



Senate

General Assembly

File No. 867

January Session, 2007

Substitute Senate Bill No. 1329

Senate, May 23, 2007

The Committee on Finance, Revenue and Bonding reported through SEN. DAILY of the 33rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING BIODIESEL.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2007*) For the purposes of sections
2 1 to 7, inclusive, of this act:

3 (1) "Biodiesel" means a fuel comprised of mono-alkyl esters of long
4 chain fatty acids derived from vegetable oils or animal fats, designated
5 B100, and meeting the requirements of designation D6751 of the
6 American Society for Testing and Materials.

7 (2) "Qualified biodiesel producer" means a facility that produces
8 biodiesel and is registered with the state of Connecticut, domiciled in
9 Connecticut and actively engaged in the production of biodiesel in
10 Connecticut for commercial purposes.

11 (3) "Qualified biodiesel distributor" means a facility that stores and
12 distributes biodiesel and is registered with the state of Connecticut,
13 domiciled in Connecticut and actively engaged in the storage and
14 distribution of biodiesel in Connecticut for commercial purposes.

15 Sec. 2. (NEW) (*Effective July 1, 2007*) (a) There is established an
16 account to be known as the "Connecticut qualified biodiesel producer
17 incentive account", which shall be a separate, nonlapsing account
18 within the General Fund. The account shall contain any moneys
19 required by law to be deposited in the account.

20 (b) The moneys in said account shall be expended by the
21 Connecticut Center for Advanced Technology for the purpose of
22 administration of the program providing grants to qualified biodiesel
23 producers and qualified biodiesel distributors pursuant to sections 3 to
24 7, inclusive, of this act.

25 Sec. 3. (NEW) (*Effective July 1, 2007*) (a) A qualified biodiesel
26 producer shall be eligible for not more than sixty monthly grants from
27 the account. The Connecticut Center for Advanced Technology shall
28 determine monthly grant amounts by calculating the estimated gallons
29 of biodiesel produced during the preceding month, as certified by the
30 Connecticut Center for Advanced Technology, and multiplying such
31 figure by the following per gallon amount or amounts: (1) For the first
32 five million gallons of biodiesel produced, thirty cents per gallon; (2)
33 for the second five million gallons of biodiesel produced, twenty cents
34 per gallon; and (3) for the third five million gallons of biodiesel
35 produced, ten cents per gallon.

36 (b) Biodiesel produced by a qualified biodiesel producer in excess of
37 fifteen million gallons shall not be eligible for a grant pursuant to this
38 section.

39 Sec. 4. (NEW) (*Effective July 1, 2007*) (a) To receive a grant pursuant
40 to section 3 of this act, a qualified biodiesel producer shall file an
41 application for such funds not later than fifteen days after the last day
42 of the month for which the grant is sought. The application shall
43 include, but not be limited to, (1) the location of the qualified biodiesel
44 producer; (2) the number of Connecticut citizens employed by the
45 qualified biodiesel producer in the preceding month; (3) the number of
46 gallons of biodiesel produced during the month for which the grant is
47 sought; (4) a copy of the qualified biodiesel producer's Connecticut

48 registration; and (5) any other information deemed necessary by the
49 Connecticut Center for Advanced Technology to ensure that such
50 grants shall be made only to qualified biodiesel producers.

51 (b) The Connecticut Center for Advanced Technology shall pay all
52 grants for a particular month by the fifteenth day after receipt and
53 approval of the application filed pursuant to subsection (a) of this
54 section.

55 Sec. 5. (NEW) (*Effective July 1, 2007*) A qualified biodiesel producer
56 shall be eligible for a one-time grant pursuant to section 2 of this act to
57 assist with purchasing equipment or constructing, modifying or
58 retrofitting production facilities. Such grant shall not exceed three
59 million dollars, regardless of the number of facilities owned by said
60 qualified biodiesel producer.

