



No. 142

E X E C U T I V E O R D E R

**DIRECTING STATE AGENCIES AND AUTHORITIES TO DIVERSIFY TRANSPORTATION FUEL
AND HEATING OIL SUPPLIES THROUGH THE USE OF BIO-FUELS IN STATE VEHICLES
AND BUILDINGS**

WHEREAS, New York State agencies and authorities annually consume over 48 million gallons of diesel fuel and 55 million gallons of heating oil;

WHEREAS, less than 1% of the nation's proven oil reserves and less than 0.03% of the world's proven oil reserves are located in New York;

WHEREAS, New York imports the vast majority of its transportation and heating fuels via extended supply chains that have proven capable of interruption;

WHEREAS, the price of crude oil on worldwide markets has experienced dramatic price fluctuations in recent months;

WHEREAS, New York's security and economy are threatened by an over-reliance upon imported transportation and heating fuels;

WHEREAS, over 5% -- or 400 million gallons -- of New York's gasoline requirements are already met through the use of ethanol;

WHEREAS, approximately 150 million gallons of annual ethanol production capacity are currently planned or under construction in New York State;

WHEREAS, the diesel fuel supply in New York remains exclusively dependent upon imported petroleum products;

WHEREAS, methyl ester, commonly referred to as bio-diesel, can be produced from New York State agricultural products, such as soybeans and other crops, and can be utilized in standard diesel engines without modification; and

WHEREAS, use of renewable fuels in New York would increase demand for agricultural products grown in the State, improve revenue for the State's farmers, provide investment and employment opportunities from the production and distribution of bio-fuels, reduce emissions from

diesel engines, increase diversity of fuel supplies, and decrease reliance on foreign sources of energy.

NOW, THEREFORE, I, GEORGE E. PATAKI, Governor of the State of New York, by virtue of the authority vested in me by the Constitution and Laws of the State of New York do hereby order as follows:

I. Definitions

A. "State agency" shall mean any agency or department over which the Governor has Executive authority.

B. "Public authority" shall mean any public authority, the head of which is appointed by the Governor, or the majority of the board members are appointed by the Governor.

C. "B100" shall mean bio-diesel in its pure form.

D. "B20" shall mean a mixture of 20% bio-diesel and 80% petroleum fuel.

E. "B5" shall mean a mixture of 5% bio-diesel and 95% petroleum fuel.

F. "E100" shall mean ethanol in its pure form.

G. "E10" shall mean a mixture of 10% ethanol and 90% petroleum fuel.

H. "E85" shall mean a mixture of 85% ethanol and 15% petroleum fuel.

II. Diversification of State Agency and Public Authority Transportation Fuels

A. Ethanol

New York State currently has four E85 Ethanol fueling stations and additional E85 fueling stations are planned for future installation. Currently, the vast majority of the gasoline powered vehicles in the New York State fleet do not utilize central fueling stations, but instead rely upon private sector gasoline stations. However, all of the gasoline sold in the New York City metropolitan non-attainment area is already 10% ethanol, a significant component of the State's light-duty fleet is already using blended ethanol as fuel.

Therefore, to the extent that gasoline powered State agency vehicles do utilize central fueling stations, all agencies and authorities shall ensure that vehicles capable of operating on E85 ethanol fuel shall do so whenever it is feasible to do so. The Governor's Clean Vehicle Council, chaired by the Commissioner of the Office of General Services and comprised of the fleet managers of State agencies and public authorities, shall prepare a plan outlining steps that can be taken to ensure that, to the greatest extent possible, all flexible-fueled vehicles in the State fleet that can utilize ethanol fuels will do so, and identify and implement measures to provide for such refueling.

B. Bio-diesel

The Governor's Clean Vehicle Council shall prepare a report detailing how such agencies and authorities shall purchase, allocate, distribute and utilize bio-diesel in State agency and public authority fleets. State agencies and public authorities shall purchase, allocate, distribute and utilize bio-diesel in accordance with the aforementioned report, and as specified in the table below. The percentage of diesel shall be a blended equivalent which results in an overall consumption of B100 as set forth below.

