2021 -- S 0357 SUBSTITUTE A

======= LC001963/SUB A =======

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

AN ACT

RELATING TO HEALTH AND SAFETY -- BIODIESEL PRODUCTS

<u>Introduced By:</u> Senators Sosnowski, DiPalma, Coyne, Seveney, and Lombardo <u>Date Introduced:</u> February 25, 2021 <u>Referred To:</u> Senate Environment & Agriculture

It is enacted by the General Assembly as follows:

1	SECTION 1. The title of Chapter 23-23.7 of the General Laws entitled "Biodiesel Heating
2	Oil Act of 2013" is hereby amended to read as follows:
3	CHAPTER 23-23.7
4	Biodiesel Heating Oil Act of 2013
5	<u>CHAPTER 23-23.7</u>
6	BIODIESEL PRODUCTS
7	SECTION 2. Sections 23-23.7-3, 23-23.7-4, 23-23.7-5 and 23-23.7-7 of the General Laws
8	in Chapter 23-23.7 entitled "Biodiesel Heating Oil Act of 2013" are hereby amended to read as
9	follows:
10	<u>23-23.7-3. Definitions.</u>
11	As used in this chapter, the following words shall have the following meanings:
12	(1) The term "ASTM" or "International" means American Society for Testing and
13	Materials <u>International</u> .
14	(2) "Biobased product" shall include the following;
15	(i) "Biobased liquid fuel" means a liquid fuel that is derived principally from renewable
16	biomass and meets the specifications or quality certification standards for use in residential,
17	commercial, or industrial heating applications established by ASTM International ASTM D396,
18	or the appropriate successor standard, as the case may be.
19	(2) "Biodiesel blend (BXX)" means a blend of biodiesel fuel with fuel oil in which the

1 "BXX" represents the volume percentage of biodiesel fuel in the blend as provided in the following

2 <u>designations:</u>

3 (i) "B5" represents a biodiesel blend in which the volume of biodiesel fuel in the blend is
4 between four and one-half percent (4.5%) to five and one-half percent (5.5%);

5 (ii) "B10" represents a biodiesel blend in which the volume of biodiesel fuel in the blend
6 is between nine and one-half percent (9.5%) to ten and one-half percent (10.5%).

- 7 (iii) "B20" represents a biodiesel blend in which the volume of biodiesel fuel in the blend
- 8 is between nineteen and one-half percent (19.5%) to twenty and one-half percent (20.5%).

9 (iv) "B50" represents a biodiesel blend in which the volume of biodiesel fuel in the blend

10 is forty-nine and one-half percent (49.5%) to fifty and one-half percent (50.5%).

11 (ii)(3) "Biodiesel fuel" means the monoalkyl esters of long chain fatty acids derived from 12 plant or animal matters a fuel, designated B100, that meets the requirements of ASTM D6751, or 13 the most recent specification and which meet meets the registration requirements for fuels and fuel 14 additives established by the United States environmental protection agency under section 211 of 15 the clean air act, 42 U.S.C. § 7545, and the requirements of ASTM International--ASTM D6751.

(4) "Biodiesel heating fuel" means a heating fuel comprised of biodiesel and/or renewable
 hydrocarbon diesel that is blended with heating oil that meets the requirements of ASTM D396, or

18 the most recent specification, or a fuel comprised of renewable hydrocarbon diesel with petroleum

- 19 heating oil that meets the specification of ASTM D975, or other specifications as determined by
- 20 the director.

21 (iii) (5) "Biomass" or "Renewable biomass" means a material, including crops and crop 22 residues, trees and tree residues, organic portions of municipal solid waste, organic portions of 23 construction and demolition debris, grease trap waste, and algae, that can be used for fuel but does 24 not have a petroleum or other fossil fuel base.

25 (6) "Blender" or "distributer" means the person that holds the inventory position in the 26 heating oil, as reflected on the records of the terminal operator. A person holds the inventory 27 position in heating oil when the person has a contractual agreement with the terminal operator for 28 the use of storage facilities and terminaling services at a terminal with respect to the heating oil.

- 29 The term also includes a terminal operator that owns heating oil in its terminal.
- 30 (3)(7) "Director" means the director of the department of environmental management.
- 31 (8) "Eligible Feedstock" means soybean oil, canola oil, oil from annual cover crops, algal
- 32 <u>oil, biogenic waste oils, fats, and greases, camelina sativa oil, distillers corn oil, distillers sorghum</u>
- 33 <u>oil, and commingled distillers corn and sorghum oil, provided that the commissioner may, by rules</u>
- 34 and regulations, modify the definition of feedstock based on EPA's potential future modifications

1 of Table 1 of 40 C.F.R § 80.142611, and which has generated a RIN in compliance with the federal

