

General Assembly

Substitute Bill No. 6412

January Session, 2021



AN ACT CONCERNING A LOW-CARBON FUEL BLEND OF HEATING OIL AND THE ESTABLISHMENT OF A BIOHEAT ADVISORY BOARD.

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

- 1 Section 1. Section 16a-21b of the general statutes is repealed and the
- 2 following is substituted in lieu thereof (*Effective July 1, 2021*):
- 3 (a) For purposes of this section:
- 4 (1) "Heating oil" means heating fuel that meets the American Society
- 5 of Testing Materials or "ASTM" standard D396 or the "ASTM" standard
- 6 D6751;
- 7 (2) ["Biodiesel blend" means a fuel comprised of mono-alkyl esters of
- 8 long chain fatty acids derived from vegetable oils or animal fats that
- 9 meets the most recent version of ASTM International designation
- 10 D6751;] "Low-carbon fuel blend" means a fuel meeting the standards for
- 11 <u>advanced biofuels under the federal Renewable Fuel Standard Program,</u>
- 12 requiring a fifty per cent reduction in lifecycle greenhouse gas
- 13 emissions, including, but not limited to, qualifying biodiesel meeting
- 14 <u>the most recent version of ASTM International designation D6751;</u>
- 15 (3) "Sold" means the wholesale sale made to a retailer or the retail sale
- 16 made to an end-user consumer; and

- 17 (4) "Commissioner" means the Commissioner of Consumer 18 Protection, or the commissioner's designee. [; and]
- [(5) "Sufficient in-state production of biodiesel" means fifty per cent of the annual mandated volume of biodiesel, as determined by the most recent data available from the Energy Information Administration of the United States Department of Energy, is available from in-state producers based upon the combined nameplate capacity of such producers.]
- 25 (b) [(1)] Subject to the provisions of [subdivision (2) of this subsection 26 and subsections (d) and (f)] subsection (e) of this section, [(A)] (1) not 27 later than July 1, [2011] 2022, all heating oil sold in this state shall be a 28 [biodiesel blend] low-carbon fuel blend containing not less than [two] 29 five per cent biodiesel, [(B)] (2) not later than July 1, [2012] 2025, all 30 heating oil sold in this state shall be a [biodiesel blend] low-carbon fuel 31 blend containing not less than [five] ten per cent biodiesel, [(C)] (3) not 32 later than July 1, [2015] 2030, all heating oil sold in this state shall be a 33 [biodiesel blend] low-carbon fuel blend containing not less than [ten] 34 fifteen per cent biodiesel, [(D)] (4) not later than July 1, [2017] 2034, all 35 heating oil sold in this state shall be a [biodiesel blend] low-carbon fuel 36 blend containing not less than [fifteen] twenty per cent biodiesel, and 37 [(E)] (5) not later than July 1, [2020] 2035, all heating oil sold in this state 38 shall be a [biodiesel blend] low-carbon fuel blend containing not less 39 than [twenty] fifty per cent biodiesel.
 - [(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.]
- (c) Unless the commissioner issues a waiver pursuant to subsection [(f)] (e) of this section, any [biodiesel] <u>low-carbon fuel</u> blended with heating oil shall be produced in accordance with industry-accepted

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quality control standards. A certificate of analysis that verifies 49 50 conformity with the critical specifications of designation D6751 of 51 ASTM International, as defined by the National Biodiesel Accreditation 52 Program, or other applicable ASTM specification for low-carbon fuel 53 blends, shall be provided by the marketers or producers of any such 54 [biodiesel] <u>low-carbon fuel</u> prior to the blending of such [biodiesel] <u>low-</u> 55 <u>carbon fuel</u> with heating oil. The Department of Consumer Protection, 56 within available appropriations, shall verify that [biodiesel] low-carbon 57 fuel offered for sale in this state conforms to the critical specifications of 58 designation D6751 of ASTM International, as defined by the National 59 Biodiesel Accreditation Program for biodiesel, or other applicable 60 ASTM standards for low-carbon fuel blends, and to the [biodiesel] fuel 61 quality compliance protocol currently accepted by the Department of 62 Consumer Protection.

[(d) On or before April 1, 2011, and on or before April 1, 2012, the Commissioner of Consumer Protection, in consultation with the Distillate Advisory Board established pursuant to subsection (e) of this section, shall, within available appropriations, determine whether there is sufficient in-state production of biodiesel, to comply with the provisions of subparagraphs (A) and (B) of subdivision (1) of subsection (b) of this section, respectively. If the commissioner determines that such production is not sufficient, the commissioner, in consultation with the board, may delay the implementation date contained in said subparagraph until July 1, 2012, or earlier, and July 1, 2013, or earlier, respectively, provided the commissioner: (1) Not later than three business days after such determination, posts a notice specifying the duration of such delay on the department's Internet web site, and (2) not later than thirty days after such posting, reports, in accordance with the provisions of section 11-4a, the reasons for such delay to the joint standing committees of the General Assembly having cognizance of matters relating to the environment, general law and energy and technology.]

