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110TH CONGRESS
1ST SESSION

H. R. 931

To provide for the research, development, and demonstration of coal gasification technology as an energy source in ethanol production.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 8, 2007

Mr. COSTELLO (for himself, Mr. SHIMKUS, Mr. RAHALL, Mr. LAHOOD, Ms. JACKSON-LEE of Texas, Mr. JOHNSON of Illinois, Mr. HOLDEN, Mr. LINCOLN DAVIS of Tennessee, Mr. HARE, Mrs. CUBIN, Mr. ROSS, and Mr. TIM MURPHY of Pennsylvania) introduced the following bill; which was referred to the Committee on Science and Technology

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A BILL

To provide for the research, development, and demonstration of coal gasification technology as an energy source in ethanol production.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''America's Domestic Fuels Act''.

SEC. 2. FINDINGS.

The Congress finds the following:

(1) Currently, the bulk of energy used in the production of ethanol comes from natural gas. While coal is used for this purpose, advanced coal gasification technologies would increase the use of coal and reduce air emissions.

(2) In coal gasification-based systems, pollutant-forming impurities can be separated from the gaseous stream before combustion. As much as 99 percent of sulfur and other pollutants can be removed and processed into commercial products. Ethanol plants using coal gasification technology offer many benefits.

(3) Coal potentially is an economically desirable alternative to natural gas as the fuel in ethanol production facilities. The Energy Information Administration projects that in 2025 the industrial cost of natural gas will be $5.99 per million Btu but coal will only be $1.86 per million Btu.

(4) Coal is our most price-consistent fossil fuel. Natural gas is our most price-volatile and unpredictable fuel. In 2005 alone, natural gas ranged from $5.75 to over $15.00 per million Btu. Coal therefore has the potential to allow ethanol plants to better manage their costs.

(5) Coal is a domestic fuel with substantial reserves and growing production. The United States has a vast supply of domestic coal resources to meet soaring energy needs.

(6) Once demonstrated for this purpose, coal should offer ethanol producers the opportunity to sign long-term contracts.

(7) As the Governor's Ethanol Coalition noted, increased ethanol production is an important step toward improved national security. Utilizing coal as a major fuel source for ethanol production could eliminate the need to import natural gas for the process.

(8) Using domestic coal to produce ethanol has the potential to create jobs, spur new businesses, and generate tax revenues for local communities.

(9) The United States has ambitious plans to rapidly grow ethanol production, but the scale of this growth will depend upon the availability of an economical fuel source. Events over the past few years have demonstrated that we do not want to be overly dependent on any one fuel source. Thus, dependency on natural gas for ethanol production is undesirable. Diversifying the fuel source used for ethanol produc-

tion by increasing the number of ethanol plants that are coal fueled reduces risk.

SEC. 3. RESEARCH, DEVELOPMENT, AND DEMONSTRATION.

(a) GRANT PROGRAM.—The Secretary of Energy shall provide grants to States for the conduct of the research needed to expedite the use of coal gasification as an energy source in ethanol production. Such research assistance shall be provided—

(1) to develop the knowledge base that will be needed to expediently permit coal gasification fueled ethanol plants;

(2) to aid ethanol producers in the evaluation and inclusion of coal gasification technologies in existing or new ethanol plants;

(3) to understand how to reduce the capital costs of coal gasification as an energy source in ethanol production, including making use of byproducts from agricultural practice, and biomass material or blends, in the processing of ethanol; and

(4) to understand the applicability of carbon dioxide capture and sequestration technologies, including adsorption and absorption techniques and chemical processes, to coal gasification as an energy source in ethanol production.

(b) DEMONSTRATION PROJECT.—At least 1 pilot project receiving assistance under this section shall be fueled by coal gasification and located in an area with high sulfur bituminous coal reserves.

(c) RESEARCH AND DEVELOPMENT AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Energy for carrying out research and development activities under this section $5,000,000 for fiscal year 2008.

(d) DEMONSTRATION PROJECT AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Energy for carrying out demonstration activities under this section $20,000,000 for fiscal year 2008.

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