2 <u>RFS program.</u>

3 (4)(9) "Heating oil" means fuel or fuel oil used for heating residential, commercial, or 4 industrial properties, including No. 1 distillate, No. 2 distillate, a liquid blended with No. 1 5 distillate, No. 2 distillate, or a five percent (5%) biobased liquid fuel that meets the specifications quality certification standards for use in residential, commercial, or industrial heating 6 7 applications established by ASTM International petroleum oil refined for the purpose of use as fuel 8 for combustion in a space and/or water heating system that meets the requirements of ASTM D396, 9 or the most recent specification. 10 (10) "Renewable hydrocarbon diesel" means a fuel derived from an eligible feedstock that 11 meets the requirements of ASTM D975, or the most recent specification. Renewable hydrocarbon 12 diesel shall not include any fuel from co-processed biomass with a feedstock that is not a biomass. 13 23-23.7-4. Heating oil biobased products. 14 Notwithstanding any law, rule, regulation, or order to the contrary, and in accordance with 15 the compliance schedule established in this chapter, all No. 2 distillate heating oil sold in the state 16 for residential, commercial, or industrial uses within the state, shall contain, at a minimum, the 17 specified percentage of biobased product, unless such requirement has been suspended pursuant to 18 § 23-23.7-6 <u>23-23.7-7</u>. The compliance schedule shall be as follows: 19 (1) Not later than July 1, 2014, all No. 2 distillate heating oil sold in the state shall contain 20 not less than two percent (2%) of a biobased product. 21 (2) Not later than July 1, 2015, all No. 2 distillate heating oil sold in the state shall contain 22 not less than three percent (3%) of a biobased product. (3) Not later than July 1, 2016, all No. 2 distillate heating oil sold in the state shall contain 23 24 not less than four percent (4%) of a biobased product. 25 (4) Not later than July 1, 2017, all No. 2 distillate heating oil sold in the state shall contain 26 not less than five percent (5%) of a biobased product. (5) Not later than July 1, 2021, all No. 2 distillate heating oil sold in the state shall at a 27 28 minimum meet the standards for B5 biodiesel blend and/or renewable hydrocarbon diesel. 29 (6) Not later than July 1, 2023, all No. 2 distillate heating oil sold in the state shall at a 30 minimum meet the standards for B10 biodiesel blend and/or renewable hydrocarbon diesel. 31 (7) Not later than July 1, 2025, all No. 2 distillate heating oil sold in the state shall at a 32 minimum meet the standards for B20 biodiesel blend and/or renewable hydrocarbon diesel. 33 (8) Not later than July 1, 2030, all No. 2 distillate heating oil sold in the state shall at a minimum meet the standards for B50 biodiesel blend and/or renewable hydrocarbon diesel. 34

1	<u>23-23.7-5. Certification.</u>
2	(a) The blender or distributor of the biobased product biodiesel fuel or renewable
3	hydrocarbon diesel at the time of sale to a retail distributor of heating fuel shall provide certification
4	stating:
5	(1) That the No. 2 distillate heating fuel meets ASTM InternationalASTM D396 and/or
6	the successor standard as the case may be; and
7	(2) That the biobased product biodiesel fuel or renewable hydrocarbon diesel used for
8	blending meets the definition of biobased product biodiesel fuel or renewable hydrocarbon diesel
9	in § 23-23.7-3(2) <u>23-23.7-3;</u> and
10	(3) The percentage of the biobased product biodiesel fuel or renewable hydrocarbon diesel
11	contained in the fuel.
12	(b) The director shall create and provide to blenders and distributors a quarterly report form
13	to be filed by the blender or distributor with the department of environmental management stating
14	the number of gallons of biobased fuel biodiesel fuel or renewable hydrocarbon diesel sold and
15	certification that said gallons meet the standards set forth in this chapter.
16	<u>23-23.7-7. Suspension.</u>
17	The governor of the state of Rhode Island, or the director, may temporarily suspend the
18	requirements imposed by § 23-23.7-4 if it is determined that the physical availability of biobased
19	product biodiesel fuel and/or renewable hydrocarbon diesel heating oil which complies with these
20	requirements is inadequate or unavailable at commercially reasonable prices to meet the needs of
21	the residential, commercial, or industrial uses in this state and the inadequate availability constitutes
22	an emergency, provided that the governor or director, shall specify in writing, the period of time
23	the suspension shall be in effect; provided that this period shall not exceed three (3) months. Any
24	person seeking a suspension shall submit a request in writing to the governor or director that
25	provides the factual basis for the suspension.
26	SECTION 3. This act shall take effect on January 1, 2022.

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EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

AN ACT

RELATING TO HEALTH AND SAFETY -- BIODIESEL PRODUCTS

1 This act would amend the compliance standards for heating oil biobased products 2 providing minimum standards for the percentage of biobased product that certain types of heating 3 oil must contain.

This act would take effect January 1, 2022.

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