



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

HB0651

Introduced 02/06/09, by Rep. Frank J. Mautino

#### SYNOPSIS AS INTRODUCED:

20 ILCS 689/15  
20 ILCS 689/15.1 new  
20 ILCS 689/15.2 new  
20 ILCS 689/15.3 new  
20 ILCS 689/15.4 new  
20 ILCS 689/20  
30 ILCS 105/5.719 new  
30 ILCS 105/6z-80 new

Amends the Illinois Renewable Fuels Development Program Act. Provides that facilities that produce ethanol for gasohol or majority blended ethanol fuel shall receive a grant equal to 10 cents per gallon of annual production capacity, not to exceed \$10,000,000 for each facility. Provides that the Department of Commerce and Economic Opportunity must establish the Renewable Fuels Majority Blended Ethanol Infrastructure Program for the purpose of providing grants to units of local government and gasoline stations or service stations offering to the public retail sales of motor fuel. Creates the Renewable Fuels Competitive Commercialization Grant Oversight Committee. Sets forth the membership of the Committee. Provides that the Department of Commerce and Economic Opportunity must establish the Renewable Fuels Rail Infrastructure Assistance Program. Provides ethanol production facilities with grants to reduce their water and energy usage and carbon emissions. Provides that grants awarded from the Renewable Fuels Development Program Fund are subject to certain limitations. Amends the State Finance Act to make conforming changes. Imposes limits on rulemaking authority. Effective immediately.

LRB096 04385 JDS 14434 b

1 AN ACT concerning State government.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Renewable Fuels Development  
5 Program Act is amended by changing Sections 15 and 20 and by  
6 adding Sections 15.1, 15.2, 15.3, and 15.4 as follows:

7 (20 ILCS 689/15)

8 Sec. 15. Illinois Renewable Fuels Development Program.

9 (a) The Department must develop and administer the Illinois  
10 Renewable Fuels Development Program to assist in the  
11 construction, modification, alteration, or retrofitting of  
12 renewable fuel plants in Illinois. The recipient of a grant  
13 under this Section must:

14 (1) be constructing, modifying, altering, or  
15 retrofitting a plant in the State of Illinois;

16 (2) be constructing, modifying, altering, or  
17 retrofitting a plant that has a base total annual  
18 production capacity of no less than 20,000,000 ~~30,000,000~~  
19 gallons of renewable fuel per year; and

20 (3) enter into a project labor agreement as prescribed  
21 by Section 25 of this Act.

22 (b) Grant applications must be made on forms provided by  
23 and in accordance with procedures established by the

1 Department.

2 (c) The Department must give preference to applicants that  
3 use Illinois agricultural products in the production of  
4 renewable fuel at the plant for which the grant is being  
5 requested.

6 (d) Facilities that produce ethanol for gasohol or majority  
7 blended ethanol fuel shall receive a grant equal to 10 cents  
8 per gallon of annual production capacity, not to exceed  
9 \$10,000,000 for each facility.

10 Rulemaking authority to implement this Section, if any, is  
11 conditioned on the rules being adopted in accordance with all  
12 provisions of the Illinois Administrative Procedure Act and all  
13 rules and procedures of the Joint Committee on Administrative  
14 Rules; any purported rule not so adopted, for whatever reason,  
15 is unauthorized.

16 (Source: P.A. 93-15, eff. 6-11-03.)

17 (20 ILCS 689/15.1 new)

18 Sec. 15.1. Renewable Fuels Majority Blended Ethanol  
19 Infrastructure Program. The Department must establish and  
20 administer the Renewable Fuels Majority Blended Ethanol  
21 Program to encourage the construction, installation, and  
22 marketing of majority blended ethanol, as defined in Section  
23 3-44 of the Use Tax Act. The Renewable Fuels Majority Blended  
24 Ethanol Program shall provide financial assistance for units of  
25 local government and petroleum distribution centers to install

1 the necessary infrastructure for the use of majority blended  
2 ethanol.

3 The Department must establish the program for the purpose  
4 of providing grants to units of local government and gasoline  
5 stations or service stations offering to the public retail  
6 sales of motor fuel that operate or will be operating majority  
7 blended ethanol fueling distribution infrastructure. A unit of  
8 local government applying for a grant under this program shall  
9 receive a matching grant equaling 50% of the total cost of  
10 installation of a majority blended ethanol distribution pump,  
11 but not to exceed \$40,000. Gasoline stations or service  
12 stations shall be eligible to receive a matching grant equal to  
13 50% the cost of installation per pump location, but not to  
14 exceed a total of \$250,000 in grants annually for each gasoline  
15 station or service station retailer for locations in the  
16 gasoline station or service station retailer's ownership and  
17 control. The Department shall adopt necessary rules and forms  
18 for the implementation of this Section.

