

BIODIESEL FUEL ADDITIVES VS. NEW FUELS AND ENGINES

ISSUE

Although the motorcoach industry is already an environmentally friendly and fuel- efficient mode of transportation, policymakers are considering new strategies to address air quality and energy sourcing. These combined issues could potentially have a dramatic effect on motorcoach operations.

BACKGROUND

On December 21, 2000, the Environmental Protection Agency (EPA) issued a final rule calling for a reduction in sulfur content in diesel fuel by 97 percent. This required fuel refiners to reduce sulfur content in diesel fuel from 500 parts-per-million to 15 parts-per-million. This new ultra-low sulfur diesel fuel standard became effective requiring all diesel fueling stations to make ULSD available at the pump nationwide by October 15, 2006.

However, even beyond this ambitious new regulation there has been increasing activity in various states, primarily states with a large agricultural base, to require diesel fuel sold in the state to include a component percentage of bio-diesel as an additive. The reasons given are usually as follows:

- The nation's air quality is improved.
- American dependence on foreign oil sources is reduced.
- American farmers are given a badly needed boost.
- Bio-fuel blend stocks are a renewable resource.

Unfortunately, serious questions and concerns exist on the use of bio-diesel as a viable additive to petroleum diesel fuel that should not be dismissed by government or the public in a rush to obtain the above described benefits. Since the major diesel engine manufacturers entered into a controversial consent agreement with the Department of Justice, the Environmental Protection Agency and the California Air Resources Board at the end of the last administration, fuel and engine producers have been under a court mandated fast track to dramatically reduce both particulate matter (PM) and oxides of nitrogen (NOx) by 2007 and 2010 respectively. All development efforts have been solely focused on developing engine and exhaust after-treatment that will work using an ultra-low sulfur content diesel fuel. However, the effect of introducing bio-diesel blends into this carefully developed mix is not known. No testing has been conducted by either the engine/exhaust after-treatment manufacturers or by the fuel refiners or by the bio-diesel producers. Congress noted this lapse when it passed the Energy Policy Act of 2005. Congress has called for a study to determine the effect on the new series engines of adding bio-diesel additives to ultra-low sulfur diesel fuel. The administration report answering these questions must be submitted to Congress by the summer of 2007.

ABA POSITION

New diesel engines and their associated exhaust after-treatment devices have been specifically designed and tested for pure ultra-low sulfur diesel fuel. What effect bio-diesel fuel added to ultra-low sulfur diesel fuel will have on this new engine technology is not presently known. In 2007, the Department of Energy must submit a report to Congress on what effects bio-diesel fuel blends will have on new engines and exhaust after-treatment devices.

ABA believes it would be fatally premature on the part of any state, or political subdivision of a state, to mandate the use of bio-diesel blends through either policy or law if, by such action, there is a risk of making federally emission compliant engines or vehicles non-compliant.

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