

112TH CONGRESS
1ST SESSION

H. R. 2036

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

IN THE HOUSE OF REPRESENTATIVES

MAY 26, 2011

Mr. GRIFFITH of Virginia (for himself, Mr. GONZALEZ, Mr. REHBERG, Mr. WHITFIELD, and Mr. SHIMKUS) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Oversight and Government Reform, Armed Services, and Science, Space, 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

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—

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

3 (A) to eliminate the reliance of the United
4 States on foreign energy sources;

5 (B) to create jobs in the United States;
6 and

7 (C) to harness all of the energy resources
8 of the United States;

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

12 (A) traditional fossil fuels;

13 (B) alternative energy resources; and

14 (C) renewable energy; and

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

18 (A) decrease risks to national security;

19 (B) lower domestic energy prices;

20 (C) reduce trade deficits; and

21 (D) create jobs in the United States.

1 **SEC. 3. REPEAL OF UNNECESSARY BARRIERS TO DOMES-**
2 **TIC FUEL PRODUCTION.**

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5 repealed.

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8 ization Act of 2008 (42 U.S.C. 17827) is repealed.

9 **SEC. 4. TRANSPARENCY FOR DELAYED LOAN GUARANTEE**
10 **APPLICATIONS.**

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

14 “(l) REPORTING REQUIREMENT.—

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

25 “(A) prepare a status report for the period
26 covered by the report; and

1 “(B) submit the status report to—

2 “(i) the Committee on Energy and
3 Natural Resources of the Senate; and

4 “(ii) the Committee on Energy and
5 Commerce of the House of Representa-
6 tives.

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

9 “(A) a description of each reason for the
10 delay of the application;

11 “(B) the name and office of the official
12 who, for the period covering the status report,
13 has reviewed the application; and

14 “(C) a detailed schedule for completion of
15 the application review.”.

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

17 Section 211(o)(2)(B) of the Clean Air Act (42 U.S.C.
18 7545(o)(2)(B)) is amended by adding at the end the fol-
19 lowing:

20 “(vi) ALGAE-BASED FUEL INCEN-
21 TIVES.—For purposes of calculating the
22 applicable volume of renewable fuel under
23 clauses (i) and (ii) for each calendar year,
24 the Administrator shall consider each gal-
25 lon of renewable biomass produced from

1 algae to be equal to 3 gallons of renewable
2 fuel if the algae-based fuel was produced
3 using carbon dioxide that was captured in
4 a manner that prevented the uncontrolled
5 release of carbon dioxide into the atmos-
6 phere during a separate energy production
7 process.”.

8 **SEC. 6. LOAN GUARANTEES.**

9 Section 1703(b) of the Energy Policy Act of 2005
10 (42 U.S.C. 16513(b)) is amended by adding at the end
11 the following:

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

14 “(A) from a solid feedstock through a gas-
15 ification process; and

16 “(B) in a manner that captures at least 90
17 percent of the carbon produced through the
18 gasification process.”.

19 **SEC. 7. MULTIYEAR CONTRACT AUTHORITY FOR DEPART-**
20 **MENT OF DEFENSE FOR PROCUREMENT OF**
21 **ALTERNATIVE FUELS.**

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

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

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

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

10 “(b) REQUIRED PROVISIONS.—A contract entered
11 into under subsection (a) shall include the following provi-
12 sions:

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

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

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

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

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

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

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

16 (2) the technical risks associated with the tech-
17 nologies for the production of alternative fuel under
18 the contract are not excessive;

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

23 (4) the contract will not be used by the Depart-
24 ment of Defense to finance new facilities intended to

1 produce fuel for consumption by the Federal Gov-
2 ernment.

3 (c) LIMITATION ON USE OF AUTHORITY.—No con-
4 tract may be entered into under section 2410r of title 10,
5 United States Code (as so added), until the regulations
6 required by subsection (b) are issued.

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

9 Section 169(3) of the Clean Air Act (42 U.S.C.
10 7479(3)) is amended—

11 (1) by striking “(3) The term” and inserting
12 the following:

13 “(3) BEST AVAILABLE CONTROL TECH-
14 NOLOGY.—

15 “(A) DEFINITION.—

16 “(i) IN GENERAL.—The term”;

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

19 “(B) EMISSION LIMITATIONS.—

20 “(i) IN GENERAL.—In no event”;

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

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

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

1 “(C) ADDITIONAL CONSIDERATIONS.—For
2 purposes of establishing the ‘best available con-
3 trol technology’ for a major emitting facility
4 that is an electric generating facility located in
5 a region in which demand for electricity has in-
6 creased significantly due to the volume of elec-
7 tric vehicles, the permitting authority shall take
8 into account the extent to which the emissions
9 of a pollutant have been reduced as a result of
10 the increased use of electric vehicles.”.

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