

109TH CONGRESS
2^D SESSION

H. R. 6025

To promote coal-to-liquid fuel activities.

IN THE HOUSE OF REPRESENTATIVES

JULY 28, 2006

Mr. WHITFIELD introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Science, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To promote coal-to-liquid fuel activities.

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 “Alternative Liquid
5 Transportation Fuel Promotion Act of 2006”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) BIOMASS.—The term “biomass” means any
9 organic material other than oil and natural gas (or
10 any product thereof).

1 (2) COAL.—The term “coal” means any carbon-
2 ized or semicarbonized matter, including peat and
3 biomass.

4 (3) COAL-TO-LIQUID.—The term “coal-to-liq-
5 uid” means—

6 (A) with respect to a process or tech-
7 nology, the use of the coal resources of the
8 United States, using the class of chemical reac-
9 tions known as Fischer-Tropsch, to produce
10 synthetic fuel suitable for transportation; and

11 (B) with respect to a facility, the portion
12 of a facility related to the Fischer-Tropsch
13 process, Fischer-Tropsch finished fuel produc-
14 tion, or the capture, transportation, or seques-
15 tration of byproducts of the use of coal at the
16 Fischer-Tropsch facility, including carbon emis-
17 sions.

18 (4) SECRETARY.—The term “Secretary” means
19 the Secretary of Energy.

20 **SEC. 3. COAL-TO-LIQUID FUEL LOAN GUARANTEE PRO-**
21 **GRAM.**

22 (a) ELIGIBLE PROJECTS.—Section 1703(b) of the
23 Energy Policy Act of 2005 (42 U.S.C. 16513(b)) is
24 amended by adding at the end the following:

1 “(11) Large-scale coal-to-liquid facilities (as de-
2 fined in section 2 of the Alternative Liquid Trans-
3 portation Fuel Promotion Act of 2006), that use
4 coal resources of the United States to produce not
5 less than 5,000 barrels a day of liquid transpor-
6 tation fuel.”.

7 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
8 1704 of the Energy Policy Act of 2005 (42 U.S.C. 16514)
9 is amended by adding at the end the following:

10 “(c) COAL-TO-LIQUID PROJECTS.—

11 “(1) IN GENERAL.—There are authorized to be
12 appropriated such sums as are necessary to provide
13 the cost of guarantees for projects involving large-
14 scale coal-to-liquid facilities under section
15 1703(b)(11).

16 “(2) LIMITATIONS.—

17 “(A) IN GENERAL.—No loan guarantees
18 shall be provided under this title for projects
19 described in paragraph (1) after (as determined
20 by the Secretary)—

21 “(i) the tenth such loan guarantee is
22 issued under this title; or

23 “(ii) production capacity covered by
24 such loan guarantees reaches 100,000 bar-
25 rels per day of coal-to-liquid fuel.

1 “(B) INDIVIDUAL PROJECTS.—

2 “(i) IN GENERAL.—A loan guarantee
3 may be provided under this title for any
4 large-scale coal-to-liquid facility described
5 in paragraph (1) that produces no more
6 than 20,000 barrels of coal-to-liquid fuel
7 per day.

8 “(ii) NON-FEDERAL FUNDING RE-
9 QUIREMENT.—To be eligible for a loan
10 guarantee under this title, a large-scale
11 coal-to-liquid facility described in para-
12 graph (1) that produces more than 20,000
13 barrels of coal-to-liquid fuel per day shall
14 be required to provide non-Federal funding
15 for the proportional cost of the loan guar-
16 antee for production that exceeds 20,000
17 barrels of coal-to-liquid fuel per day.”.

18 **SEC. 4. COAL-TO-LIQUID FACILITIES LOAN PROGRAM.**

19 (a) DEFINITION OF ELIGIBLE RECIPIENT.—In this
20 section, the term “eligible recipient” means an individual,
21 organization, or other entity that owns, operates, or plans
22 to construct a coal-to-liquid facility that will produce at
23 least 5,000 barrels per day of coal-to-liquid fuel.

24 (b) ESTABLISHMENT.—The Secretary shall establish
25 a program under which the Secretary shall provide loans,

1 in a total amount not to exceed \$20,000,000, for use by
2 eligible recipients to pay the Federal share of the cost of
3 obtaining any services necessary for the planning, permit-
4 ting, and construction of a coal-to-liquid facility.

5 (c) APPLICATION.—To be eligible to receive a loan
6 under subsection (b), an owner or operator of a coal-to-
7 liquid facility shall submit to the Secretary an application
8 at such time, in such manner, and containing such infor-
9 mation as the Secretary may require.

