

109TH CONGRESS
2^D SESSION

H. R. 6356

To provide for the research, development, and demonstration of coal gasification technology as an energy source in ethanol production.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 5, 2006

Mr. COSTELLO introduced the following bill; which was referred to the Committee on Science

A BILL

To provide for the research, development, and demonstration of coal gasification technology as an energy source in ethanol production.

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 “America’s Domestic
5 Fuels Act”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

8 (1) Currently, the bulk of energy used in the
9 production of ethanol comes from natural gas. While
10 coal is used for this purpose, advanced coal gasifi-

1 cation technologies would increase the use of coal
2 and reduce air emissions.

3 (2) In coal gasification-based systems, pollutant-forming impurities can be separated from the
4 gaseous stream before combustion. As much as 99
5 percent of sulfur and other pollutants can be removed and processed into commercial products. Ethanol plants using coal gasification technology offer
6 many benefits.

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10 (3) Coal potentially is an economically desirable
11 alternative to natural gas as the fuel in ethanol production facilities. The Energy Information Administration projects that in 2025 the industrial cost of
12 natural gas will be \$5.99 per million Btu but coal
13 will only be \$1.86 per million Btu.

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16 (4) Coal is our most price-consistent fossil fuel.
17 Natural gas is our most price-volatile and unpredictable
18 fuel. In 2005 alone, natural gas ranged from
19 \$5.75 to over \$15.00 per million Btu. Coal therefore
20 has the potential to allow ethanol plants to better
21 manage their costs.

22 (5) Coal is a domestic fuel with substantial reserves and growing production. The United States
23 has a vast supply of domestic coal resources to meet
24 soaring energy needs.
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1 (6) Once demonstrated for this purpose, coal
2 should offer ethanol producers the opportunity to
3 sign long-term contracts.

4 (7) As the Governor's Ethanol Coalition noted,
5 increased ethanol production is an important step
6 toward improved national security. Utilizing coal as
7 a major fuel source for ethanol production could
8 eliminate the need to import natural gas for the
9 process.

10 (8) Using domestic coal to produce ethanol has
11 the potential to create jobs, spur new businesses,
12 and generate tax revenues for local communities.

13 (9) The United States has ambitious plans to
14 rapidly grow ethanol production, but the scale of this
15 growth will depend upon the availability of an eco-
16 nomical fuel source. Events over the past few years
17 have demonstrated that we do not want to be overly
18 dependent on any one fuel source. Thus, dependency
19 on natural gas for ethanol production is undesirable.
20 Diversifying the fuel source used for ethanol produc-
21 tion by increasing the number of ethanol plants that
22 are coal fueled reduces risk.

23 **SEC. 3. RESEARCH, DEVELOPMENT, AND DEMONSTRATION.**

24 (a) GRANT PROGRAM.—The Secretary of Energy
25 shall provide grants to States for the conduct of the re-

1 search needed to expedite the use of coal gasification as
2 an energy source in ethanol production. Such research as-
3 sistance shall be provided—

4 (1) to develop the knowledge base that will be
5 needed to expediently permit coal gasification fueled
6 ethanol plants;

7 (2) to aid ethanol producers in the evaluation
8 and inclusion of coal gasification technologies in ex-
9 isting or new ethanol plants;

10 (3) to understand how to reduce the capital
11 costs of coal gasification as an energy source in eth-
12 anol production, including making use of byproducts
13 from agricultural practice, and biomass material or
14 blends, in the processing of ethanol; and

15 (4) to understand the applicability of carbon di-
16 oxide capture and sequestration technologies, includ-
17 ing adsorption and absorption techniques and chem-
18 ical processes, to coal gasification as an energy
19 source in ethanol production.

20 (b) DEMONSTRATION PROJECT.—At least 1 pilot
21 project receiving assistance under this section shall be
22 fueled by coal gasification and located in an area with high
23 sulfur bituminous coal reserves.

24 (c) RESEARCH AND DEVELOPMENT AUTHORIZATION
25 OF APPROPRIATIONS.—There are authorized to be appro-

1 priated to the Secretary of Energy for carrying out re-
2 search and development activities under this section
3 \$5,000,000 for fiscal year 2007.

4 (d) DEMONSTRATION PROJECT AUTHORIZATION OF
5 APPROPRIATIONS.—There are authorized to be appro-
6 priated to the Secretary of Energy for carrying out dem-
7 onstration activities under this section \$20,000,000 for
8 fiscal year 2007.

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