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EDWARD G. RENDELL, Governor

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**GOVERNOR RENDELL SEEKS FEDERAL RECOVERY
FUNDING TO EXPAND THE STATE'S BIOFUEL INDUSTRY**

HARRISBURG – As part of Pennsylvania's effort to expand the use of biodiesel and alternative fuel vehicles, the commonwealth has applied to the U.S. Department of Energy for \$15 million through the American Reinvestment and Recovery Act, Governor Edward G. Rendell announced today. The funds will be used for Alternative Fuel and Advanced Technology Vehicles Pilot Grants.

“As part of Pennsylvania's Energy Independence Strategy, the PennSecurity Fuels Initiative mandates the production and use of renewable fuels to grow the state's economy and reduce our dependence on foreign fuels,” said Governor Rendell. “The federal recovery money can assist us in our efforts to reach the required goal of one billion gallons of home-grown biofuels be produced and consumed in Pennsylvania by 2017 – an amount equal to what the state will import from the Persian Gulf by that time.”

The Department of Environmental Protection will partner with the Pittsburgh Regional and the Greater Philadelphia Clean Cities programs, the National Biodiesel Board and eight other industry partners to install fueling infrastructure, retail sites, procure vehicles, promote the use of alternative fuels and educate the public. The eight industry partners included in the project are: Buckeye Partners LP, Centre Area Transportation Authority, Gulf Oil LP, Guttman Oil Co., Lower Merion School District, Lycoming County Resource Management Services, Pennsylvania Energy Co., and Sunoco Logistics Partners LP.

“The primary objective of this grant is to displace petroleum-based diesel fuel with domestically produced biodiesel and natural gas to fulfill the state's and federal government's goals to establish long-term alternative fuel use,” said Governor Rendell. “Adding these alternative fuel facilities and vehicles will enable greater access to biodiesel and CNG within the petroleum supply chain and improve fuel quality.”

The project proposes to install 23 biofuel terminals and four retail stations throughout the state; 1 natural gas refueling facilities at two locations; and compressed natural gas equipment on 36 existing vehicles and purchasing 57 new natural gas vehicles for public transit agencies..

“The alternative fuel industry experienced tremendous sales growth in recent years. Biodiesel sales more than quadrupled in the past three years,” said Governor Rendell. “But the industry is still hampered by a lack of product availability. When biodiesel has been made available at terminals, it has increased the availability, reduced potential delivery costs, and improved the quality of the fuel throughout a distribution chain.

“Pennsylvania sits atop one of the largest natural gas supplies in the nation - the Marcellus Shale reserve,” the Governor said. “The project’s natural gas strategy will utilize this local, abundant supply as an environmentally friendly and less expensive transportation fuel.”

As a result of this effort, DEP anticipates displacing 263 million gallons of petroleum-based fuel over the four-year period of the project. Sustainable petroleum fuel displacement in subsequent years is expected to continue at an estimated 71 million gallons annually. Based on factors such as construction, maintenance and production, the project has the ability to create or maintain over 9,000 jobs.

Total emissions reductions for the overall project are calculated to be 7.2 million pounds of carbon dioxide, more than 800,000 pounds of volatile organic compounds, 33.7 million pounds of nitrogen oxide and 950 million carbon dioxide-equivalent pounds of greenhouse gas emissions.

To learn more about how the federal economic stimulus will benefit Pennsylvania, visit www.recovery.pa.gov.

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The Rendell administration is committed to creating a first-rate public education system, protecting our most vulnerable citizens and continuing economic investment to support our communities and businesses. To find out more about Governor Rendell's initiatives and to sign up for his newsletter, visit www.governor.state.pa.us.