

# The Patriot-News

## BIODIESEL

Sunday, December 02, 2007

**ABOUT THE INDUSTRY:** Pennsylvania had six biodiesel plants, but two recently closed. For Cumberland County's Keystone Biofuels, legislation will either help the company continue to exist or put it under. Race Miner, CEO of Keystone Biofuels, has been following the special session closely. Here's his take:

**RENDELL'S PLAN:** In the short-term, Miner said, the governor's plan could have a detrimental effect on Pennsylvania's biofuels industry. That's because companies such as Keystone Biofuels are struggling. They would have to continue to market their product to inform and attract customers. Out-of-state producers, which are often subsidized by their own states, would be in a better position to take advantage of Rendell's proposal.

"I don't know in and of itself it would mean a whole lot," Miner said.

**SENATE GOP'S PLAN:** Alone, it would crush the state biofuels industry, Miner said. The plan would benefit Pennsylvania biofuel producers if it were adopted in conjunction with another bill that would amend the already-established Alternative Fuels Incentive Fund, he said.

Under that proposal, Pennsylvania biodiesel producers would receive \$1 for every gallon of biodiesel sold for commercial use. Producers would receive no more than \$4 million per year. The incentives would be offered until the end of 2010.

If those two bills were passed, Miner said, Pennsylvania biodiesel firms would be able to increase production and build plants. As it is now, Pennsylvania biodiesel producers cannot compete with firms in states such as Iowa that subsidize producers at a \$1.50 per gallon. The two bills, he said, would have a stabilization effect on the market.

©2007 The Patriot-News

© 2007 PennLive.com All Rights Reserved.