19 Rulemaking authority to implement this Section, if any, is  
20 conditioned on the rules being adopted in accordance with all  
21 provisions of the Illinois Administrative Procedure Act and all  
22 rules and procedures of the Joint Committee on Administrative  
23 Rules; any purported rule not so adopted, for whatever reason,  
24 is unauthorized.

1       Sec. 15.2. Renewable Fuels Competitive Commercialization  
2 Program. The Department must develop and administer the  
3 Renewable Fuels Competitive Commercialization Program to  
4 coordinate renewable fuel research and distribution of grant  
5 funds to bring the State to the forefront of renewable fuel  
6 development. The Renewable Fuels Competitive Commercialization  
7 Grant Oversight Committee is established to review the grants  
8 and make recommendations to the Director for awarding grants as  
9 provided in this Section. The oversight committee shall be  
10 comprised of 11 members. The members shall be appointed as  
11 follows: the Director, or his or her designee; the Speaker of  
12 the House of Representatives, or his or her designee; the  
13 President of the Senate, or his or her designee; the Minority  
14 Leader of the House of Representatives, or his or her designee;  
15 the Minority Leader of the Senate, or his or her designee; and  
16 the following members to be appointed by the Director:

17       (1) one member representing a general statewide  
18 agricultural association;

19       (2) one member representing an association representing  
20 producers of corn;

21       (3) one member representing an association representing  
22 producers of soybeans;

23       (4) 2 members representing labor organizations affiliated  
24 with the Illinois AFL-CIO; and

25       (5) one member representing renewable fuels production  
26 facilities.

1       The Department must solicit proposals for grants that  
2 provide funds for projects, including but not limited to,  
3 adding value to bio-fuel co-products (such as Distillers Dried  
4 Grain with solubles (DDGs)), increasing vehicle mileage, and  
5 reducing the water usage in manufacturing bio-fuel to increase  
6 the competitiveness of renewable fuels produced in the State.  
7 Preference shall be given to projects in partnership with  
8 industry or pilot-scale demonstration projects that advance  
9 the State's leadership in the development of a bio-based  
10 economy.

11       Rulemaking authority to implement this Section, if any, is  
12 conditioned on the rules being adopted in accordance with all  
13 provisions of the Illinois Administrative Procedure Act and all  
14 rules and procedures of the Joint Committee on Administrative  
15 Rules; any purported rule not so adopted, for whatever reason,  
16 is unauthorized.

17       (20 ILCS 689/15.3 new)

18       Sec. 15.3. Renewable Fuels Rail Infrastructure Assistance  
19 Program. The Department must establish and administer the  
20 Renewable Fuels Rail Infrastructure Assistance Program to  
21 assist in the construction and installation of (i) railroad  
22 side track and turnouts to provide rail service to renewable  
23 fuels facilities, (ii) side track and turnouts for railroad  
24 storage and collection areas for renewable fuels and renewable  
25 fuel inputs, and (iii) side track, turnouts, and other

1 necessary infrastructure for renewable fuel and renewable fuel  
2 co-products container shipping. Only one grant for the purpose  
3 stated under item (iii) of this Section shall be awarded each  
4 year. The recipient of a grant under this Section must enter  
5 into a project labor agreement for the rail infrastructure  
6 project as provided in Section 25 of this Act. Grant  
7 applications shall be submitted on forms prescribed by the  
8 Department.

9 Rulemaking authority to implement this Section, if any, is  
10 conditioned on the rules being adopted in accordance with all  
11 provisions of the Illinois Administrative Procedure Act and all  
12 rules and procedures of the Joint Committee on Administrative  
13 Rules; any purported rule not so adopted, for whatever reason,  
14 is unauthorized.

15 (20 ILCS 689/15.4 new)

16 Sec. 15.4. Renewable Fuels Technology Program Fund. To  
17 provide incentives to ethanol production facilities to reduce  
18 their water and energy usage to better manage our resources and  
19 reduce carbon emissions, ethanol facilities modifying their  
20 production process or incorporating new technologies in their  
21 new construction are also eligible for the following funding:

22 (1) A grant of 10% up to \$2,500,000 of the additional  
23 costs of reducing their net water usage to 2.8 gallons of  
24 water per gallon of ethanol.

25 (2) A grant of 10% up to \$4,000,000 of the costs to

1 reduce by 20% the natural gas required to produce a gallon  
2 of absolute ethanol using a base energy requirement for a  
3 dry mill natural gas fired ethanol plant of 34,500 BTUs per  
4 gallon of ethanol.

