

112TH CONGRESS
1ST SESSION

S. 187

To provide for the expansion of the biofuels market.

IN THE SENATE OF THE UNITED STATES

JANUARY 25 (legislative day, JANUARY 5), 2011

Mr. HARKIN (for himself, Mr. JOHNSON of South Dakota, Ms. KLOBUCHAR, and Mr. FRANKEN) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To provide for the expansion of the biofuels market.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Biofuels Market Ex-
5 pansion Act of 2011”.

6 **SEC. 2. ENSURING THE AVAILABILITY OF DUAL FUELED**
7 **AUTOMOBILES AND LIGHT DUTY TRUCKS.**

8 (a) IN GENERAL.—Chapter 329 of title 49, United
9 States Code, is amended by inserting after section 32902
10 the following:

1 **“§ 32902A. Requirement to manufacture dual fueled**
 2 **automobiles and light duty trucks**

3 “(a) IN GENERAL.—For each model year listed in the
 4 following table, each manufacturer shall ensure that the
 5 percentage of automobiles and light duty trucks manufac-
 6 tured by the manufacturer for sale in the United States
 7 that are dual fueled automobiles and light duty trucks is
 8 not less than the percentage set forth for that model year
 9 in the following table:

“Model Year	Percentage
Model years 2014 and 2015	50 percent
Model year 2016 and each subsequent model year	90 percent.

10 “(b) EXCEPTION.—Subsection (a) shall not apply to
 11 automobiles or light duty trucks that operate only on elec-
 12 tricity.”.

13 (b) CLERICAL AMENDMENT.—The table of sections
 14 for chapter 329 of title 49, United States Code, is amend-
 15 ed by inserting after the item relating to section 32902
 16 the following:

“32902A. Requirement to manufacture dual fueled automobiles and light duty
 trucks.”.

17 (c) RULEMAKING.—Not later than 1 year after the
 18 date of the enactment of this Act, the Secretary of Trans-
 19 portation shall prescribe regulations to carry out the
 20 amendments made by this Act.

21 **SEC. 3. BLENDER PUMP PROMOTION.**

22 (a) BLENDER PUMP GRANT PROGRAM.—

1 (1) DEFINITIONS.—In this subsection:

2 (A) BLENDER PUMP.—The term “blender
3 pump” means an automotive fuel dispensing
4 pump capable of dispensing at least 3 different
5 blends of gasoline and ethanol, as selected by
6 the pump operator, including blends ranging
7 from 0 percent ethanol to 85 percent denatured
8 ethanol, as determined by the Secretary.

9 (B) E-85 FUEL.—The term “E-85 fuel”
10 means a blend of gasoline approximately 85
11 percent of the content of which is ethanol.

12 (C) ETHANOL FUEL BLEND.—The term
13 “ethanol fuel blend” means a blend of gasoline
14 and ethanol, with a minimum of 0 percent and
15 maximum of 85 percent of the content of which
16 is denatured ethanol.

17 (D) MAJOR FUEL DISTRIBUTOR.—

18 (i) IN GENERAL.—The term “major
19 fuel distributor” means any person that
20 owns a refinery or directly markets the
21 output of a refinery.

22 (ii) EXCLUSION.—The term “major
23 fuel distributor” does not include any per-
24 son that directly markets through less than
25 50 retail fueling stations.

1 (E) SECRETARY.—The term “Secretary”
2 means the Secretary of Energy.

3 (2) GRANTS.—The Secretary shall make grants
4 under this subsection to eligible facilities (as deter-
5 mined by the Secretary) to pay the Federal share
6 of—

7 (A) installing blender pump fuel infra-
8 structure, including infrastructure necessary for
9 the direct retail sale of ethanol fuel blends (in-
10 cluding E–85 fuel), including blender pumps
11 and storage tanks; and

12 (B) providing subgrants to direct retailers
13 of ethanol fuel blends (including E–85 fuel) for
14 the purpose of installing fuel infrastructure for
15 the direct retail sale of ethanol fuel blends (in-
16 cluding E–85 fuel), including blender pumps
17 and storage tanks.

18 (3) LIMITATION.—A major fuel distributor shall
19 not be eligible for a grant or subgrant under this
20 subsection.

21 (4) FEDERAL SHARE.—The Federal share of
22 the cost of a project carried out under this sub-
23 section shall be up to 50 percent of the total cost of
24 the project.

