

113TH CONGRESS
1ST SESSION

S. 1563

To provide for the expansion of the biofuels market.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 30, 2013

Mr. HARKIN (for himself, Mr. FRANKEN, Mr. JOHNSON of South Dakota, and Ms. KLOBUCHAR) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

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 2013”.

6 **SEC. 2. PROHIBITION ON RESTRICTION OF INSTALLATION**
7 **OF RENEWABLE FUEL PUMPS.**

8 Section 107(a)(1) of the Petroleum Marketing Prac-
9 tices Act (15 U.S.C. 2807(a)(1)) is amended by striking
10 subparagraph (A) and inserting the following:

1 “(A) which is not less than 10 percent eth-
2 anol by volume; or”.

3 **SEC. 3. ENSURING THE AVAILABILITY OF DUAL FUELED**
4 **AUTOMOBILES AND LIGHT DUTY TRUCKS.**

5 (a) IN GENERAL.—Chapter 329 of title 49, United
6 States Code, is amended by inserting after section 32902
7 the following:

8 **“§ 32902A. Requirement to manufacture dual fueled**
9 **automobiles and light duty trucks**

10 “(a) IN GENERAL.—For each model year listed in the
11 following table, each manufacturer shall ensure that the
12 percentage of automobiles and light duty trucks manufac-
13 tured by the manufacturer for sale in the United States
14 that are dual fueled automobiles and light duty trucks is
15 not less than the percentage set forth for that model year
16 in the following table:

“Model year	Percentage
Model years 2015 and 2016	50 percent
Model year 2017 and each subsequent model year	90 percent.

17 “(b) EXCEPTION.—Subsection (a) shall not apply to
18 automobiles or light duty trucks that operate only on elec-
19 tricity.”.

20 (b) CLERICAL AMENDMENT.—The table of sections
21 for chapter 329 of title 49, United States Code, is amend-
22 ed by inserting after the item relating to section 32902
23 the following:

“32902A. Requirement to manufacture dual fueled automobiles and light duty trucks.”.

1 (c) RULEMAKING.—Not later than 1 year after the
2 date of the enactment of this Act, the Secretary of Trans-
3 portation shall prescribe regulations to carry out the
4 amendments made by this Act.

5 **SEC. 4. BLENDER PUMP PROMOTION.**

6 (a) BLENDER PUMP GRANT PROGRAM.—

7 (1) DEFINITIONS.—In this subsection:

8 (A) BLENDER PUMP.—The term “blender
9 pump” means an automotive fuel dispensing
10 pump capable of dispensing at least 3 different
11 blends of gasoline and ethanol, as selected by
12 the pump operator, including blends ranging
13 from 0 percent ethanol to 85 percent denatured
14 ethanol, as determined by the Secretary.

15 (B) E-85 FUEL.—The term “E-85 fuel”
16 means a blend of gasoline approximately 85
17 percent of the content of which is ethanol.

18 (C) ETHANOL FUEL BLEND.—The term
19 “ethanol fuel blend” means a blend of gasoline
20 and ethanol, with a minimum of 0 percent and
21 maximum of 85 percent of the content of which
22 is denatured ethanol.

23 (D) MAJOR FUEL DISTRIBUTOR.—

1 (i) IN GENERAL.—The term “major
2 fuel distributor” means any person that
3 owns a refinery or directly markets the
4 output of a refinery.

5 (ii) EXCLUSION.—The term “major
6 fuel distributor” does not include any per-
7 son that directly markets through less than
8 50 retail fueling stations.

9 (E) SECRETARY.—The term “Secretary”
10 means the Secretary of Energy.

11 (2) GRANTS.—The Secretary shall make grants
12 under this subsection to eligible facilities (as deter-
13 mined by the Secretary) to pay the Federal share
14 of—

15 (A) installing blender pump fuel infra-
16 structure, including infrastructure necessary for
17 the direct retail sale of ethanol fuel blends (in-
18 cluding E-85 fuel), including blender pumps
19 and storage tanks; and

20 (B) providing subgrants to direct retailers
21 of ethanol fuel blends (including E-85 fuel) for
22 the purpose of installing fuel infrastructure for
23 the direct retail sale of ethanol fuel blends (in-
24 cluding E-85 fuel), including blender pumps
25 and storage tanks.

1 (3) LIMITATION.—A major fuel distributor shall
2 not be eligible for a grant or subgrant under this
3 subsection.

