

111TH CONGRESS  
1ST SESSION

# H. R. 864

To amend the Energy Policy Act of 2005 to provide loan guarantees for projects to construct renewable fuel pipelines, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 4, 2009

Mr. BOSWELL (for himself, Mr. TERRY, Mr. BRALEY of Iowa, Mr. LATHAM, Mr. PETERSON, Mr. LOEBSACK, and Mr. KING of Iowa) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Transportation and Infrastructure, 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 amend the Energy Policy Act of 2005 to provide loan guarantees for projects to construct renewable fuel pipelines, 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 “Renewable Fuel Pipe-  
5 lines Act of 2009”.

### 6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1           (1) Creating the appropriate infrastructure to  
2           move renewable fuels is a necessary energy and  
3           transportation objective for the United States.

4           (2) Currently more than 70 percent of the gaso-  
5           line supply of the United States is delivered to local  
6           terminals through pipelines.

7           (3) Pipelines are the most cost-effective, effi-  
8           cient, and safe transportation mode in use today to  
9           deliver large volumes of liquid fuels.

10          (4) Renewable fuels are currently transported  
11          by truck, barge, and rail, and the volume require-  
12          ments of the Energy Independence and Security Act  
13          of 2007 may overwhelm the renewable fuels infra-  
14          structure, a problem that would be alleviated by the  
15          transportation of renewable fuels through pipelines.

16          (5) The production and use of renewable fuels  
17          is supported by Federal policy and a corresponding  
18          Federal policy is necessary to support the construc-  
19          tion of an appropriate infrastructure to transport  
20          such fuels.

21   **SEC. 3. LOAN GUARANTEES FOR PROJECTS TO CONSTRUCT**  
22                   **RENEWABLE FUEL PIPELINES.**

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

1           “(6) RENEWABLE FUEL.—The term ‘renewable  
2           fuel’ has the meaning given the term in section  
3           211(o)(1) of the Clean Air Act (42 U.S.C.  
4           7545(o)(1)), except that the term shall include all  
5           ethanol and biodiesel.

6           “(7) RENEWABLE FUEL PIPELINE.—The term  
7           ‘renewable fuel pipeline’ means a common carrier  
8           pipeline for transporting renewable fuel.”.

9           (b) TERMS AND CONDITIONS.—

10           (1) SPECIFIC APPROPRIATION OR CONTRIBU-  
11           TION.—Subsection (b) of section 1702 of the Energy  
12           Policy Act of 2005 (42 U.S.C. 16512) is amended—

13                   (A) by redesignating paragraphs (1) and  
14                   (2) as subparagraphs (A) and (B), respectively,  
15                   and by moving such subparagraphs 2 ems to  
16                   the right;

17                   (B) by striking “(b) SPECIFIC APPROPRIA-  
18                   TION OR CONTRIBUTION.—No guarantee” and  
19                   inserting the following:

20           “(b) SPECIFIC APPROPRIATION OR CONTRIBU-  
21           TION.—

22                   “(1) IN GENERAL.—No guarantee”; and

23                   (C) by adding at the end the following:

24           “(2) RENEWABLE FUEL PIPELINES.—The Sec-  
25           retary may waive the application of paragraph (1)

1 with respect to a guarantee for a project described  
2 in section 1703(f)(1).”.

3 (2) AMOUNT.—Subsection (c) of such section is  
4 amended—

5 (A) by striking “(c) AMOUNT.—Unless”  
6 and inserting the following:

7 “(c) AMOUNT.—

8 “(1) IN GENERAL.—Unless”; and

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

10 “(2) RENEWABLE FUEL PIPELINES.—With re-  
11 spect to a project described in section 1703(f)(1)—

12 “(A) a guarantee by the Secretary shall  
13 not exceed an amount equal to 90 percent of  
14 the project cost of the renewable fuel pipeline  
15 that is the subject of the guarantee, as esti-  
16 mated at the time at which the guarantee is  
17 issued; and

18 “(B) the Secretary may make more than  
19 one guarantee for such project, to the extent  
20 that the sum of all guarantees for such project  
21 does not exceed an amount equal to 90 percent  
22 of the project cost of the renewable fuel pipeline  
23 that is the subject of such guarantees, as esti-  
24 mated any time after the original guarantee is  
25 issued.”.

1       (c) ELIGIBLE PROJECTS.—Section 1703 of the En-  
2   ergy Policy Act of 2005 (42 U.S.C. 16513) is amended  
3   by adding at the end the following:

4       “(f) RENEWABLE FUEL PIPELINES.—

5               “(1) IN GENERAL.—The Secretary may make  
6       guarantees under this title for projects to construct  
7       renewable fuel pipelines without regard to any limi-  
8       tation under this section other than a limitation  
9       under this subsection.

