

110TH CONGRESS  
2D SESSION

# H. R. 6412

To promote the energy security of the United States, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

JUNE 26, 2008

Mrs. MUSGRAVE introduced the following bill; which was referred to the Committee on Natural Resources, and in addition to the Committees on Energy and Commerce, Science and Technology, Oversight and Government Reform, Armed Services, Foreign Affairs, Ways and Means, and Agriculture, 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 the energy security of 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Comprehensive Energy Exploration, Price Reduction,  
6 and Renewable Energy Investment Act of 2008”.

7 (b) TABLE OF CONTENTS.—The table of contents of  
8 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Definition of Secretary.

## TITLE I—TRADITIONAL RESOURCES

### Subtitle A—Outer Continental Shelf

- Sec. 101. Publication of projected State lines on outer Continental Shelf.
- Sec. 102. Production of oil and natural gas in new producing areas.
- Sec. 103. Conforming amendment.

### Subtitle B—Leasing Program for Land Within Coastal Plain

- Sec. 111. Definitions.
- Sec. 112. Leasing program for land within the Coastal Plain.
- Sec. 113. Lease sales.
- Sec. 114. Grant of leases by the Secretary.
- Sec. 115. Lease terms and conditions.
- Sec. 116. Coastal Plain environmental protection.
- Sec. 117. Expedited judicial review.
- Sec. 118. Rights-of-way and easements across Coastal Plain.
- Sec. 119. Conveyance.
- Sec. 120. Local government impact aid and community service assistance.
- Sec. 121. Prohibition on exports.
- Sec. 122. Allocation of revenues.

### Subtitle C—Permitting

- Sec. 131. Refinery permitting process.

### Subtitle D—Strategic Petroleum Reserve

- Sec. 141. Suspension of petroleum acquisition for Strategic Petroleum Reserve.

### Subtitle E—Restoration of State Revenue

- Sec. 151. Restoration of State revenue.

### Subtitle F—Renewable Energy Transition Trust Fund

- Sec. 161. Renewable Energy Transition Trust Fund.

## TITLE II—ALTERNATIVE RESOURCES

### Subtitle A—Renewable Fuel and Advanced Energy Technology

- Sec. 201. Definition of renewable biomass.
- Sec. 202. Advanced battery manufacturing incentive program.
- Sec. 203. Biofuels infrastructure and additives research and development.
- Sec. 204. Study of increased consumption of ethanol-blended gasoline with higher levels of ethanol.
- Sec. 205. Study of diesel vehicle attributes.

### Subtitle B—Clean Coal-Derived Fuels for Energy Security

- Sec. 211. Short title.
- Sec. 212. Definitions.
- Sec. 213. Clean coal-derived fuel program.

## Subtitle C—Oil Shale

Sec. 221. Removal of prohibition on final regulations for commercial leasing program for oil shale resources on public land.

Subtitle D—Department of Defense Facilitation of Secure Domestic Fuel Development

Sec. 231. Procurement and acquisition of alternative fuels.

Sec. 232. Multiyear contract authority for the Department of Defense for the procurement of synthetic fuels.

## TITLE III—MISCELLANEOUS

Sec. 301. Limitation on sales of defense articles and defense services to the Kingdom of Saudi Arabia.

Sec. 302. Extension and modification of renewable energy production tax credit.

Sec. 303. Extension and modification of solar energy and fuel cell investment tax credit.

Sec. 304. Extension and modification of residential energy efficient property credit.

Sec. 305. Extension and modification of credit for clean renewable energy bonds.

Sec. 306. Extension and modification of credit for energy efficiency improvements to existing homes.

Sec. 307. Extension and modification of tax credit for energy efficient new homes.

Sec. 308. Extension and modification of energy efficient commercial buildings deduction.

Sec. 309. Modification and extension of energy efficient appliance credit for appliances produced after 2007.

Sec. 310. Apollo 21 energy independence program.

Sec. 311. Study of effects of speculation in the futures markets for natural gas, crude oil, and gasoline on cash market and retail prices, and choice of trading venue.

Sec. 312. Requirement that the Commodity Futures Trading Commission issue a notice of proposed rulemaking regarding comparability of foreign regulation of futures and derivatives trading.

**1 SEC. 2. DEFINITION OF SECRETARY.**

2       In this Act, the term “Secretary” means the Sec-  
3       retary of Energy.

1                   **TITLE I—TRADITIONAL**  
2                   **RESOURCES**  
3                   **Subtitle A—Outer Continental**  
4                   **Shelf**

5   **SEC. 101. PUBLICATION OF PROJECTED STATE LINES ON**  
6                   **OUTER CONTINENTAL SHELF.**

7           Section 4(a)(2)(A) of the Outer Continental Shelf  
8 Lands Act (43 U.S.C. 1333(a)(2)(A)) is amended—

9                   (1) by designating the first, second, and third  
10 sentences as clause (i), (iii), and (iv), respectively;

11                   (2) in clause (i) (as so designated), by inserting  
12 before the period at the end the following: “not later  
13 than 90 days after the date of enactment of the  
14 Comprehensive Energy Exploration, Price Reduc-  
15 tion, and Renewable Energy Investment Act of  
16 2008”; and

17                   (3) by inserting after clause (i) (as so des-  
18 ignated) the following:

19           “(ii)(I) The projected lines shall also be used for the  
20 purpose of preleasing and leasing activities conducted in  
21 new producing areas under section 32.

22           “(II) This clause shall not affect any property right  
23 or title to Federal submerged land on the outer Conti-  
24 nental Shelf.

1 “(III) In carrying out this clause, the President shall  
2 consider the offshore administrative boundaries beyond  
3 State submerged lands for planning, coordination, and ad-  
4 ministrative purposes of the Department of the Interior,  
5 but may establish different boundaries.”.

6 **SEC. 102. PRODUCTION OF OIL AND NATURAL GAS IN NEW**  
7 **PRODUCING AREAS.**

8 The Outer Continental Shelf Lands Act (43 U.S.C.  
9 1331 et seq.) is amended by adding at the end the fol-  
10 lowing:

11 **“SEC. 32. PRODUCTION OF OIL AND NATURAL GAS IN NEW**  
12 **PRODUCING AREAS.**

13 “(a) DEFINITIONS.—In this section:

14 “(1) COASTAL POLITICAL SUBDIVISION.—The  
15 term ‘coastal political subdivision’ means a political  
16 subdivision of a new producing State any part of  
17 which political subdivision is—

18 “(A) within the coastal zone (as defined in  
19 section 304 of the Coastal Zone Management  
20 Act of 1972 (16 U.S.C. 1453)) of the new pro-  
21 ducing State as of the date of enactment of this  
22 section; and

23 “(B) not more than 200 nautical miles  
24 from the geographic center of any leased tract.

1           “(2) MORATORIUM AREA.—The term ‘morato-  
2           rium area’ means an area covered by sections 104  
3           through 105 of the Department of the Interior, En-  
4           vironment, and Related Agencies Appropriations  
5           Act, 2008 (Public Law 110–161; 121 Stat. 2118)  
6           (as in effect on the day before the date of enactment  
7           of this section).

8           “(3) NEW PRODUCING AREA.—The term ‘new  
9           producing area’ means any moratorium area within  
10          the offshore administrative boundaries beyond the  
11          submerged land of a State that is located greater  
12          than 50 miles from the coastline of the State.

13          “(4) NEW PRODUCING STATE.—The term ‘new  
14          producing State’ means a State that has, within the  
15          offshore administrative boundaries beyond the sub-  
16          merged land of the State, a new producing area  
17          available for oil and gas leasing under subsection  
18          (b).

19          “(5) OFFSHORE ADMINISTRATIVE BOUND-  
20          ARIES.—The term ‘offshore administrative bound-  
21          aries’ means the administrative boundaries estab-  
22          lished by the Secretary beyond State submerged land  
23          for planning, coordination, and administrative pur-  
24          poses of the Department of the Interior and pub-

1 lished in the Federal Register on January 3, 2006  
2 (71 Fed. Reg. 127).

3 “(6) QUALIFIED OUTER CONTINENTAL SHELF  
4 REVENUES.—

5 “(A) IN GENERAL.—The term ‘qualified  
6 outer Continental Shelf revenues’ means all  
7 rentals, royalties, bonus bids, and other sums  
8 due and payable to the United States from  
9 leases entered into on or after the date of en-  
10 actment of this section for new producing areas.

11 “(B) EXCLUSIONS.—The term ‘qualified  
12 outer Continental Shelf revenues’ does not in-  
13 clude—

14 “(i) revenues from a bond or other  
15 surety forfeited for obligations other than  
16 the collection of royalties;

17 “(ii) revenues from civil penalties;

18 “(iii) royalties taken by the Secretary  
19 in-kind and not sold;

20 “(iv) revenues generated from leases  
21 subject to section 8(g); or

22 “(v) any revenues considered qualified  
23 outer Continental Shelf revenues under  
24 section 102 of the Gulf of Mexico Energy

1 Security Act of 2006 (43 U.S.C. 1331  
2 note; Public Law 109-432).

3 “(b) PETITION FOR LEASING NEW PRODUCING  
4 AREAS.—

5 “(1) IN GENERAL.—Beginning on the date on  
6 which the President delineates projected State lines  
7 under section 4(a)(2)(A)(ii), the Governor of a State  
8 with a new producing area within the offshore ad-  
9 ministrative boundaries beyond the submerged land  
10 of the State may submit to the Secretary a petition  
11 requesting that the Secretary make the new pro-  
12 ducing area available for oil and gas leasing.

13 “(2) ACTION BY SECRETARY.—Notwithstanding  
14 section 18, as soon as practicable after receipt of a  
15 petition under paragraph (1), the Secretary shall ap-  
16 prove the petition if the Secretary determines that  
17 leasing the new producing area would not create an  
18 unreasonable risk of harm to the marine, human, or  
19 coastal environment.

20 “(c) DISPOSITION OF QUALIFIED OUTER CONTI-  
21 NENTAL SHELF REVENUES FROM NEW PRODUCING  
22 AREAS.—

23 “(1) IN GENERAL.—Notwithstanding section 9  
24 and subject to the other provisions of this sub-

1 section, for each applicable fiscal year, the Secretary  
2 of the Treasury shall deposit—

3 “(A) 35 percent of qualified outer Conti-  
4 nental Shelf revenues in the general fund of the  
5 Treasury;

6 “(B) 30 percent of qualified outer Conti-  
7 nental Shelf revenues in a special account in  
8 the Treasury from which the Secretary shall  
9 disburse—

10 “(i) 75 percent to new producing  
11 States in accordance with paragraph (2);  
12 and

13 “(ii) 25 percent to provide financial  
14 assistance to States in accordance with  
15 section 6 of the Land and Water Conserva-  
16 tion Fund Act of 1965 (16 U.S.C. 460l  
17 –8), which shall be considered income to  
18 the Land and Water Conservation Fund  
19 for purposes of section 2 of that Act (16  
20 U.S.C. 460l–5); and

21 “(C) 35 percent of qualified outer Conti-  
22 nental Shelf revenues in the Renewable Energy  
23 Transition Trust Fund established by section  
24 161 of the Comprehensive Energy Exploration,

1 Price Reduction, and Renewable Energy Invest-  
2 ment Act of 2008.

3 “(2) ALLOCATION TO NEW PRODUCING STATES  
4 AND COASTAL POLITICAL SUBDIVISIONS.—

5 “(A) ALLOCATION TO NEW PRODUCING  
6 STATES.—Effective for fiscal year 2008 and  
7 each fiscal year thereafter, the amount made  
8 available under paragraph (1)(B)(i) shall be al-  
9 located to each new producing State in amounts  
10 (based on a formula established by the Sec-  
11 retary by regulation) proportional to the  
12 amount of qualified outer Continental Shelf rev-  
13 enues generated in the new producing area off-  
14 shore each State.

