

23

**AMENDMENT TO H.R. 3221****OFFERED BY Mr. Shimkus**

In title IX, after subtitle F, insert the following and make the necessary conforming changes in the table of contents:

1       **Subtitle G—Alternative Fuels**  
2                                   **Program**

3   **SEC. 9511. ALTERNATIVE FUELS PROGRAM.**

4       (a) **IN GENERAL.**—Section 211 of the Clean Air Act  
5 (42 U.S.C. 4575) is amended by adding the following new  
6 subsection at the end thereof:

7       “(t) **ALTERNATIVE FUEL PROGRAM.**—

8               “(1) **DEFINITIONS.**—In this section\_\_

9                       “(A) **ALTERNATIVE FUEL.**—

10                               “(i) **IN GENERAL.**—The term ‘alter-  
11 native fuel’ means the portion of any  
12 motor vehicle or nonroad fuel, as measured  
13 by volume, that consists of—

14                                       “(I) renewable fuel;

15                                       “(II) methanol, denatured eth-  
16 anol, butanol, and other alcohols;

1                   “(III) natural gas, including liq-  
2                   uid fuels domestically produced from  
3                   natural gas;

4                   “(IV) liquefied petroleum gas;

5                   “(V) hydrogen;

6                   “(VI) qualifying coal-derived liq-  
7                   uid fuel;

8                   “(VII) fuels (not including a fuel  
9                   that consists of alcohol) derived from  
10                  biological materials (including bio-  
11                  diesel);

12                  “(VIII) electricity provided from  
13                  the electric power transmission and  
14                  distribution system; and

15                  “(IX) any other fuel that the Ad-  
16                  ministrator determines, by rule, is not  
17                  derived from crude oil and would yield  
18                  energy security benefits or environ-  
19                  mental benefits.

20                  “(ii) QUALIFYING COAL-DERIVED LIQ-  
21                  UID FUEL.—The term ‘qualifying coal-de-  
22                  rived liquid fuel’ means liquid fuel pro-  
23                  duced by a project that—

24                  “(I) converts coal to one or more  
25                  liquid or gaseous transportation fuels;

1                   “(II) demonstrates the capture,  
2                   and sequestration or disposal or use  
3                   of, the carbon dioxide produced in the  
4                   conversion process; and

5                   “(III) on the basis of a carbon  
6                   dioxide sequestration plan prepared by  
7                   the applicant, is certified by the Ad-  
8                   ministrators, in consultation with the  
9                   Secretary of Energy, as producing  
10                  fuel with life cycle carbon dioxide  
11                  emissions at or below the average life  
12                  cycle carbon dioxide emissions for the  
13                  same type of fuel produced at tradi-  
14                  tional petroleum based facilities with  
15                  similar annual capacities.

16                  “(iii) BLENDING COMPONENTS.—The  
17                  term ‘alternative fuel’ includes any portion  
18                  of a blending component that is derived  
19                  from an alternative fuel.

20                  “(B) NONROAD FUEL.—The term ‘nonroad  
21                  fuel’ means fuel that is used, intended for use,  
22                  or made available for use as a fuel in a nonroad  
23                  engine or a nonroad vehicle.

24                  “(C) OBLIGATED PARTY.—The term ‘obli-  
25                  gated party’ means any refiner, blender, or im-

1           porter of motor vehicle, or nonroad, gasoline or  
2           diesel fuel, that is designated an obligated party  
3           under regulations issued by the Administrator  
4           for purposes of this subsection.

5           “(D) OTHER TERMS.—The terms used in  
6           this subsection have the same meaning as when  
7           used in subsection (o).

8           “(2) ALTERNATIVE FUEL REGULATIONS.—

9           “(A) STANDARD.—Not later than 2 years  
10          after the date of enactment of this subsection,  
11          and from time to time thereafter, the Adminis-  
12          trator shall promulgate regulations to ensure  
13          that motor vehicle and nonroad fuel sold or in-  
14          troduced into commerce in the United States,  
15          on an annual average basis, contains the appli-  
16          cable volume of alternative fuel determined in  
17          accordance with this subsection.

18          “(B) PROVISIONS OF REGULATIONS.—Re-  
19          gardless of the date of promulgation, the regu-  
20          lations promulgated under subparagraph (A)\_\_\_

21                 “(i) shall contain compliance provi-  
22                 sions applicable to refiners, blenders, dis-  
23                 tributors, and importers, as appropriate, to  
24                 ensure that the requirements of this para-  
25                 graph are met; but

1                   “(ii) shall not—  
 2                               “(I) restrict geographic areas in  
 3                   which alternative fuel may be used; or  
 4                               “(II) impose any per-gallon obli-  
 5                   gation for the use of alternative fuel.