61 Sec. 6. (NEW) (*Effective July 1, 2007*) A qualified biodiesel distributor
62 shall be eligible for a grant pursuant to section 2 of this act for
63 purposes other than to assist with purchasing equipment or
64 constructing, modifying or retrofitting facilities, including, but not
65 limited to, the actual costs of creating storage and distribution capacity
66 for biodiesel during the month. Such grants shall not exceed fifty
67 thousand dollars for any one distributor at any one site. The
68 Connecticut Center for Advanced Technology shall create an
69 application process and adopt rules for the administration of this grant
70 provision.

71 Sec. 7. (NEW) (*Effective July 1, 2007*) The management of the
72 Connecticut Center for Advanced Technology, in consultation with the
73 Department of Economic and Community Development, shall
74 promulgate rules and regulations necessary for the administration of
75 the provisions of this section on the progress of the grant programs
76 administered pursuant to sections 2 to 7, inclusive, of this act. The
77 Connecticut Center for Advanced Technology shall submit an annual
78 report, in accordance with the provisions of section 11-4a of the general
79 statutes, to the joint standing committees of the General Assembly
80 having cognizance of matters relating to energy and technology and

81 the environment.

82 Sec. 8. (NEW) (*Effective October 1, 2007*) (a) The Institute for
83 Sustainable Energy shall (1) compile and distribute educational
84 materials regarding biodiesel to municipalities, local boards of
85 education and private commercial entities to educate future
86 consumers, and (2) establish and administer a Connecticut biodiesel
87 link program to establish a database of schools, restaurants,
88 institutional cafeterias and other institutions and businesses in the
89 state that produce waste vegetable oil or other comparable food
90 product suitable for conversion to biodiesel. The database shall be
91 maintained by the Institute for Sustainable Energy and shall be made
92 available to the public on said institute's Internet web site. Businesses
93 interested in selling their waste vegetable oil or other comparable food
94 product to producers of biodiesel heating and motor vehicle fuel may
95 notify the Institute for Sustainable Energy and have their names,
96 contact information and intentions regarding such businesses placed
97 on said web site. The Institute for Sustainable Energy shall make
98 reasonable efforts to facilitate contact between parties with similar
99 interests.

100 (b) The Institute for Sustainable Energy shall post educational
101 materials regarding the Connecticut biodiesel link program on said
102 institute's Internet web site, and such information shall be posted on
103 the Internet web sites of the Department of Economic and Community
104 Development, the Department of Agriculture, the Connecticut
105 Agricultural Experiment Station, The University of Connecticut Biofuel
106 Consortium and The University of Connecticut Cooperative Extension
107 System, including, but not limited to, information regarding the
108 starting of a waste vegetable oil business and strategies for conducting
109 such business.

110 Sec. 9. (NEW) (*Effective July 1, 2007*) (a) There is established a grant
111 program for service stations, which shall be administered by the
112 Department of Economic and Community Development to reduce or
113 eliminate the upfront costs of installing new alternative fuel pumps or

114 converting gas or diesel pumps to dispense alternative fuels.

115 (b) The Commissioner of Economic and Community Development
116 shall adopt regulations, in accordance with the provisions of chapter
117 54 of the general statutes, for the administration of the program
118 established by this section.

119 Sec. 10. Subdivision (2) of subsection (b) of section 12-587 of the
120 general statutes is repealed and the following is substituted in lieu
121 thereof (*Effective July 1, 2007*):

