



# Washington State Department of Agriculture News Release

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## **Biofuels consumer demand and industry infrastructure continue to grow** *WSDA Director, advisory panel recommend state move forward with two-percent standard*

**OLYMPIA** – According to a panel of biofuels producers, petroleum refiners, fuel distributors, agricultural experts and consumer advocates, Washington is well on its way to achieving a two-percent biofuels content standard for vehicle fuels sold in the state.

The panel estimates that the state is already meeting the two-percent standard for the consumption of ethanol fuel, a substitute for gasoline made from grain. And while the state's current biodiesel consumption is only halfway to the two-percent standard, additional local refining capacity and retailing infrastructure will support the growing consumer demand for biodiesel made from canola and other sources.

The Biofuels Advisory Committee is recommending that the state move forward with a renewable fuel use standard for both gasoline and diesel blends. The standard would require that two percent of the fuel purchased in the state by Dec. 1, 2008 be biodiesel and ethanol. The renewable fuel use standard would be tracked as an aggregate total of all vehicle fuel sold in the state.

Governor Chris Gregoire proposed the standard, which was adopted during the 2006 legislative session.

Under state law, Valoria Loveland, director of the Washington State Department of Agriculture (WSDA), is required to recommend implementation or suspension of the renewable fuel use standard. After considering the committee's report, the director is recommending that the Legislature move forward with the two-percent standard.

"Biofuels are an exciting new opportunity for Washington's drivers and our farmers," said Loveland. "With this renewable fuel use standard, we have the opportunity to reduce dependence on foreign oil, improve public and environmental health, and stimulate job creation in rural communities. I am encouraged that this industry panel believes such an aggressive goal is within our reach."

Several ethanol and biodiesel facilities in the state are in design and permitting stages. Within a few years, local ethanol plants could replace 18 percent of the state's gasoline needs and Washington biodiesel facilities could offset six percent of the state's petroleum diesel consumption.

The panel's report to Loveland, which was mandated by the Legislature, also addresses the most immediate challenges to successful implementation of the renewable fuels standard, including establishing consumer confidence in biofuels and supporting local production of crops used to produce biofuels.

WSDA has already adopted nationally recognized biofuels quality and labeling standards to support consumer confidence in biofuels. The agency's Motor Fuel Quality Program has incorporated the biofuels quality standards into

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its testing at biofuels production facilities, distribution centers and retail outlets.

Current law does not stipulate how much of the fuel must be produced from local agricultural or forest products, but the committee suggests that local farmers will play an increasingly important role in biofuels production.

The report notes that wheat, barley and corn, which can be used to make ethanol, have a strong history in Washington. Sufficient production of these crops exists today to reach the two-percent biofuels standard for ethanol.

While the harvesting of canola and other oilseed crops used in biodiesel production doubled in Washington in the last year, it is still just beginning in the state and would produce only one-tenth of biodiesel needed to reach the two-percent standard. The committee recommends additional technical assistance and outreach to farmers and possible financial incentives to make oilseed crops more profitable.

WSDA and Washington State University are currently conducting applied research on the growing of biofuels crops in both eastern and western Washington. Initial results are promising, according to the report.

The state has already taken other steps to promote production of and demand for biofuels in Washington. WSDA issued \$13 million in low-interest loans to support biofuels refining facilities and other bioenergy projects in Washington. The Legislature has mandated that by June of 2009, 20 percent of all diesel purchased by state agencies must be biodiesel.

The Biofuels Advisory Committee's report and Loveland's letter of recommendation can be viewed at [www.agr.wa.gov/bioenergy](http://www.agr.wa.gov/bioenergy).

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