15 “(B) PAYMENTS TO COASTAL POLITICAL  
16 SUBDIVISIONS.—

17 “(i) IN GENERAL.—The Secretary  
18 shall pay 20 percent of the allocable share  
19 of each new producing State, as deter-  
20 mined under subparagraph (A), to the  
21 coastal political subdivisions of the new  
22 producing State.

23 “(ii) ALLOCATION.—The amount paid  
24 by the Secretary to coastal political sub-  
25 divisions shall be allocated to each coastal

1 political subdivision in accordance with  
2 subparagraphs (B) and (C) of section  
3 31(b)(4).

4 “(3) MINIMUM ALLOCATION.—The amount allo-  
5 cated to a new producing State for each fiscal year  
6 under paragraph (2) shall be at least 5 percent of  
7 the amounts available under for the fiscal year  
8 under paragraph (1)(B)(i).

9 “(4) TIMING.—The amounts required to be de-  
10 posited under subparagraph (B) of paragraph (1)  
11 for the applicable fiscal year shall be made available  
12 in accordance with that subparagraph during the fis-  
13 cal year immediately following the applicable fiscal  
14 year.

15 “(5) AUTHORIZED USES.—

16 “(A) IN GENERAL.—Subject to subpara-  
17 graph (B), each new producing State and coast-  
18 al political subdivision shall use all amounts re-  
19 ceived under paragraph (2) in accordance with  
20 all applicable Federal and State laws, only for  
21 1 or more of the following purposes:

22 “(i) Projects and activities for the  
23 purposes of coastal protection, including  
24 conservation, coastal restoration, hurricane

1 protection, and infrastructure directly af-  
2 fected by coastal wetland losses.

3 “(ii) Mitigation of damage to fish,  
4 wildlife, or natural resources.

5 “(iii) Implementation of a federally  
6 approved marine, coastal, or comprehensive  
7 conservation management plan.

8 “(iv) Mitigation of the impact of outer  
9 Continental Shelf activities through the  
10 funding of onshore infrastructure projects.

11 “(v) Planning assistance and the ad-  
12 ministrative costs of complying with this  
13 section.

14 “(B) LIMITATION.—Not more than 3 per-  
15 cent of amounts received by a new producing  
16 State or coastal political subdivision under  
17 paragraph (2) may be used for the purposes de-  
18 scribed in subparagraph (A)(v).

19 “(6) ADMINISTRATION.—Amounts made avail-  
20 able under paragraph (1)(B) shall—

21 “(A) be made available, without further  
22 appropriation, in accordance with this sub-  
23 section;

24 “(B) remain available until expended; and

1           “(C) be in addition to any amounts appro-  
2           priated under—

3                   “(i) other provisions of this Act;

4                   “(ii) the Land and Water Conserva-  
5                   tion Fund Act of 1965 (16 U.S.C. 460l-  
6                   4 et seq.); or

7                   “(iii) any other provision of law.

8           “(d) DISPOSITION OF QUALIFIED OUTER CONTI-  
9           NENTAL SHELF REVENUES FROM OTHER AREAS.—Not-  
10           withstanding section 9, for each applicable fiscal year, the  
11           terms and conditions of subsection (c) shall apply to the  
12           disposition of qualified outer Continental Shelf revenues  
13           that—

14                   “(1) are derived from oil or gas leasing in an  
15                   area that is not included in the current 5-year plan  
16                   of the Secretary for oil or gas leasing; and

17                   “(2) are not assumed in the budget of the  
18                   United States Government submitted by the Presi-  
19                   dent under section 1105 of title 31, United States  
20                   Code.”.

21   **SEC. 103. CONFORMING AMENDMENT.**

22           Sections 104 through 105 of the Department of the  
23           Interior, Environment, and Related Agencies Appropria-  
24           tions Act, 2008 (Public Law 110–161; 121 Stat. 2118)  
25           are repealed.

1     **Subtitle B—Leasing Program for**  
2             **Land Within Coastal Plain**

3     **SEC. 111. DEFINITIONS.**

4         In this subtitle:

5             (1) COASTAL PLAIN.—The term “Coastal  
6     Plain” means that area identified as the “1002  
7     Coastal Plain Area” on the map.

8             (2) FEDERAL AGREEMENT.—The term “Fed-  
9     eral Agreement” means the Federal Agreement and  
10    Grant Right-of-Way for the Trans-Alaska Pipeline  
11    issued on January 23, 1974, in accordance with sec-  
12    tion 28 of the Mineral Leasing Act (30 U.S.C. 185)  
13    and the Trans-Alaska Pipeline Authorization Act  
14    (43 U.S.C. 1651 et seq.).

15            (3) FINAL STATEMENT.—The term “Final  
16    Statement” means the final legislative environmental  
17    impact statement on the Coastal Plain, dated April  
18    1987, and prepared pursuant to section 1002 of the  
19    Alaska National Interest Lands Conservation Act  
20    (16 U.S.C. 3142) and section 102(2)(C) of the Na-  
21    tional Environmental Policy Act of 1969 (42 U.S.C.  
22    4332(2)(C)).

23            (4) MAP.—The term “map” means the map en-  
24    titled “Arctic National Wildlife Refuge”, dated Sep-

1       tember 2005, and prepared by the United States Ge-  
2       ological Survey.

3           (5) SECRETARY.—The term “Secretary” means  
4       the Secretary of the Interior (or the designee of the  
5       Secretary), acting through the Director of the Bu-  
6       reau of Land Management in consultation with the  
7       Director of the United States Fish and Wildlife  
8       Service and in coordination with a State coordinator  
9       appointed by the Governor of the State of Alaska.

10 **SEC. 112. LEASING PROGRAM FOR LAND WITHIN THE**  
11                                   **COASTAL PLAIN.**

12       (a) IN GENERAL.—

13           (1) AUTHORIZATION.—Congress authorizes the  
14       exploration, leasing, development, production, and  
15       economically feasible and prudent transportation of  
16       oil and gas in and from the Coastal Plain.

17           (2) ACTIONS.—The Secretary shall take such  
18       actions as are necessary—

19           (A) to establish and implement, in accord-  
20       ance with this subtitle, a competitive oil and  
21       gas leasing program that will result in an envi-  
22       ronmentally sound program for the exploration,  
23       development, and production of the oil and gas  
24       resources of the Coastal Plain while taking into  
25       consideration the interests and concerns of resi-

1 dents of the Coastal Plain, which is the home-  
2 land of the Kaktovikmiut Inupiat; and

3 (B) to administer this subtitle through reg-  
4 ulations, lease terms, conditions, restrictions,  
5 prohibitions, stipulations, and other provisions  
6 that—

7 (i) ensure the oil and gas exploration,  
8 development, and production activities on  
9 the Coastal Plain will result in no signifi-  
10 cant adverse effect on fish and wildlife,  
11 their habitat, subsistence resources, and  
12 the environment; and

13 (ii) require the application of the best  
14 commercially available technology for oil  
15 and gas exploration, development, and pro-  
16 duction to all exploration, development,  
17 and production operations under this sub-  
18 title in a manner that ensures the receipt  
19 of fair market value by the public for the  
20 mineral resources to be leased.

21 (b) REPEAL.—

22 (1) REPEAL.—Section 1003 of the Alaska Na-  
23 tional Interest Lands Conservation Act (16 U.S.C.  
24 3143) is repealed.

1           (2) CONFORMING AMENDMENT.—The table of  
2 contents contained in section 1 of that Act (16  
3 U.S.C. 3101 note) is amended by striking the item  
4 relating to section 1003.

5           (c) COMPLIANCE WITH REQUIREMENTS UNDER CER-  
6 TAIN OTHER LAWS.—

7           (1) COMPATIBILITY.—For purposes of the Na-  
8 tional Wildlife Refuge System Administration Act of  
9 1966 (16 U.S.C. 668dd et seq.)—

10           (A) the oil and gas pre-leasing and leasing  
11 program, and activities authorized by this sec-  
12 tion in the Coastal Plain, shall be considered to  
13 be compatible with the purposes for which the  
14 Arctic National Wildlife Refuge was established;  
15 and

16           (B) no further findings or decisions shall  
17 be required to implement that program and  
18 those activities.

19           (2) ADEQUACY OF THE DEPARTMENT OF THE  
20 INTERIOR'S LEGISLATIVE ENVIRONMENTAL IMPACT  
21 STATEMENT.—The Final Statement shall be consid-  
22 ered to satisfy the requirements under the National  
23 Environmental Policy Act of 1969 (42 U.S.C. 4321  
24 et seq.) that apply with respect to pre-leasing activi-  
25 ties, including exploration programs and actions au-

1       thorized to be taken by the Secretary to develop and  
2       promulgate the regulations for the establishment of  
3       a leasing program authorized by this subtitle before  
4       the conduct of the first lease sale.

5               (3) COMPLIANCE WITH NEPA FOR OTHER AC-  
6       TIONS.—

7               (A) IN GENERAL.—Before conducting the  
8       first lease sale under this subtitle, the Secretary  
9       shall prepare an environmental impact state-  
10      ment in accordance with the National Environ-  
11      mental Policy Act of 1969 (42 U.S.C. 4321 et  
12      seq.) with respect to the actions authorized by  
13      this subtitle that are not referred to in para-  
14      graph (2).

15              (B) IDENTIFICATION AND ANALYSIS.—  
16      Notwithstanding any other provision of law, in  
17      carrying out this paragraph, the Secretary shall  
18      not be required—

19              (i) to identify nonleasing alternative  
20      courses of action; or

21              (ii) to analyze the environmental ef-  
22      fects of those courses of action.

23              (C) IDENTIFICATION OF PREFERRED AC-  
24      TION.—Not later than 18 months after the date  
25      of enactment of this Act, the Secretary shall—

1 (i) identify only a preferred action and  
2 a single leasing alternative for the first  
3 lease sale authorized under this subtitle;  
4 and

5 (ii) analyze the environmental effects  
6 and potential mitigation measures for  
7 those 2 alternatives.

8 (D) PUBLIC COMMENTS.—In carrying out  
9 this paragraph, the Secretary shall consider  
10 only public comments that are filed not later  
11 than 20 days after the date of publication of a  
12 draft environmental impact statement.

13 (E) EFFECT OF COMPLIANCE.—Notwith-  
14 standing any other provision of law, compliance  
15 with this paragraph shall be considered to sat-  
16 isfy all requirements for the analysis and con-  
17 sideration of the environmental effects of pro-  
18 posed leasing under this subtitle.

19 (d) RELATIONSHIP TO STATE AND LOCAL AUTHOR-  
20 ITY.—Nothing in this subtitle expands or limits any State  
21 or local regulatory authority.