122 (2) Gross earnings derived from the first sale of the following
123 petroleum products within this state shall be exempt from tax: (A) Any
124 petroleum products sold for exportation from this state for sale or use
125 outside this state; (B) the product designated by the American Society
126 for Testing and Materials as "Specification for Heating Oil D396-69", or
127 the latest version, commonly known as number 2 heating oil, to be
128 used exclusively for heating purposes or to be used in a commercial
129 fishing vessel, which vessel qualifies for an exemption pursuant to
130 section 12-412; (C) kerosene, commonly known as number 1 oil, to be
131 used exclusively for heating purposes, provided delivery is of both
132 number 1 and number 2 oil, and via a truck with a metered delivery
133 ticket to a residential dwelling or to a centrally metered system serving
134 a group of residential dwellings; (D) the product identified as propane
135 gas, to be used exclusively for heating purposes; (E) bunker fuel oil,
136 intermediate fuel, marine diesel oil and marine gas oil to be used in
137 any vessel having a displacement exceeding four thousand dead
138 weight tons; (F) for any first sale occurring prior to July 1, 2008,
139 propane gas to be used as a fuel for a motor vehicle; (G) for any first
140 sale occurring on or after July 1, 2002, grade number 6 fuel oil, as
141 defined in regulations adopted pursuant to section 16a-22c, to be used
142 exclusively by a company which, in accordance with census data
143 contained in the Standard Industrial Classification Manual, United
144 States Office of Management and Budget, 1987 edition, is included in
145 code classifications 2000 to 3999, inclusive, or in Sector 31, 32 or 33 in
146 the North American Industrial Classification System United States

147 Manual, United States Office of Management and Budget, 1997 edition;
148 (H) for any first sale occurring on or after July 1, 2002, number 2
149 heating oil to be used exclusively in a vessel primarily engaged in
150 interstate commerce, which vessel qualifies for an exemption under
151 section 12-412; (I) for any first sale occurring on or after July 1, 2000,
152 paraffin or microcrystalline waxes; (J) for any first sale occurring prior
153 to July 1, 2008, petroleum products to be used as a fuel for a fuel cell,
154 as defined in subdivision (113) of section 12-412; [or] (K) a commercial
155 heating oil blend containing not less than [ten] five per cent of
156 alternative fuels derived from agricultural produce, food waste, waste
157 vegetable oil or municipal solid waste, including, but not limited to,
158 biodiesel or low sulfur dyed diesel fuel; (L) for any first sale occurring
159 on or after July 1, 2007, biofuels or biodiesel that meet the
160 specifications of the American Society of Testing and Materials
161 designation D396, D975 or D6751 containing a blend of no less than
162 five per cent renewable content; or (M) for any first sale occurring on
163 or after July 1, 2007, additives of any derivation added to heating oil
164 that is used exclusively for heating purposes to maintain the stability
165 or operational performance of petroleum products.

166 Sec. 11. (NEW) (*Effective July 1, 2007*) (a) The Commissioner of
167 Administrative Services, in consultation with the Office of Policy and
168 Management, shall establish a program designed to encourage the use
169 in state buildings and facilities of biodiesel blended heating fuel mixed
170 from (1) not more than ninety-five per cent ultra low sulfur number 2
171 heating oil and not less than five per cent of biodiesel on or after July 1,
172 2008, and until June 30, 2010; (2) not more than ninety per cent ultra
173 low sulfur number 2 heating oil and not less than ten per cent of
174 biodiesel on or after July 1, 2010, and until June 30, 2012; and (3) not
175 more than eighty per cent ultra low sulfur number 2 heating oil and
176 not less than twenty per cent of biodiesel on or after July 1, 2012, and
177 until July 1, 2017.

178 (b) On or before January 1, 2008, the commissioner shall prepare a
179 plan for implementation of such program which shall include, but not
180 be limited to, (1) identification of state buildings and facilities suitable

181 for biodiesel blended heating fuel, (2) evaluation of energy efficiency
182 and reliability of biodiesel blended heating fuel in such buildings and
183 facilities, and (3) the availability and feasibility of exclusively using
184 such fuels or fuel products, including agricultural products or waste
185 yellow grease, produced in Connecticut.

186 Sec. 12. (NEW) (*Effective July 1, 2007*) (a) Notwithstanding section
187 10-266m of the general statutes, on and before July 1, 2008, and until
188 June 30, 2010, the Commissioner of Education shall, within available
189 appropriations, award grants annually to municipalities and to local
190 and regional boards of education to provide funds for the purchase of
191 biodiesel fuel mixed from not less than five per cent B100 biofuel for
192 school buses and school and municipal buildings. On and before July
193 1, 2010, and until June 30, 2012, said grants shall be awarded for the
194 purchase of biodiesel fuel mixed from not less than ten per cent B100
195 biofuel. On and after July 1, 2012, and until June 30, 2017, said grants
196 shall be awarded for the purchase of biodiesel fuel mixed from not less
197 than twenty per cent B100 biofuel.