6                   “(3) APPLICABLE VOLUME.—For the purpose  
 7                   of the regulations under this subsection, the applica-  
 8                   ble volume (in billions of gallons) shall be deter-  
 9                   mined under this paragraph.

10                   “(A) CALENDAR YEARS 2013 THROUGH  
 11                   2025.—The applicable volume (in billions of gal-  
 12                   lons) for the calendar years 2013 through 2025  
 13                   shall be as provided in the following table:

calendar year	applicable volume
2013 .....	14
2014 .....	15
2015 .....	16
2016 .....	17
2017 .....	18
2018 .....	19
2019 .....	20
2020 .....	21
2021 .....	23
2022 .....	26
2023 .....	29
2024 .....	32
2025 .....	35

14                   “(B) CALENDAR YEAR 2026 AND THERE-  
 15                   AFTER.—Except as otherwise provided in this  
 16                   paragraph, the applicable volume for calendar  
 17                   year 2026 and each calendar year thereafter

1 shall be determined by rule by the Adminis-  
2 trator, in coordination with the Secretary of  
3 Agriculture and the Secretary of Energy, based  
4 on a review of the implementation of the pro-  
5 gram under this subsection during calendar  
6 years 2020 through 2025, including a review of  
7 each of the following:

8 “(i) The impact of the use of alter-  
9 native fuels on the energy security of the  
10 United States.

11 “(ii) The impact of the use of alter-  
12 native fuels on public health and the envi-  
13 ronment, including air and water quality.

14 “(iii) The expected annual rate of fu-  
15 ture production of alternative fuels.

16 “(iv) The impact of alternative fuels  
17 on the infrastructure of the United States,  
18 including the deliverability of materials,  
19 goods, and products other than alternative  
20 fuels, and the sufficiency of the infrastruc-  
21 ture to deliver alternative fuel.

22 “(v) The impact of the use of alter-  
23 native fuels on job creation, the price and  
24 supply of agricultural commodities, and  
25 rural economic development.

1           “(C) MINIMUM APPLICABLE VOLUME FOR  
2 CALENDAR YEAR 2026 AND THEREAFTER.—For  
3 the purpose of subparagraph (B), the minimum  
4 applicable volume for calendar year 2026 and  
5 each calendar year thereafter shall be equal to  
6 the product obtained by multiplying the number  
7 obtained under clause (i) by the ratio obtained  
8 under clause (ii).

9           “(i) The number of gallons of motor  
10 vehicle and nonroad fuel that the Adminis-  
11 trator estimates will be sold or introduced  
12 into commerce in the calendar year.

13           “(ii) The ratio that—

14                 “(I) 35,000,000,000 gallons of  
15 alternative fuel bears to

16                 “(II) the number of gallons of  
17 motor vehicle and nonroad fuel sold or  
18 introduced into commerce in calendar  
19 year 2025.

20           “(4) ALTERNATIVE FUEL PERCENTAGES.—

21                 “(A) PROVISION OF ESTIMATE OF VOL-  
22 UMES OF MOTOR VEHICLE AND NONROAD FUEL  
23 SALES.—Not later than October 31, 2012, and  
24 annually thereafter, the Administrator of the  
25 Energy Information Administration shall pro-

1           vide to the Administrator of the Environmental  
2           Protection Agency an estimate, with respect to  
3           the following calendar year, of the volumes of  
4           motor vehicle and nonroad fuel projected to be  
5           sold or introduced into commerce in the United  
6           States during the following calendar year.

7           “(B) DETERMINATION OF PERCENT-  
8           AGES.—Not later than November 30 of each  
9           calendar year after 2012, based on the estimate  
10          provided under subparagraph (A), the Adminis-  
11          trator shall determine and publish in the Fed-  
12          eral Register, with respect to the following cal-  
13          endar year, the percentage of the projected vol-  
14          ume of motor vehicle and nonroad fuel that  
15          must be alternative fuel in order to ensure that  
16          the applicable volume requirements of para-  
17          graph (3) are met.

18          “(C) REQUIRED ELEMENTS.—The alter-  
19          native fuel obligation determined for a calendar  
20          year under subparagraph (B) shall—

21                  “(i) be applicable to refiners, blenders,  
22                  and importers of motor vehicle and  
23                  nonroad gasoline and diesel fuel, as appro-  
24                  priate;



1           “(ii) be expressed in terms of a vol-  
2           ume percentage of motor vehicle and  
3           nonroad fuel sold or introduced into com-  
4           merce in the United States; and

5           “(iii) subject to clause (i), consist of a  
6           single applicable percentage that applies to  
7           all categories of persons specified in clause  
8           (i).

