

Success Story  
Ocean State Clean Cities  
September 16, 2009

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On April 22, 2009, The University of Rhode Island, located in Kingston, RI presented an open house of its new biodiesel laboratory housed in the Chemistry Department. As the host and a stakeholder of Ocean State Clean Cities, URI is proud to take an active role in reducing the use of petroleum in the transportation sector.

This was the first project that the coalition initiated since Wendy Lucht became the Coordinator on March 1, 2008. During Wendy's very first conversation with Michael Scarpino that first week of March, Clean Cities Project Manager, Mike suggested many ideas for projects. Mike mentioned that many universities had started programs where students were converting yellow grease from the dining halls to biodiesel to be used in the campus fleet. After the phone call, Wendy Lucht spoke with her husband Brett, a URI Chemistry Professor, about the idea.

On March 31, 2008, Brett Lucht attended a Sustainable Energy Symposium at the University of Connecticut, where chemical engineer Richard Parnas ran a workshop on biodiesel. After attending the workshop, Brett agreed to take responsibility for the project. The URI Council for Sustainability approved the project on April 17, 2008. Management from the Dining Services office and Facilities Services signed on to the project.

On June 26, 2008, Richard Parnas came to URI to give a presentation. Approximately 70 faculty, staff and students attended the talk. Afterwards, Richard Parans was offered a contract to build a biodiesel reactor in the Chemistry Building at URI (Pastore Hall).

The reactor was completed in December 2009. It was decided that for safety considerations to run 20 gallon batches weekly. That translates to approximately 1,000 gallons per year. Two graduate students and two undergraduates have spent the past 4 months learning about the transesterification process, as well as ASTM quality testing.

The significance of this project goes well beyond the number of gallons of petroleum displaced. As an institution of higher learning, URI anticipates that this project will help train Chemistry students in methods of producing biodiesel, as well as quality control and testing. This is an important experiential learning initiative on campus.

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Rhode Island recently clarified its biodiesel taxation law through State legislation. The legislation ([2009-S 0525aa](#)), made blended biodiesel motor vehicle fuel that is manufactured in Rhode Island eligible for exemption from state fuel taxes, (currently 32 cents per gallon.) Previously, the law was interpreted so that only fuel that was 100 percent biodiesel qualified for the state exemption. In order to qualify for the federal tax credit, all biodiesel sold in the state is blended.

The law now states that that biodiesel fuel which is derived from vegetable oils or animal fats, conforms to ASTM D6751 specifications for use in diesel engines, and results in employment in Rhode Island at a manufacturing facility for biodiesel fuel is exempt from the \$0.32 per gallon motor fuel tax. The biodiesel may be blended with other fuel for use in motor vehicles, but only the biodiesel portion of the fuel is tax exempt. (Reference [Senate Bill 525](#), 2009, and [Rhode Island Code 31-36](#))

The disadvantage of the state's old biodiesel tax exemption being applied only to 100-percent pure biodiesel was brought to the attention of members of the State Senate during a series of small business tours around the state. The tours included visits to Newport Biodiesel, in Newport, a manufacturer of biodiesel fuel, on December 3, and T.H. Malloy & Sons Inc, in Cumberland, a biodiesel distributor, on December 17. Nat Harris and Robert Morton from Newport Biodiesel and Jim Malloy of T.H. Malloy & Sons collaborated with Representatives to develop legislation, and lobbied members of the State General Assembly for the passage of this bill.

On April 21, 2009, the Senate voted 36-0 to approve legislation sponsored by Sen. Louis P. DiPalma to change the state's tax incentive for the sale of biodiesel fuel so that the law would be more effective at encouraging the production of biodiesel, a cleaner burning, renewable-resource fuel made from vegetable fat. The legislation received very strong support from Senate Majority Leader Daniel P. Connors and Senate President Paiva-Weed.

Newport Biodiesel and T.H. Malloy & Sons are two active stakeholders in Ocean State Clean Cities. Both companies participated in the Biofuels Symposium on May 29, 2009, where this bill was discussed. The two hundred attendees at the Symposium were urged to contact their state representatives to make sure that the bill passed would pass through the R.I. House, where it was briefly stalled. The legislation passed the R.I. House on July 7, 2009.

Governor Donald L. Carcieri allowed the legislation to become law without his signature. The legislation automatically passed 10 days after it was placed on his desk. Then there was a sixty day waiting period before it went into effect on Sept. 16,2009.

This legislation will help support local biodiesel manufacturers, Rhode Island distributors, local biodiesel users and all Rhode Islanders.

It will provide new 'green' manufacturing jobs for Rhode Islanders and help support existing cutting edge biodiesel plants.

This excise tax exemption will provide an edge to Rhode Island manufacturers over the global biofuel industry distributing within Rhode Island.

The awareness of the exemption will also help distributors market the message that there is one additional reason that locally produced fuel is better.

The exemption is being passed on to end users, which include many Rhode Island businesses struggling in these hard economic times. This will help Rhode Islanders make a choice to use a cleaner, greener more sustainably produced fuel without incurring higher costs.

All Rhode Islanders will feel the benefit of this biodiesel tax relieve, due to the continued growth of the biodiesel industry. The results will be cleaner air, stronger local economy and less dependency on petroleum for Rhode Islanders.

With the implementation of the law being one week old, there has not been significant impact on fuel use. The State Senate Fiscal Office estimated, for the purposes of the bill, that \$100,000 of tax revenue would be reduced next year. This translates into the use of approximately 312,000 gallons of biodiesel consumed. In the prior twelve months (July 2008 to July 2009), 250,000 gallons of biodiesel were sold in the state. This indicates that a 62,000 gallon increase in biodiesel will be consumed