

117TH CONGRESS
1ST SESSION

S. 2271

To amend the Farm Security and Rural Investment Act of 2002 to provide grants for eligible entities for activities designed to expand the sales and use of biofuels derived from agricultural feedstocks produced in the United States, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 24, 2021

Ms. KLOBUCHAR (for herself and Ms. ERNST) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To amend the Farm Security and Rural Investment Act of 2002 to provide grants for eligible entities for activities designed to expand the sales and use of biofuels derived from agricultural feedstocks produced in the United States, 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 “Biofuel Infrastructure
5 and Agricultural Product Market Expansion Act of 2021”.

1 **SEC. 2. GRANTS FOR EXPANDING DOMESTIC BIOFUEL CON-**
2 **SUMPTION.**

3 (a) FINDINGS.—Congress finds the following:

4 (1) Biofuels are an immediately available path
5 toward decarbonizing the transportation sector while
6 driving rural economic development and growth, sta-
7 bilizing feedstock prices, and providing additional
8 markets for agricultural products.

9 (2) United States farmers are producing record
10 amounts of feedstock for renewable fuels, but mar-
11 ket disruptions and fluctuations due to the COVID-
12 19 pandemic have created uncertain times for
13 United States feedstock producers.

14 (3) Biofuels, which contribute to energy secu-
15 rity, reduce air pollution, and support rural eco-
16 nomic development, are an important market for
17 United States feedstock producers.

18 (4) According to the Alternative Fuels Data
19 Center of the Department of Energy, 39 percent of
20 the United States corn crop was refined into ethanol
21 in 2019.

22 (5) According to the Energy Information Ad-
23 ministration, 30 percent of United States soybean oil
24 was used for biodiesel production in 2019.

1 (6) Higher blends of biofuels like E15 and B20
2 are dispensed using blender pumps or dedicated E15
3 and B20 pumps.

4 (7) Infrastructure constraints and other bar-
5 riers currently limit the market for biofuels and the
6 feedstocks used to produce biofuels.

7 (b) **BIOFUEL INFRASTRUCTURE AND AGRICULTURAL**
8 **PRODUCT MARKET EXPANSION GRANT PROGRAM.**—Title
9 IX of the Farm Security and Rural Investment Act of
10 2002 (7 U.S.C. 8101 et seq.) is amended by adding at
11 the end the following:

12 **“SEC. 9015. BIOFUEL INFRASTRUCTURE AND AGRICUL-**
13 **TURAL PRODUCT MARKET EXPANSION**
14 **GRANT PROGRAM.**

15 “(a) **DEFINITION OF ELIGIBLE ENTITY.**—In this sec-
16 tion, the term ‘eligible entity’ means—

17 “(1) a State or unit of local government;

18 “(2) a Tribal government;

19 “(3) an authority, agency, partnership, or in-
20 strumentality of an entity described in paragraph
21 (1) or (2); and

22 “(4) a group of entities described in paragraphs
23 (1) through (3).

24 “(b) **ESTABLISHMENT.**—Not later than 1 year after
25 the date of enactment of this section, the Secretary shall

1 establish a grant program to award grants to eligible enti-
2 ties to carry out the activities described in subsection (f).

3 “(c) PURPOSE.—The purposes of the grant program
4 established under subsection (b) shall be—

5 “(1) to increase the use of domestic agricultural
6 crops by expanding or aiding in the expansion of do-
7 mestic biofuel markets;

8 “(2) to aid in the development of new and addi-
9 tional biofuel markets, marketing facilities, and uses
10 for feedstock derived from agricultural crops and
11 other biomass;

12 “(3) to stabilize prices in agricultural markets
13 by increasing demand for feedstock derived from ag-
14 ricultural crops;

15 “(4) to boost domestic production and use of
16 biofuels to promote rural economic development and
17 job creation; and

18 “(5) to support farm income by increasing de-
19 mand for feedstock use and production.

20 “(d) APPLICATIONS.—An eligible entity desiring a
21 grant under this section shall submit to the Secretary an
22 application at the time, in the manner, and containing the
23 information that the Secretary may require.

24 “(e) ELIGIBILITY CRITERIA.—In selecting an eligible
25 entity to receive a grant under this section, the Secretary

1 shall consider the extent to which the application of the
2 eligible entity proposes—

3 “(1) to convert existing pump infrastructure to
4 deliver ethanol blends with greater than 10 percent
5 ethanol;

6 “(2) to diversify the geographic area selling eth-
7 anol blends with greater than 10 percent ethanol;

8 “(3) to support existing or emerging biodiesel,
9 bioheat, and sustainable aviation fuel markets that
10 have existing incentives;

11 “(4) to increase the use of existing fuel delivery
12 infrastructure;

13 “(5) to enable or accelerate the deployment of
14 renewable fuel infrastructure that would be unlikely
15 to be completed without Federal assistance; and

16 “(6) to build and retrofit traditional and pipe-
17 line biodiesel terminal operations (including rail
18 lines) and home heating oil distribution centers or
19 equivalent entities—

20 “(A) to blend biodiesel; and

21 “(B) to carry ethanol and biodiesel.

22 “(f) ELIGIBLE USE.—An eligible entity that receives
23 a grant under this section may use the grant funds—

1 “(1) to distribute to private or public entities
2 for costs related to incentivizing deployment of re-
3 newable fuel infrastructure;

4 “(2) to convert existing pump infrastructure to
5 deliver ethanol blends greater than 10 percent and
6 biodiesel blends greater than 20 percent;

7 “(3) to install fuel pumps and related infra-
8 structure dedicated to the distribution of higher eth-
9 anol blends (including E15 and E85) and higher
10 biodiesel blends up to B100 at fueling locations, in-
11 cluding—

12 “(A) local fueling stations;

13 “(B) convenience stores;

14 “(C) hypermarket fueling stations; and

15 “(D) fleet facilities or similar entities; and

16 “(4) to build and retrofit traditional and pipe-
17 line biodiesel terminal operations (including rail
18 lines) and home heating oil distribution centers or
19 equivalent entities—

20 “(A) to blend biodiesel; and

21 “(B) to carry ethanol and biodiesel.

22 “(g) CERTIFICATION REQUIREMENT.—Any infra-
23 structure used or installed with grant funds provided
24 under this section shall be certified by the Underwriters

1 Laboratory as infrastructure that distributes blends with
2 an ethanol content of 25 percent or greater.

3 “(h) FUNDING.—

4 “(1) FEDERAL SHARE.—The Federal share of
5 the total cost of carrying out a project awarded a
6 grant under this section shall not exceed 75 percent.

7 “(2) MAXIMUM PERCENTAGE FOR CERTAIN AC-
8 TIVITIES.—An eligible entity receiving a grant under
9 this section shall ensure that Federal funds do not
10 exceed—

11 “(A) 75 percent of the per pump cost
12 for—

13 “(i) pumps that can dispense a range
14 of ethanol blends of E85 or lower (new
15 pumps or retrofit of existing pumps); and

16 “(ii) dedicated E15 or E85 pumps
17 (new pumps or retrofit of existing pumps);

18 “(B) 50 percent of the terminal cost for
19 terminals with B100 capabilities; or

20 “(C) 40 percent of the per tank cost for
21 new storage tanks and related equipment asso-
22 ciated with new facilities or additional capacity
23 other than replacement of existing storage
24 tanks and related equipment associated with ex-
25 isting facilities.

1 “(i) AUTHORIZATION OF APPROPRIATIONS.—There is
2 authorized to be appropriated to the Secretary to carry
3 out this section \$100,000,000 for each of fiscal years 2021
4 through 2030.”.

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