[(e)] (d) (1) There is established a [Distillate] Bioheat Advisory Board.

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82 Such board shall be located in the Department of Consumer Protection 83 and shall consist of the following members appointed by the 84 Commissioner of Consumer Protection: (A) Two representatives of the 85 producers or suppliers of biodiesel in this state, (B) two representatives 86 of the retail heating oil industry in this state, and (C) two representatives 87 of the wholesale distillate supply industry in this state. Each member of 88 the board shall serve at the pleasure of the commissioner and without 89 compensation. No funds shall be allocated or made available to the 90 board.

- (2) The board shall advise the commissioner on industry and market [progress in meeting and enabling compliance with the requirements of subsections (b) and (c) of this section] <u>capabilities concerning the blending of home heating oil and identify opportunities for, or barriers to, increasing the low-carbon fuel blend requirements of this section.</u>
- 96 [(f)] (e) (1) The Commissioner of Consumer Protection, upon the 97 receipt of a petition submitted by the [Distillate] Bioheat Advisory 98 Board in compliance with the provisions of subdivision (2) of this 99 subsection, shall temporarily waive the requirements of subsections (b) 100 and (c) of this section when: (A) The United States Department of Energy authorizes a release from the Northeast Heating Oil Reserve, (B) 101 102 there is an inadequate supply of low-sulfur distillate products, [or] (C) 103 there is an inadequate supply of [biodiesel] low-carbon fuel blending 104 stocks or an operational problem that affects the supply of [biodiesel] 105 low-carbon fuel blending stocks, or (D) the cost of low-carbon fuel 106 blends, relative to traditional distillate fuels, is such that achieving the 107 minimum low-carbon fuel blends required by this section materially 108 increases, on an annual basis, the heating fuel cost for consumers. Any 109 such waiver shall be for a period of not less than thirty days and not 110 more than forty-five days, provided such waiver may be renewed after 111 the expiration of such period of time.
 - (2) Any petition from the [Distillate] <u>Bioheat</u> Advisory Board that requests a waiver of any requirement of subsection (b) or (c) of this section shall include, at a minimum: (A) A statement of the immediate

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115 threat to the health and safety of the citizens of this state posed by the 116 inadequate supply of low-sulfur distillate products, [biodiesel] low-117 carbon fuel blending stocks or operational problems that affect the supply of [biodiesel] low-carbon fuel blending stocks, as applicable, (B) 118 119 the cause and nature of such inadequate supply or operational problem, 120 as applicable, (C) the expected duration of such inadequate supply or 121 operational problem, and (D) as applicable, a description of any 122 alternative distillate supply that temporarily is needed to take the place 123 of the applicable distillate supply described in subsection (b) or (c) of 124 this section. Not later than three business days after receipt of any such 125 petition, the commissioner shall issue a waiver of the requirements of 126 subsection (b) or (c) of this section, as applicable.

- [(g)] (f) Not later than February 1, [2012] 2022, and each year thereafter, the Commissioner of Consumer Protection, in consultation with the [Distillate] Bioheat Advisory Board, shall submit a report, in accordance with the provisions of section 11-4a, to the joint standing committees of the General Assembly having cognizance of matters relating to energy and the environment on (1) the status and progress in meeting the requirements of this section, [and on] (2) any effect that such requirements may have on the price or supply of heating oil in this state, and (3) opportunities for, or barriers to, increasing the low-carbon fuel blend requirements of this section.
- (g) Not later than July 1, 2022, the Commissioner of Consumer Protection shall adopt regulations, in accordance with chapter 54, concerning the requirement of retailers of heating oil to disclose the percentage of low-carbon fuel blend contained in the home heating oil delivered to consumers or an approximate range of such percentage.
- Sec. 2. Section 16a-3d of the general statutes is amended by adding subsection (e) as follows (*Effective July 1, 2021*):
- 144 (NEW) (e) For the Comprehensive Energy Strategy next approved 145 after October 1, 2021, and every Comprehensive Energy Strategy 146 prepared thereafter, the Commissioner of Energy and Environmental

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Protection shall consider (1) the reductions in greenhouse gas emissions resulting from low-carbon fuel blends used in home heating oil on a lifecycle basis, (2) possible contributions to the state's greenhouse gas emissions mandated levels, pursuant to section 22a-200a, in connection with the reduction of greenhouse gas emissions on a life-cycle basis, (3) the ability of a thermal portfolio standard to further reductions in greenhouse gas emissions on a life-cycle basis, and (4) the relative value of the reductions in greenhouse gas emissions on a life-cycle basis achieved by biodiesel and other low-carbon fuel blends used currently in the state compared with the value of future projected greenhouse gas emissions reductions achieved by the retail heating oil industry on a lifecycle basis five, ten, and twenty years into the future using the of Protections' Department Energy and Environmental contemporaneous projection of renewable energy utilized.

This act shall take effect as follows and shall amend the following		
sections:		
Section 1	July 1, 2021	16a-21b
Sec. 2	July 1, 2021	16a-3d

ET Joint Favorable Subst.

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