

AMENDMENT TO COMMITTEE PRINT #4**OFFERED BY Mr. Shimkus**

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

1 **SEC. 13. 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) qualifying coal-derived liq-
14 uid fuel;

15 “(III) fuels (not including a fuel
16 that consists of alcohol) derived from
17 biological materials (including bio-
18 diesel, biomass, and biogas);

1 “(IV) electricity derived from re-
2 newable resources and provided from
3 the electric power transmission and
4 distribution system; and

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

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

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

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

22 “(III) on the basis of a carbon
23 dioxide sequestration plan prepared by
24 the applicant, is certified by the Ad-
25 ministrator, in consultation with the

1 Secretary of Energy, as producing
2 fuel with life cycle carbon dioxide
3 emissions at or below the average life
4 cycle carbon dioxide emissions for the
5 same type of fuel produced at tradi-
6 tional petroleum based facilities with
7 similar annual capacities.

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

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

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

22 “(D) OTHER TERMS.—The terms used in
23 this subsection have the same meaning as when
24 used in subsection (o).

25 “(2) ALTERNATIVE FUEL REGULATIONS.—

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

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

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

18 “(ii) shall not—

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

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

23 “(3) APPLICABLE VOLUME.—For the purpose
24 of the regulations under this subsection, the applica-

1 ble volume (in billions of gallons) shall be deter-
2 mined under this paragraph.

3 “(A) CALENDAR YEARS 2013 THROUGH
4 2025.—The applicable volume (in billions of gal-
5 lons) for the calendar years 2013 through 2025
6 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

7 “(B) CALENDAR YEAR 2026 AND THERE-
8 AFTER.—Except as otherwise provided in this
9 paragraph, the applicable volume for calendar
10 year 2026 and each calendar year thereafter
11 shall be determined by rule by the Adminis-
12 trator, in coordination with the Secretary of
13 Agriculture and the Secretary of Energy, based
14 on a review of the implementation of the pro-
15 gram under this subsection during calendar
16 years 2020 through 2025, including a review of
17 each of the following:

1 “(i) The impact of the use of alter-
2 native fuels on the energy security of the
3 United States.

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

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

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

15 “(v) The impact of the use of alter-
16 native fuels on job creation, the price and
17 supply of agricultural commodities, and
18 rural economic development.

19 “(C) **MINIMUM APPLICABLE VOLUME FOR**
20 **CALENDAR YEAR 2026 AND THEREAFTER.**—For
21 the purpose of subparagraph (B), the minimum
22 applicable volume for calendar year 2026 and
23 each calendar year thereafter shall be equal to
24 the product obtained by multiplying the number

1 obtained under clause (i) by the ratio obtained
2 under clause (ii).

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

7 “(ii) The ratio that—

8 “(I) 35,000,000,000 gallons of
9 alternative fuel bears to

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

14 “(4) ALTERNATIVE FUEL PERCENTAGES.—

15 “(A) PROVISION OF ESTIMATE OF VOL-
16 UMES OF MOTOR VEHICLE AND NONROAD FUEL
17 SALES.—Not later than October 31, 2012, and
18 annually thereafter, the Administrator of the
19 Energy Information Administration shall pro-
20 vide to the Administrator of the Environmental
21 Protection Agency an estimate, with respect to
22 the following calendar year, of the volumes of
23 motor vehicle and nonroad fuel projected to be
24 sold or introduced into commerce in the United
25 States during the following calendar year.

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

12 “(C) REQUIRED ELEMENTS.—The alter-
13 native fuel obligation determined for a calendar
14 year under subparagraph (B) shall—

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

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

23 “(iii) subject to clause (i), consist of a
24 single applicable percentage that applies to

1 all categories of persons specified in clause
 2 (i).

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

8 “(5) COMPLIANCE VALUES.—

9 “(A) TABLE.—The Administrator shall as-
 10 sign a compliance value for each alternative fuel
 11 in accordance with the following table to be
 12 used as a multiplier to determine the extent to
 13 which each gallon or other specified unit of the
 14 alternative fuel will satisfy the alternative fuel
 15 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
Compressed Natural Gas (78 standard cubic feet)	1.0	1.0	1.0

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

13 "(III) assign each new or revised
14 category or subcategory of an alter-

1 native fuel type an appropriate com-
2 pliance value.

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

16 “(6) COMPLIANCE WITH STANDARD; USE OF
17 IDENTIFICATION NUMBERS.—

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

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

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

22 “(D) COMPLIANCE WITH THE STAND-
23 ARD.—Obligated parties shall demonstrate com-
24 pliance with the standard under this subsection

1 by surrendering identification numbers in an
2 appropriate quantity to the Administrator.

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

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

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

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

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

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

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

23 “(7) WAIVERS.—

24 “(A) IN GENERAL.—Based on a petition
25 by a State, ~~an~~ obligated party, or on the Ad-

1 administrator's own motion, the Administrator, in
2 consultation with the Secretary of Agriculture
3 and the Secretary of Energy, may waive the re-
4 quirements of paragraph (2) in whole or in part
5 by reducing the national quantity of alternative
6 fuel required under paragraph (3) if the Admin-
7 istrator, after public notice and opportunity for
8 comment, determines that—

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

13 “(ii) there is an inadequate domestic
14 supply.

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

19 “(C) TERMINATION OF WAIVERS.—A waiv-
20 er granted under subparagraph (A) shall termi-
21 nate after 1 year, but may be renewed by the
22 Administrator after consultation with the Sec-
23 retary of Agriculture and the Secretary of En-
24 ergy.”.

1 (b) PENALTIES AND ENFORCEMENT.—Section
2 211(d) of the Clean Air Act (42 U.S.C.7545(d)) is amend-
3 ed as follows:

4 (1) In paragraph (1)___

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

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

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

13 (c) RENEWABLE FUEL PROGRAM.—

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

18 (2) 2009 THROUGH 2012 REQUIREMENTS.—The
19 items relating to the years 2009 through 2012 in
20 the table in clause (i) of such subparagraph (B) are
21 amended as follows:

22 (A) Strike “6.1” and insert “10” .

23 (B) Strike “6.8” and insert “11” .

24 (C) Strike “7.4” and insert “12”.

25 (D) Strike “7.5” and insert “13”.