10              “(2) GUARANTEE DETERMINATIONS.—In deter-  
11       mining whether to make a guarantee for a project  
12       described in paragraph (1), the Secretary shall con-  
13       sider the following:

14                      “(A) The volume of renewable fuel to be  
15                      moved by the renewable fuel pipeline.

16                      “(B) The size of the markets to be served  
17                      by the renewable fuel pipeline.

18                      “(C) The existence of sufficient storage to  
19                      facilitate access to the markets to be served by  
20                      the renewable fuel pipeline.

21                      “(D) The proximity of the renewable fuel  
22                      pipeline to renewable fuel production facilities.

23                      “(E) The investment in terminal infra-  
24                      structure of the entity carrying out the pro-  
25                      posed project.

1           “(F) The history and experience working  
2           with renewable fuel of the entity carrying out  
3           the proposed project.

4           “(G) The ability of the entity carrying out  
5           the proposed project to ensure and maintain the  
6           quality of the renewable fuel through the ter-  
7           minal system of the entity and through the  
8           dedicated pipeline system.

9           “(H) The ability of the entity carrying out  
10          the proposed project to complete such proposed  
11          project in a timely manner.

12          “(I) The ability of the entity carrying out  
13          the proposed project to secure property rights-  
14          of-way.

15          “(J) Other criteria the Secretary deter-  
16          mines appropriate for consideration.

17          “(3) EMINENT DOMAIN AUTHORITY.—When  
18          any entity in the carrying out of a project described  
19          in paragraph (1) for which a guarantee is made  
20          under this title cannot acquire by contract, or is un-  
21          able to agree with the owner of property to the com-  
22          pensation to be paid for, the necessary right-of-way  
23          to construct, operate, and maintain a pipeline or  
24          pipelines for the transportation of renewable fuel,  
25          and the necessary land or other property, in addition

1 to right-of-way, for the location of pump stations,  
2 pressure apparatus, or other facilities or equipment  
3 necessary to the proper operation of such pipeline or  
4 pipelines, it may acquire the same by the exercise of  
5 the right of eminent domain in the district court of  
6 the United States for the district in which such  
7 property may be located, or in the State courts, if  
8 such exercise is first determined by the Secretary to  
9 be necessary or desirable in the public interest. The  
10 practice and procedure in any action or proceeding  
11 for that purpose in the district court of the United  
12 States shall conform as nearly as may be with the  
13 practice and procedure in a similar action or pro-  
14 ceeding in the courts of the State where the property  
15 is situated. The United States district courts shall  
16 only have jurisdiction of cases when the amount  
17 claimed by the owner of the property to be con-  
18 demned exceeds \$3,000.”.

19 **SEC. 4. FINAL RULE.**

20 Not later than 90 days after the date of the enact-  
21 ment of this Act, the Secretary of Energy shall publish  
22 in the Federal Register a final rule for carrying out a  
23 guarantee program for the construction of renewable fuel  
24 pipelines under title XVII of the Energy Policy Act of  
25 2005 in accordance with the amendments made by this

1 Act or shall modify rules and regulations currently appli-  
2 cable to the guarantee program under such title in accord-  
3 ance with the amendments made by this Act.

4 **SEC. 5. GRANT PROGRAM FOR PREPARATION OF PROJECTS**  
5 **TO CONSTRUCT RENEWABLE FUEL PIPE-**  
6 **LINES.**

7 (a) IN GENERAL.—The Secretary may provide grants  
8 for projects described in section 1703(f)(1) of the Energy  
9 Policy Act of 2005, as added by section 3(c) of this Act,  
10 to assist in carrying out permit acquisition, planning, and  
11 other preparatory activities for such projects in advance  
12 of participation in the guarantee program under title XVII  
13 of the Energy Policy Act of 2005.

14 (b) NO IMPACT ON ELIGIBILITY FOR A GUAR-  
15 ANTEE.—In determining whether to make a guarantee for  
16 a project under title XVII of the Energy Policy Act of  
17 2005, the Secretary shall not take into consideration  
18 whether a grant was provided for such project under this  
19 section.

20 (c) IMPACT ON GUARANTEE AMOUNT.—In the case  
21 of a project for which a grant is provided under this sec-  
22 tion and a loan guarantee is made under title XVII of  
23 the Energy Policy Act of 2005, the sum with respect to  
24 such project of grants provided under this section and  
25 amounts guaranteed under title XVII of the Energy Policy



1 Act of 2005 may not exceed 90 percent of the project cost  
2 of such project as estimated at the time at which a guar-  
3 antee is issued.

4 (d) DEFINITION OF SECRETARY.—In this section, the  
5 term “Secretary” means the Secretary of Energy.

6 (e) AUTHORIZATION OF APPROPRIATIONS.—There is  
7 authorized to be appropriated to the Secretary to carry  
8 out this section \$50,000,000, to remain available until ex-  
9 pended.

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