22 (e) SPECIAL AREAS.—

23 (1) DESIGNATION.—

24 (A) IN GENERAL.—The Secretary, after  
25 consultation with the State of Alaska, the

1 North Slope Borough, Alaska, and the City of  
2 Kaktovik, Alaska, may designate not more than  
3 45,000 acres of the Coastal Plain as a special  
4 area if the Secretary determines that the special  
5 area would be of such unique character and in-  
6 terest as to require special management and  
7 regulatory protection.

8 (B) SADLEROCHIT SPRING AREA.—The  
9 Secretary shall designate as a special area in  
10 accordance with subparagraph (A) the  
11 Sadlerochit Spring area, comprising approxi-  
12 mately 4,000 acres as depicted on the map.

13 (2) MANAGEMENT.—The Secretary shall man-  
14 age each special area designated under this sub-  
15 section in a manner that—

16 (A) respects and protects the Native people  
17 of the area; and

18 (B) preserves the unique and diverse char-  
19 acter of the area, including fish, wildlife, sub-  
20 sistence resources, and cultural values of the  
21 area.

22 (3) EXCLUSION FROM LEASING OR SURFACE  
23 OCCUPANCY.—

1           (A) IN GENERAL.—The Secretary may ex-  
2           clude any special area designated under this  
3           subsection from leasing.

4           (B) NO SURFACE OCCUPANCY.—If the Sec-  
5           retary leases all or a portion of a special area  
6           for the purposes of oil and gas exploration, de-  
7           velopment, production, and related activities,  
8           there shall be no surface occupancy of the land  
9           comprising the special area.

10          (4) DIRECTIONAL DRILLING.—Notwithstanding  
11          any other provision of this subsection, the Secretary  
12          may lease all or a portion of a special area under  
13          terms that permit the use of horizontal drilling tech-  
14          nology from sites on leases located outside the spe-  
15          cial area.

16          (f) LIMITATION ON CLOSED AREAS.—The Secretary  
17          may not close land within the Coastal Plain to oil and gas  
18          leasing or to exploration, development, or production ex-  
19          cept in accordance with this subtitle.

20          (g) REGULATIONS.—

21               (1) IN GENERAL.—Not later than 15 months  
22               after the date of enactment of this Act, in consulta-  
23               tion with appropriate agencies of the State of Alas-  
24               ka, the North Slope Borough, Alaska, and the City  
25               of Kaktovik, Alaska, the Secretary shall issue such

1 regulations as are necessary to carry out this sub-  
2 title, including rules and regulations relating to pro-  
3 tection of the fish and wildlife, fish and wildlife habi-  
4 tat, and subsistence resources of the Coastal Plain.

5 (2) REVISION OF REGULATIONS.—The Sec-  
6 retary may periodically review and, as appropriate,  
7 revise the rules and regulations issued under para-  
8 graph (1) to reflect any significant scientific or engi-  
9 neering data that come to the attention of the Sec-  
10 retary.

11 **SEC. 113. LEASE SALES.**

12 (a) IN GENERAL.—Land may be leased pursuant to  
13 this subtitle to any person qualified to obtain a lease for  
14 deposits of oil and gas under the Mineral Leasing Act (30  
15 U.S.C. 181 et seq.).

16 (b) PROCEDURES.—The Secretary shall, by regula-  
17 tion, establish procedures for—

18 (1) receipt and consideration of sealed nomina-  
19 tions for any area in the Coastal Plain for inclusion  
20 in, or exclusion (as provided in subsection (c)) from,  
21 a lease sale;

22 (2) the holding of lease sales after that nomina-  
23 tion process; and

1           (3) public notice of and comment on designa-  
2           tion of areas to be included in, or excluded from, a  
3           lease sale.

4           (c) LEASE SALE BIDS.—Bidding for leases under  
5           this subtitle shall be by sealed competitive cash bonus bids.

6           (d) ACREAGE MINIMUM IN FIRST SALE.—For the  
7           first lease sale under this subtitle, the Secretary shall offer  
8           for lease those tracts the Secretary considers to have the  
9           greatest potential for the discovery of hydrocarbons, tak-  
10          ing into consideration nominations received pursuant to  
11          subsection (b)(1), but in no case less than 200,000 acres.

12          (e) TIMING OF LEASE SALES.—The Secretary  
13          shall—

14                (1) not later than 22 months after the date of  
15                enactment of this Act, conduct the first lease sale  
16                under this subtitle;

17                (2) not later than September 30, 2012, conduct  
18                a second lease sale under this subtitle; and

19                (3) conduct additional sales at appropriate in-  
20                tervals if sufficient interest in exploration or devel-  
21                opment exists to warrant the conduct of the addi-  
22                tional sales.

23 **SEC. 114. GRANT OF LEASES BY THE SECRETARY.**

24           (a) IN GENERAL.—Upon payment by a lessee of such  
25           bonus as may be accepted by the Secretary, the Secretary

1 may grant to the highest responsible qualified bidder in  
2 a lease sale conducted pursuant to section 113 a lease for  
3 any land on the Coastal Plain.

4 (b) SUBSEQUENT TRANSFERS.—

5 (1) IN GENERAL.—No lease issued under this  
6 subtitle may be sold, exchanged, assigned, sublet, or  
7 otherwise transferred except with the approval of the  
8 Secretary.

9 (2) CONDITION FOR APPROVAL.—Before grant-  
10 ing any approval described in paragraph (1), the  
11 Secretary shall consult with and give due consider-  
12 ation to the opinion of the Attorney General.

13 **SEC. 115. LEASE TERMS AND CONDITIONS.**

14 (a) IN GENERAL.—An oil or gas lease issued pursu-  
15 ant to this subtitle shall—

16 (1) provide for the payment of a royalty of not  
17 less than 16½ percent of the amount or value of the  
18 production removed or sold from the lease, as deter-  
19 mined by the Secretary in accordance with regula-  
20 tions applicable to other Federal oil and gas leases;

21 (2) provide that the Secretary may close, on a  
22 seasonal basis, such portions of the Coastal Plain to  
23 exploratory drilling activities as are necessary to  
24 protect caribou calving areas and other species of  
25 fish and wildlife;

1           (3) require that each lessee of land within the  
2 Coastal Plain shall be fully responsible and liable for  
3 the reclamation of land within the Coastal Plain and  
4 any other Federal land that is adversely affected in  
5 connection with exploration, development, produc-  
6 tion, or transportation activities within the Coastal  
7 Plain conducted by the lessee or by any of the sub-  
8 contractors or agents of the lessee;

9           (4) provide that the lessee may not delegate or  
10 convey, by contract or otherwise, that reclamation  
11 responsibility and liability to another person without  
12 the express written approval of the Secretary;

13           (5) provide that the standard of reclamation for  
14 land required to be reclaimed under this subtitle  
15 shall be, to the maximum extent practicable—

16           (A) a condition capable of supporting the  
17 uses that the land was capable of supporting  
18 prior to any exploration, development, or pro-  
19 duction activities; or

20           (B) upon application by the lessee, to a  
21 higher or better standard, as approved by the  
22 Secretary;

23           (6) contain terms and conditions relating to  
24 protection of fish and wildlife, fish and wildlife habi-

1       tat, subsistence resources, and the environment as  
2       required under section 112(a)(2);

3           (7) provide that each lessee, and each agent  
4       and contractor of a lessee, use their best efforts to  
5       provide a fair share of employment and contracting  
6       for Alaska Natives and Alaska Native Corporations  
7       from throughout the State of Alaska, as determined  
8       by the level of obligation previously agreed to in the  
9       Federal Agreement; and

10          (8) contain such other provisions as the Sec-  
11       retary determines to be necessary to ensure compli-  
12       ance with this subtitle and regulations issued under  
13       this subtitle.

14       (b) PROJECT LABOR AGREEMENTS.—The Secretary,  
15       as a term and condition of each lease under this subtitle,  
16       and in recognizing the proprietary interest of the Federal  
17       Government in labor stability and in the ability of con-  
18       struction labor and management to meet the particular  
19       needs and conditions of projects to be developed under the  
20       leases issued pursuant to this subtitle (including the spe-  
21       cial concerns of the parties to those leases), shall require  
22       that each lessee, and each agent and contractor of a lessee,  
23       under this subtitle negotiate to obtain a project labor  
24       agreement for the employment of laborers and mechanics

1 on production, maintenance, and construction under the  
2 lease.

3 **SEC. 116. COASTAL PLAIN ENVIRONMENTAL PROTECTION.**

4 (a) NO SIGNIFICANT ADVERSE EFFECT STANDARD  
5 TO GOVERN AUTHORIZED COASTAL PLAIN ACTIVITIES.—

6 In accordance with section 112, the Secretary shall admin-  
7 ister this subtitle through regulations, lease terms, condi-  
8 tions, restrictions, prohibitions, stipulations, or other pro-  
9 visions that—

10 (1) ensure, to the maximum extent practicable,  
11 that oil and gas exploration, development, and pro-  
12 duction activities on the Coastal Plain will result in  
13 no significant adverse effect on fish and wildlife, fish  
14 and wildlife habitat, and the environment;

15 (2) require the application of the best commer-  
16 cially available technology for oil and gas explo-  
17 ration, development, and production on all new ex-  
18 ploration, development, and production operations;  
19 and

20 (3) ensure that the maximum surface acreage  
21 covered in connection with the leasing program by  
22 production and support facilities, including airstrips  
23 and any areas covered by gravel berms or piers for  
24 support of pipelines, does not exceed 2,000 acres on  
25 the Coastal Plain.

1 (b) SITE-SPECIFIC ASSESSMENT AND MITIGATION.—

2 The Secretary shall require, with respect to any proposed  
3 drilling and related activities on the Coastal Plain, that—

4 (1) a site-specific environmental analysis be  
5 made of the probable effects, if any, that the drilling  
6 or related activities will have on fish and wildlife,  
7 fish and wildlife habitat, subsistence resources, sub-  
8 sistence uses, and the environment;

9 (2) a plan be implemented to avoid, minimize,  
10 and mitigate (in that order and to the maximum ex-  
11 tent practicable) any significant adverse effect iden-  
12 tified under paragraph (1); and

13 (3) the development of the plan occur after con-  
14 sultation with—

15 (A) each agency having jurisdiction over  
16 matters mitigated by the plan;

17 (B) the State of Alaska;

18 (C) North Slope Borough, Alaska; and

19 (D) the City of Kaktovik, Alaska.

20 (c) REGULATIONS TO PROTECT COASTAL PLAIN

21 FISH AND WILDLIFE RESOURCES, SUBSISTENCE USERS,

22 AND THE ENVIRONMENT.—Before implementing the leas-

23 ing program authorized by this subtitle, the Secretary

24 shall prepare and issue regulations, lease terms, condi-

25 tions, restrictions, prohibitions, stipulations, or other

1 measures designed to ensure, to the maximum extent prac-  
2 ticable, that the activities carried out on the Coastal Plain  
3 under this subtitle are conducted in a manner consistent  
4 with the purposes and environmental requirements of this  
5 subtitle.