198 (b) The commissioner shall adopt regulations, in accordance with
199 the provisions of chapter 54 of the general statutes, to set the standards
200 for the grant program established in subsection (a) of this section.

201 Sec. 13. (NEW) (*Effective July 1, 2007*) (a) The Connecticut
202 Agricultural Experiment Station, in consultation with The University
203 of Connecticut Cooperative Extension Service, The University of
204 Connecticut Biodiesel Consortium, and other state universities and
205 agencies, shall develop a program to enable The Connecticut
206 Agricultural Experiment Station, The University of Connecticut and
207 the other state universities and agencies to serve as testing centers for
208 biodiesel and biodiesel fuels for heating and transportation and to
209 develop quality monitoring standards that comply with the standards
210 of the American Society of Testing and Materials.

211 (b) The Connecticut Agricultural Experiment Station shall, on or
212 before February twenty-eighth, annually, submit a report regarding its
213 progress in accordance with the provisions of section 11-4a of the

214 general statutes to the joint standing committees of the General
 215 Assembly having cognizance of matters relating to the environment,
 216 commerce and energy and technology.

217 Sec. 14. (*Effective July 1, 2007*) The sum of one million three hundred
 218 thousand dollars is appropriated to the Connecticut Agricultural
 219 Experiment Station, from the General Fund, for the fiscal year ending
 220 June 30, 2008, for biodiesel crop research and biodiesel testing in
 221 accordance with section 13 of this act.

222 Sec. 15. (*Effective July 1, 2008*) The sum of eight hundred thousand
 223 dollars is appropriated to the Connecticut Agricultural Experiment
 224 Station, from the General Fund, for the fiscal years ending June 30,
 225 2009, for biodiesel crop research and biodiesel testing in accordance
 226 with section 13 of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2007</i>	New section
Sec. 2	<i>July 1, 2007</i>	New section
Sec. 3	<i>July 1, 2007</i>	New section
Sec. 4	<i>July 1, 2007</i>	New section
Sec. 5	<i>July 1, 2007</i>	New section
Sec. 6	<i>July 1, 2007</i>	New section
Sec. 7	<i>July 1, 2007</i>	New section
Sec. 8	<i>October 1, 2007</i>	New section
Sec. 9	<i>July 1, 2007</i>	New section
Sec. 10	<i>July 1, 2007</i>	12-587(b)(2)
Sec. 11	<i>July 1, 2007</i>	New section
Sec. 12	<i>July 1, 2007</i>	New section
Sec. 13	<i>July 1, 2007</i>	New section
Sec. 14	<i>July 1, 2007</i>	New section
Sec. 15	<i>July 1, 2008</i>	New section

FIN Joint Favorable Subst.

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 08 \$	FY 09 \$
Department of Revenue Services	GF - Revenue Impact	See Below	See Below
CT State Univ.	GF - Cost	100,000	None
Department of Economic & Community Development	GF - Cost	See Below	See Below
Ag. Experiment Station	GF - Cost	See Below	See Below
Department of Revenue Services	GF - Cost	50,000	None

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill establishes a tax exemption against the petroleum gross earnings tax to encourage the production and use of biodiesel fuel for transportation and heating. The short-term impact of this tax exemption cannot be determined but is anticipated to be minimal because the commercial availability of biodiesel is limited. However, as the availability of alternative fuel sources increases the exemption is likely to have a very significant impact on General Fund revenues, which could eventually be in excess of \$35 million per year.

Section 8 of the bill results in a cost to the Institute for Sustainable Energy at Eastern Connecticut State University. Funds totaling \$100,000 have been included in section 86 of sHB 7077, the proposed biennial budget as passed by the Appropriations Committee, for the purposes of section 8.

