



NBB ONE-PAGE (State's Fuel Quality Regulation)

Department KY Dept of Agriculture

NCWM Region SWMA

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What's needed for a successful program? KY Biodiesel Production and Blending Tax Credit: Qualified biodiesel producers or blenders are eligible for an income tax credit of \$1.00 per gallon of pure biodiesel (B100) produced or \$1.00 per gallon of biodiesel used in the blending process; re-blending of blended biodiesel does not qualify. The total amount of credit for all biodiesel producers may not exceed the annual biodiesel tax credit cap of \$5 million; beginning January 1, 2009, the biodiesel tax credit cap is expanded to \$10 million per taxable year. For the purpose of this credit, biodiesel must meet ASTM specification D6751. (Reference Kentucky Revised Statutes 141.422 to 141.424)

AUTHORITY

Fuel Authority Regulatory (state regulations); Statutory (enacted legislation)

Statutory/Regulatory Citation Program is responsible for the testing of gasoline and diesel fuel to ensure that the quality of the fuel meets Kentucky law and the ASTM standards. Retail facilities which sell gasoline and/or diesel fuel to the general public must be registered annually. Law: Section for Motor Fuel Inspection and Testing - KRS 363.900 to 363.908. Regulation: Section for Motor Fuel Inspection & Testing - 302 KAR 79:010 Section for Motor Fuel Civil Penalties - KRS 363.908 Inspections are conducted routinely at sites across the state and when a consumer complaint is received. All retail facilities which sell gasoline and/or diesel fuel to the general public must be registered annually.

ADOPTED FUEL SPECIFICATIONS

Fuels Currently Regulated Biodiesel-Blends_yes; B100-Biodiesel_yes; Diesel Fuel_yes

Fuel Specifications B6-19_other; B1-B5_ASTM D975; B100_ASTM D6751; PetroDiesel_ASTM D975

Other Specifications B6-B20 ASTM D7467

If no spec - plan to adopt

Process to Adopt Specifications Administrative Rulemaking; Legislative Process

ASTM-Rev Adopted not automatic - use earlier revision, til law / regulations revised

TESTING PROGRAMS

Proactive Tests Petroleum Diesel; Biodiesel Blends (Bxx)

Reactive Test Circumstance Routinely tested across the state and upon customer complaint.

Fuel Test Performed - Total Ca / Mg; - Sulfur; - Sulfated Ash; - Stability; - Phosphorus; - Copper Strip; - Cetane; - Carbon Residue; - Glycerine; - Visual; - Acid Number; - Water & Sediment; - Density; - Cloud Point; - Flash Point; - Total Na / K; - Vacuum Distillation; - Viscosity

Where Sampled Retailer

Where Tested Out-Sourced

Penalties Stop Sale and issuance of fines. Fuel to be upgraded to meet specs. Fines are calculated at number of gallons in storage x price per gallon and a factor x.25

REPORTING OUT-OF-SPECIFICATION FUEL

How to Report

NOTES & ATTACHMENTS