

111TH CONGRESS  
1ST SESSION

# H. R. 260

To authorize the Secretary of Energy to make loan guarantees for cellulosic ethanol production technology development.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 7, 2009

Ms. JACKSON-LEE of Texas introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Science and Technology, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To authorize the Secretary of Energy to make loan guarantees for cellulosic ethanol production technology development.

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 “21st Century Energy  
5       Independence Act of 2009”.

6       **SEC. 2. FINDINGS.**

7       Congress finds the following:

1           (1) The Energy Information Administration es-  
2           timates that the United States imports nearly 60  
3           percent of the oil it consumes.

4           (2) The world's greatest petroleum reserves re-  
5           side in regions of high geopolitical risk, 57 percent  
6           of which are in the Persian Gulf.

7           (3) Replacing oil imports with domestic alter-  
8           natives such as traditional and cellulosic ethanol can  
9           not only help reduce the \$180,000,000,000 that oil  
10          contributes to our annual trade deficit, it can end  
11          our addiction to foreign oil.

12          (4) According to the Department of Agri-  
13          culture, biomass can displace 30 percent of our Na-  
14          tion's petroleum consumption.

15          (5) Along with traditional production of ethanol  
16          from corn, cellulosic ethanol can be produced domes-  
17          tically from a variety of feedstocks, including  
18          switchgrass, corn stalks, and municipal solid wastes,  
19          which are available throughout our Nation.

20          (6) Cellulosic ethanol also relies on its own by-  
21          products to fuel the refining process, yielding a posi-  
22          tive energy balance.

23          (7) Even though the potential production of  
24          traditional corn-based ethanol is about  
25          10,000,000,000 gallons per year, the potential pro-

1       duction of cellulosic ethanol is estimated to be  
2       60,000,000,000 gallons per year.

3           (8) In addition to ensuring access to more  
4       abundant sources of energy, replacing petroleum use  
5       with ethanol will help reduce United States carbon  
6       emissions, which are otherwise expected to increase  
7       by 80 percent by 2025.

8           (9) Cellulosic ethanol can also reduce green-  
9       house gas emissions by 87 percent.

10          (10) Facilitating the transition from foreign oil  
11       to ethanol will protect our environment from dan-  
12       gerous carbon and greenhouse gas emissions.

13          (11) Cellulosic ethanol technology requires ini-  
14       tial governmental investment and policy support to  
15       achieve the necessary scale to become self-sufficient  
16       and gain market-penetrating capacity.

17   **SEC. 3. PURPOSE.**

18       In carrying out this Act, the Secretary of Energy (in  
19       this Act referred to as the “Secretary”) shall seek to en-  
20       sure the availability of 200 percent of the volume of renew-  
21       able fuels required to be available in the United States  
22       by 2013 under the Energy Policy Act of 2005, and to en-  
23       sure the reduction of carbon dioxide emissions from the  
24       production and use of renewable fuels by 25 percent.

1 **SEC. 4. LOAN GUARANTEE PROGRAM.**

2 The Secretary shall establish a program for making  
3 loan guarantees for up to 80 percent of the cost of a  
4 project, consistent with section 3, for—

5 (1) up to 5 projects for the harvesting, storing,  
6 and delivery of agriculture residues for use in cellu-  
7 losic or traditional ethanol production plants;

8 (2) cellulosic ethanol production technologies  
9 that will reduce the initial capital cost to \$2.50 per  
10 annual gallon, and reduce operation and mainte-  
11 nance costs to 125 percent of those at traditional  
12 corn ethanol plants;

13 (3) advanced biomass gasifiers that can provide  
14 at least 90 percent of the thermal input require-  
15 ments for traditional ethanol plants to produce  
16 syngas; and

17 (4) appropriately scaled catalytic conversion  
18 process (such as Fischer-Tropsch) projects to con-  
19 vert syngas to liquid fuels with the potential for eco-  
20 nomic conversion at facilities producing 100,000,000  
21 annual gallons, with projects colocated at ethanol fa-  
22 cilities already using advanced gasifiers given pri-  
23 ority.

24 **SEC. 5. LIMITATIONS.**

25 The Secretary shall make a loan guarantee under sec-  
26 tion 4(1)—

1           (1) for a traditional ethanol plant only if the  
2           agriculture residue products are used as feedstock to  
3           replace thermal input requirements otherwise pro-  
4           vided by fossil fuels such as natural gas or coal; and

5           (2) for an existing ethanol plant only if the ap-  
6           plicant demonstrates the potential to reduce carbon  
7           dioxide emissions related to ethanol production by at  
8           least 75 percent.

9   **SEC. 6. GRANTS.**

10          The Secretary may additionally provide grants for  
11        projects described in section 4(2) for up to 50 percent of  
12        the capital costs of the initial commercialization projects.

13   **SEC. 7. AUTHORIZATION OF APPROPRIATIONS.**

14          There are authorized to be appropriated to the Sec-  
15        retary for carrying out this Act, \$250,000,000.

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