

110TH CONGRESS  
2D SESSION

# H. R. 6170

To require the inclusion of coal-derived fuel at certain volumes in aviation fuel, motor vehicle fuel, home heating oil, and boiler fuel.

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IN THE HOUSE OF REPRESENTATIVES

JUNE 3, 2008

Mrs. CAPITO (for herself and Mr. SHIMKUS) introduced the following bill;  
which was referred to the Committee on Energy and Commerce

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## A BILL

To require the inclusion of coal-derived fuel at certain volumes in aviation fuel, motor vehicle fuel, home heating oil, and boiler fuel.

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 “Clean Coal-Derived  
5       Fuels for Energy Security Act of 2008”.

6       **SEC. 2. DEFINITIONS.**

7       In this Act:

8               (1) CLEAN COAL-DERIVED FUEL.—

1 (A) IN GENERAL.—The term “clean coal-  
2 derived fuel” means aviation fuel, motor vehicle  
3 fuel, home heating oil, or boiler fuel that is—

4 (i) substantially derived from the coal  
5 resources of the United States; and

6 (ii) refined or otherwise processed at a  
7 facility located in the United States that  
8 captures up to 100 percent of the carbon  
9 dioxide emissions that would otherwise be  
10 released at the facility.

11 (B) INCLUSIONS.—The term “clean coal-  
12 derived fuel” may include any other resource  
13 that is extracted, grown, produced, or recovered  
14 in the United States.

15 (2) COVERED FUEL.—The term “covered fuel”  
16 means—

17 (A) aviation fuel;

18 (B) motor vehicle fuel;

19 (C) home heating oil; and

20 (D) boiler fuel.

21 (3) SMALL REFINERY.—The term “small refin-  
22 ery” means a refinery for which the average aggre-  
23 gate daily crude oil throughput for a calendar year  
24 (as determined by dividing the aggregate throughput

1 for the calendar year by the number of days in the  
2 calendar year) does not exceed 75,000 barrels.

3 **SEC. 3. CLEAN COAL-DERIVED FUEL PROGRAM.**

4 (a) PROGRAM.—

5 (1) IN GENERAL.—Not later than 1 year after  
6 the date of enactment of this Act, the President  
7 shall promulgate regulations to ensure that covered  
8 fuel sold or introduced into commerce in the United  
9 States (except in noncontiguous States or terri-  
10 tories), on an annual average basis, contains the ap-  
11 plicable volume of clean coal-derived fuel determined  
12 in accordance with paragraph (4).

13 (2) PROVISIONS OF REGULATIONS.—Regardless  
14 of the date of promulgation, the regulations promul-  
15 gated under paragraph (1)—

16 (A) shall contain compliance provisions ap-  
17 plicable to refineries, blenders, distributors, and  
18 importers, as appropriate, to ensure that—

19 (i) the requirements of this subsection  
20 are met; and

21 (ii) clean coal-derived fuels produced  
22 from facilities for the purpose of compli-  
23 ance with this Act result in life cycle  
24 greenhouse gas emissions that are not  
25 greater than gasoline; and

- 1 (B) shall not—
- 2 (i) restrict geographic areas in the
- 3 contiguous United States in which clean
- 4 coal-derived fuel may be used; or
- 5 (ii) impose any per-gallon obligation
- 6 for the use of clean coal-derived fuel.

7 (3) RELATIONSHIP TO OTHER REGULATIONS.—

8 Regulations promulgated under this paragraph shall,

9 to the maximum extent practicable, incorporate the

10 program structure, compliance and reporting re-

11 quirements established under the final regulations

12 promulgated to implement the renewable fuel pro-

13 gram established by the amendment made by section

14 1501(a)(2) of the Energy Policy Act of 2005 (Public

15 Law 109–58; 119 Stat. 1067).

16 (4) APPLICABLE VOLUME.—

17 (A) CALENDAR YEARS 2015 THROUGH

18 2022.—For the purpose of this subsection, the

19 applicable volume for any of calendar years

20 2015 through 2022 shall be determined in ac-

21 cordance with the following table:

<b>Calendar year:</b>	<b>Applicable volume of clean coal-derived fuel (in billions of gallons):</b>
2015 .....	0.75
2016 .....	1.5
2017 .....	2.25
2018 .....	3.00
2019 .....	3.75
2020 .....	4.5

<b>Calendar year:</b>	<b>Applicable volume of clean coal-derived fuel (in billions of gallons):</b>
2021 .....	5.25
2022 .....	6.0.

1                   (B) CALENDAR YEAR 2023 AND THERE-  
2                   AFTER.—Subject to subparagraph (C), for the  
3                   purposes of this subsection, the applicable vol-  
4                   ume for calendar year 2023 and each calendar  
5                   year thereafter shall be determined by the  
6                   President, in coordination with the Secretary  
7                   and the Administrator of the Environmental  
8                   Protection Agency, based on a review of the im-  
9                   plementation of the program during calendar  
10                  years 2015 through 2022, including a review  
11                  of—

12                   (i) the impact of clean coal-derived  
13                   fuels on the energy security of the United  
14                   States;

15                   (ii) the expected annual rate of future  
16                   production of clean coal-derived fuels; and

17                   (iii) the impact of the use of clean  
18                   coal-derived fuels on other factors, includ-  
19                   ing job creation, rural economic develop-  
20                   ment, and the environment.