9           “(D) ADJUSTMENTS.—In determining the  
10          alternative fuel percentage for a calendar year,  
11          the Administrator shall make adjustments to  
12          prevent the imposition of redundant obligations  
13          on any obligated party.

14          “(5) COMPLIANCE VALUES.—

15          “(A) TABLE.—The Administrator shall as-  
16          sign a compliance value for each alternative fuel  
17          in accordance with the following table to be  
18          used as a multiplier to determine the extent to  
19          which each gallon or other specified unit of the  
20          alternative fuel will satisfy the alternative fuel  
21          volume obligation under this subsection:

"Fuel type	Compliance Values, Years 2013-2015	Compliance Values, Years 2016-2020	Compliance Values, Years After 2020
Ethanol (non-Cellulosic) .....	1.0	1.0	1.0
Ethanol (Cellulosic) .....	2.5	1.0	1.0
Biodiesel .....	1.4	1.4	1.4
Gas-to-Liquid Diesel Fuel .....	1.5	1.5	1.5
Coal-to-Liquid Diesel Fuel .....	1.5	1.5	1.5
Compressed Natural Gas (78 standard cubic feet) .....	1.0	1.0	1.0
Liquefied Natural Gas .....	1.0	1.0	1.0
Liquefied Petroleum Gas .....	1.1	1.1	1.1
Electricity (6.4 kilowatt-hours)	2.5	2.5	1.0
Gaseous Hydrogen (132 standard cubic feet) .....	2.5	2.5	1.0
Liquid Hydrogen .....	2.3	2.3	0.8
Methanol .....	0.8	0.8	0.8
Butanol .....	1.3	1.3	1.3
Bio-Butanol .....	1.3	1.3	1.3

1 All values are expressed in terms of gallons un-  
 2 less otherwise specified.

3 "(B) AUTHORITY OF THE ADMINIS-  
 4 TRATOR.—

5 "(i) IN GENERAL.—In accordance  
 6 with the requirements described in clause  
 7 (ii), the Administrator may by rule—

1 “(I) add fuel types to the table  
2 contained in subparagraph (A);

3 “(II) revise any fuel type or com-  
4 pliance value referred to in the table  
5 contained in subparagraph (A); and

6 “(III) assign each new or revised  
7 category or subcategory of an alter-  
8 native fuel type an appropriate com-  
9 pliance value.

10 “(ii) CALCULATION OF COMPLIANCE  
11 VALUES.—When the Administrator assigns  
12 or revises the compliance value for an al-  
13 ternative fuel type, the Administrator shall  
14 establish that compliance value equal to  
15 the ratio of the energy content of the alter-  
16 native fuel to the energy content of eth-  
17 anol. No compliance value for the years  
18 2013 through 2020 may be revised by the  
19 Administrator under this subparagraph for  
20 electricity, gaseous hydrogen, or liquid hy-  
21 drogen or for the years 2013 through 2015  
22 for cellulosic ethanol.

23 “(6) COMPLIANCE WITH STANDARD; USE OF  
24 IDENTIFICATION NUMBERS.—

1           “(A) GENERATION AND ASSIGNMENT.—  
2 Regulations promulgated under this subsection  
3 shall provide that the producer or importer of  
4 any alternative fuel shall generate and assign to  
5 each batch or other quantifiable unit (as deter-  
6 mined by the Administrator) a unique identi-  
7 fication number (except as provided in subpara-  
8 graph (B)).

9           “(B) ELECTRICITY.—The regulations of  
10 the Administrator under this subsection shall  
11 establish a process for generating and assigning  
12 identification numbers for the amount of elec-  
13 tricity from the electric power transmission and  
14 distribution system expected to be used as a  
15 motor vehicle or nonroad fuel. For vehicles  
16 manufactured prior to 2020 or such later time  
17 as the Administrator finds that the producers  
18 of the electricity used as a motor vehicle or  
19 nonroad vehicle fuel can be determined, the reg-  
20 ulations shall provide that the identification  
21 numbers for electricity shall be assigned to the  
22 manufacturer or importer of motor vehicles or  
23 nonroad vehicles fueled by electricity from the  
24 electric power transmission and distribution  
25 system.

1           “(C) BASIS.—The identification numbers  
2 referred to in this paragraph shall be based on  
3 the volume of the alternative fuel and the com-  
4 pliance values established under paragraph (5).

