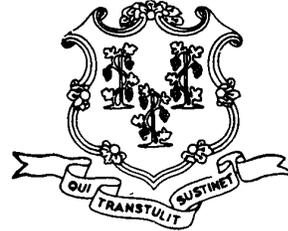


Department of Consumer Protection



Report to the General Assembly's Energy & Technology and Environment Committees pursuant to Conn. General Statutes Section 16a-21b (g).

February 1, 2014

**William M. Rubenstein, Commissioner
Department of Consumer Protection
165 Capitol Avenue
Hartford, CT 06106**

DEPARTMENT OF CONSUMER PROTECTION

REPORT TO THE ENERGY & TECHNOLOGY AND ENVIRONMENT COMMITTEES BY THE COMMISSIONER REGARDING THE WORK OF THE DISTILLATE ADVISORY BOARD

I. Background

This report is prepared and submitted pursuant to CGS Section 16a-21b(g), which requires the Commissioner of Consumer Protection in consultation with the Distillate Advisory Board to report on the progress of said board pursuant to the goals outlined in CGS Section 16a-21b.

II. Legislative Mandate

Section 16a-21b creates a Distillate Advisory Board with its members appointed by the Commissioner of Consumer Protection. The Board shall advise the Commissioner on industry and market progress in meeting goals and enabling compliance with biodiesel blends to be used in Connecticut pursuant to the levels specified in 16a-21b (b) (1), as follows:

16a-21b (b) (1) Subject to the provisions of subdivision (2) of this subsection and subsections (d) and (f) of this section, (A) not later than July 1, 2011, all heating oil sold in this state shall be a biodiesel blend containing not less than two per cent biodiesel, (B) not later than July 1, 2012, all heating oil sold in this state shall be a biodiesel blend containing not less than five per cent biodiesel, (C) not later than July 1, 2015, all heating oil sold in this state shall be a biodiesel blend containing not less than ten per cent biodiesel, (D) not later than July 1, 2017, all heating oil sold in this state shall be a biodiesel blend containing not less than fifteen per cent biodiesel, and (E) not later than July 1, 2020, all heating oil sold in this state shall be a biodiesel blend containing not less than twenty per cent biodiesel.

However, 16a-21b (b) (2) provides that the percentage levels set forth shall not take effect until our neighboring states have enacted substantially similar requirements in their laws:

(2) The provisions of subparagraphs (A) to (E), inclusive, of subdivision (1) of this subsection shall not take effect until the states of New York, Massachusetts and Rhode Island each have adopted requirements that are substantially similar to the provisions of subparagraphs (A) to (E), inclusive, of subdivision (1) of this subsection.

Therefore the legislation contemplates that the Distillate Board must determine if said neighboring states have enacted substantially similar legislation and then shall provide that information to the Commissioner.

III. Determination of the Board

In recognition of the legislative mandate to determine if neighboring states have adopted substantially similar requirements regarding the mandated use of biodiesel fuel, Distillate Board Chairman James Vitali charged a representative of the Department to conduct a survey. Said representative, Frank Greene, Director of DCP's Food & Standards Division did conduct such survey. Director Greene contacted appropriate representatives from New York, Massachusetts and Rhode Island to determine their applicable laws & regulations. Findings are indicated below:

New York

Director Greene contacted, David Barnes, P.E. of NYS DEC on January 13, 2014. It was related that at this time there is no Statewide requirement for blending biodiesel into diesel fuel. New York City has a 2% biodiesel requirement for distillate heating oil. New York State has a similar requirement that applies to heating oil for State owned buildings.

Massachusetts

Director Greene contacted Dwayne Breger, Division Director of Renewable Energy at DOER on January 27, 2013. It appears that there is a requirement for blending but that the requirement has been suspended and remains so at this time due to concerns over cost.

Rhode Island

Director Greene contacted Frank Stevenson in the Office of Air Resources, Rhode Island Department of Environmental Management on January 13, 2013. Mr. Stevenson indicated that there was a blending requirement signed into law in 2013 but not slated to take effect until July 1, 2014. Mr. Stevenson indicated that he would email the writer a copy of the legislation.

SUMMARY

Based on the requirements in the CGS 16a-21b it appears that all the surrounding states must have biodiesel blending requirements before the requirements for blending go into effect in the State of Connecticut. At this time New York State has county requirements in place and Massachusetts has continued to place a hold on implementation of that State requirement.

As a result of the survey conducted by Director Greene, the Board has determined that the provisions of Section 16a-21b (b) (1) are not in effect due to the fact that the

neighboring states have not adopted substantially similar requirements, as set forth in 16a-21b (b) (2).

IV. Conclusion

The Distillate Advisory Board has met their legislative mandate to survey our neighboring states regarding their requirements for the use of biodiesel fuel, and has communicated with the Commissioner the results of their work. The Board will continue to function, especially with regard to surveying any possible future changes to the biodiesel requirements of our neighboring states. The Board will continue to consult with the Commissioner of Consumer Protection, and annual reports will continue in accordance with statute.

The Department is grateful for the opportunity to carry on this work and to provide this report for the review of legislators and any interested parties. We would welcome your comments and questions and stand ready to be of assistance in this matter.

c. Distillate Board