

Oilseeds and Washington's Bioenergy Initiative

*Mary Beth Lang * Washington State Dept of Agriculture * January 2011*

Bioenergy Goals:

- Reduce dependence on foreign oil
- Improve environment and health & quality of life for citizens
- Stimulate new industry that benefits farmers and rural communities

Washington's Bioenergy Initiative

2006 & 2007 Legislation Action

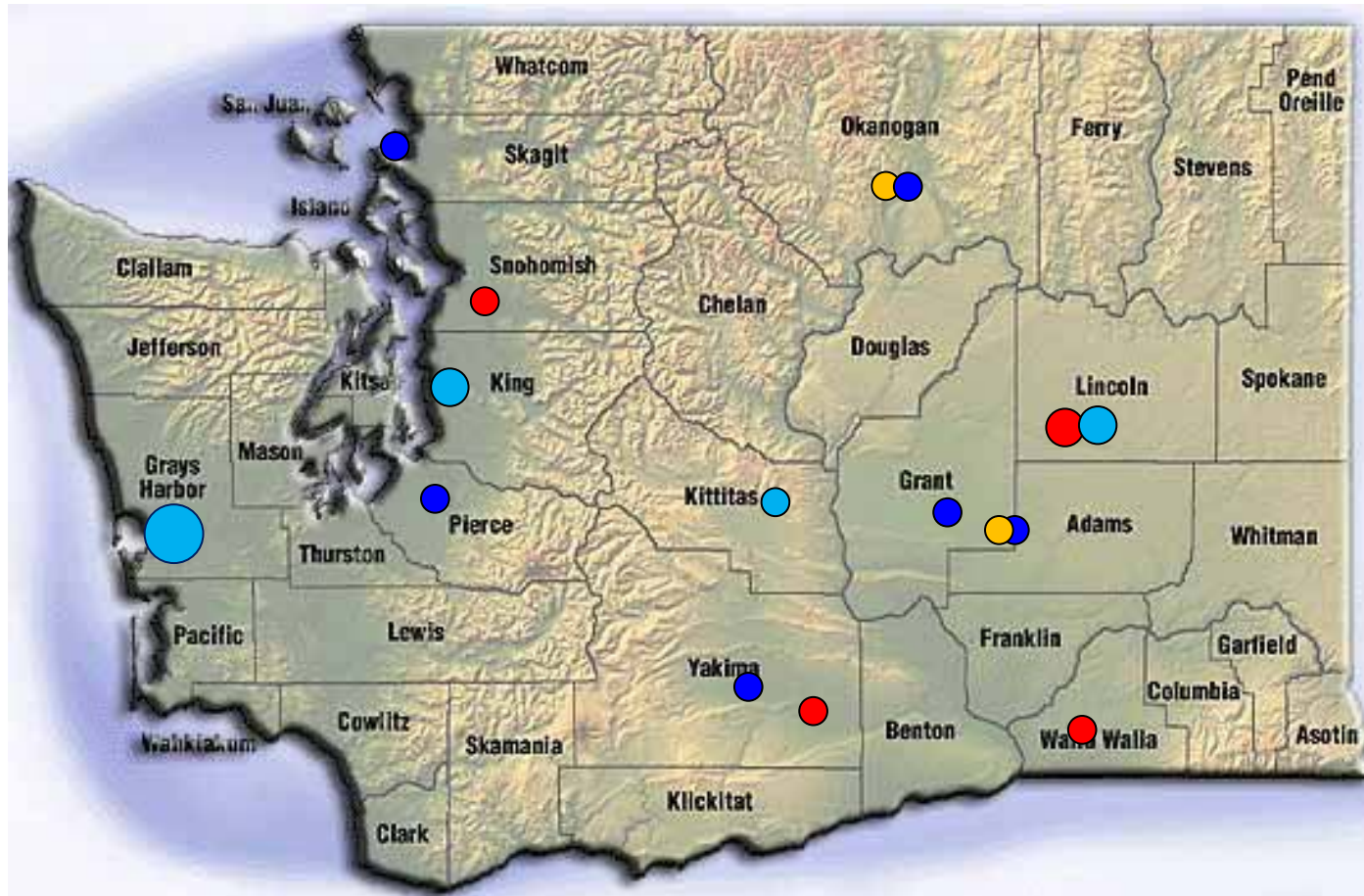
Create a market

- Establish minimum fuel content requirements (RFS), *effective 11/30/08*
 - 2% biodiesel/2% ethanol RFS
 - In-state production trigger for higher content
- Require 20% biodiesel use by state agencies, *effective 6/1/09*