4 (4) FEDERAL SHARE.—The Federal share of
5 the cost of a project carried out under this sub-
6 section shall be up to 50 percent of the total cost of
7 the project.

8 (5) REVERSION.—If an eligible facility or re-
9 tailer that receives a grant or subgrant under this
10 subsection does not offer ethanol fuel blends for sale
11 for at least 2 years during the 4-year period begin-
12 ning on the date of installation of the blender pump,
13 the eligible facility or retailer shall be required to
14 repay to the Secretary an amount determined to be
15 appropriate by the Secretary, but not more than the
16 amount of the grant provided to the eligible facility
17 or retailer under this subsection.

18 (6) AUTHORIZATION OF APPROPRIATIONS.—
19 There are authorized to be appropriated to the Sec-
20 retary to carry out this subsection, to remain avail-
21 able until expended—

22 (A) \$50,000,000 for fiscal year 2014;

23 (B) \$100,000,000 for fiscal year 2015;

24 (C) \$200,000,000 for fiscal year 2016;

1 (D) \$300,000,000 for fiscal year 2017;

2 and

3 (E) \$350,000,000 for fiscal year 2018.

4 (b) INSTALLATION OF BLENDER PUMPS BY MAJOR
5 FUEL DISTRIBUTORS AT OWNED STATIONS AND BRAND-
6 ED STATIONS.—Section 211(o) of the Clean Air Act (42
7 U.S.C. 7545(o)) is amended by adding at the end the fol-
8 lowing:

9 “(13) INSTALLATION OF BLENDER PUMPS BY
10 MAJOR FUEL DISTRIBUTORS AT OWNED STATIONS
11 AND BRANDED STATIONS.—

12 “(A) DEFINITIONS.—In this paragraph:

13 “(i) E-85 FUEL.—The term ‘E-85
14 fuel’ means a blend of gasoline approxi-
15 mately 85 percent of the content of which
16 is ethanol.

17 “(ii) ETHANOL FUEL BLEND.—The
18 term ‘ethanol fuel blend’ means a blend of
19 gasoline and ethanol, with a minimum of 0
20 percent and maximum of 85 percent of the
21 content of which is denatured ethanol.

22 “(iii) MAJOR FUEL DISTRIBUTOR.—

23 “(I) IN GENERAL.—The term
24 ‘major fuel distributor’ means any

1 person that owns a refinery or directly
2 markets the output of a refinery.

3 “(II) EXCLUSION.—The term
4 ‘major fuel distributor’ does not in-
5 clude any person that directly markets
6 through less than 50 retail fueling
7 stations.

8 “(iv) SECRETARY.—The term ‘Sec-
9 retary’ means the Secretary of Energy,
10 acting in consultation with the Adminis-
11 trator of the Environmental Protection
12 Agency and the Secretary of Agriculture.

13 “(B) REGULATIONS.—The Secretary shall
14 promulgate regulations to ensure that each
15 major fuel distributor that sells or introduces
16 gasoline into commerce in the United States
17 through majority-owned stations or branded
18 stations installs or otherwise makes available
19 one or more blender pumps that dispense E-85
20 fuel and ethanol fuel blends (including any
21 other equipment necessary, such as tanks, to
22 ensure that the pumps function properly) for a
23 period of not less than 5 years at not less than
24 the applicable percentage of the majority-owned

1 stations and the branded stations of the major
2 fuel distributor specified in subparagraph (C).

3 “(C) APPLICABLE PERCENTAGE.—For the
4 purpose of subparagraph (B), the applicable
5 percentage of the majority-owned stations and
6 the branded stations shall be determined in ac-
7 cordance with the following table:

**“Applicable percentage of
majority-owned stations and
branded stations**

Calendar year:	Percent:
2016	10
2018	20
2020	35
2022 and each calendar year thereafter	50.

8 “(D) GEOGRAPHIC DISTRIBUTION.—

9 “(i) IN GENERAL.—Subject to clause
10 (ii), in promulgating regulations under
11 subparagraph (B), the Secretary shall en-
12 sure that each major fuel distributor de-
13 scribed in that subparagraph installs or
14 otherwise makes available one or more
15 blender pumps that dispense E-85 fuel
16 and ethanol fuel blends at not less than a
17 minimum percentage (specified in the reg-
18 ulations) of the majority-owned stations
19 and the branded stations of the major fuel
20 distributors in each State.

