

112TH CONGRESS  
1ST SESSION

# S. 937

To repeal certain barriers to domestic fuel production, and for other purposes.

---

IN THE SENATE OF THE UNITED STATES

MAY 10, 2011

Mr. BARRASSO (for himself, Mr. BLUNT, Mr. MANCHIN, Ms. MURKOWSKI, Mr. ENZI, and Mr. COATS) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

---

## A BILL

To repeal certain barriers to domestic fuel production, and  
for other purposes.

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 “American Alternative  
5 Fuels Act of 2011”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

8 (1) the United States needs short- and long-  
9 term policies designed—

1 (A) to eliminate the reliance of the United  
2 States on foreign energy sources;

3 (B) to create jobs in the United States;  
4 and

5 (C) to harness all of the energy resources  
6 of the United States;

7 (2) promoting the energy security of the United  
8 States can be achieved by leveraging all domestic en-  
9 ergy resources, including—

10 (A) traditional fossil fuels;

11 (B) alternative energy resources; and

12 (C) renewable energy; and

13 (3) the United States needs to adopt policies  
14 that would foster a more sustainable domestic en-  
15 ergy supply that would—

16 (A) decrease risks to national security;

17 (B) lower domestic energy prices;

18 (C) reduce trade deficits; and

19 (D) create jobs in the United States.

20 **SEC. 3. REPEAL OF UNNECESSARY BARRIERS TO DOMES-**  
21 **TIC FUEL PRODUCTION.**

22 (a) IN GENERAL.—Section 526 of the Energy Inde-  
23 pendence and Security Act of 2007 (42 U.S.C. 17142) is  
24 repealed.

1 (b) CONFORMING AMENDMENT.—Section 1112 of the  
2 National Aeronautics and Space Administration Author-  
3 ization Act of 2008 (42 U.S.C. 17827) is repealed.

4 **SEC. 4. TRANSPARENCY FOR DELAYED LOAN GUARANTEE**  
5 **APPLICATIONS.**

6 Section 1702 of the Energy Policy Act of 2005 (42  
7 U.S.C. 16512) is amended by adding at the end the fol-  
8 lowing:

9 “(l) REPORTING REQUIREMENT.—

10 “(1) IN GENERAL.—If the Secretary fails to  
11 make a final decision by the date that is 270 days  
12 after the date on which the Secretary selects an ap-  
13 plication to proceed to negotiations of terms and  
14 conditions for issuance of a conditional commitment  
15 for a loan guarantee application under this title for  
16 a substitute natural gas, chemical feedstock, or liq-  
17 uid transportation fuel project, not later than 7 days  
18 after that date, and for every 90-day period there-  
19 after, the Secretary shall—

20 “(A) prepare a status report for the period  
21 covered by the report; and

22 “(B) submit the status report to—

23 “(i) the Committee on Energy and  
24 Natural Resources of the Senate; and

1                   “(ii) the Committee on Energy and  
2                   Commerce of the House of Representa-  
3                   tives.

4                   “(2) CONTENTS.—The status report described  
5                   in paragraph (1) shall contain—

6                   “(A) a description of each reason for the  
7                   delay of the application;

8                   “(B) the name and office of the official  
9                   who, for the period covering the status report,  
10                  has reviewed the application; and

11                  “(C) a detailed schedule for completion of  
12                  the application review.”.

13 **SEC. 5. ALGAE-BASED FUEL INCENTIVES.**

14                  Section 211(o)(2)(B) of the Clean Air Act (42 U.S.C.  
15                  7545(o)(2)(B)) is amended by adding at the end the fol-  
16                  lowing:

17                                  “(vi) ALGAE-BASED FUEL INCEN-  
18                                  TIVES.—For purposes of calculating the  
19                                  applicable volume of renewable fuel under  
20                                  clauses (i) and (ii) for each calendar year,  
21                                  the Administrator shall consider each gal-  
22                                  lon of renewable biomass produced from  
23                                  algae to be equal to 3 gallons of renewable  
24                                  fuel if the algae-based fuel was produced  
25                                  using carbon dioxide that was captured in

1 a manner that prevented the uncontrolled  
2 release of carbon dioxide into the atmos-  
3 phere during a separate energy production  
4 process.”.

5 **SEC. 6. LOAN GUARANTEES.**

6 Section 1703(b) of the Energy Policy Act of 2005  
7 (42 U.S.C. 16513(b)) is amended by adding at the end  
8 the following:

9 “(11) Substitute natural gas production facili-  
10 ties, if the gas is produced—

11 “(A) from a solid feedstock through a gas-  
12 ification process; and

13 “(B) in a manner that captures at least 90  
14 percent of the carbon produced through the  
15 gasification process.”.

