



## **Congresswoman Abby Finkenauer** ***Iowa's First Congressional District***

### **Clean Fuels Deployment Act**

**Sponsored by Reps. Abby Finkenauer (IA-1), Angie Craig (MN-2), Roger Marshall (KS-1),  
and Don Bacon (NE-2)**

Supported by: National Corn Growers Association, Renewable Fuels Association, National Biodiesel Board, Growth Energy, Iowa Corn Growers Association, Iowa Soybean Association, Iowa Biodiesel Board, Iowa Renewable Fuels Association

#### ***Summary***

The *Clean Fuels Deployment Act* would provide robust funding to install and convert fuel pump infrastructure to deliver higher blends of ethanol and biodiesel. This bill would authorize \$500 million dollars over 5 years and direct the US Secretary of Transportation to award funding to state, local and tribal governments to help cover the costs associated with installing, converting, or retrofitting pumps, tanks, traditional and pipeline terminals, and other types of infrastructure needed to give consumers more choices at the gas pump. By supporting the distribution of higher ethanol blends (E15 and E85) and biodiesel blends up to B100, we can help reach our goal of reducing green house gas emissions while bolstering a critical domestic market for farmers across the country.

#### ***Background***

In 2018, Americans set a record high for fuel consumption, according to the Energy Information Administration. This record high fuel consumption is a factor in why transportation accounts for the largest portion (29%) of total US greenhouse gas emissions. We must look to proven and immediately available solutions to reduce greenhouse gas emissions in the near-term. Biofuels offer an immediately available and proven path towards decarbonizing the transportation sector, driving economic growth, and creating jobs. Investing in ethanol and biodiesel fueling infrastructure will help expand access to biofuels and support increased use of higher blends to quickly cut greenhouse gas emissions while lowering gas prices.

A 2017 report from the US Department of Agriculture found that “greenhouse gas (GHG) emissions associated with corn-based ethanol in the United States are about 43 percent lower than gasoline when measured on an energy equivalent basis”, The report also found that, “by 2022...the GHG profile of corn-based ethanol is expected to be almost 50 percent lower than gasoline”.<sup>1</sup> Additionally, a 2019 study found that the Renewable Fuel Standard and biofuels have lowered gas prices by an average of 22 cents per gallon from 2015 through 2018.<sup>2</sup> That results in an average savings of \$5 every time people refuel their vehicles. The renewable fuels industry plays an important part in supporting farmers and the rural economy. In Iowa, ethanol and biofuels supported over 48,000 jobs and contributed over \$5 billion in GDP in 2019. Nationally, ethanol contributed \$43 billion to GDP and \$23.3 billion in household income.

#### ***Bill Overview***

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<sup>1</sup> [https://www.usda.gov/oce/climate\\_change/mitigation\\_technologies/USDAEthanolReport\\_20170107.pdf](https://www.usda.gov/oce/climate_change/mitigation_technologies/USDAEthanolReport_20170107.pdf)

<sup>2</sup> <https://ethanolrfa.org/wp-content/uploads/2019/09/Verleger-RFS-Impact-on-Oil-and-Gasoline.pdf>



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**Clean Fuels Grant Program:** The Secretary shall create a clean fuels grant program to help cover the costs associated with installing, converting, or retrofitting pumps, tanks, traditional and pipeline terminals, and other types of infrastructure needed to support higher ethanol blends (E15 and E85) and biodiesel blends up to B100.

**Eligible Entities + Application Criteria:** Eligible entities for a grant include states, localities, or territories; tribal governments; and authorities or agencies of units of government. In selecting grant recipients, the Secretary will consider the extent to which applications propose to:

- convert existing infrastructure to deliver higher ethanol blends;
- diversify the geographic area selling higher ethanol blends;
- support existing and emerging biodiesel, bioheat, and sustainable aviation fuel markets with existing incentives;
- accelerate the deployment of fueling infrastructure; and
- build or retrofit traditional and pipeline terminals to blend biodiesel and pipelines to carry ethanol and biodiesel.

**Allowable Use of Funds:** Entities awarded funding through the clean fuels grant program may use funds to:

- distribute to private or public entities to cover costs relating to incentivizing deployment of fueling infrastructure;
- convert existing pump infrastructure to deliver ethanol blends greater than 10 percent and biodiesel blends greater than 20 percent;
- install fuel pumps and related infrastructure to distribute E15 and E85 ethanol blends and biodiesel blends up to B100 at fueling locations, convenience stores, hypermarket fueling stations, and fleet facilities; and
- build and retrofit traditional and pipeline terminals (including rail lines) to blend biodiesel and pipelines to carry ethanol and biodiesel.

**Cost-Share Requirements:** The Federal cost-share of carrying out a project shall not exceed 80 percent. For certain project activities, Federal funds must not exceed:

- 75 percent of the per pump cost for pumps that support blends up to E85;
- 50 percent of the cost for terminals with B100 capabilities; and
- 25 percent of the per tank cost for new storage tanks and related equipment.

**Funding:** Authorizes \$100,000,000 for each of the fiscal years 2021 through 2026.