1 (5) REVERSION.—If an eligible facility or re-
2 tailer that receives a grant or subgrant under this
3 subsection does not offer ethanol fuel blends for sale
4 for at least 2 years during the 4-year period begin-
5 ning on the date of installation of the blender pump,
6 the eligible facility or retailer shall be required to
7 repay to the Secretary an amount determined to be
8 appropriate by the Secretary, but not more than the
9 amount of the grant provided to the eligible facility
10 or retailer under this subsection.

11 (6) AUTHORIZATION OF APPROPRIATIONS.—
12 There are authorized to be appropriated to the Sec-
13 retary to carry out this subsection, to remain avail-
14 able until expended—

- 15 (A) \$50,000,000 for fiscal year 2012;
16 (B) \$100,000,000 for fiscal year 2013;
17 (C) \$200,000,000 for fiscal year 2014;
18 (D) \$300,000,000 for fiscal year 2015;
19 and
20 (E) \$350,000,000 for fiscal year 2016.

21 (b) INSTALLATION OF BLENDER PUMPS BY MAJOR
22 FUEL DISTRIBUTORS AT OWNED STATIONS AND BRAND-
23 ED STATIONS.—Section 211(o) of the Clean Air Act (42
24 U.S.C. 7545(o)) is amended by adding at the end the fol-
25 lowing:

1 “(13) INSTALLATION OF BLENDER PUMPS BY
2 MAJOR FUEL DISTRIBUTORS AT OWNED STATIONS
3 AND BRANDED STATIONS.—

4 “(A) DEFINITIONS.—In this paragraph:

5 “(i) E-85 FUEL.—The term ‘E-85
6 fuel’ means a blend of gasoline approxi-
7 mately 85 percent of the content of which
8 is ethanol.

9 “(ii) ETHANOL FUEL BLEND.—The
10 term ‘ethanol fuel blend’ means a blend of
11 gasoline and ethanol, with a minimum of 0
12 percent and maximum of 85 percent of the
13 content of which is denatured ethanol.

14 “(iii) MAJOR FUEL DISTRIBUTOR.—

15 “(I) IN GENERAL.—The term
16 ‘major fuel distributor’ means any
17 person that owns a refinery or directly
18 markets the output of a refinery.

19 “(II) EXCLUSION.—The term
20 ‘major fuel distributor’ does not in-
21 clude any person that directly markets
22 through less than 50 retail fueling
23 stations.

24 “(iv) SECRETARY.—The term ‘Sec-
25 retary’ means the Secretary of Energy,

1 acting in consultation with the Adminis-
2 trator of the Environmental Protection
3 Agency and the Secretary of Agriculture.

4 “(B) REGULATIONS.—The Secretary shall
5 promulgate regulations to ensure that each
6 major fuel distributor that sells or introduces
7 gasoline into commerce in the United States
8 through majority-owned stations or branded
9 stations installs or otherwise makes available 1
10 or more blender pumps that dispense E-85 fuel
11 and ethanol fuel blends (including any other
12 equipment necessary, such as tanks, to ensure
13 that the pumps function properly) for a period
14 of not less than 5 years at not less than the ap-
15 plicable percentage of the majority-owned sta-
16 tions and the branded stations of the major fuel
17 distributor specified in subparagraph (C).

18 “(C) APPLICABLE PERCENTAGE.—For the
19 purpose of subparagraph (B), the applicable
20 percentage of the majority-owned stations and
21 the branded stations shall be determined in ac-
22 cordance with the following table:

**“Applicable percentage of
majority-owned stations
and branded stations**

Calendar year:	Percent:
2014	10
2016	20
2018	35
2020 and each calendar year thereafter	50.

1 “(D) GEOGRAPHIC DISTRIBUTION.—

2 “ (i) IN GENERAL.—Subject to clause
3 (ii), in promulgating regulations under
4 subparagraph (B), the Secretary shall en-
5 sure that each major fuel distributor de-
6 scribed in that subparagraph installs or
7 otherwise makes available 1 or more blend-
8 er pumps that dispense E-85 fuel and eth-
9 anol fuel blends at not less than a min-
10 imum percentage (specified in the regula-
11 tions) of the majority-owned stations and
12 the branded stations of the major fuel dis-
13 tributors in each State.

14 “(ii) REQUIREMENT.—In specifying
15 the minimum percentage under clause (i),
16 the Secretary shall ensure that each major
17 fuel distributor installs or otherwise makes
18 available 1 or more blender pumps de-
19 scribed in that clause in each State in
20 which the major fuel distributor operates.