The bill creates a Connecticut Qualified Biodiesel Producer Incentive Account (Account) as a separate non lapsing account in the General Fund and requires the Connecticut Center for Advanced Technology (CCAT) to use funds from the account to provide grants

and administer a grant program. The Connecticut Center for Advanced Technology, Inc. (CCAT) is a non-stock, tax exempt corporation and not a state agency. The 2007 Finance Committee Bond Package, as favorably reported by the Finance, Revenue and Bonding Committee, authorizes \$3 million in GO bond funds both in FY 08 and FY 09 to the Department of Economic and Community Development (DECD) for a biofuel producer loan program. The Appropriations Act, as favorably reported by the Appropriations Committee provides that \$4 million of the \$5 million provided to the DECD from the FY 07 anticipated surplus for biofuels (assuming the account named biodiesel is for biofuel) be used for this program.

Requiring the Department of Economic and Community Development (DECD) to administer a program providing grants to service stations will increase costs to the DECD. DECD will require funds in FY 08 in the amount of \$105,000 plus fringe benefits to hire an economic and community development agent and an assistant economic community development agent. The bond package, as favorably reported by the Finance Committee authorizes GO bond funds in the amount of \$3 million in both FY 08 and FY 09 for a loan program. Minimal additional costs of approximately \$5,000 are anticipated to be incurred in order for the DECD to adopt regulations.

It is estimated that the Connecticut Agricultural Experiment Station (CAES) would utilize the appropriation in the bill (\$1,300,000 in FY08 and \$800,000 in FY 09) for 3 additional full time employees and 3 summer assistants for biofuel crop research and testing at a cost of approximately \$810,000 in FY 2008 and \$396,000 in FY 2009. The CAES anticipates transferring \$490,000 of the funds appropriated in FY 2008 and \$ 404,000 in FY 2009 to the University of Connecticut to undertake its duties. This appropriation is not included in the Appropriations Act, as favorably reported by the Appropriations Committee.

The bill will result in a one time cost of \$50,000 in FY 08 to the Department of Revenue Services to modify their computer system to accommodate the tax exemption provided in the bill.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sSB 1329*****AN ACT CONCERNING BIODIESEL.*****SUMMARY:**

This bill creates a number of incentives to encourage the production and use of biodiesel fuel for transportation and heating. The bill:

1. creates a General Fund account to provide incentive grants to biodiesel producers and distributors,
2. requires the Institute for Sustainable Energy to take various steps to promote biodiesel use,
3. requires the Department of Economic and Community Development (DECD) to administer a grant program for service stations installing alternative fuel pumps,
4. creates two related tax exemptions ,
5. requires the education commissioner to provide grants for biodiesel for school buses and school and municipal buildings,
6. creates a program to encourage biodiesel use in state buildings and facilities, and
7. provides funding to establish state biodiesel testing centers.

EFFECTIVE DATE: Various. See Below

§§ 1 & 7 — BIODIESEL PRODUCER INCENTIVE GRANTS***Incentive Account***

The bill creates the Connecticut Qualified Biodiesel Producer Incentive Account (incentive account) as a separate, non-lapsing

account in the General Fund to contain any money the law requires. The Connecticut Center for Advanced Technology (CCAT) must use money from the account to (1) provide grants to qualified Connecticut biodiesel producers and distributors and (2) administer the grant program.

CCAT must (1) in consultation with DECD, adopt rules and regulations to administer the grant program and (2) submit an annual report to the Energy and Technology and Environment committees.

§§ 3-6 — Incentive Account Grants

To qualify for grants, biodiesel producers must be actively engaged in the commercial production of biodiesel in Connecticut. Distributors must be actively engaged in storing and distributing biodiesel in Connecticut for commercial purposes. Both producers and distributors must be registered with, and domiciled in, Connecticut. (It is not clear what existing registration requirements apply to producers, and the bill does not establish any new requirements.) The fuel produced and distributed must meet the standards for biodiesel specified by American Society for Testing and Materials (ASTM) designation D6751.