6 (d) COMPLIANCE WITH FEDERAL AND STATE ENVI-  
7 RONMENTAL LAWS AND OTHER REQUIREMENTS.—The  
8 proposed regulations, lease terms, conditions, restrictions,  
9 prohibitions, and stipulations for the leasing program  
10 under this subtitle shall require—

11 (1) compliance with all applicable provisions of  
12 Federal and State environmental law (including reg-  
13 ulations);

14 (2) implementation of and compliance with—

15 (A) standards that are at least as effective  
16 as the safety and environmental mitigation  
17 measures, as described in items 1 through 29  
18 on pages 167 through 169 of the Final State-  
19 ment, on the Coastal Plain;

20 (B) seasonal limitations on exploration, de-  
21 velopment, and related activities, as necessary,  
22 to avoid significant adverse effects during peri-  
23 ods of concentrated fish and wildlife breeding,  
24 denning, nesting, spawning, and migration;

1 (C) design safety and construction stand-  
2 ards for all pipelines and any access and service  
3 roads that minimize, to the maximum extent  
4 practicable, adverse effects on—

5 (i) the passage of migratory species  
6 (such as caribou); and

7 (ii) the flow of surface water by re-  
8 quiring the use of culverts, bridges, or  
9 other structural devices;

10 (D) prohibitions on general public access  
11 to, and use of, all pipeline access and service  
12 roads;

13 (E) stringent reclamation and rehabilita-  
14 tion requirements in accordance with this sub-  
15 title for the removal from the Coastal Plain of  
16 all oil and gas development and production fa-  
17 cilities, structures, and equipment on comple-  
18 tion of oil and gas production operations, except  
19 in a case in which the Secretary determines  
20 that those facilities, structures, or equipment—

21 (i) would assist in the management of  
22 the Arctic National Wildlife Refuge; and

23 (ii) are donated to the United States  
24 for that purpose;

1 (F) appropriate prohibitions or restrictions

2 on—

3 (i) access by all modes of transpor-

4 tation;

5 (ii) sand and gravel extraction; and

6 (iii) use of explosives;

7 (G) reasonable stipulations for protection

8 of cultural and archaeological resources;

9 (H) measures to protect groundwater and

10 surface water, including—

11 (i) avoidance, to the maximum extent

12 practicable, of springs, streams, and river

13 systems;

14 (ii) the protection of natural surface

15 drainage patterns and wetland and ripar-

16 ian habitats; and

17 (iii) the regulation of methods or tech-

18 niques for developing or transporting ade-

19 quate supplies of water for exploratory

20 drilling; and

21 (I) research, monitoring, and reporting re-

22 quirements;

23 (3) that exploration activities (except surface

24 geological studies) be limited to the period between

25 approximately November 1 and May 1 of each year

1 and be supported, if necessary, by ice roads, winter  
2 trails with adequate snow cover, ice pads, ice air-  
3 strips, and air transport methods (except that those  
4 exploration activities may be permitted at other  
5 times if the Secretary determines that the explo-  
6 ration will have no significant adverse effect on fish  
7 and wildlife, fish and wildlife habitat, subsistence re-  
8 sources, and the environment of the Coastal Plain);

9 (4) consolidation of facility siting;

10 (5) avoidance or reduction of air traffic-related  
11 disturbance to fish and wildlife;

12 (6) treatment and disposal of hazardous and  
13 toxic wastes, solid wastes, reserve pit fluids, drilling  
14 muds and cuttings, and domestic wastewater, includ-  
15 ing, in accordance with applicable Federal and State  
16 environmental laws (including regulations)—

17 (A) preparation of an annual waste man-  
18 agement report;

19 (B) development and implementation of a  
20 hazardous materials tracking system; and

21 (C) prohibition on the use of chlorinated  
22 solvents;

23 (7) fuel storage and oil spill contingency plan-  
24 ning;

1           (8) conduct of periodic field crew environmental  
2 briefings;

3           (9) avoidance of significant adverse effects on  
4 subsistence hunting, fishing, and trapping;

5           (10) compliance with applicable air and water  
6 quality standards;

7           (11) appropriate seasonal and safety zone des-  
8 ignations around well sites, within which subsistence  
9 hunting and trapping shall be limited; and

10          (12) development and implementation of such  
11 other protective environmental requirements, restric-  
12 tions, terms, or conditions as the Secretary, after  
13 consultation with the State of Alaska, North Slope  
14 Borough, Alaska, and the City of Kaktovik, Alaska,  
15 determines to be necessary.

16          (e) CONSIDERATIONS.—In preparing and issuing reg-  
17 ulations, lease terms, conditions, restrictions, prohibitions,  
18 or stipulations under this section, the Secretary shall take  
19 into consideration—

20           (1) the stipulations and conditions that govern  
21 the National Petroleum Reserve-Alaska leasing pro-  
22 gram, as set forth in the 1999 Northeast National  
23 Petroleum Reserve-Alaska Final Integrated Activity  
24 Plan/Environmental Impact Statement;

1           (2) the environmental protection standards that  
2           governed the initial Coastal Plain seismic exploration  
3           program under parts 37.31 through 37.33 of title  
4           50, Code of Federal Regulations (or successor regu-  
5           lations); and

6           (3) the land use stipulations for exploratory  
7           drilling on the KIC-ASRC private land described in  
8           Appendix 2 of the agreement between Arctic Slope  
9           Regional Corporation and the United States dated  
10          August 9, 1983.

11          (f) FACILITY CONSOLIDATION PLANNING.—

12           (1) IN GENERAL.—After providing for public  
13           notice and comment, the Secretary shall prepare and  
14           periodically update a plan to govern, guide, and di-  
15           rect the siting and construction of facilities for the  
16           exploration, development, production, and transpor-  
17           tation of oil and gas resources from the Coastal  
18           Plain.

19           (2) OBJECTIVES.—The objectives of the plan  
20           shall be—

21                   (A) the avoidance of unnecessary duplica-  
22                   tion of facilities and activities;

23                   (B) the encouragement of consolidation of  
24                   common facilities and activities;

1 (C) the location or confinement of facilities  
2 and activities to areas that will minimize impact  
3 on fish and wildlife, fish and wildlife habitat,  
4 subsistence resources, and the environment;

5 (D) the use of existing facilities, to the  
6 maximum extent practicable; and

7 (E) the enhancement of compatibility be-  
8 tween wildlife values and development activities.

9 (g) ACCESS TO PUBLIC LAND.—The Secretary  
10 shall—

11 (1) manage public land in the Coastal Plain in  
12 accordance with subsections (a) and (b) of section  
13 811 of the Alaska National Interest Lands Con-  
14 servation Act (16 U.S.C. 3121); and

15 (2) ensure that local residents shall have rea-  
16 sonable access to public land in the Coastal Plain for  
17 traditional uses.

18 **SEC. 117. EXPEDITED JUDICIAL REVIEW.**

19 (a) FILING OF COMPLAINTS.—

20 (1) DEADLINE.—A complaint seeking judicial  
21 review of a provision of this subtitle or an action of  
22 the Secretary under this subtitle shall be filed—

23 (A) except as provided in subparagraph

24 (B), during the 90-day period beginning on the

1 date on which the action being challenged was  
2 carried out; or

3 (B) in the case of a complaint based solely  
4 on grounds arising after the 90-day period de-  
5 scribed in subparagraph (A), during the 90-day  
6 period beginning on the date on which the com-  
7 plainant knew or reasonably should have known  
8 about the grounds for the complaint.

9 (2) VENUE.—A complaint seeking judicial re-  
10 view of a provision of this subtitle or an action of  
11 the Secretary under this subtitle shall be filed in the  
12 United States Court of Appeals for the District of  
13 Columbia.

14 (3) SCOPE.—

15 (A) IN GENERAL.—Judicial review of a de-  
16 cision of the Secretary under this subtitle (in-  
17 cluding an environmental analysis of such a  
18 lease sale) shall be—

19 (i) limited to a review of whether the  
20 decision is in accordance with this subtitle;  
21 and

22 (ii) based on the administrative record  
23 of the decision.

24 (B) PRESUMPTIONS.—Any identification  
25 by the Secretary of a preferred course of action

1 relating to a lease sale, and any analysis by the  
2 Secretary of environmental effects, under this  
3 subtitle shall be presumed to be correct unless  
4 proven otherwise by clear and convincing evi-  
5 dence.

6 (b) **LIMITATION ON OTHER REVIEW.**—Any action of  
7 the Secretary that is subject to judicial review under this  
8 section shall not be subject to judicial review in any civil  
9 or criminal proceeding for enforcement.

10 **SEC. 118. RIGHTS-OF-WAY AND EASEMENTS ACROSS COAST-**  
11 **AL PLAIN.**

12 For purposes of section 1102(4)(A) of the Alaska Na-  
13 tional Interest Lands Conservation Act (16 U.S.C.  
14 3162(4)(A)), any rights-of-way or easements across the  
15 Coastal Plain for the exploration, development, produc-  
16 tion, or transportation of oil and gas shall be considered  
17 to be established incident to the management of the Coast-  
18 al Plain under this section.

19 **SEC. 119. CONVEYANCE.**

20 Notwithstanding section 1302(h)(2) of the Alaska  
21 National Interest Lands Conservation Act (16 U.S.C.  
22 3192(h)(2)), to remove any cloud on title to land, and to  
23 clarify land ownership patterns in the Coastal Plain, the  
24 Secretary shall—

1           (1) to the extent necessary to fulfill the entitle-  
2           ment of the Kaktovik Inupiat Corporation under sec-  
3           tions 12 and 14 of the Alaska Native Claims Settle-  
4           ment Act (43 U.S.C. 1611, 1613), as determined by  
5           the Secretary, convey to that Corporation the sur-  
6           face estate of the land described in paragraph (1) of  
7           Public Land Order 6959, in accordance with the  
8           terms and conditions of the agreement between the  
9           Secretary, the United States Fish and Wildlife Serv-  
10          ice, the Bureau of Land Management, and the  
11          Kaktovik Inupiat Corporation, dated January 22,  
12          1993; and

13           (2) convey to the Arctic Slope Regional Cor-  
14          poration the remaining subsurface estate to which  
15          that Corporation is entitled under the agreement be-  
16          tween that corporation and the United States, dated  
17          August 9, 1983.

18 **SEC. 120. LOCAL GOVERNMENT IMPACT AID AND COMMU-**  
19 **NITY SERVICE ASSISTANCE.**

20 (a) ESTABLISHMENT OF FUND.—

21           (1) IN GENERAL.—As a condition on the receipt  
22          of funds under section 122(2), the State of Alaska  
23          shall establish in the treasury of the State, and ad-  
24          minister in accordance with this section, a fund to  
25          be known as the “Coastal Plain Local Government

1 Impact Aid Assistance Fund” (referred to in this  
2 section as the “Fund”).

3 (2) DEPOSITS.—Subject to paragraph (1), the  
4 Secretary of the Treasury shall deposit into the  
5 Fund, \$35,000,000 each year from the amount  
6 available under section 122(2)(A).

7 (3) INVESTMENT.—The Governor of the State  
8 of Alaska (referred to in this section as the “Gov-  
9 ernor”) shall invest amounts in the Fund in interest-  
10 bearing securities of the United States or the State  
11 of Alaska.