16 **SEC. 7. MULTIYEAR CONTRACT AUTHORITY FOR DEPART-**  
17 **MENT OF DEFENSE FOR PROCUREMENT OF**  
18 **ALTERNATIVE FUELS.**

19 (a) MULTIYEAR CONTRACTS FOR THE PROCURE-  
20 MENT OF ALTERNATIVE FUELS AUTHORIZED.—

21 (1) IN GENERAL.—Chapter 141 of title 10,  
22 United States Code, is amended by adding at the  
23 end the following:

1 **“SEC. 2410r. MULTIYEAR CONTRACT AUTHORITY: PUR-**  
 2 **CHASE OF ALTERNATIVE FUELS.**

3 “(a) IN GENERAL.—The head of an agency (as de-  
 4 fined in section 2302) may enter into contracts for a pe-  
 5 riod not to exceed 20 years for the purchase of alternative  
 6 fuels.

7 “(b) REQUIRED PROVISIONS.—A contract entered  
 8 into under subsection (a) shall include the following provi-  
 9 sions:

10 “(1) A statement that the obligation of the  
 11 United States to make payments under the contract  
 12 in any fiscal year is subject to appropriations being  
 13 provided specifically for that fiscal year and specifi-  
 14 cally for alternative fuels.

15 “(2) A commitment to obligate the necessary  
 16 amount for each fiscal year covered by the contract  
 17 when and to the extent that funds are appropriated  
 18 for that purpose for that fiscal year.

19 “(3) A statement that a commitment given  
 20 under the authority of this section does not con-  
 21 stitute an obligation of the United States.”.

22 (2) CLERICAL AMENDMENT.—The table of sec-  
 23 tions of chapter 141 of title 10, United States Code,  
 24 is amended by adding at the end the following:

“2410r. Multiyear contract authority: purchase of alternative fuels.”.

1 (b) REGULATIONS.—Not later than 120 days after  
2 the date of enactment of this Act, the Secretary of Defense  
3 shall issue regulations providing that the head of an agen-  
4 cy may enter into a multiyear contract as authorized by  
5 section 2410r of title 10, United States Code (as added  
6 by subsection (a)), only if the head of the agency has de-  
7 termined in writing that—

8 (1) there is a reasonable expectation that,  
9 throughout the contemplated contract period, the  
10 head of the agency will request funding for the con-  
11 tract at the level required to avoid contract cancella-  
12 tion;

13 (2) the technical risks associated with the tech-  
14 nologies for the production of alternative fuel under  
15 the contract are not excessive;

16 (3) the contract will contain appropriate pricing  
17 mechanisms to minimize risk to the Federal Govern-  
18 ment from significant changes in market prices for  
19 energy; and

20 (4) the contract will not be used by the Depart-  
21 ment of Defense to finance new facilities intended to  
22 produce fuel for consumption by the Federal Gov-  
23 ernment.

24 (c) LIMITATION ON USE OF AUTHORITY.—No con-  
25 tract may be entered into under section 2410r of title 10,

1 United States Code (as so added), until the regulations  
2 required by subsection (b) are issued.

3 **SEC. 8. ELECTRIC VEHICLE IMPACT ON ELECTRICITY DE-**  
4 **MAND.**

5 Section 169(3) of the Clean Air Act (42 U.S.C.  
6 7479(3)) is amended—

7 (1) by striking “(3) The term” and inserting  
8 the following:

9 “(3) BEST AVAILABLE CONTROL TECH-  
10 NOLOGY.—

11 “(A) DEFINITION.—

12 “(i) IN GENERAL.—The term”;

13 (2) in the second sentence, by striking “In no  
14 event” and inserting the following:

15 “(B) EMISSION LIMITATIONS.—

16 “(i) IN GENERAL.—In no event”;

17 (3) in the third sentence, by striking “Emis-  
18 sions” and inserting the following:

19 “(ii) PROHIBITION ON CERTAIN IN-  
20 CREASES.—Emissions”; and

21 (4) by adding at the end the following:

22 “(C) ADDITIONAL CONSIDERATIONS.—For  
23 purposes of establishing the ‘best available con-  
24 trol technology’ for a major emitting facility  
25 that is an electric generating facility located in



1 a region in which demand for electricity has in-  
2 creased significantly due to the volume of elec-  
3 tric vehicles, the permitting authority shall take  
4 into account the extent to which the emissions  
5 of a pollutant have been reduced as a result of  
6 the increased use of electric vehicles.”.

○