<u>Calendar Year</u>	<u>B100 Percentage</u>
2007	2.0%
2008	5.0%
2009	6.0%
2010	7.0%
2011	8.0%
2012	10.0%

III. Substitution of Biodiesel Usage for Alternative Fueled Vehicle Requirements of Executive Order No. 111

Paragraph V of Executive Order No. 111, issued on June 10, 2001, requires that:

"State Agencies and other affected entities shall procure increasing percentages of alternative-fueled vehicles, including hybrid-electric vehicles, as part of their annual vehicle acquisition plans. By 2005, at least 50% of new light duty vehicles acquired by each agency and each affected entity shall be alternative-fueled vehicles, and by 2010, 100 percent of all new light-duty vehicles shall be alternatively-fueled vehicles, with the exception of specialty, police or emergency vehicles as designated by DOB. State agencies and other affected entities that operate medium- and heavy-duty vehicles shall implement strategies to reduce petroleum consumption and emissions by using alternative fuels and improving vehicle fleet fuel efficiency."

In complying with the requirements of Paragraph V of Executive Order No. 111, State agencies and other affected entities may substitute the use of 450 gallons of B100 for the acquisition of one alternative-fueled vehicle. Use of 2,250 gallons of B20 or use of 9,000 gallons of B5 may also be substituted for one alternative fueled vehicle. No more than 50% of a given State agency fleet's alternative-fueled vehicle purchase requirement may be met by substituting B100, B20 or B5 in accordance with this Order.

IV. Use of Bio-based Heating Fuels in State Buildings

The New York State Energy and Research Development Authority (NYSERDA) and the New York City Housing Authority are currently conducting a "Bio-Based Heating Oil Project." Although many transportation applications can use bio-diesel at concentrations of up to B20, the fuel is generally used at B5 concentrations for heating and burner applications. Preliminary findings from the study have shown that B5 can be used in process and space heating equipment and has resulted in more efficient furnace operations and reduced emissions.

NYSERDA shall therefore develop a plan pursuant to which state agencies and public authorities shall purchase, allocate, distribute and utilize bio-diesel heating oil for use in state agency and public authority buildings that currently utilize oil, as specified in the table below. The percentage of diesel shall be a blended equivalent which results in an overall consumption of B100 as set forth below.

<u>Calendar Year</u>	<u>B100 Percentage</u>
2007	0.5%
2008	1.0%
2009	2.0%
2010	3.0%
2011	4.0%
2012	5.0%

IV. Waiver Provisions

Although there is a recognized national specification for bio-diesel, and most engines and burners can utilize bio-diesel at concentrations of up to B20 without harm or need for modification, there has been limited on-road testing of bio-diesel in the State's diesel

vehicle fleet. In addition, certain engine manufacturers have taken the position that use of bio-diesel fuels above certain concentrations will void existing engine warranties. Many, if not all, of those State vehicles are engaged in mission-critical operations that are essential to public safety, convenience and welfare. As a result of the limited on-road testing to date, it is possible that the use of bio-diesel in certain vehicles in the State's diesel fleet may have unacceptable impacts upon the reliable and safe operation of such vehicles or upon the life cycle or warranted performance of certain critical components of such vehicles and therefore may not be prudent.

Therefore, the requirements of Paragraphs II, III and IV of this Order may be waived, either in whole or in part, by any State agency or public authority subject to this Order upon a finding from a commissioner of the State agency or the chief executive officer of the public authority that adherence to such requirement would have unacceptable impacts upon the reliable and safe operation of such vehicles, or upon the life cycle or warranted performance of certain critical components of such vehicles. Such waivers shall be in effect no longer than necessary to address the condition, or for a maximum of 60 days from the issuance of the finding, whichever one is less; however, in the event that the condition that gives rise to the waiver is not capable of being resolved within a 60-day period, such waivers may be extended for an additional period by the State agency or public authority with the concurrence of the President of NYSERDA, after consultation with the Commissioner of the Department of Environmental Conservation.

G I V E N under my hand and the
Privy Seal of the State
in the City of Albany
this twenty-first day
of November in the year
two thousand five.



BY THE GOVERNOR

/s/ George E. Pataki

/s/ John P. Cahill

Secretary to the Governor