1 “(E) FINANCIAL RESPONSIBILITY.—In
2 promulgating regulations under subparagraph
3 (B), the Secretary shall ensure that each major
4 fuel distributor described in that subparagraph
5 assumes full financial responsibility for the
6 costs of installing or otherwise making available
7 the blender pumps described in that subpara-
8 graph and any other equipment necessary (in-
9 cluding tanks) to ensure that the pumps func-
10 tion properly.

11 “(F) PRODUCTION CREDITS FOR EXCEED-
12 ING BLENDER PUMPS INSTALLATION REQUIRE-
13 MENT.—

14 “(i) EARNING AND PERIOD FOR AP-
15 PLYING CREDITS.—If the percentage of the
16 majority-owned stations and the branded
17 stations of a major fuel distributor at
18 which the major fuel distributor installs
19 blender pumps in a particular calendar
20 year exceeds the percentage required under
21 subparagraph (C), the major fuel dis-
22 tributor shall earn credits under this para-
23 graph, which may be applied to any of the
24 3 consecutive calendar years immediately

1 after the calendar year for which the cred-
2 its are earned.

3 “(ii) TRADING CREDITS.—Subject to
4 clause (iii), a major fuel distributor that
5 has earned credits under clause (i) may
6 sell the credits to another major fuel dis-
7 tributor to enable the purchaser to meet
8 the requirement under subparagraph (C).

9 “(iii) EXCEPTION.—A major fuel dis-
10 tributor may not use credits purchased
11 under clause (ii) to fulfill the geographic
12 distribution requirement in subparagraph
13 (D).”.

14 **SEC. 4. LOAN GUARANTEES FOR PROJECTS TO CONSTRUCT**
15 **RENEWABLE FUEL PIPELINES.**

16 (a) DEFINITIONS.—Section 1701 of the Energy Pol-
17 icy Act of 2005 (42 U.S.C. 16511) is amended by adding
18 at the end the following:

19 “(6) RENEWABLE FUEL.—The term ‘renewable
20 fuel’ has the meaning given the term in section
21 211(o)(1) of the Clean Air Act (42 U.S.C.
22 7545(o)(1)), except that the term includes all types
23 of ethanol and biodiesel.

1 “(7) RENEWABLE FUEL PIPELINE.—The term
2 ‘renewable fuel pipeline’ means a pipeline for trans-
3 porting renewable fuel.”.

4 (b) AMOUNT.—Section 1702(c) of the Energy Policy
5 Act of 2005 (42 U.S.C. 16512(c)) is amended—

6 (1) by striking “(c) AMOUNT.—Unless” and in-
7 serting the following:

8 “(c) AMOUNT.—

9 “(1) IN GENERAL.—Unless”; and

10 (2) by adding at the end the following:

11 “(2) RENEWABLE FUEL PIPELINES.—A guar-
12 antee for a project described in section 1703(b)(11)
13 shall be in an amount equal to 80 percent of the
14 project cost of the facility that is the subject of the
15 guarantee, as estimated at the time at which the
16 guarantee is issued.”.

17 (c) RENEWABLE FUEL PIPELINE ELIGIBILITY.—
18 Section 1703(b) of the Energy Policy Act of 2005 (42
19 U.S.C. 16513(b)) is amended by adding at the end the
20 following:

21 “(11) Renewable fuel pipelines.”.

22 (d) RAPID DEPLOYMENT OF RENEWABLE FUEL
23 PIPELINES.—Section 1705 of the Energy Policy Act of
24 2005 (42 U.S.C. 16516) is amended—

25 (1) in subsection (a)—

1 (A) in the matter preceding paragraph (1),
2 by inserting “, or, in the case of projects de-
3 scribed in paragraph (4), September 30, 2012”
4 before the colon at the end; and

5 (B) by adding at the end the following:

6 “(4) Installation of sufficient infrastructure to
7 allow for the cost-effective deployment of clean en-
8 ergy technologies appropriate to each region of the
9 United States, including the deployment of renew-
10 able fuel pipelines through loan guarantees in an
11 amount equal to 80 percent of the cost.”; and

12 (2) in subsection (e), by inserting “, or, in the
13 case of projects described in subsection (a)(4), Sep-
14 tember 30, 2012” before the period at the end.

15 (e) REGULATIONS.—Not later than 90 days after the
16 date of enactment of this Act, the Secretary of Energy
17 shall promulgate such regulations as are necessary to
18 carry out the amendments made by this section.

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