Dauphin), Ron Marsico (R-Dauphin), Sue Helm (R-Dauphin), Mauree Gingrich (R-Lebanon), Rose Swanger (R-Lebanon) and Merle Phillips (R-Snyder).

For more information on the Pennsylvania Biodiesel Producers Group, please contact Ben Wootton at (717) 761-3511 or via email to ben.wootton@keystonebiofuels.com.

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About the Pennsylvania Biodiesel Producers Group:

The PABPG was formed in 2007 to serve as a unified voice of advocacy on behalf of in-state biodiesel producers across the Commonwealth of Pennsylvania. The PABPG serves as a clearinghouse for information regarding the business, environmental, and energy policy benefits of biodiesel and the critical role that biodiesel plays in the future of Pennsylvania's energy strategy.

The PABPG's founding members include the following biodiesel companies:

- United Biofuels – York
- Keystone BioFuels – Shiremanstown
- Soy Energy – New Oxford
- United BioDiesel – Pittsburgh

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