5 (3) A grant of 10% up to \$2,500,000 of the costs to add  
6 a co-generation system designed to provide the electrical  
7 needs of the facility.

8 Rulemaking authority to implement this Section, if any, is  
9 conditioned on the rules being adopted in accordance with all  
10 provisions of the Illinois Administrative Procedure Act and all  
11 rules and procedures of the Joint Committee on Administrative  
12 Rules; any purported rule not so adopted, for whatever reason,  
13 is unauthorized.

14 (20 ILCS 689/20)

15 Sec. 20. Grants. Subject to appropriation, the Director is  
16 authorized to award Renewable Fuels Development Program Fund  
17 grants to eligible applicants. The annual aggregate amount of  
18 grants awarded under this Section is subject to the following  
19 limits:

20 (1) grants awarded under the Illinois Renewable Fuels  
21 Development Program awarded shall not exceed \$20,000,000  
22 annually in fiscal years 2010 and 2011 and \$15,000,000  
23 thereafter; no more than \$5,000,000 annually of these grant  
24 funds may be used for bio-diesel plants; ~~\$20,000,000.~~

25 (2) grants awarded under the Renewable Fuels Majority



1 Blended Ethanol Infrastructure Program may not exceed  
2 \$3,500,000 annually for fiscal years 2010 through 2015;

3 (3) grants awarded under the Renewable Fuels Rail  
4 Infrastructure Assistance Program may not exceed  
5 \$5,000,000 annually for fiscal years 2010 through 2013;

6 (4) grants awarded under the Renewable Fuels  
7 Technology Program Fund may not exceed \$10,000,000  
8 annually for fiscal years 2010 through 2015.

9 Rulemaking authority to implement this Section, if any, is  
10 conditioned on the rules being adopted in accordance with all  
11 provisions of the Illinois Administrative Procedure Act and all  
12 rules and procedures of the Joint Committee on Administrative  
13 Rules; any purported rule not so adopted, for whatever reason,  
14 is unauthorized.

15 (Source: P.A. 93-15, eff. 6-11-03; 93-618, eff. 12-11-03;  
16 94-839, eff. 6-6-06.)

17 Section 10. The State Finance Act is amended by adding  
18 Sections 5.719 and 6z-80 as follows:

19 (30 ILCS 105/5.719 new)

20 Sec. 5.719. The Renewable Fuels Development Program Fund.

21 (30 ILCS 105/6z-80 new)

22 Sec. 6z-80. Renewable Fuels Development Program Fund. The  
23 Renewable Fuels Development Program Fund is created as a

1 special fund in the State treasury. Moneys in the Fund may be  
2 used by the Department of Commerce and Economic Opportunity,  
3 subject to appropriation, for the Illinois Renewable Fuels  
4 Development Program, the Renewable Fuels Majority Blended  
5 Ethanol Infrastructure Program, the Renewable Fuels  
6 Competitive Commercialization Program, the Renewable Fuels  
7 Rail Infrastructure Assistance Program, and other renewable  
8 energy programs as set forth in Section 20 of the Illinois  
9 Renewable Fuels Development Program Act.

10 Moneys received for the purposes of this Section,  
11 including, without limitation, fund transfers, gifts, grants,  
12 and awards from any public or private entity, must be deposited  
13 into the Fund. Any interest earned on moneys in the Fund must  
14 be deposited into the Fund.

15 There shall be deposited into the Renewable Fuels  
16 Development Program Fund those bond proceeds and other moneys  
17 that may, from time to time, be provided by law. If the moneys  
18 provided by law are not sufficient to provide the annual  
19 funding level in the Renewable Fuels Development Program Fund  
20 at the levels prescribed below, the State Comptroller must  
21 direct the State Treasurer to transfer from the General Revenue  
22 Fund to the Renewable Fuels Development Program Fund, no later  
23 than February 1, 2009 and on December 1 each year thereafter,  
24 the necessary amount to provide the funds at the level  
25 specified for each fiscal year below:

26 Fiscal Year

Amount

1	<u>2010 through 2011</u>	<u>\$38,500,000</u>
2	<u>2012</u>	<u>\$23,500,000</u>
3	<u>2013</u>	<u>\$22,500,000</u>
4	<u>2014 and 2015</u>	<u>\$17,500,000</u>
5	<u>2016</u>	<u>\$15,000,000</u>

6 Rulemaking authority to implement this Section, if any, is  
7 conditioned on the rules being adopted in accordance with all  
8 provisions of the Illinois Administrative Procedure Act and all  
9 rules and procedures of the Joint Committee on Administrative  
10 Rules; any purported rule not so adopted, for whatever reason,  
11 is unauthorized.

12 Section 99. Effective date. This Act takes effect upon  
13 becoming law.