

The 2006 New York State Biodiesel Forum

Public Policy Considerations

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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

Some History

- It Started With EPACT
- Clean Fuel Vehicles Council Formed
And Agencies Respond
- Executive Order No. 111 Sets Aggressive
Goals, Including Reducing Petroleum In
Medium/Heavy Vehicles
- The Next Step: Executive Order No. 142
(Focus On Renewable Fuels)

Executive Order No. 142

- Clean Fuel Vehicles Council Continues Role
- Focus On Diesel Vehicles And Heating Fuels
- Transportation: B100 Consumption To Be 2% Of Total Diesel Consumption In 2007, Ramping Up To 10 % By 2012
- Heating Fuels: B100 At .5% In 2007, Ramping Up To 5% By 2012

Public Policy Goals

1) Energy: Expanded use of renewable and domestically available fuels for increased energy security

- New York has an 85% reliance on foreign oil as a proportion of total petroleum used.
- Transportation sector in New York accounts for 65% of petroleum used and 1/3 of distillate fuel used
- Use of fuels either already available in New York or renewable bio fuels add to the energy security of the State and the nation

Public Policy Goals

2) Environment: Programs lower emissions from energy use

- Reduction in nearly all forms of air emissions, including NO_x, SO_x, PM, and CO
- Reduction in greenhouse gas emissions, CO₂
- Potential Impacts: Reductions in air quality related health effects such as asthma
- Nearly half of New Yorkers live in severe non-attainment areas

Public Policy Goals

3) Economic Development: Opportunities for New or Expanded, Sustainable Industries & Jobs in New York State

- Programs can spur alternative fuel businesses in New York
- Agriculture, crushing and refining facilities and Biofuel production
- NOCO Energy, Mirabito, Sprague, and Schildwachter – Developing bio-fuels businesses

State Agencies and Public Policy

- New York Has A Large Enough Fleet And Number Of Buildings To Create A Market For Biodiesel
- Fleets Tend To Have A High Turnover, Which Creates Opportunities For Trying Out New Technologies In A More Timely Manner

Policy Objectives

- Study Of Feasibility Of A New York Biodiesel Industry (2003 By NYSERDA/Ag & Markets)
- Recommended Several Fuel Based Incentives And Supply Side Incentives To Jump Start Market
- Discussed A Broad-based Biodiesel Blend Mandate (E.G. B2) Across All Sectors
- 48 Million Reasons To Start With The State Fleet

Government Can Change Markets

State Government Purchases Represent A Substantial Opportunity To Build Markets For Biofuels.

Total Annual Energy-related Expenditures Exceeds \$12 Billion. There Are Also 3,043 County, 19,279 City, And 16,656 Town Governments, Plus Thousands Of 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 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.

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 And Keep Energy Dollars In The Local Economy.

The 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.

Governor's State Budget

- Elimination Of State Taxes On Renewable Fuels, Including B20
- \$5 Million For E85 And B20 Stations Across State
- Installation Of Renewable Fuel Facilities On Thruway

Governor's State Budget

- Renewable Fuel Production Tax Credit for New York Companies
- Based On Production
- Up To \$1 Million In Tax Savings Annually Per Facility

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.