

AMENDMENT TO THE COMMITTEE PRINT**OFFERED BY** Shimkus

At the end of the bill, insert the following new section:

1 **SEC. 12. ALTERNATIVE FUELS PROGRAM.**

2 (a) IN GENERAL.—Section 211 of the Clean Air Act
3 (42 U.S.C. 4575) is amended by adding the following new
4 subsection at the end thereof:

5 “(t) ALTERNATIVE FUEL PROGRAM.—

6 “(1) DEFINITIONS.—In this section—

7 “(A) ALTERNATIVE FUEL.—

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

12 “(I) renewable fuel;

13 “(II) ~~methanol, denatured eth-~~
14 ~~anol, butanol, and other alcohols;~~

15 “(III) qualifying coal-derived liq-
16 uid fuel;

17 “(IV) fuels (not including a fuel
18 that consists of alcohol) derived from

1 biological materials (including bio-
2 diesel);

3 “(V) electricity derived from re-
4 newable resources and provided from
5 the electric power transmission and
6 distribution system; and

7 “(VI) any other fuel that the Ad-
8 ministrator determines, by rule, is de-
9 rived from renewable resources, not
10 derived from crude oil, and would
11 yield energy security benefits or envi-
12 ronmental benefits.

13 “(ii) QUALIFYING COAL-DERIVED LIQ-
14 UID FUEL.—The term ‘qualifying coal-de-
15 rived liquid fuel’ means liquid fuel pro-
16 duced by a project that—

17 “(I) converts coal to one or more
18 liquid or gaseous transportation fuels,
19 blended with renewable fuel;

20 “(II) demonstrates the capture,
21 and sequestration or disposal or use
22 of, the carbon dioxide produced in the
23 conversion process; and

24 “(III) on the basis of a carbon
25 dioxide sequestration plan prepared by

1 the applicant, is certified by the Ad-
2 ministrator, in consultation with the
3 Secretary of Energy, as producing
4 fuel with life cycle carbon dioxide
5 emissions at or below the average life
6 cycle carbon dioxide emissions for the
7 same type of fuel produced at tradi-
8 tional petroleum based facilities with
9 similar annual capacities.

10 “(iii) BLENDING COMPONENTS.—The
11 term ‘alternative fuel’ includes any portion
12 of a blending component that is derived
13 from an alternative fuel.

14 “(B) NONROAD FUEL.—The term ‘nonroad
15 fuel’ means fuel that is used, intended for use,
16 or made available for use as a fuel in a nonroad
17 engine or a nonroad vehicle.

18 “(C) OBLIGATED PARTY.—The term ‘obli-
19 gated party’ means any refiner, blender, or im-
20 porter of motor vehicle, or nonroad, gasoline or
21 diesel fuel, that is designated an obligated party
22 under regulations issued by the Administrator
23 for purposes of this subsection.

1 “(D) OTHER TERMS.—The terms used in
2 this subsection have the same meaning as when
3 used in subsection (o).

4 “(2) ALTERNATIVE FUEL REGULATIONS.—

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

14 “(B) PROVISIONS OF REGULATIONS.—Re-
15 gardless of the date of promulgation, the regu-
16 lations promulgated under subparagraph (A)___

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

22 “(ii) shall not—

23 “(I) restrict geographic areas in
24 which alternative fuel may be used; or

1 “(II) impose any per-gallon obli-
 2 gation for the use of alternative fuel.

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

7 “(A) CALENDAR YEARS 2013 THROUGH
 8 2025.—The applicable volume (in billions of gal-
 9 lons) for the calendar years 2013 through 2025
 10 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

11 “(B) CALENDAR YEAR 2026 AND THERE-
 12 AFTER.—Except as otherwise provided in this
 13 paragraph, the applicable volume for calendar
 14 year 2026 and each calendar year thereafter
 15 shall be determined by rule by the Adminis-
 16 trator, in coordination with the Secretary of
 17 Agriculture and the Secretary of Energy, based

1 on a review of the implementation of the pro-
2 gram under this subsection during calendar
3 years 2020 through 2025, including a review of
4 each of the following:

5 “(i) The impact of the use of alter-
6 native fuels on the energy security of the
7 United States.

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

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

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

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

23 “(C) MINIMUM APPLICABLE VOLUME FOR
24 CALENDAR YEAR 2026 AND THEREAFTER.—For
25 the purpose of subparagraph (B), the minimum

1 applicable volume for calendar year 2026 and
2 each calendar year thereafter shall be equal to
3 the product obtained by multiplying the number
4 obtained under clause (i) by the ratio obtained
5 under clause (ii).

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

10 “(ii) The ratio that—

11 “(I) 35,000,000,000 gallons of
12 alternative fuel bears to

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

17 “(4) ALTERNATIVE FUEL PERCENTAGES.—

18 “(A) PROVISION OF ESTIMATE OF VOL-
19 UMES OF MOTOR VEHICLE AND NONROAD FUEL
20 SALES.—Not later than October 31, 2012, and
21 annually thereafter, the Administrator of the
22 Energy Information Administration shall pro-
23 vide to the Administrator of the Environmental
24 Protection Agency an estimate, with respect to
25 the following calendar year, of the volumes of

1 motor vehicle and nonroad fuel projected to be
2 sold or introduced into commerce in the United
3 States during the following calendar year.