5           “(D) COMPLIANCE WITH THE STAND-  
6 ARD.—Obligated parties shall demonstrate com-  
7 pliance with the standard under this subsection  
8 by surrendering identification numbers in an  
9 appropriate quantity to the Administrator.

10           “(E) DURATION.—An identification num-  
11 ber generated under this subsection shall be  
12 valid to show compliance for the 12 months as  
13 of the date of generation. The Administrator  
14 shall interpret this subparagraph the same way  
15 as section 211(o)(5)(C) of this Act is inter-  
16 preted.

17           “(F) TRADING.—Identification numbers  
18 may be held by any individual or entity and  
19 transferred by any individual or entity to any  
20 other individual or entity.

21           “(G) INABILITY TO GENERATE OR PUR-  
22 CHASE.—The regulations promulgated under  
23 this paragraph shall include provisions allowing  
24 any obligated party that is unable to generate  
25 or purchase sufficient identification numbers to

1 meet the standard under paragraph (2) to carry  
2 forward an alternative fuel deficit on condition  
3 that the obligated party in the calendar year  
4 following the year in which the deficit is cre-  
5 ated—

6 “(i) achieves compliance with the  
7 standard under paragraph (2); and

8 “(ii) generates or purchases additional  
9 alternative fuel identification numbers to  
10 offset the alternative fuel deficit of the pre-  
11 vious year.

12 “(H) PROPERTY.—An identification num-  
13 ber generated under this subsection does not  
14 constitute a property right. Nothing in this sub-  
15 section or in any other provision of law shall be  
16 construed to limit the authority of the United  
17 States to terminate or limit such an identifica-  
18 tion number.

19 “(I) IDENTIFICATION NUMBERS FROM RFS  
20 PROGRAM.—To demonstrate compliance for the  
21 year 2013, the Administrator shall permit the  
22 use of identification numbers generated and as-  
23 signed under the regulations under subsection  
24 (o) to the same extent that subsection (o) would  
25 have allowed their use in 2013. Deficits under

1 subsection (o) for the year 2012 may be carried  
2 forward to the year 2013 if the requirements of  
3 subsection (o)(5)(D) of this section and sub-  
4 paragraph (G) of this paragraph are met.

5 “(7) WAIVERS.—

6 “(A) IN GENERAL.—Based on a petition  
7 by a State, an obligated party, or on the Ad-  
8 ministrator’s own motion, the Administrator, in  
9 consultation with the Secretary of Agriculture  
10 and the Secretary of Energy, may waive the re-  
11 quirements of paragraph (2) in whole or in part  
12 by reducing the national quantity of alternative  
13 fuel required under paragraph (3) if the Admin-  
14 istrator, after public notice and opportunity for  
15 comment, determines that—

16 “(i) implementation of the require-  
17 ments would severely harm the economy or  
18 environment of a State, a region, or the  
19 United States; or

20 “(ii) there is an inadequate domestic  
21 supply.

22 “(B) PETITIONS.—The Administrator shall  
23 approve or disapprove a petition for a waiver  
24 within 90 days after the date on which the peti-  
25 tion is received by the Administrator.

1           “(C) TERMINATION OF WAIVERS.—A waiver  
2           granted under subparagraph (A) shall termi-  
3           nate after 1 year, but may be renewed by the  
4           Administrator after consultation with the Sec-  
5           retary of Agriculture and the Secretary of En-  
6           ergy.”.

7           (b) PENALTIES AND ENFORCEMENT.—Section  
8           211(d) of the Clean Air Act (42 U.S.C.7545(d)) is amend-  
9           ed as follows:

10           (1) In paragraph (1)\_\_\_

11           (A) in the first sentence, by striking “or  
12           (o)” each place it appears and inserting “(o), or  
13           (u)”; and

14           (B) in the second sentence, by striking “or  
15           (o)” and inserting “(o), or (u)”; and

16           (2) in the first sentence of paragraph (2), by  
17           striking “and (o)” each place it appears and insert-  
18           ing “(o), and (u)”.

19           (c) RENEWABLE FUEL PROGRAM.—

20           (1) TERMINATION.—Subparagraph (B) of sec-  
21           tion 211(o)(2) of the Clean Air Act (42 U.S.C.  
22           4575(o)(2)(B)) is amended by striking all after  
23           clause (i):

24           (2) 2009 THROUGH 2012 REQUIREMENTS.—The  
25           items relating to the years 2009 through 2012 in



1 the table in clause (i) of such subparagraph (B) are  
2 amended as follows:

3 (A) Strike "6.1" and insert "10" .

4 (B) Strike "6.8" and insert "11" .

5 (C) Strike "7.4" and insert "12".

6 (D) Strike "7.5" and insert "13".