

The PABPG serves as a unified voice of advocacy on behalf of Pennsylvania Biodiesel Producers.

July-August 2008

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Biodiesel Bill Creates Triple-Win for Pennsylvania

By Ben Wootton, Founding Member of the PABPG

On July 4th of this year, the General Assembly gave us added reason to celebrate Independence Day when they **passed *Special Session Senate Bill 22***, which provides Pennsylvania biodiesel companies with a production incentive that will put 'us on the map' with other progressive states that have invested in **renewable energy solutions**.

In the thirty days since the bill has passed, Pennsylvania's biodiesel companies – many of whom were struggling to stay in business due to adverse economics and unfair out-of-state competition – have started ramping up production, hiring back employees, and planning for new growth.

We applaud the public officials

who worked with the Pennsylvania Biodiesel Producers Group (PABPG),

the Pennsylvania Farm Bureau, and biodiesel companies across the Commonwealth, for their hard work and support for the in-state biodiesel production incentive.

Through this bipartisan agreement, the biodiesel incentive will enable production companies to sell their biodiesel fuel at competitive prices. **Pennsylvania biodiesel will be price-competitive with out-of-state producers' fuel**, and with regular petroleum diesel. This is critical to our state's energy independence strategy because other states – largely Midwest states that are home to major grain conglomerates – heavily subsidize their producers in competition with Pennsylvania.

In addition, our commitment to biodiesel addresses two critical issues of importance to all Pennsylvanians: **support for agriculture** and **enhancing air quality**.

Biodiesel can be produced from Pennsylvania soybeans and other feedstocks, and it reduces the particulate air pollution that comes from diesel engines.



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This newsletter is created and distributed by the Pennsylvania Biodiesel Producers Group.

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BIODIESEL UPDATE



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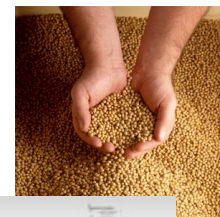
Biodiesel is environmentally friendly, biodegradable, and non-flammable fuel. It can be used in almost all diesel engines without modification. Our biodiesel companies create fuel from Pennsylvania soybeans, cooking grease, and other renewable products, and deliver it for use in transit buses, emergency vehicles, tractor-trailer trucks, and construction vehicles.

Instead of disposing of gallons of cooking grease, restaurants can have their yellow grease picked up at no cost and a biodiesel producer can transform it into efficient fuel. Instead of disposing of superfluous soybean oil, producers can convert the renewable source into valuable biodiesel fuel.

Along with environmental and agricultural benefits, the Pennsylvania biodiesel industry will enhance our economy by ***creating more job opportunities*** and ***keeping our energy dollars in-state***. New markets will develop as the need for renewable sources increases. With the cost of home heating oil and all petroleum-based fuels hitting record highs, Pennsylvanians have the opportunity to switch to biodiesel fuel created from Pennsylvania sources.

Our industry acknowledges the Senators and Representatives for their hard work and critical support that made this legislation possible.

The passage of Special Session Senate Bill 22 supports the drive toward energy independence and creates a triple-win for Pennsylvania's economy, environment, and agriculture.



Background on Recent Biodiesel PA Legislation:

In December 2007, the Senate passed legislation by a 41-8 bi-partisan vote that would dedicate \$5 million per year out of the Alternative Fuel Incentive Grant Program (AFIG) to biodiesel producers through a 75 cent per gallon incentive. By utilizing the already existing AFIG program, which is currently carrying a surplus balance, we can help achieve energy independence without impacting current new tax revenues or creating new ones. In the early summer, a bi-partisan coalition of members in the House co-sponsored a similar piece of legislation.

The PABPG and Pennsylvania Farm Bureau worked very closely with members of the legislature to incorporate many elements of the various incentive bills into **Special Session Senate Bill 22**. This legislation **includes a non-quarterly pro-rata, 75 cents per gallon incentive** that will benefit Pennsylvania biodiesel producers.

The **Special Session Senate Bill 22** was passed on July 4th and signed by Governor Rendell on July 10th.

Please Support our Commonwealth's Biodiesel Production Industry. For more information please visit www.PABPG.org.

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