21                   (C) MINIMUM APPLICABLE VOLUME.—For  
22                   the purpose of this subsection, the applicable  
23                   volume for calendar year 2023 and each cal-

1           endar year thereafter shall be equal to the prod-  
2           uct obtained by multiplying—

3                   (i) the number of gallons of covered  
4                   fuel that the President estimates will be  
5                   sold or introduced into commerce in the  
6                   calendar year; and

7                   (ii) the ratio that—

8                           (I) 6,000,000,000 gallons of  
9                           clean coal-derived fuel; bears to

10                           (II) the number of gallons of cov-  
11                           ered fuel sold or introduced into com-  
12                           merce in calendar year 2022.

13           (b) APPLICABLE PERCENTAGES.—

14                   (1) PROVISION OF ESTIMATE OF VOLUMES OF  
15                   CERTAIN FUEL SALES.—Not later than October 31  
16                   of each of calendar years 2015 through 2021, the  
17                   Administrator of the Energy Information Adminis-  
18                   tration shall provide to the President an estimate,  
19                   with respect to the following calendar year, of the  
20                   volumes of covered fuel projected to be sold or intro-  
21                   duced into commerce in the United States.

22                   (2) DETERMINATION OF APPLICABLE PERCENT-  
23                   AGES.—

24                           (A) IN GENERAL.—Not later than Novem-  
25                           ber 30 of each of calendar years 2015 through

1           2022, based on the estimate provided under  
2           paragraph (1), the President shall determine  
3           and publish in the Federal Register, with re-  
4           spect to the following calendar year, the clean  
5           coal-derived fuel obligation that ensures that  
6           the requirements of subsection (a) are met.

7           (B) REQUIRED ELEMENTS.—The clean  
8           coal-derived fuel obligation determined for a  
9           calendar year under subparagraph (A) shall—

10                   (i) be applicable to refineries, blend-  
11                   ers, and importers, as appropriate;

12                   (ii) be expressed in terms of a volume  
13                   percentage of covered fuel sold or intro-  
14                   duced into commerce in the United States;  
15                   and

16                   (iii) subject to paragraph (3)(A), con-  
17                   sist of a single applicable percentage that  
18                   applies to all categories of persons speci-  
19                   fied in clause (i).

20           (3) ADJUSTMENTS.—In determining the appli-  
21           cable percentage for a calendar year, the President  
22           shall make adjustments—

23                   (A) to prevent the imposition of redundant  
24                   obligations on any person specified in para-  
25                   graph (2)(B)(i); and

1 (B) to account for the use of clean coal-de-  
2 rived fuel during the previous calendar year by  
3 small refineries that are exempt under sub-  
4 section (f).

5 (c) VOLUME CONVERSION FACTORS FOR CLEAN  
6 COAL-DERIVED FUELS BASED ON ENERGY CONTENT.—

7 (1) IN GENERAL.—For the purpose of sub-  
8 section (a), the President shall assign values to spe-  
9 cific types of clean coal-derived fuel for the purpose  
10 of satisfying the fuel volume requirements of sub-  
11 section (a)(4) in accordance with this subsection.

12 (2) ENERGY CONTENT RELATIVE TO DIESEL  
13 FUEL.—For clean coal-derived fuels, 1 gallon of the  
14 clean coal-derived fuel shall be considered to be the  
15 equivalent of 1 gallon of diesel fuel multiplied by the  
16 ratio that—

17 (A) the number of British thermal units of  
18 energy produced by the combustion of 1 gallon  
19 of the clean coal-derived fuel (as measured  
20 under conditions determined by the Secretary);  
21 bears to

22 (B) the number of British thermal units of  
23 energy produced by the combustion of 1 gallon  
24 of diesel fuel (as measured under conditions de-

1           terminated by the Secretary to be comparable to  
2           conditions described in subparagraph (A)).

3           (d) CREDIT PROGRAM.—

4           (1) IN GENERAL.—The President, in consulta-  
5           tion with the Secretary and the clean coal-derived  
6           fuel requirement of this section.

7           (2) MARKET TRANSPARENCY.—In carrying out  
8           the credit program under this subsection, the Presi-  
9           dent shall facilitate price transparency in markets  
10          for the sale and trade of credits, with due regard for  
11          the public interest, the integrity of those markets,  
12          fair competition, and the protection of consumers.