Producers. A qualified producer is eligible in any fiscal year for a grant equal to (1) 30 cents per gallon for the first five million gallons produced, (2) 20 cents per gallon for the second five million gallons produced, and (3) 10 cents per gallon for the third five million gallons produced. Quantities over 15 million gallons produced in a fiscal year are not eligible for grants. CCAT must determine monthly grant amounts by calculating and certifying the estimated quantity of biodiesel produced in the preceding month and multiplying that figure by the incentive amount. Qualified producers can receive up to 60 monthly grants.

Producers must apply for the grants no later than 15 days after the last day of the month for which the grant is sought. The application must include (1) the producer's location, (2) the number of Connecticut

citizens it employed in the preceding month, (3) the number of gallons of biodiesel produced during the month for which the grant is sought, (4) a copy of the producer's registration, and (5) any other information CCAT considers necessary to ensure that the grants go only to qualified producers. CCAT must pay grants by the 15th day after receiving and approving an application.

Qualified producers are also eligible for a one-time CCAT grant to help them buy equipment or build, modify, or retrofit production facilities. The maximum grant is \$3 million, regardless of how many facilities the producer owns.

Distributors. A distributor is eligible for grants of up to \$50,000 for each distribution site. These grants may be for the actual monthly costs of creating biodiesel storage and distribution capacity, but they cannot be used to buy equipment or build, modify, or retrofit facilities. CCAT must create an application process and adopt rules to administer this grant.

EFFECTIVE DATE: July 1, 2007

§ 8 — INSTITUTE FOR SUSTAINABLE ENERGY RESPONSIBILITIES

The bill requires the Institute for Sustainable Energy to compile and distribute consumer education material about biodiesel fuel to municipalities, local school boards, and private businesses. The institute must also establish, administer, and maintain a database of schools, restaurants, institutional cafeterias and other institutions and businesses in the state that produce waste vegetable oil or other comparable food products suitable for conversion to biodiesel. It must make the database publicly available on its website.

Businesses interested in selling their waste vegetable oil or similar food products to biodiesel producers may notify the institute and have their names, contact information, and business objectives placed on the website. The institute must make reasonable efforts to encourage contact between parties with similar interests. It must post educational

material about this biofuel link program on its website. The information also must be posted on websites of DECD, the Agriculture Department, the Connecticut Agricultural Experiment Station, and the UConn Biofuel Consortium and Cooperative Extension System. The educational material must include information about starting and conducting a waste vegetable oil business.

EFFECTIVE DATE: October 1, 2007

§ 9 — SERVICE STATION GRANTS

The bill creates and requires DECD to administer a program providing grants to service stations to reduce or eliminate the costs of installing new alternative fuel pumps or converting gas or diesel pumps to dispense alternative fuels. DECD must adopt regulations to administer the program.

EFFECTIVE DATE: July 1, 2007

§ 10 — TAX EXEMPTIONS

By law, commercial heating oil blends are exempt from the petroleum products gross earnings tax if they contain at least 10% of alternative fuels derived from farm produce, food waste, waste vegetable oil, or municipal solid waste, including biodiesel or low sulfur diesel fuel. The bill expands this exemption to include such blends containing at least 5% of these alternative fuels.

It exempts, starting July 1, 2007, the first sale of biofuels or biodiesel that meet ASTM designations or D396 (home heating oil) or D975 (diesel fuel) that contain at least 5% renewable fuel or D6751 (pure biodiesel). It also exempts, starting July 1, 2007, the first sale of heating oil additives used to maintain the stability or operational performance of petroleum products.

