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. KLOBUCHEAR, 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.

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

SECTION 1. SHORT TITLE.

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

SEC. 2. ENSURING THE AVAILABILITY OF DUAL FUELED

AUTOMOBILES AND LIGHT DUTY TRUCKS.

(a) In General.—Chapter 329 of title 49, United
States Code, is amended by inserting after section 32902
the following:
§ 32902A. Requirement to manufacture dual fueled automobiles and light duty trucks

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

<table>
<thead>
<tr>
<th>Model Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model years 2014 and 2015</td>
<td>50 percent</td>
</tr>
<tr>
<td>Model year 2016 and each subsequent model year</td>
<td>90 percent</td>
</tr>
</tbody>
</table>

“(b) EXCEPTION.—Subsection (a) shall not apply to automobiles or light duty trucks that operate only on electricity.”.

(b) Clerical Amendment.—The table of sections for chapter 329 of title 49, United States Code, is amended by inserting after the item relating to section 32902 the following:

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

(c) Rulemaking.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Transportation shall prescribe regulations to carry out the amendments made by this Act.

SEC. 3. BLENDER PUMP PROMOTION.

(a) Blender Pump Grant Program.—
(1) DEFINITIONS.—In this subsection:

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

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

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

(D) MAJOR FUEL DISTRIBUTOR.—

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

(ii) EXCLUSION.—The term “major fuel distributor” does not include any person that directly markets through less than 50 retail fueling stations.
(E) Secretary.—The term “Secretary” means the Secretary of Energy.

(2) Grants.—The Secretary shall make grants under this subsection to eligible facilities (as determined by the Secretary) to pay the Federal share of—

(A) installing blender pump fuel infrastructure, including infrastructure necessary for the direct retail sale of ethanol fuel blends (including E–85 fuel), including blender pumps and storage tanks; and

(B) providing subgrants to direct retailers of ethanol fuel blends (including E–85 fuel) for the purpose of installing fuel infrastructure for the direct retail sale of ethanol fuel blends (including E–85 fuel), including blender pumps and storage tanks.

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

(4) Federal Share.—The Federal share of the cost of a project carried out under this subsection shall be up to 50 percent of the total cost of the project.
(5) **Reversion.**—If an eligible facility or retailer that receives a grant or subgrant under this subsection does not offer ethanol fuel blends for sale for at least 2 years during the 4-year period beginning on the date of installation of the blender pump, the eligible facility or retailer shall be required to repay to the Secretary an amount determined to be appropriate by the Secretary, but not more than the amount of the grant provided to the eligible facility or retailer under this subsection.

(6) **Authorization of Appropriations.**—There are authorized to be appropriated to the Secretary to carry out this subsection, to remain available until expended—

(A) $50,000,000 for fiscal year 2012;

(B) $100,000,000 for fiscal year 2013;

(C) $200,000,000 for fiscal year 2014;

(D) $300,000,000 for fiscal year 2015;

(E) $350,000,000 for fiscal year 2016.

(b) **Installation of Blender Pumps by Major Fuel Distributors at Owned Stations and Branded Stations.**—Section 211(o) of the Clean Air Act (42 U.S.C. 7545(o)) is amended by adding at the end the following:
“(13) INSTALLATION OF BLENDER PUMPS BY
MAJOR FUEL DISTRIBUTORS AT OWNED STATIONS
AND BRANDED STATIONS.—

“(A) DEFINITIONS.—In this paragraph:

“(i) E–85 FUEL.—The term ‘E–85 fuel’ means a blend of gasoline approximately 85 percent of the content of which is ethanol.

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

“(iii) MAJOR FUEL DISTRIBUTOR.—

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

“(II) EXCLUSION.—The term ‘major fuel distributor’ does not include any person that directly markets through less than 50 retail fueling stations.

“(iv) SECRETARY.—The term ‘Secretary’ means the Secretary of Energy,
acting in consultation with the Administrator of the Environmental Protection Agency and the Secretary of Agriculture.