12 (b) ASSISTANCE.—The Governor, in cooperation with  
13 the Mayor of the North Slope Borough, shall use amounts  
14 in the Fund to provide assistance to North Slope Borough,  
15 Alaska, the City of Kaktovik, Alaska, and any other bor-  
16 ough, municipal subdivision, village, or other community  
17 in the State of Alaska that is directly impacted by explo-  
18 ration for, or the production of, oil or gas on the Coastal  
19 Plain under this subtitle, or any Alaska Native Regional  
20 Corporation acting on behalf of the villages and commu-  
21 nities within its region whose lands lie along the right of  
22 way of the Trans Alaska Pipeline System, as determined  
23 by the Governor.

24 (c) APPLICATION.—

1           (1) IN GENERAL.—To receive assistance under  
2 subsection (b), a community or Regional Corporation  
3 described in that subsection shall submit to the Gov-  
4 ernor, or to the Mayor of the North Slope Borough,  
5 an application in such time, in such manner, and  
6 containing such information as the Governor may re-  
7 quire.

8           (2) ACTION BY NORTH SLOPE BOROUGH.—The  
9 Mayor of the North Slope Borough shall submit to  
10 the Governor each application received under para-  
11 graph (1) as soon as practicable after the date on  
12 which the application is received.

13           (3) ASSISTANCE OF GOVERNOR.—The Governor  
14 shall assist communities in submitting applications  
15 under this subsection, to the maximum extent prac-  
16 ticable.

17           (d) USE OF FUNDS.—A community or Regional Cor-  
18 poration that receives funds under subsection (b) may use  
19 the funds—

20           (1) to plan for mitigation, implement a mitiga-  
21 tion plan, or maintain a mitigation project to ad-  
22 dress the potential effects of oil and gas exploration  
23 and development on environmental, social, cultural,  
24 recreational, and subsistence resources of the com-  
25 munity;

1 (2) to develop, carry out, and maintain—

2 (A) a project to provide new or expanded  
3 public facilities; or

4 (B) services to address the needs and prob-  
5 lems associated with the effects described in  
6 paragraph (1), including firefighting, police,  
7 water and waste treatment, first responder, and  
8 other medical services;

9 (3) to compensate residents of the Coastal  
10 Plain for significant damage to environmental, so-  
11 cial, cultural, recreational, or subsistence resources;  
12 and

13 (4) in the City of Kaktovik, Alaska—

14 (A) to develop a mechanism for providing  
15 members of the Kaktovikmiut Inupiat commu-  
16 nity an opportunity to—

17 (i) monitor development on the Coast-  
18 al Plain; and

19 (ii) provide information and rec-  
20 ommendations to the Governor based on  
21 traditional aboriginal knowledge of the nat-  
22 ural resources, flora, fauna, and ecological  
23 processes of the Coastal Plain; and

24 (B) to establish a local coordination office,  
25 to be managed by the Mayor of the North Slope

1 Borough, in coordination with the City of  
2 Kaktovik, Alaska—

3 (i) to coordinate with and advise de-  
4 velopers on local conditions and the history  
5 of areas affected by development;

6 (ii) to provide to the Committee on  
7 Resources of the House of Representatives  
8 and the Committee on Energy and Natural  
9 Resources of the Senate annual reports on  
10 the status of the coordination between de-  
11 velopers and communities affected by de-  
12 velopment;

13 (iii) to collect from residents of the  
14 Coastal Plain information regarding the  
15 impacts of development on fish, wildlife,  
16 habitats, subsistence resources, and the en-  
17 vironment of the Coastal Plain; and

18 (iv) to ensure that the information  
19 collected under clause (iii) is submitted  
20 to—

21 (I) developers; and

22 (II) any appropriate Federal  
23 agency.

1 **SEC. 121. PROHIBITION ON EXPORTS.**

2 An oil or gas lease issued under this subtitle shall  
3 prohibit the exportation of oil or gas produced under the  
4 lease.

5 **SEC. 122. ALLOCATION OF REVENUES.**

6 Notwithstanding the Mineral Leasing Act (30 U.S.C.  
7 181 et seq.) or any other provision of law, of the adjusted  
8 bonus, rental, and royalty receipts from Federal oil and  
9 gas leasing and operations authorized under this sub-  
10 title—

11 (1) 50 percent shall be deposited in the general  
12 fund of the Treasury;

13 (2) 30 percent in the Renewable Energy Tran-  
14 sition Trust Fund established by section 161; and

15 (3) of the remaining amounts—

16 (A) \$35,000,000 shall be deposited by the  
17 Secretary of the Treasury into the fund created  
18 under section 120(a)(1); and

19 (B) the remainder shall be disbursed to the  
20 State of Alaska.

21 **Subtitle C—Permitting**

22 **SEC. 131. REFINERY PERMITTING PROCESS.**

23 (a) DEFINITIONS.—In this section:

24 (1) ADMINISTRATOR.—The term “Adminis-  
25 trator” means the Administrator of the Environ-  
26 mental Protection Agency.

1           (2) INDIAN TRIBE.—The term “Indian tribe”  
2           has the meaning given the term in section 4 of the  
3           Indian Self-Determination and Education Assistance  
4           Act (25 U.S.C. 450b).

5           (3) PERMIT.—The term “permit” means any  
6           permit, license, approval, variance, or other form of  
7           authorization that a refiner is required to obtain—

8                   (A) under any Federal law; or

9                   (B) from a State or Indian tribal govern-  
10           ment agency delegated authority by the Federal  
11           Government, or authorized under Federal law,  
12           to issue permits.

13           (4) REFINER.—The term “refiner” means a  
14           person that—

15                   (A) owns or operates a refinery; or

16                   (B) seeks to become an owner or operator  
17           of a refinery.

18           (5) REFINERY.—

19                   (A) IN GENERAL.—The term “refinery”  
20           means—

21                   (i) a facility at which crude oil is re-  
22           fined into transportation fuel or other pe-  
23           troleum products; and

1 (ii) a coal liquification or coal-to-liquid  
2 facility at which coal is processed into syn-  
3 thetic crude oil or any other fuel.

4 (B) INCLUSIONS.—The term “refinery” in-  
5 cludes an expansion of a refinery.

6 (6) REFINERY EXPANSION.—The term “refin-  
7 ery expansion” means a physical change in a refin-  
8 ery that results in an increase in the capacity of the  
9 refinery.

10 (7) REFINERY PERMITTING AGREEMENT.—The  
11 term “refinery permitting agreement” means an  
12 agreement entered into between the Administrator  
13 and a State or Indian tribe under subsection (b).

14 (8) SECRETARY.—The term “Secretary” means  
15 the Secretary of Commerce.

16 (9) STATE.—The term “State” means—

17 (A) a State;

18 (B) the District of Columbia;

19 (C) the Commonwealth of Puerto Rico;

20 and

21 (D) any other territory or possession of the  
22 United States.

23 (b) STREAMLINING OF REFINERY PERMITTING  
24 PROCESS.—

1           (1) IN GENERAL.—At the request of the Gov-  
2           ernor of a State or the governing body of an Indian  
3           tribe, the Administrator shall enter into a refinery  
4           permitting agreement with the State or Indian tribe  
5           under which the process for obtaining all permits  
6           necessary for the construction and operation of a re-  
7           finery shall be streamlined using a systematic inter-  
8           disciplinary multimedia approach as provided in this  
9           section.

10           (2) AUTHORITY OF ADMINISTRATOR.—Under a  
11           refinery permitting agreement—

12                   (A) the Administrator shall have authority,  
13           as applicable and necessary, to—

14                           (i) accept from a refiner a consoli-  
15                           dated application for all permits that the  
16                           refiner is required to obtain to construct  
17                           and operate a refinery;

18                           (ii) in consultation and cooperation  
19                           with each Federal, State, or Indian tribal  
20                           government agency that is required to  
21                           make any determination to authorize the  
22                           issuance of a permit, establish a schedule  
23                           under which each agency shall—

1 (I) concurrently consider, to the  
2 maximum extent practicable, each de-  
3 termination to be made; and

4 (II) complete each step in the  
5 permitting process; and

6 (iii) issue a consolidated permit that  
7 combines all permits issued under the  
8 schedule established under clause (ii); and

9 (B) the Administrator shall provide to  
10 State and Indian tribal government agencies—

11 (i) financial assistance in such  
12 amounts as the agencies reasonably require  
13 to hire such additional personnel as are  
14 necessary to enable the Government agen-  
15 cies to comply with the applicable schedule  
16 established under subparagraph (A)(ii);  
17 and

18 (ii) technical, legal, and other assist-  
19 ance in complying with the refinery permit-  
20 ting agreement.

21 (3) AGREEMENT BY THE STATE.—Under a re-  
22 finery permitting agreement, a State or governing  
23 body of an Indian tribe shall agree that—

24 (A) the Administrator shall have each of  
25 the authorities described in paragraph (2); and

1 (B) each State or Indian tribal government  
2 agency shall—

3 (i) in accordance with State law, make  
4 such structural and operational changes in  
5 the agencies as are necessary to enable the  
6 agencies to carry out consolidated project-  
7 wide permit reviews concurrently and in  
8 coordination with the Environmental Pro-  
9 tection Agency and other Federal agencies;  
10 and

11 (ii) comply, to the maximum extent  
12 practicable, with the applicable schedule  
13 established under paragraph (2)(A)(ii).

14 (4) DEADLINES.—

15 (A) NEW REFINERIES.—In the case of a  
16 consolidated permit for the construction of a  
17 new refinery, the Administrator and the State  
18 or governing body of an Indian tribe shall ap-  
19 prove or disapprove the consolidated permit not  
20 later than—

21 (i) 360 days after the date of the re-  
22 ceipt of the administratively complete ap-  
23 plication for the consolidated permit; or

24 (ii) on agreement of the applicant, the  
25 Administrator, and the State or governing

1 body of the Indian tribe, 90 days after the  
2 expiration of the deadline established  
3 under clause (i).

4 (B) EXPANSION OF EXISTING REFIN-  
5 ERIES.—In the case of a consolidated permit  
6 for the expansion of an existing refinery, the  
7 Administrator and the State or governing body  
8 of an Indian tribe shall approve or disapprove  
9 the consolidated permit not later than—

10 (i) 120 days after the date of the re-  
11 ceipt of the administratively complete ap-  
12 plication for the consolidated permit; or

13 (ii) on agreement of the applicant, the  
14 Administrator, and the State or governing  
15 body of the Indian tribe, 30 days after the  
16 expiration of the deadline established  
17 under clause (i).

18 (5) FEDERAL AGENCIES.—Each Federal agency  
19 that is required to make any determination to au-  
20 thorize the issuance of a permit shall comply with  
21 the applicable schedule established under paragraph  
22 (2)(A)(ii).

23 (6) JUDICIAL REVIEW.—Any civil action for re-  
24 view of any permit determination under a refinery  
25 permitting agreement shall be brought exclusively in

1 the United States district court for the district in  
2 which the refinery is located or proposed to be lo-  
3 cated.

4 (7) EFFICIENT PERMIT REVIEW.—In order to  
5 reduce the duplication of procedures, the Adminis-  
6 trator shall use State permitting and monitoring  
7 procedures to satisfy substantially equivalent Fed-  
8 eral requirements under this title.