Foster in-state production and processing

- Energy Freedom Loan program, tax incentives
- Applied, near-term cropping systems research at WSU
- Biofuels Quality Assurance program

Biofuels Production Facilities - January 2011



- Crusher
- (planned)
- Processor
- (planned)

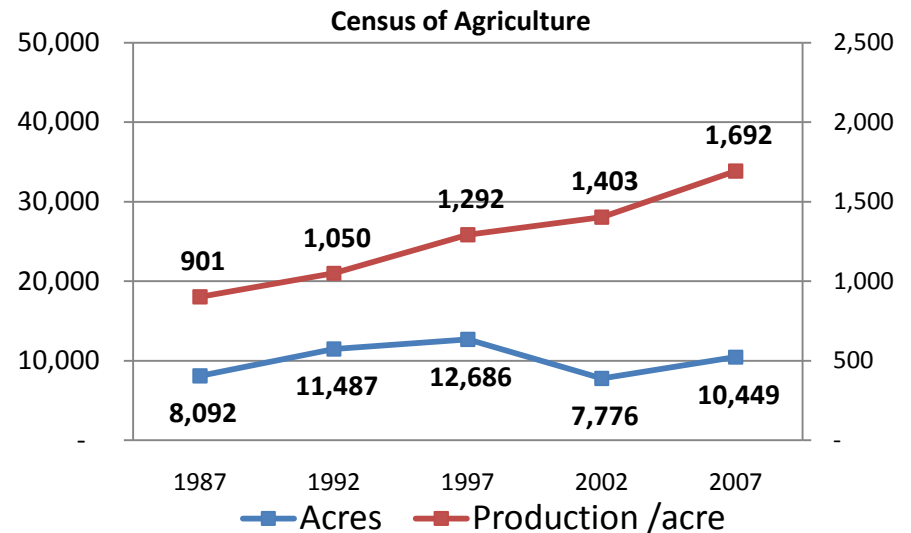
Near-Term, Applied Cropping Research

Increase sustainable feedstock production to:

- Diversify WA agriculture
- Support biofuels industry in meeting the state RFS

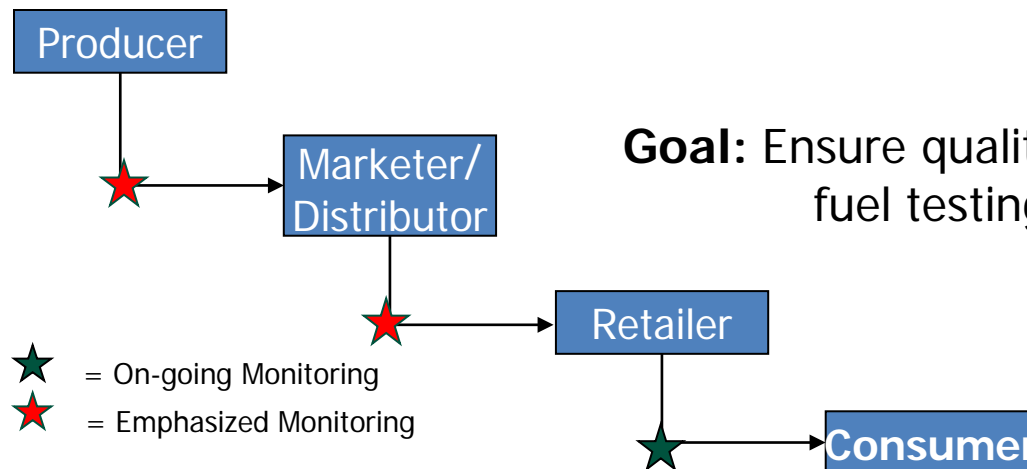


WA Canola acres and yields



WSDA Biofuels Quality Program

- Few quality problems, few complaints regarding biodiesel or diesel
- Label not matching biodiesel blend most common problem early on
- 2010 laboratory testing:
 - 18% of 83 biodiesel samples out of tolerance on one quality factor
 - 25% of 104 diesel samples out of tolerance on one or two quality factors



Goal: Ensure quality fuels through fuel testing and audits.

