HOUSE JOINT RESOLUTION NO. 598

Requesting the Secretary of Agriculture and Forestry to study the use and production of biodiesel fuel in the Commonwealth. Report.

Agreed to by the House of Delegates, February 5, 2005 Agreed to by the Senate, February 24, 2005

WHEREAS, biodiesel fuel is a renewable, biodegradable, nonpetroleum-based liquid fuel derived from agricultural plant oils or animal fats; and

WHEREAS, biodiesel fuel can be blended with regular diesel fuel for use in internal combustion engines; and

WHEREAS, the production and use of biodiesel fuel can enhance agriculture and animal fat by-product markets in the Commonwealth; and

WHEREAS, such fuel is already being produced and marketed for sale in some locations in the Commonwealth; and

WHEREAS, some blends of biodiesel fuels are already being used in small numbers of federal, state, municipal, and school bus fleet vehicles across the Commonwealth and across the country; and

WHEREAS, experienced knowledge and research regarding biodiesel fuel is still relatively limited in the nation and the Commonwealth and it is still uncertain whether biodiesel fuel may create operational challenges and problems for users of diesel-powered engines; and

WHEREAS, the federal government is requiring a reduction in sulfur for most diesel fuels beginning in 2006, which raises concerns whether fuel lubricity and biodiesel in low blends of fuels can be a lubricity option for future diesel fuels; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Secretary of Agriculture and Forestry be requested to study the use and production of biodiesel fuel in the Commonwealth.

The Secretary of Agriculture and Forestry shall pay particular attention to the capability and desirability of generating a minimum demand of 20 million gallons annually in the Commonwealth. The study should include analysis of the economic impact its use would have on the state, the agricultural community, petroleum marketing and distribution, and biodiesel consumers, as well as the supply of biodiesel fuel and demand for biodiesel fuel in the Commonwealth. The Secretary shall consider the operational impact of biodiesel fuel on (i) engines and engine warranties; (ii) fuel economy; (iii) standards and testing methods of biodiesel fuel; (iv) the energy expended to produce such fuels; (v) the environmental benefits and impacts on air quality in nonattainment areas of the Commonwealth; (vi) the marketing of biodiesel fuel by the agricultural and industrial communities; (vii) the potential for public use within the Commonwealth and its political subdivisions; (viii) its feasibility in cold flow conditions, (ix) tax incentives or credits to promote the use of biodiesel fuel, (x) storage, blending, transportation, and distribution; and (xi) the current supply and potential for biodiesel plants to be located within the Commonwealth.

The Secretary shall seek input from interest groups possibly impacted by increased biodiesel fuel use in the Commonwealth, including but not limited to petroleum suppliers, distributors, and transporters; diesel users, such as trucking, rail, bus and fleet vehicles businesses; biodiesel advocacy groups; and agricultural interest groups. The Secretary shall also consider similar studies and reports undertaken or completed in other states.

Technical assistance shall be provided to the Secretary of Agriculture and Forestry by the Department of Agriculture and Consumer Services. All agencies of the Commonwealth shall provide assistance to the Secretary of Agriculture and Forestry in studying the use and production of biodiesel fuel in the Commonwealth, upon request.

The Secretary of Agriculture and Forestry shall submit to the Division of Legislative Automated Systems an executive summary and its findings and recommendations on biodiesel fuel use and production in the Commonwealth no later than the first day of the 2006 Regular Session of the General Assembly. The executive summary and the findings and recommendations shall be submitted for publication as a report document as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.