EFFECTIVE DATE: July 1, 2007

§ 11 — USE OF BIODIESEL BLENDS IN STATE BUILDINGS

The bill requires the administrative services commissioner, in

consultation with the Office of Policy and Management, to establish a program to encourage state buildings and facilities to use biodiesel blends according to the following schedule:

1. from July 1, 2008 to June 30, 2010, up to 95% ultra low sulfur number 2 heating oil and at least 5% biodiesel;
2. from July 1, 2010 to June 30, 2012, up to 90% ultra-low-sulfur number 2 heating oil and at least 10% biodiesel; and
3. from July 1, 2012 to July 1, 2017, up to 80% ultra-low-sulfur number 2 heating oil and at least 20% biodiesel.

By January 1, 2008, the commissioner must prepare a program implementation plan that (1) identifies state buildings and facilities suitable for the use of biodiesel blended heating fuel, (2) evaluates the energy efficiency and reliability of biodiesel blended fuel in such buildings, and (3) evaluates the availability and feasibility of exclusively using such fuels produced from Connecticut agricultural products or waste grease.

EFFECTIVE DATE: July 1, 2007

§ 12 — GRANTS FOR SCHOOL BUSES AND SCHOOL AND MUNICIPAL BUILDINGS

By July 1, 2008 and until June 30, 2010, the bill requires the education commissioner, within available appropriations, to award annual grants to municipalities and local and regional school boards to buy diesel fuel containing at least 5% biodiesel for school buses and school and municipal buildings. The commissioner must award such grants for purchasing (1) diesel fuel containing at least 10% biodiesel starting July 1, 2010 until June 30, 2012 and (2) diesel fuel containing at least 20% biodiesel between July 1, 2012 and June 30, 2017. The commissioner must adopt regulations for the grant program.

EFFECTIVE DATE: July 1, 2007

§§ 13-15 — STATE BIODIESEL TESTING CENTERS

The Connecticut Agricultural Experiment Station, in consultation with the UConn Biodiesel Consortium and state universities and agencies, must develop a program to enable these entities to serve as testing centers for biodiesel and biodiesel fuels for heating and transportation, and to develop quality monitoring standards that comply with ASTM standards. The Experiment Station must report on its progress by February 28 annually to the Energy and Technology, Commerce, and Environment committees. The bill appropriates \$1,300,000 to the Experiment Station for FY 08 and \$800,000 for FY 09 for biodiesel crop research and biodiesel testing.

EFFECTIVE DATE: July 1, 2007, except the funding for FY 09 is effective July 1, 2008.

BACKGROUND

Related Bill

sSB 1260, (File 183) reported favorably by the Environment and Planning and Development committees, has similar provisions.

Connecticut Center for Advanced Technology

Universities, businesses, and state and federal agencies established CCAT in 2002 with a \$1.5 million grant from the U. S. Air Force. CCAT focuses on developing the next generation of technological systems for military and civilian applications. Its initiatives include creating centers to (1) develop and deploy advanced technologies; (2) help entrepreneurs launch new, technology-based businesses; and (3) encourage colleges and universities to train students for advanced technology fields.

Institute for Sustainable Energy

The institute was established in 2001 at Eastern Connecticut State University to identify, develop, and implement the means for achieving a sustainable energy future. It is funded and supported by the Connecticut Energy Efficiency Fund through the Energy Conservation Management Board and the Department of Public Utility Control.

American Society for Testing and Materials

ASTM is a nonprofit organization that provides a forum for the development and publication of voluntary consensus standards for material, products, systems, and services.

BACKGROUND
Legislative History

The Senate referred the bill (File 193) to the Commerce Committee. The committee reported a substitute that required that the Experiment Station report go to the Commerce Committee as well as the Environment and Energy and Technology committees. The Senate referred the bill (File 578) to the Finance, Revenue and Bonding Committee, which reported a substitute that eliminated sales tax exemptions and income tax credits related to biodiesel.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 22 Nay 0 (03/13/2007)

Commerce Committee

Joint Favorable Substitute

Yea 21 Nay 0 (04/11/2007)

Government Administration and Elections Committee

Joint Favorable

Yea 11 Nay 0 (05/09/2007)

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 43 Nay 0 (05/16/2007)