

112TH CONGRESS  
1ST SESSION

# S. 187

To provide for the expansion of the biofuels market.

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## 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

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## 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:

<b>“Model Year</b>	<b>Percentage</b>
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**

<b>Calendar year:</b>	<b>Percent:</b>
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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