9 (8) SEVERABILITY.—If 1 or more permits that  
10 are required for the construction or operation of a  
11 refinery are not approved on or before any deadline  
12 established under paragraph (4), the Administrator  
13 may issue a consolidated permit that combines all  
14 other permits that the refiner is required to obtain  
15 other than any permits that are not approved.

16 (9) SAVINGS.—Nothing in this subsection af-  
17 fects the operation or implementation of otherwise  
18 applicable law regarding permits necessary for the  
19 construction and operation of a refinery.

20 (10) CONSULTATION WITH LOCAL GOVERN-  
21 MENTS.—Congress encourages the Administrator,  
22 States, and tribal governments to consult, to the  
23 maximum extent practicable, with local governments  
24 in carrying out this subsection.

1           (11) AUTHORIZATION OF APPROPRIATIONS.—

2           There are authorized to be appropriated such sums  
3           as are necessary to carry out this subsection.

4           (12) EFFECT ON LOCAL AUTHORITY.—Nothing  
5           in this subsection affects—

6                   (A) the authority of a local government  
7                   with respect to the issuance of permits; or

8                   (B) any requirement or ordinance of a  
9                   local government (such as a zoning regulation).

10          (c) FISCHER-TROPSCH FUELS.—

11               (1) IN GENERAL.—In cooperation with the Sec-  
12               retary of Energy, the Secretary of Defense, the Ad-  
13               ministrators of the Federal Aviation Administration,  
14               Secretary of Health and Human Services, and  
15               Fischer-Tropsch industry representatives, the Ad-  
16               ministrator shall—

17                   (A) conduct a research and demonstration  
18                   program to evaluate the air quality benefits of  
19                   ultra-clean Fischer-Tropsch transportation fuel,  
20                   including diesel and jet fuel;

21                   (B) evaluate the use of ultra-clean Fischer-  
22                   Tropsch transportation fuel as a mechanism for  
23                   reducing engine exhaust emissions; and

24                   (C) submit recommendations to Congress  
25                   on the most effective use and associated bene-

1 fits of these ultra-clean fuel for reducing public  
2 exposure to exhaust emissions.

3 (2) GUIDANCE AND TECHNICAL SUPPORT.—The  
4 Administrator shall, to the extent necessary, issue  
5 any guidance or technical support documents that  
6 would facilitate the effective use and associated ben-  
7 efit of Fischer-Tropsch fuel and blends.

8 (3) REQUIREMENTS.—The program described  
9 in paragraph (1) shall consider—

10 (A) the use of neat (100 percent) Fischer-  
11 Tropsch fuel and blends with conventional  
12 crude oil-derived fuel for heavy-duty and light-  
13 duty diesel engines and the aviation sector; and

14 (B) the production costs associated with  
15 domestic production of those ultra clean fuel  
16 and prices for consumers.

17 (4) REPORTS.—The Administrator shall submit  
18 to the Committee on Environment and Public Works  
19 and the Committee on Energy and Natural Re-  
20 sources of the Senate and the Committee on Energy  
21 and Commerce of the House of Representatives—

22 (A) not later than 1 year, an interim re-  
23 port on actions taken to carry out this sub-  
24 section; and

1 (B) not later than 2 years, a final report  
2 on actions taken to carry out this subsection.

3 **Subtitle D—Strategic Petroleum**  
4 **Reserve**

5 **SEC. 141. SUSPENSION OF PETROLEUM ACQUISITION FOR**  
6 **STRATEGIC PETROLEUM RESERVE.**

7 (a) IN GENERAL.—Except as provided in subsection  
8 (b) and notwithstanding any other provision of law, during  
9 the 180-day period beginning on the date of enactment  
10 of this Act—

11 (1) the Secretary of the Interior shall suspend  
12 acquisition of petroleum for the Strategic Petroleum  
13 Reserve through the royalty-in-kind program; and

14 (2) the Secretary of Energy shall suspend ac-  
15 quisition of petroleum for the Strategic Petroleum  
16 Reserve through any other acquisition method.

17 (b) RESUMPTION.—Effective beginning on the day  
18 after the end of the period described in subsection (a)—

19 (1) the Secretary of the Interior may resume  
20 acquisition of petroleum for the Strategic Petroleum  
21 Reserve through the royalty-in-kind program; and

22 (2) the Secretary of Energy may resume acqui-  
23 sition of petroleum for the Strategic Petroleum Re-  
24 serve through any other acquisition method.



1 newable energy technologies as determined by the Sec-  
2 retary.

3                   **TITLE II—ALTERNATIVE**  
4                   **RESOURCES**  
5           **Subtitle A—Renewable Fuel and**  
6           **Advanced Energy Technology**

7 **SEC. 201. DEFINITION OF RENEWABLE BIOMASS.**

8           Section 211(o)(1) of the Clean Air Act (42 U.S.C.  
9 7545(o)(1)) is amended by striking subparagraph (I) and  
10 inserting the following:

11                   “(I) RENEWABLE BIOMASS.—The term ‘re-  
12                   newable biomass’ means—

13                           “(i) nonmerchantable materials or  
14                           precommercial thinnings that—

15                                   “(I) are byproducts of preventive  
16                                   treatments, such as trees, wood,  
17                                   brush, thinnings, chips, and slash,  
18                                   that are removed—

19   “(aa) to reduce hazardous  
20   fuels;

21   “(bb) to reduce or contain  
22   disease or insect infestation; or

23   “(cc) to restore forest  
24   health;

1 “(II) would not otherwise be used  
2 for higher-value products; and

3 “(III) are harvested from Na-  
4 tional Forest System land or public  
5 land (as defined in section 103 of the  
6 Federal Land Policy and Management  
7 Act of 1976 (43 U.S.C. 1702))—

8 “(aa) where permitted by  
9 law; and

10 “(bb) in accordance with ap-  
11 plicable land management plans  
12 and the requirements for old-  
13 growth maintenance, restoration,  
14 and management direction of  
15 paragraphs (2), (3), and (4) of  
16 subsection (e) and the require-  
17 ments for large-tree retention of  
18 subsection (f) of section 102 of  
19 the Healthy Forests Restoration  
20 Act of 2003 (16 U.S.C. 6512); or

21 “(ii) any organic matter that is avail-  
22 able on a renewable or recurring basis  
23 from non-Federal land or from land be-  
24 longing to an Indian tribe, or an Indian in-  
25 dividual, that is held in trust by the United

1 States or subject to a restriction against  
2 alienation imposed by the United States,  
3 including—

4 “(I) renewable plant material, in-  
5 cluding—

6 “(aa) feed grains;

7 “(bb) other agricultural  
8 commodities;

9 “(cc) other plants and trees;  
10 and

11 “(dd) algae; and

12 “(II) waste material, including—

13 “(aa) crop residue;

14 “(bb) other vegetative waste  
15 material (including wood waste  
16 and wood residues);

17 “(cc) animal waste and by-  
18 products (including fats, oils,  
19 greases, and manure); and

20 “(dd) food waste and yard  
21 waste.”.

22 **SEC. 202. ADVANCED BATTERY MANUFACTURING INCEN-**  
23 **TIVE PROGRAM.**

24 (a) DEFINITIONS.—In this section:

1           (1) **ADVANCED BATTERY.**—The term “advanced  
2       battery” means an electrical storage device suitable  
3       for vehicle applications.

4           (2) **ENGINEERING INTEGRATION COSTS.**—The  
5       term “engineering integration costs” includes the  
6       cost of engineering tasks relating to—

7                   (A) incorporation of qualifying components  
8                   into the design of advanced batteries; and

9                   (B) design of tooling and equipment and  
10                   developing manufacturing processes and mate-  
11                   rial suppliers for production facilities that  
12                   produce qualifying components or advanced bat-  
13                   teries.

14       (b) **ADVANCED BATTERY MANUFACTURING FACIL-**  
15 **ITY.**—The Secretary shall provide facility funding awards  
16 under this section to advanced battery manufacturers to  
17 pay not more than 30 percent of the cost of reequipping,  
18 expanding, or establishing a manufacturing facility in the  
19 United States to produce advanced batteries.

20       (c) **PERIOD OF AVAILABILITY.**—An award under sub-  
21 section (b) shall apply to—

22                   (1) facilities and equipment placed in service  
23                   before December 30, 2020; and

1           (2) engineering integration costs incurred dur-  
2           ing the period beginning on the date of enactment  
3           of this Act and ending on December 30, 2020.

4           (d) DIRECT LOAN PROGRAM.—

5           (1) IN GENERAL.—Not later than 1 year after  
6           the date of enactment of this Act, and subject to the  
7           availability of appropriated funds, the Secretary  
8           shall carry out a program to provide a total of not  
9           more than \$25,000,000 in loans to eligible individ-  
10          uals and entities (as determined by the Secretary)  
11          for the costs of activities described in subsection (b).

12          (2) SELECTION OF ELIGIBLE PROJECTS.—The  
13          Secretary shall select eligible projects to receive  
14          loans under this subsection in cases in which, as de-  
15          termined by the Secretary, the award recipient—

16                 (A) is financially viable without the receipt  
17                 of additional Federal funding associated with  
18                 the proposed project;

19                 (B) will provide sufficient information to  
20                 the Secretary for the Secretary to ensure that  
21                 the qualified investment is expended efficiently  
22                 and effectively; and

23                 (C) has met such other criteria as may be  
24                 established and published by the Secretary.

1           (3) RATES, TERMS, AND REPAYMENT OF  
2 LOANS.—A loan provided under this subsection—

3           (A) shall have an interest rate that, as of  
4 the date on which the loan is made, is equal to  
5 the cost of funds to the Department of the  
6 Treasury for obligations of comparable matu-  
7 rity;

8           (B) shall have a term equal to the lesser  
9 of—

10           (i) the projected life, in years, of the  
11 eligible project to be carried out using  
12 funds from the loan, as determined by the  
13 Secretary; and

14           (ii) 25 years;

15           (C) may be subject to a deferral in repay-  
16 ment for not more than 5 years after the date  
17 on which the eligible project carried out using  
18 funds from the loan first begins operations, as  
19 determined by the Secretary; and

20           (D) shall be made by the Federal Financ-  
21 ing Bank.

22           (e) FEES.—The cost of administering a loan made  
23 under this section shall not exceed \$100,000.

24           (f) SET ASIDE FOR SMALL MANUFACTURERS.—

1           (1) DEFINITION OF COVERED FIRM.—In this  
2 subsection, the term “covered firm” means a firm  
3 that—

4                   (A) employs fewer than 500 individuals;  
5           and

6                   (B) manufactures automobiles or compo-  
7           nents of automobiles.

8           (2) SET ASIDE.—Of the amount of funds used  
9 to provide awards for each fiscal year under sub-  
10 section (b), the Secretary shall use not less than 10  
11 percent to provide awards to covered firms or con-  
12 sortia led by a covered firm.

13           (g) AUTHORIZATION OF APPROPRIATIONS.—There  
14 are authorized to be appropriated such sums as are nec-  
15 essary to carry out this section for each of fiscal years  
16 2009 through 2013.