1 “(ii) REQUIREMENT.—In specifying
2 the minimum percentage under clause (i),
3 the Secretary shall ensure that each major
4 fuel distributor installs or otherwise makes
5 available one or more blender pumps de-
6 scribed in that clause in each State in
7 which the major fuel distributor operates.

8 “(E) FINANCIAL RESPONSIBILITY.—In
9 promulgating regulations under subparagraph
10 (B), the Secretary shall ensure that each major
11 fuel distributor described in that subparagraph
12 assumes full financial responsibility for the
13 costs of installing or otherwise making available
14 the blender pumps described in that subpara-
15 graph and any other equipment necessary (in-
16 cluding tanks) to ensure that the pumps func-
17 tion properly.

18 “(F) PRODUCTION CREDITS FOR EXCEED-
19 ING BLENDER PUMPS INSTALLATION REQUIRE-
20 MENT.—

21 “(i) EARNING AND PERIOD FOR AP-
22 PLYING CREDITS.—If the percentage of the
23 majority-owned stations and the branded
24 stations of a major fuel distributor at
25 which the major fuel distributor installs

1 blender pumps in a particular calendar
2 year exceeds the percentage required under
3 subparagraph (C), the major fuel dis-
4 tributor shall earn credits under this para-
5 graph, which may be applied to any of the
6 3 consecutive calendar years immediately
7 after the calendar year for which the cred-
8 its are earned.

9 “(ii) TRADING CREDITS.—Subject to
10 clause (iii), a major fuel distributor that
11 has earned credits under clause (i) may
12 sell the credits to another major fuel dis-
13 tributor to enable the purchaser to meet
14 the requirement under subparagraph (C).

15 “(iii) EXCEPTION.—A major fuel dis-
16 tributor may not use credits purchased
17 under clause (ii) to fulfill the geographic
18 distribution requirement in subparagraph
19 (D).”.

20 **SEC. 5. LOAN GUARANTEES FOR PROJECTS TO CONSTRUCT**
21 **RENEWABLE FUEL PIPELINES.**

22 (a) DEFINITIONS.—Section 1701 of the Energy Pol-
23 icy Act of 2005 (42 U.S.C. 16511) is amended by adding
24 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 includes all types
5 of ethanol and biodiesel.

6 “(7) RENEWABLE FUEL PIPELINE.—The term
7 ‘renewable fuel pipeline’ means a pipeline for trans-
8 porting renewable fuel.”.

9 (b) AMOUNT.—Section 1702(c) of the Energy Policy
10 Act of 2005 (42 U.S.C. 16512(c)) is amended—

11 (1) by striking “(c) AMOUNT.—Unless” and in-
12 serting the following:

13 “(c) AMOUNT.—

14 “(1) IN GENERAL.—Unless”; and

15 (2) by adding at the end the following:

16 “(2) RENEWABLE FUEL PIPELINES.—A guar-
17 antee for a project described in section 1703(b)(11)
18 shall be in an amount equal to 80 percent of the
19 project cost of the facility that is the subject of the
20 guarantee, as estimated at the time at which the
21 guarantee is issued.”.

22 (c) RENEWABLE FUEL PIPELINE ELIGIBILITY.—
23 Section 1703(b) of the Energy Policy Act of 2005 (42
24 U.S.C. 16513(b)) is amended by adding at the end the
25 following:

1 “(11) Renewable fuel pipelines.”.

2 (d) RAPID DEPLOYMENT OF RENEWABLE FUEL
3 PIPELINES.—Section 1705 of the Energy Policy Act of
4 2005 (42 U.S.C. 16516) is amended—

5 (1) in subsection (a)—

6 (A) in the matter preceding paragraph (1),
7 by inserting “, or, in the case of projects de-
8 scribed in paragraph (4), September 30, 2012”
9 before the colon at the end; and

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

11 “(4) Installation of sufficient infrastructure to
12 allow for the cost-effective deployment of clean en-
13 ergy technologies appropriate to each region of the
14 United States, including the deployment of renew-
15 able fuel pipelines through loan guarantees in an
16 amount equal to 80 percent of the cost.”; and

17 (2) in subsection (e), by inserting “, or, in the
18 case of projects described in subsection (a)(4), Sep-
19 tember 30, 2012” before the period at the end.

20 (e) REGULATIONS.—Not later than 90 days after the
21 date of enactment of this Act, the Secretary of Energy
22 shall promulgate such regulations as are necessary to
23 carry out the amendments made by this section.

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