



The Alternative Fuels Investment Fund

Under Pennsylvania's new energy legislation, every gallon of gasoline and diesel fuel sold in Pennsylvania must contain a percentage of biofuels, ramping up to 20 percent biodiesel and 10 percent ethanol once in-state production reaches certain levels.

To spur development of these homegrown alternatives, Pennsylvania will invest \$5.3 million in its in-state biofuel producers annually through June 2011. These companies will be able to take advantage of a 75 cents-per-gallon subsidy that will be capped at \$1.9 million per year per producer.

Under the legislation, the following targets are established for ethanol and biodiesel production and consumption:

- All diesel fuel sold at retail must contain:
 - 2 percent biodiesel once in-state production reaches 40 million gallons;
 - 5 percent biodiesel once in-state production reaches 100 million gallons;
 - 10 percent biodiesel once in-state production reaches 200 million gallons; and
 - 20 percent biodiesel once in-state production reaches 400 million gallons;
- All gasoline sold at retail must contain:
 - 10 percent cellulosic ethanol once in-state production reaches 350 million gallons.