17 **SEC. 203. BIOFUELS INFRASTRUCTURE AND ADDITIVES RE-**  
18 **SEARCH AND DEVELOPMENT.**

19           (a) IN GENERAL.—The Assistant Administrator of  
20 the Office of Research and Development of the Environ-  
21 mental Protection Agency (referred to in this section as  
22 the “Assistant Administrator”), in consultation with the  
23 Secretary and the National Institute of Standards and  
24 Technology, shall carry out a program of research and de-  
25 velopment of materials to be added to biofuels to make

1 the biofuels more compatible with infrastructure used to  
2 store and deliver petroleum-based fuels to the point of  
3 final sale.

4 (b) REQUIREMENTS.—In carrying out the program  
5 described in subsection (a), the Assistant Administrator  
6 shall address—

7 (1) materials to prevent or mitigate—

8 (A) corrosion of metal, plastic, rubber,  
9 cork, fiberglass, glues, or any other material  
10 used in pipes and storage tanks;

11 (B) dissolving of storage tank sediments;

12 (C) clogging of filters;

13 (D) contamination from water or other  
14 adulterants or pollutants;

15 (E) poor flow properties relating to low  
16 temperatures;

17 (F) oxidative and thermal instability in  
18 long-term storage and use; and

19 (G) microbial contamination;

20 (2) problems associated with electrical conduc-  
21 tivity;

22 (3) alternatives to conventional methods for re-  
23 furbishment and cleaning of gasoline and diesel  
24 tanks, including tank lining applications;

1           (4) strategies to minimize emissions from infra-  
2           structure;

3           (5) issues with respect to certification by a na-  
4           tionally recognized testing laboratory of components  
5           for fuel-dispensing devices that specifically reference  
6           compatibility with alcohol-blended fuels and other  
7           biofuels that contain greater than 15 percent alco-  
8           hol;

9           (6) challenges for design, reforming, storage,  
10          handling, and dispensing hydrogen fuel from various  
11          feedstocks, including biomass, from neighborhood  
12          fueling stations, including codes and standards de-  
13          velopment necessary beyond that carried out under  
14          section 809 of the Energy Policy Act of 2005 (42  
15          U.S.C. 16158);

16          (7) issues with respect to at which point in the  
17          fuel supply chain additives optimally should be  
18          added to fuels; and

19          (8) other problems, as identified by the Assist-  
20          ant Administrator, in consultation with the Sec-  
21          retary and the National Institute of Standards and  
22          Technology.

1 **SEC. 204. STUDY OF INCREASED CONSUMPTION OF ETH-**  
2 **ANOL-BLENDED GASOLINE WITH HIGHER**  
3 **LEVELS OF ETHANOL.**

4 (a) IN GENERAL.—The Secretary, in cooperation  
5 with the Secretary of Agriculture, the Administrator of the  
6 Environmental Protection Agency, and the Secretary of  
7 Transportation, and after providing notice and an oppor-  
8 tunity for public comment, shall conduct a study of the  
9 feasibility of increasing consumption in the United States  
10 of ethanol-blended gasoline with levels of ethanol that are  
11 not less than 10 percent and not more than 40 percent.

12 (b) STUDY.—The study under subsection (a) shall in-  
13 clude—

14 (1) a review of production and infrastructure  
15 constraints on increasing consumption of ethanol;

16 (2) an evaluation of the economic, market, and  
17 energy-related impacts of State and regional dif-  
18 ferences in ethanol blends;

19 (3) an evaluation of the economic, market, and  
20 energy-related impacts on gasoline retailers and con-  
21 sumers of separate and distinctly labeled fuel stor-  
22 age facilities and dispensers;

23 (4) an evaluation of the environmental impacts  
24 of mid-level ethanol blends on evaporative and ex-  
25 haust emissions from on-road, off-road, and marine  
26 engines, recreational boats, vehicles, and equipment;

1           (5) an evaluation of the impacts of mid-level  
2 ethanol blends on the operation, durability, and per-  
3 formance of on-road, off-road, and marine engines,  
4 recreational boats, vehicles, and equipment;

5           (6) an evaluation of the safety impacts of mid-  
6 level ethanol blends on consumers that own and op-  
7 erate off-road and marine engines, recreational  
8 boats, vehicles, or equipment; and

9           (7) an evaluation of the impacts of increased  
10 use of renewable fuels derived from food crops on  
11 the price and supply of agricultural commodities in  
12 both domestic and global markets.

13       (c) REPORT.—Not later than 1 year after the date  
14 of enactment of this Act, the Secretary shall submit to  
15 Congress a report describing the results of the study con-  
16 ducted under this section.

17 **SEC. 205. STUDY OF DIESEL VEHICLE ATTRIBUTES.**

18       (a) IN GENERAL.—The Secretary, in consultation  
19 with the Administrator of the Environmental Protection  
20 Agency and the Secretary of Transportation, shall conduct  
21 a study to identify—

22           (1) the environmental and efficiency attributes  
23 of diesel-fueled vehicles as the vehicles compare to  
24 comparable gasoline fueled, E-85 fueled, and hybrid  
25 vehicles;

1           (2) the technical, economic, regulatory, environ-  
2           mental, and other obstacles to increasing the usage  
3           of diesel-fueled vehicles;

4           (3) the legislative, administrative, and other ac-  
5           tions that could reduce or eliminate the obstacles  
6           identified under paragraph (2); and

7           (4) the costs and benefits associated with re-  
8           ducing or eliminating the obstacles identified under  
9           paragraph (2).

10          (b) REPORT.—Not later than 90 days after the date  
11 of enactment of this Act, the Secretary shall submit to  
12 the Committee on Energy and Natural Resources of the  
13 Senate and the Committee on Energy and Commerce of  
14 the House of Representatives a report describing the re-  
15 sults of the study conducted under subsection (a).

16          (c) AUTHORIZATION OF APPROPRIATIONS.—There  
17 are authorized to be appropriated such sums as are nec-  
18 essary to carry out this section.

## 19           **Subtitle B—Clean Coal-Derived** 20           **Fuels for Energy Security**

### 21   **SEC. 211. SHORT TITLE.**

22           This subtitle may be cited as the “Clean Coal-Derived  
23 Fuels for Energy Security Act of 2008”.

### 24   **SEC. 212. DEFINITIONS.**

25           In this subtitle:

1 (1) CLEAN COAL-DERIVED FUEL.—

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

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

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

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

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

18 (A) aviation fuel;

19 (B) motor vehicle fuel;

20 (C) home heating oil; and

21 (D) boiler fuel.

22 (3) SMALL REFINERY.—The term “small refin-  
23 ery” means a refinery for which the average aggre-  
24 gate daily crude oil throughput for a calendar year  
25 (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. 213. 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 subtitle 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.

## 6 **Subtitle C—Oil Shale**

7 **SEC. 221. REMOVAL OF PROHIBITION ON FINAL REGULA-**  
8 **TIONS FOR COMMERCIAL LEASING PROGRAM**  
9 **FOR OIL SHALE RESOURCES ON PUBLIC**  
10 **LAND.**

11 Section 433 of the Department of the Interior, Envi-  
12 ronment, and Related Agencies Appropriations Act, 2008  
13 (Public Law 110–161; 121 Stat. 2152) is repealed.

## 14 **Subtitle D—Department of Defense** 15 **Facilitation of Secure Domestic** 16 **Fuel Development**

17 **SEC. 231. PROCUREMENT AND ACQUISITION OF ALTER-**  
18 **NATIVE FUELS.**

19 Section 526 of the Energy Independence and Security  
20 Act of 2007 (42 U.S.C. 17142) is repealed.

21 **SEC. 232. MULTIYEAR CONTRACT AUTHORITY FOR THE DE-**  
22 **PARTMENT OF DEFENSE FOR THE PROCURE-**  
23 **MENT OF SYNTHETIC FUELS.**

24 (a) MULTIYEAR CONTRACTS FOR THE PROCURE-  
25 MENT OF SYNTHETIC FUELS AUTHORIZED.—

1           (1) IN GENERAL.—Chapter 141 of title 10,  
2           United States Code, is amended by adding at the  
3           end the following new section:

4   **“§ 2410r. Multiyear contract authority: purchase of**  
5                           **synthetic fuels**

6           “(a) MULTIYEAR CONTRACTS AUTHORIZED.—The  
7           head of an agency may enter into contracts for a period  
8           not to exceed 25 years for the purchase of synthetic fuels.

9           “(b) DEFINITIONS.—In this section:

10           “(1) The term ‘head of an agency’ has the  
11           meaning given that term in section 2302(1) of this  
12           title.

13           “(2) The term ‘synthetic fuel’ means any liquid,  
14           gas, or combination thereof that—

15                   “(A) can be used as a substitute for petro-  
16                   leum or natural gas (or any derivative thereof,  
17                   including chemical feedstocks); and

18                   “(B) is produced by chemical or physical  
19                   transformation of domestic sources of energy.”.

20           (2) CLERICAL AMENDMENT.—The table of sec-  
21           tions at the beginning of chapter 141 of such title  
22           is amended by adding at the end the following new  
23           item:

          “2410r. Multiyear contract authority: purchase of synthetic fuels.”.

24           (b) REGULATIONS.—Not later than 120 days after  
25           the date of the enactment of this Act, the Secretary of

1 Defense shall prescribe regulations providing that the  
2 head of an agency may initiate a multiyear contract as  
3 authorized by section 2410r of title 10, United States  
4 Code (as added by subsection (a)), only if the head of the  
5 agency has determined in writing that—

6           (1) there is a reasonable expectation that  
7           throughout the contemplated contract period the  
8           head of the agency will request funding for the con-  
9           tract at the level required to avoid contract cancella-  
10          tion;

11           (2) the technical risks associated with the tech-  
12           nologies for the production of synthetic fuel under  
13           the contract are not excessive; and

14           (3) the contract will contain appropriate pricing  
15           mechanisms to minimize risk to the Government  
16           from significant changes in market prices for energy.

17          (c) LIMITATION ON USE OF AUTHORITY.—No con-  
18          tract may be entered into under the authority in section  
19          2410r of title 10, United States Code (as so added), until  
20          the regulations required by subsection (b) are prescribed.

1           **TITLE III—MISCELLANEOUS**  
2   **SEC. 301. LIMITATION ON SALES OF DEFENSE ARTICLES**  
3                   **AND DEFENSE SERVICES TO THE KINGDOM**  
4                   **OF SAUDI ARABIA.**

5           (a) **LIMITATION.**—The issuance of any letter of offer  
6 with respect to a proposed sale of defense articles and de-  
7 fense services to the Kingdom of Saudi Arabia is hereby  
8 prohibited unless the President determines and certifies  
9 to Congress that the Kingdom of Saudi Arabia has in-  
10 creased its oil production to at least 10,000,000 barrels  
11 of oil per day, and has maintained such level of produc-  
12 tion.

13           (b) **WAIVER.**—The President may, on a case by case  
14 basis, waive the application of subsection (a) with respect  
15 to a proposed sale of defense articles and defense services  
16 if the President determines and certifies to Congress that  
17 the waiver is vital to the national security interests of the  
18 United States or the national security interests of a  
19 United States ally.

20           (c) **DEFINITIONS.**—In this section, the terms “de-  
21 fense article” and “defense service” have the meaning  
22 given such terms in section 47 of the Arms Export Control  
23 Act (22 U.S.C. 2794 note).