13          (e) WAIVERS.—

14          (1) IN GENERAL.—The President, in consulta-  
15          tion with the Secretary and the Administrator of the  
16          Environmental Protection Agency, may waive the re-  
17          quirements of subsection (a) in whole or in part on  
18          petition by 1 or more States by reducing the na-  
19          tional quantity of clean coal-derived fuel required  
20          under subsection (a), based on a determination by  
21          the President (after public notice and opportunity  
22          for comment), that—

23                  (A) implementation of the requirement  
24                  would severely harm the economy or environ-

1           ment of a State, a region, or the United States;  
2           or

3           (B) extreme and unusual circumstances  
4           exist that prevent distribution of an adequate  
5           supply of domestically produced clean coal-de-  
6           rived fuel to consumers in the United States.

7           (2) PETITIONS FOR WAIVERS.—The President,  
8           in consultation with the Secretary and the Adminis-  
9           trator of the Environmental Protection Agency, shall  
10          approve or disapprove a State petition for a waiver  
11          of the requirements of subsection (a) within 90 days  
12          after the date on which the petition is received by  
13          the President.

14          (3) TERMINATION OF WAIVERS.—A waiver  
15          granted under paragraph (1) shall terminate after 1  
16          year, but may be renewed by the President after  
17          consultation with the Secretary and the Adminis-  
18          trator of the Environmental Protection Agency.

19          (f) SMALL REFINERIES.—

20                 (1) TEMPORARY EXEMPTION.—

21                         (A) IN GENERAL.—The requirements of  
22                         subsection (a) shall not apply to small refineries  
23                         until calendar year 2018.

24                         (B) EXTENSION OF EXEMPTION.—

1 (i) STUDY BY SECRETARY.—Not later  
2 than December 31, 2013, the Secretary  
3 shall submit to the President and Congress  
4 a report describing the results of a study  
5 to determine whether compliance with the  
6 requirements of subsection (a) would im-  
7 pose a disproportionate economic hardship  
8 on small refineries.

9 (ii) EXTENSION OF EXEMPTION.—In  
10 the case of a small refinery that the Sec-  
11 retary determines under clause (i) would  
12 be subject to a disproportionate economic  
13 hardship if required to comply with sub-  
14 section (a), the President shall extend the  
15 exemption under subparagraph (A) for the  
16 small refinery for a period of not less than  
17 2 additional years.

18 (2) PETITIONS BASED ON DISPROPORTIONATE  
19 ECONOMIC HARDSHIP.—

20 (A) EXTENSION OF EXEMPTION.—A small  
21 refinery may at any time petition the President  
22 for an extension of the exemption under para-  
23 graph (1) for the reason of disproportionate  
24 economic hardship.

1 (B) EVALUATION OF PETITIONS.—In eval-  
2 uating a petition under subparagraph (A), the  
3 President, in consultation with the Secretary,  
4 shall consider the findings of the study under  
5 paragraph (1)(B) and other economic factors.

6 (C) DEADLINE FOR ACTION ON PETI-  
7 TIONS.—The President shall act on any petition  
8 submitted by a small refinery for a hardship ex-  
9 emption not later than 90 days after the date  
10 of receipt of the petition.

11 (3) OPT-IN FOR SMALL REFINERIES.—A small  
12 refinery shall be subject to the requirements of sub-  
13 section (a) if the small refinery notifies the Presi-  
14 dent that the small refinery waives the exemption  
15 under paragraph (1).

16 (g) PENALTIES AND ENFORCEMENT.—

17 (1) CIVIL PENALTIES.—

18 (A) IN GENERAL.—Any person that vio-  
19 lates a regulation promulgated under subsection  
20 (a), or that fails to furnish any information re-  
21 quired under such a regulation, shall be liable  
22 to the United States for a civil penalty of not  
23 more than the total of—

24 (i) \$25,000 for each day of the viola-  
25 tion; and

1                   (ii) the amount of economic benefit or  
2                   savings received by the person resulting  
3                   from the violation, as determined by the  
4                   President.

5                   (B) COLLECTION.—Civil penalties under  
6                   subparagraph (A) shall be assessed by, and col-  
7                   lected in a civil action brought by, the Secretary  
8                   or such other officer of the United States as is  
9                   designated by the President.

10                  (2) INJUNCTIVE AUTHORITY.—

11                   (A) IN GENERAL.—The district courts of  
12                   the United States shall have jurisdiction to—

13                               (i) restrain a violation of a regulation  
14                               promulgated under subsection (a);

15                               (ii) award other appropriate relief;

16                               and

17                               (iii) compel the furnishing of informa-  
18                               tion required under the regulation.

19                   (B) ACTIONS.—An action to restrain such  
20                   violations and compel such actions shall be  
21                   brought by and in the name of the United  
22                   States.

23                   (C) SUBPOENAS.—In the action, a sub-  
24                   poena for a witness who is required to attend

1 a district court in any district may apply in any  
2 other district.

3 (h) EFFECTIVE DATE.—Except as otherwise specifi-  
4 cally provided in this section, this section takes effect on  
5 January 1, 2016.

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