

# 2006 New York State Biodiesel Forum for State Agencies

Why Using Biodiesel is  
Good Public Policy:  
Some Examples From Other States  
and the Federal Government

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# State Agencies and Public Policy

- Laboratory for Change
- Large Purchaser That Can Build Markets
- Agency Actions Help to Achieve Multiple State Benefits
  - Reduce dependence on imported fuels
  - Improve air quality
  - Create economic opportunities

# A Role of Government: A Laboratory For Change

The Texas Department of Transportation (TxDOT) operates one of the largest AFV fleets in the nation and uses alternative fuels the majority of the time. TxDOT has established a policy of “going beyond compliance” for both federal and state mandates. TxDOT has overcome barriers related to alternative fuel availability, alternative fuel use, servicing and maintaining vehicles, driver unfamiliarity with new technologies and lack of community involvement.

# A Laboratory For Change (cont.)

New York has a large enough fleet to create a market, in addition, fleets tend to have a high turnover, which creates opportunities for trying out new technologies in a more timely manner.

# A Laboratory For Change (cont.)

North Carolina Department of Transportation (NCDOT) – In more than 5 years of using B20, there has not been a single documented engine failure or repair necessitated by using biodiesel. There has been no noticeable loss of performance or engine longevity attributable to B20, even in winter temperatures.

# Government Can Change Markets

State government purchases represent a substantial opportunity to build markets for biofuels. Total annual energy-related expenditures exceeds \$12 billion. Besides America's 50 state governments, there are 3,043 county, 19,279 city, and 16,656 town governments. In addition, there are countless school, hospital, and special purpose districts.

# Recycled Paper: A Classic Example of Government Purchasing Power

A Presidential Executive Order and the The Resource Conservation and Recovery Act requires executive branch agencies to buy recycled paper and other products as long as the price is reasonable. Federal government procurement policies encouraging the use of recycled newsprint can have had price stabilizing influence on newsprint prices by stimulating more paper production capacity, and in some cases making recycled paper actually cheaper than paper from virgin fiber.

# Government Can Change Markets

Brazil will soon begin to produce as much oil as it consumes, and, shortly thereafter, will become one of the world's net oil exporters. Half of all the new cars sold in Brazil are “flex-fuel” models, and ethanol makes up about one third of the fuel pumped into cars in Brazil, compared with 2% in the U.S.

# Meeting Multiple State Objectives

Reduced dependence on foreign oil – In 2003, U.S. net petroleum imports exceeded 11 million barrels of oil per day. Almost 24% of that imported crude oil is refined into heating oil and diesel fuel for use in U.S. trucks, boats and heavy equipment. This provides an opportunity to displace a significant amount of petroleum by adding biodiesel to the diesel we use everyday for transportation and heating.

# Meeting Multiple State Objectives

Improved Air Quality – biodiesel reduces serious air pollutants such as soot, particulates, carbon monoxide, carbon dioxide, hydrocarbons and air toxics. B100 has completed the Tier 1 and Tier 2 Health Effects testing requirements of the Clean Air Act, which concluded that emissions from biodiesel are nontoxic and pose little or no health risk to humans.

# Meeting Multiple State Objectives

Local economic development - Production of biodiesel at “destination plants” would create local jobs and keep energy dollars in the local economy.

A biodiesel study conducted for NYSERDA projected that annual production in New York of 30 million gallons could create nearly 1000 new jobs and nearly \$200 million in household income by 2012.

# The Right Thing to Do is Not Always the Easy Thing to Do

- You are the Champions for new technology and products.
- Your actions will help the State improve the quality of life for its residents.
- Take pride in what you are helping to accomplish.