“(B) REGULATIONS.—The Secretary shall promulgate regulations to ensure that each major fuel distributor that sells or introduces gasoline into commerce in the United States through majority-owned stations or branded stations installs or otherwise makes available 1 or more blender pumps that dispense E–85 fuel and ethanol fuel blends (including any other equipment necessary, such as tanks, to ensure that the pumps function properly) for a period of not less than 5 years at not less than the applicable percentage of the majority-owned stations and the branded stations of the major fuel distributor specified in subparagraph (C).

“(C) APPLICABLE PERCENTAGE.—For the purpose of subparagraph (B), the applicable percentage of the majority-owned stations and the branded stations shall be determined in accordance with the following table:
“Applicable percentage of majority-owned stations and branded stations

<table>
<thead>
<tr>
<th>Calendar year:</th>
<th>Percent:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>10</td>
</tr>
<tr>
<td>2016</td>
<td>20</td>
</tr>
<tr>
<td>2018</td>
<td>35</td>
</tr>
<tr>
<td>2020 and each calendar year thereafter</td>
<td>50</td>
</tr>
</tbody>
</table>

“(D) GEOGRAPHIC DISTRIBUTION.—

“(i) IN GENERAL.—Subject to clause (ii), in promulgating regulations under subparagraph (B), the Secretary shall ensure that each major fuel distributor described in that subparagraph installs or otherwise makes available 1 or more blender pumps that dispense E–85 fuel and ethanol fuel blends at not less than a minimum percentage (specified in the regulations) of the majority-owned stations and the branded stations of the major fuel distributors in each State.

“(ii) REQUIREMENT.—In specifying the minimum percentage under clause (i), the Secretary shall ensure that each major fuel distributor installs or otherwise makes available 1 or more blender pumps described in that clause in each State in which the major fuel distributor operates.
“(E) Financial responsibility.—In promulgating regulations under subparagraph (B), the Secretary shall ensure that each major fuel distributor described in that subparagraph assumes full financial responsibility for the costs of installing or otherwise making available the blender pumps described in that subparagraph and any other equipment necessary (including tanks) to ensure that the pumps function properly.

“(F) Production credits for exceeding blender pumps installation requirement.—

“(i) Earning and period for applying credits.—If the percentage of the majority-owned stations and the branded stations of a major fuel distributor at which the major fuel distributor installs blender pumps in a particular calendar year exceeds the percentage required under subparagraph (C), the major fuel distributor shall earn credits under this paragraph, which may be applied to any of the 3 consecutive calendar years immediately
after the calendar year for which the credits are earned.

“(ii) Trading Credits.—Subject to clause (iii), a major fuel distributor that has earned credits under clause (i) may sell the credits to another major fuel distributor to enable the purchaser to meet the requirement under subparagraph (C).

“(iii) Exception.—A major fuel distributor may not use credits purchased under clause (ii) to fulfill the geographic distribution requirement in subparagraph (D).”.

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

(a) Definitions.—Section 1701 of the Energy Policy Act of 2005 (42 U.S.C. 16511) is amended by adding at the end the following:

“(6) Renewable Fuel.—The term ‘renewable fuel’ has the meaning given the term in section 211(o)(1) of the Clean Air Act (42 U.S.C. 7545(o)(1)), except that the term includes all types of ethanol and biodiesel.
“(7) **RENEWABLE FUEL PIPELINE.**—The term ‘renewable fuel pipeline’ means a pipeline for transporting renewable fuel.”.

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

(1) by striking “(c) **AMOUNT.**—Unless” and inserting the following:

“(c) **AMOUNT.**—

“(1) IN GENERAL.—Unless”; and

(2) by adding at the end the following:

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

(c) **RENEWABLE FUEL PIPELINE ELIGIBILITY.**—

Section 1703(b) of the Energy Policy Act of 2005 (42 U.S.C. 16513(b)) is amended by adding at the end the following:

“(11) Renewable fuel pipelines.”.

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

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

(B) by adding at the end the following:
“(4) Installation of sufficient infrastructure to
allow for the cost-effective deployment of clean en-
ergy technologies appropriate to each region of the
United States, including the deployment of renew-
able fuel pipelines through loan guarantees in an
amount equal to 80 percent of the cost.”; and

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

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