



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

<b>2007 Assembly Bill 682</b>	<b>Assembly Amendments 1, 2, and 3 and Assembly Amendment 1 to Assembly Amendment 2</b>
<i>Memo published:</i> March 3, 2008	<i>Contact:</i> Larry Konopacki, Staff Attorney (267-0683)

### **Assembly Bill 682**

2007 Assembly Bill 682 would require “refiners,” defined as people who make wholesale sales of at least 40 million gallons of motor vehicle fuel in a year at terminals located in this state, to meet certain standards for renewable fuel sales or be subject to penalties. A refiner’s “percentage of renewable fuel sold” in this state in a year must be at least: 10% from 2009-2014; 15% from 2015-2019; 20% from 2020 to 2024; and 25% in 2025 and thereafter.

If certain statewide biodiesel sales requirements were not met in 2007, the bill would require total diesel fuel sales by diesel fuel retailers to include at least 5% biodiesel, beginning in 2009.

Under the bill, if the Department of Agriculture, Trade and Consumer Protection (DATCP) were to determine that a sufficient supply of renewable fuel or biodiesel fuel were not available to refiners, it would be allowed to temporarily suspend the wholesale renewable fuel sales requirement or the retail biodiesel sales requirement, respectively.

The bill would also provide rule-making authority to DATCP for rules creating a credit trading system for refiners, for necessary reporting of wholesale renewable fuel sales and retail biodiesel sales, and to designate additional renewable fuels.

The penalties for violations of the wholesale renewable fuel sales and retail biodiesel sales requirements would be not more than \$10,000 for a first offense; not less than \$500 nor more than \$50,000 for a second offense; and not less than \$1,000 nor more than \$100,000 for a third or subsequent offense.

**Assembly Amendment 1**

Assembly Amendment 1, as corrected by the Legislative Reference Bureau, would require DATCP to promulgate rules specifying requirements for the sale, by refiners, of “advanced biofuels” and “cellulosic biofuels,” beginning in 2014. These rules would be required to make the amounts of advanced biofuel and cellulosic biofuel that are required to be sold similar to the amounts that are required to be sold under 42 U.S.C. s. 7545 (o) (2) and regulations promulgated under that paragraph, and must include provisions for granting waivers of the requirements if available supplies are not sufficient to enable refiners to comply.

**Assembly Amendment 2**

Assembly Amendment 2 would delay the implementation of the retail biodiesel sales requirement under the bill for one year and require DATCP to coordinate the credit trading system with any system of credit trading under 42 U.S.C. s. 7545 (o) (5), including using comparable standards for denominating, measuring, verifying, using, and retiring credits.

Amendment 2 would also require DATCP to issue a written warning for first violations of the renewable fuel and biodiesel standards and would reduce penalties for each type of offense to not more than \$5,000 for a first conviction; not less than \$500 nor more than \$10,000 for a second conviction; and not less than \$1,000 nor more than \$25,000 for a third or subsequent conviction.

Finally, Amendment 2 would require DATCP to conduct a biodiesel fuel study and report to the Legislature by January 1, 2010.

**Assembly Amendment 1 to Assembly Amendment 2**

Assembly Amendment 1 to Assembly Amendment 2 would require the study and report under Assembly Amendment 2 to be on biofuel sale, manufacture, and distribution, instead of only biodiesel sale and distribution.

**Assembly Amendment 3**

Assembly Amendment 3 would allow DATCP to also temporarily suspend the wholesale renewable fuel sales requirement or the retail biodiesel sales requirement if it determines that the fuel is not available to refiners or retailers, respectively, at a price that is comparable to other motor vehicle fuel, as determined by DATCP by rule.

**Legislative History**

Assembly Amendments 1 and 2 were introduced by Representative Suder, Assembly Amendment 3 was introduced by Representative Wood, and Assembly Amendment 1 to Assembly Amendment 2 was introduced by Representative Albers. The Assembly Committee on Biofuels and Sustainable Energy recommended adoption of each of the amendments and passage of Assembly Bill 682, as amended, by votes of Ayes, 9; Noes, 0.

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