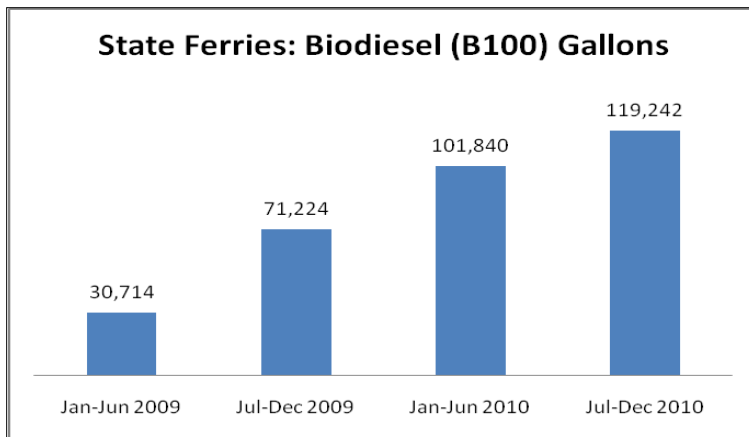
Current RFS difficult to administer, enforce

- Dept. of Licensing data suggests biodiesel RFS is not being met
- State agencies have difficulty getting biodiesel in eastern Washington; Few diesel retailers carry biodiesel in eastern Washington.
- WSDA has no way under current law to ensure compliance with the RFS

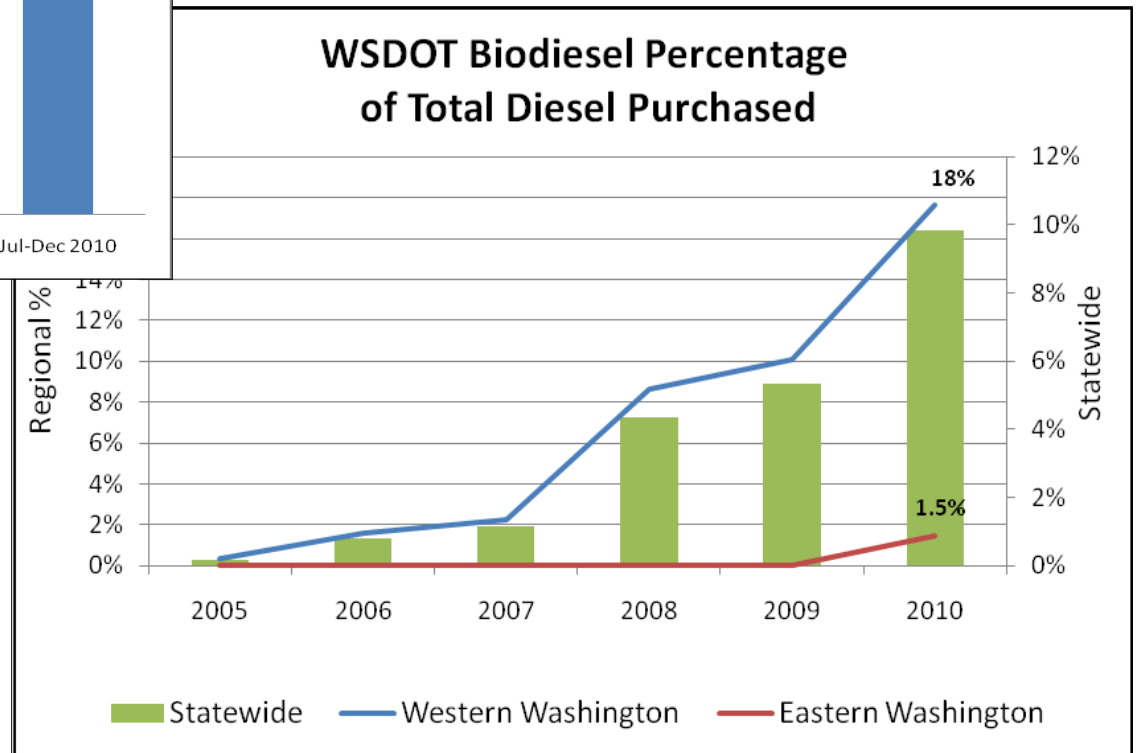
Expected market not created



State agency use continues to increase



More than 480,000 gallons of biodiesel (B100) purchased in 2010



Washington's Bioenergy Initiative

2011 Activity

Create a market

- Legislation proposes 2% biodiesel in every gallon for on-road use
 - Creates a certain market of at least **14 million gallons** per year (MGY)
 - Increase to 5% biodiesel when in-state production using in-state feedstocks (oilseeds, animal fats, waste vegetable oil) reaches 15 MGY
- Continue 20% biodiesel use by state agency vehicles; Increase biodiesel use by State Ferries

Foster in-state production and processing

- Continue to provide support and incentives
- Continue applied, near-term cropping systems research at WSU
- Continue Biofuels Quality Assurance program