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

15 “(C) REQUIRED ELEMENTS.—The alter-
16 native fuel obligation determined for a calendar
17 year under subparagraph (B) shall—

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

22 “(ii) be expressed in terms of a vol-
23 ume percentage of motor vehicle and
24 nonroad fuel sold or introduced into com-
25 merce in the United States; and

1 “(iii) subject to clause (i), consist of a
 2 single applicable percentage that applies to
 3 all categories of persons specified in clause
 4 (i).

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

10 “(5) COMPLIANCE VALUES.—

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

“Fuel type	Compli- ance Val- ues, Years 2013-2015	Compli- ance Val- ues, Years 2016-2020	Compli- ance Val- ues, 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

“Fuel type	Compliance Values, Years 2013-2015	Compliance Values, Years 2016-2020	Compliance Values, Years After 2020
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—

8 “(I) add fuel types to the table
9 contained in subparagraph (A);

10 “(II) revise any fuel type or com-
11 pliance value referred to in the table
12 contained in subparagraph (A); and

1 “(III) assign each new or revised
2 category or subcategory of an alter-
3 native fuel type an appropriate com-
4 pliance value.

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

18 “(6) COMPLIANCE WITH STANDARD; USE OF
19 IDENTIFICATION NUMBERS.—

20 “(A) GENERATION AND ASSIGNMENT.—
21 Regulations promulgated under this subsection
22 shall provide that the producer or importer of
23 any alternative fuel shall generate and assign to
24 each batch or other quantifiable unit (as deter-
25 mined by the Administrator) a unique identi-

1 fication number (except as provided in subpara-
2 graph (B)).

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

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

24 “(D) COMPLIANCE WITH THE STAND-
25 ARD.—Obligated parties shall demonstrate com-

1 pliance with the standard under this subsection
2 by surrendering identification numbers in an
3 appropriate quantity to the Administrator.

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

11 “(F) TRADING.—Identification numbers
12 may be held by any individual or entity and
13 transferred by any individual or entity to any
14 other individual or entity.

15 “(G) INABILITY TO GENERATE OR PUR-
16 CHASE.—The regulations promulgated under
17 this paragraph shall include provisions allowing
18 any obligated party that is unable to generate
19 or purchase sufficient identification numbers to
20 meet the standard under paragraph (2) to carry
21 forward an alternative fuel deficit on condition
22 that the obligated party in the calendar year
23 following the year in which the deficit is cre-
24 ated—

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

3 “(ii) generates or purchases additional
4 alternative fuel identification numbers to
5 offset the alternative fuel deficit of the pre-
6 vious year.

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

14 “(I) IDENTIFICATION NUMBERS FROM RFS
15 PROGRAM.—To demonstrate compliance for the
16 year 2013, the Administrator shall permit the
17 use of identification numbers generated and as-
18 signed under the regulations under subsection
19 (o) to the same extent that subsection (o) would
20 have allowed their use in 2013. Deficits under
21 subsection (o) for the year 2012 may be carried
22 forward to the year 2013 if the requirements of
23 subsection (o)(5)(D) of this section and sub-
24 paragraph (G) of this paragraph are met.

25 “(7) WAIVERS.—

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

11 “(i) implementation of the require-
12 ments would severely harm the economy or
13 environment of a State, a region, or the
14 United States; or

15 “(ii) there is an inadequate domestic
16 supply.

17 “(B) PETITIONS.—The Administrator shall
18 approve or disapprove a petition for a waiver
19 within 90 days after the date on which the peti-
20 tion is received by the Administrator.

21 “(C) TERMINATION OF WAIVERS.—A waiv-
22 er granted under subparagraph (A) shall termi-
23 nate after 1 year, but may be renewed by the
24 Administrator after consultation with the Sec-

1 retary of Agriculture and the Secretary of En-
2 ergy.”.

3 (b) PENALTIES AND ENFORCEMENT.—Section
4 211(d) of the Clean Air Act (42 U.S.C.7545(d)) is amend-
5 ed as follows:

6 (1) In paragraph (1)___

7 (A) in the first sentence, by striking “or
8 (o)” each place it appears and inserting “(o), or
9 (u)”;

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

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

15 (c) RENEWABLE FUEL PROGRAM.—

16 (1) TERMINATION.—Subparagraph (B) of sec-
17 tion 211(o)(2) of the Clean Air Act (42 U.S.C.
18 4575(o)(2)(B)) is amended by striking all after
19 clause (i).

20 (2) 2009 THROUGH 2012 REQUIREMENTS.—The
21 items relating to the years 2009 through 2012 in
22 the table in clause (i) of such subparagraph (B) are
23 amended as follows:

24 (A) Strike “6.1” and insert “10” .

25 (B) Strike “6.8” and insert “11” .

- 1 (C) Strike "7.4" and insert "12".
- 2 (D) Strike "7.5" and insert "13".