10 (d) NON-FEDERAL MATCH.—To be eligible to receive
11 a loan under this section, an eligible recipient shall use
12 non-Federal funds to provide a dollar-for-dollar match of
13 the amount of the loan.

14 (e) REPAYMENT OF LOAN.—

15 (1) IN GENERAL.—To be eligible to receive a
16 loan under this section, an eligible recipient shall
17 agree to repay the original amount of the loan to the
18 Secretary not later than 5 years after the date of the
19 receipt of the loan.

20 (2) SOURCE OF FUNDS.—Repayment of a loan
21 under paragraph (1) may be made from any financ-
22 ing or assistance received for the construction of a
23 coal-to-liquid facility described in subsection (a), in-
24 cluding a loan guarantee provided under section

1 1703(b)(11) of the Energy Policy Act of 2005 (42
2 U.S.C. 16513(b)(11)).

3 (f) AUTHORIZATION OF APPROPRIATIONS.—There
4 are authorized to be appropriated to carry out this section
5 \$200,000,000, to remain available until expended.

6 **SEC. 5. STRATEGIC PETROLEUM RESERVE.**

7 (a) DEVELOPMENT, OPERATION, AND MAINTENANCE
8 OF RESERVE.—Section 159 of the Energy Policy and Con-
9 servation Act (42 U.S.C. 6239) is amended—

10 (1) by redesignating subsections (f), (g), (j),
11 (k), and (l) as subsections (a), (b), (e), (f), and (g),
12 respectively; and

13 (2) by inserting after subsection (b) (as redesign-
14 nated by paragraph (1)) the following:

15 “(c) STUDY OF MAINTAINING COAL-TO-LIQUID
16 PRODUCTS IN RESERVE.—Not later than 1 year after the
17 date of enactment of the Alternative Liquid Transpor-
18 tation Fuel Promotion Act of 2006, the Secretary shall—

19 “(1) conduct a study of the feasibility and suit-
20 ability of maintaining coal-to-liquid products in the
21 Reserve; and

22 “(2) submit to the Committee on Energy and
23 Natural Resources of the Senate and the Committee
24 on Energy and Commerce of the House of Rep-

1 representatives a report describing the results of the
2 study.

3 “(d) CONSTRUCTION OR LEASE OF STORAGE FACILI-
4 TIES.—As soon as practicable after the date of enactment
5 of the Alternative Liquid Transportation Fuel Promotion
6 Act of 2006, the Secretary may construct or lease 1 or
7 more storage facilities—

8 “(1) in the vicinity of pipeline infrastructure
9 and at least 1 military base; but

10 “(2) outside the boundaries of any State on the
11 coast of the Gulf of Mexico.”.

12 (b) PETROLEUM PRODUCTS FOR STORAGE IN RE-
13 SERVE.—Section 160 of the Energy Policy and Conserva-
14 tion Act (42 U.S.C. 6240) is amended—

15 (1) in subsection (a)—

16 (A) in paragraph (1), by inserting a semi-
17 colon at the end;

18 (B) in paragraph (2), by striking “and” at
19 the end;

20 (C) in paragraph (3), by striking the pe-
21 riod at the end and inserting “; and”; and

22 (D) by adding at the end the following:

23 “(4) coal-to-liquid products (as defined in sec-
24 tion 2 of the Alternative Liquid Transportation Fuel
25 Promotion Act of 2006), as the Secretary deter-

1 mines to be appropriate, in a quantity not to exceed
2 20 percent of the total quantity of petroleum prod-
3 ucts in the Reserve.”;

4 (2) in subsection (b), by redesignating para-
5 graphs (3) through (5) as paragraphs (2) through
6 (4), respectively; and

7 (3) by redesignating subsections (f) and (h) as
8 subsections (d) and (e), respectively.

9 (c) CONFORMING AMENDMENTS.—Section 167 of the
10 Energy Policy and Conservation Act (42 U.S.C. 6247) is
11 amended—

12 (1) in subsection (b)—

13 (A) by redesignating paragraphs (2) and
14 (3) as paragraphs (1) and (2), respectively; and

15 (B) in paragraph (2) (as redesignated by
16 subparagraph (A)), by striking “section 160(f)”
17 and inserting “section 160(e)”; and

18 (2) in subsection (d), in the matter preceding
19 paragraph (1), by striking “section 160(f)” and in-
20 serting “section 160(e)”.

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