1 **SEC. 302. EXTENSION AND MODIFICATION OF RENEWABLE**  
2 **ENERGY PRODUCTION TAX CREDIT.**

3 (a) **EXTENSION OF CREDIT.**—Each of the following  
4 provisions of section 45(d) of the Internal Revenue Code  
5 of 1986 (relating to qualified facilities) is amended by  
6 striking “January 1, 2009” and inserting “January 1,  
7 2010”:

8 (1) Paragraph (1).

9 (2) Clauses (i) and (ii) of paragraph (2)(A).

10 (3) Clauses (i)(I) and (ii) of paragraph (3)(A).

11 (4) Paragraph (4).

12 (5) Paragraph (5).

13 (6) Paragraph (6).

14 (7) Paragraph (7).

15 (8) Paragraph (8).

16 (9) Subparagraphs (A) and (B) of paragraph  
17 (9).

18 (b) **PRODUCTION CREDIT FOR ELECTRICITY PRO-**  
19 **DUCE FROM MARINE RENEWABLES.**—

20 (1) **IN GENERAL.**—Paragraph (1) of section  
21 45(c) of such Code (relating to resources) is amend-  
22 ed by striking “and” at the end of subparagraph  
23 (G), by striking the period at the end of subpara-  
24 graph (H) and inserting “, and”, and by adding at  
25 the end the following new subparagraph:

1           “(I) marine and hydrokinetic renewable en-  
2           ergy.”.

3           (2) MARINE RENEWABLES.—Subsection (c) of  
4           section 45 of such Code is amended by adding at the  
5           end the following new paragraph:

6           “(10) MARINE AND HYDROKINETIC RENEW-  
7           ABLE ENERGY.—

8           “(A) IN GENERAL.—The term ‘marine and  
9           hydrokinetic renewable energy’ means energy  
10          derived from—

11           “(i) waves, tides, and currents in  
12           oceans, estuaries, and tidal areas,

13           “(ii) free flowing water in rivers,  
14           lakes, and streams,

15           “(iii) free flowing water in an irriga-  
16           tion system, canal, or other man-made  
17           channel, including projects that utilize non-  
18           mechanical structures to accelerate the  
19           flow of water for electric power production  
20           purposes, or

21           “(iv) differentials in ocean tempera-  
22           ture (ocean thermal energy conversion).

23           “(B) EXCEPTIONS.—Such term shall not  
24           include any energy which is derived from any  
25           source which utilizes a dam, diversionary struc-

1           ture (except as provided in subparagraph  
2           (A)(iii)), or impoundment for electric power  
3           production purposes.”.

4           (3) DEFINITION OF FACILITY.—Subsection (d)  
5           of section 45 of such Code is amended by adding at  
6           the end the following new paragraph:

7           “(11) MARINE AND HYDROKINETIC RENEW-  
8           ABLE ENERGY FACILITIES.—In the case of a facility  
9           producing electricity from marine and hydrokinetic  
10          renewable energy, the term ‘qualified facility’ means  
11          any facility owned by the taxpayer—

12                  “(A) which has a nameplate capacity rat-  
13                  ing of at least 150 kilowatts, and

14                  “(B) which is originally placed in service  
15                  on or after the date of the enactment of this  
16                  paragraph and before January 1, 2010.”.

17          (4) CREDIT RATE.—Subparagraph (A) of sec-  
18          tion 45(b)(4) of such Code is amended by striking  
19          “or (9)” and inserting “(9), or (11)”.

20          (5) COORDINATION WITH SMALL IRRIGATION  
21          POWER.—Paragraph (5) of section 45(d) of such  
22          Code, as amended by subsection (a), is amended by  
23          striking “January 1, 2010” and inserting “the date  
24          of the enactment of paragraph (11)”.

1           (c) SALES OF ELECTRICITY TO REGULATED PUBLIC  
2 UTILITIES TREATED AS SALES TO UNRELATED PER-  
3 SONS.—Section 45(e)(4) of such Code (relating to related  
4 persons) is amended by adding at the end the following  
5 new sentence: “A taxpayer shall be treated as selling elec-  
6 tricity to an unrelated person if such electricity is sold to  
7 a regulated public utility (as defined in section  
8 7701(a)(33)).”.

9           (d) TRASH FACILITY CLARIFICATION.—Paragraph  
10 (7) of section 45(d) of such Code is amended—

11                 (1) by striking “facility which burns” and in-  
12                 serting “facility (other than a facility described in  
13                 paragraph (6)) which uses”, and

14                 (2) by striking “COMBUSTION”.

15           (e) EFFECTIVE DATES.—

16                 (1) EXTENSION.—The amendments made by  
17                 subsection (a) shall apply to property originally  
18                 placed in service after December 31, 2008.

19                 (2) MODIFICATIONS.—The amendments made  
20                 by subsections (b) and (c) shall apply to electricity  
21                 produced and sold after the date of the enactment  
22                 of this Act, in taxable years ending after such date.

23                 (3) TRASH FACILITY CLARIFICATION.—The  
24                 amendments made by subsection (d) shall apply to

1 electricity produced and sold before, on, or after De-  
2 cember 31, 2007.

3 **SEC. 303. EXTENSION AND MODIFICATION OF SOLAR EN-**  
4 **ERGY AND FUEL CELL INVESTMENT TAX**  
5 **CREDIT.**

6 (a) EXTENSION OF CREDIT.—

7 (1) SOLAR ENERGY PROPERTY.—Paragraphs  
8 (2)(A)(i)(II) and (3)(A)(ii) of section 48(a) of the  
9 Internal Revenue Code of 1986 (relating to energy  
10 credit) are each amended by striking “January 1,  
11 2009” and inserting “January 1, 2017”.

12 (2) FUEL CELL PROPERTY.—Subparagraph (E)  
13 of section 48(c)(1) of such Code (relating to quali-  
14 fied fuel cell property) is amended by striking “De-  
15 cember 31, 2008” and inserting “December 31,  
16 2016”.

17 (3) QUALIFIED MICROTURBINE PROPERTY.—  
18 Subparagraph (E) of section 48(c)(2) of such Code  
19 (relating to qualified microturbine property) is  
20 amended by striking “December 31, 2008” and in-  
21 serting “December 31, 2016”.

22 (b) ALLOWANCE OF ENERGY CREDIT AGAINST AL-  
23 TERNATIVE MINIMUM TAX.—Subparagraph (B) of section  
24 38(c)(4) of such Code (relating to specified credits) is  
25 amended by striking “and” at the end of clause (iii), by

1 striking the period at the end of clause (iv) and inserting  
2 “, and”, and by adding at the end the following new  
3 clause:

4 “(v) the credit determined under sec-  
5 tion 46 to the extent that such credit is at-  
6 tributable to the energy credit determined  
7 under section 48.”.

8 (c) REPEAL OF DOLLAR PER KILOWATT LIMITATION  
9 FOR FUEL CELL PROPERTY.—

10 (1) IN GENERAL.—Section 48(c)(1) of such  
11 Code (relating to qualified fuel cell), as amended by  
12 subsection (a)(2), is amended by striking subpara-  
13 graph (B) and by redesignating subparagraphs (C),  
14 (D), and (E) as subparagraphs (B), (C), and (D),  
15 respectively.

16 (2) CONFORMING AMENDMENT.—Section  
17 48(a)(1) of such Code is amended by striking “para-  
18 graphs (1)(B) and (2)(B) of subsection (c)” and in-  
19 serting “subsection (c)(2)(B)”.

20 (d) PUBLIC ELECTRIC UTILITY PROPERTY TAKEN  
21 INTO ACCOUNT.—

22 (1) IN GENERAL.—Paragraph (3) of section  
23 48(a) of such Code is amended by striking the sec-  
24 ond sentence thereof.

25 (2) CONFORMING AMENDMENTS.—

1 (A) Paragraph (1) of section 48(e) of such  
2 Code, as amended by this section, is amended  
3 by striking subparagraph (C) and redesignating  
4 subparagraph (D) as subparagraph (C).

5 (B) Paragraph (2) of section 48(e) of such  
6 Code, as amended by subsection (a)(3), is  
7 amended by striking subparagraph (D) and re-  
8 designating subparagraph (E) as subparagraph  
9 (D).

10 (e) EFFECTIVE DATES.—

11 (1) EXTENSION.—The amendments made by  
12 subsection (a) shall take effect on the date of the en-  
13 actment of this Act.

14 (2) ALLOWANCE AGAINST ALTERNATIVE MIN-  
15 IMUM TAX.—The amendments made by subsection  
16 (b) shall apply to credits determined under section  
17 46 of the Internal Revenue Code of 1986 in taxable  
18 years beginning after the date of the enactment of  
19 this Act and to carrybacks of such credits.

20 (3) FUEL CELL PROPERTY AND PUBLIC ELEC-  
21 TRIC UTILITY PROPERTY.—The amendments made  
22 by subsections (c) and (d) shall apply to periods  
23 after the date of the enactment of this Act, in tax-  
24 able years ending after such date, under rules simi-  
25 lar to the rules of section 48(m) of the Internal Rev-



1           (c) CREDIT ALLOWED AGAINST ALTERNATIVE MIN-  
2   IMUM TAX.—

3           (1) IN GENERAL.—Subsection (c) of section  
4   25D of such Code is amended to read as follows:

5           “(c) LIMITATION BASED ON AMOUNT OF TAX;  
6   CARRYFORWARD OF UNUSED CREDIT.—

7           “(1) LIMITATION BASED ON AMOUNT OF  
8   TAX.—In the case of a taxable year to which section  
9   26(a)(2) does not apply, the credit allowed under  
10   subsection (a) for the taxable year shall not exceed  
11   the excess of—

12                   “(A) the sum of the regular tax liability  
13                   (as defined in section 26(b)) plus the tax im-  
14                   posed by section 55, over

15                   “(B) the sum of the credits allowable  
16                   under this subpart (other than this section) and  
17                   section 27 for the taxable year.

18           “(2) CARRYFORWARD OF UNUSED CREDIT.—

19                   “(A) RULE FOR YEARS IN WHICH ALL  
20                   PERSONAL CREDITS ALLOWED AGAINST REG-  
21                   ULAR AND ALTERNATIVE MINIMUM TAX.—In  
22                   the case of a taxable year to which section  
23                   26(a)(2) applies, if the credit allowable under  
24                   subsection (a) exceeds the limitation imposed by  
25                   section 26(a)(2) for such taxable year reduced

1 by the sum of the credits allowable under this  
2 subpart (other than this section), such excess  
3 shall be carried to the succeeding taxable year  
4 and added to the credit allowable under sub-  
5 section (a) for such succeeding taxable year.

6 “(B) RULE FOR OTHER YEARS.—In the  
7 case of a taxable year to which section 26(a)(2)  
8 does not apply, if the credit allowable under  
9 subsection (a) exceeds the limitation imposed by  
10 paragraph (1) for such taxable year, such ex-  
11 cess shall be carried to the succeeding taxable  
12 year and added to the credit allowable under  
13 subsection (a) for such succeeding taxable  
14 year.”.

15 (2) CONFORMING AMENDMENTS.—

16 (A) Section 23(b)(4)(B) of such Code is  
17 amended by inserting “and section 25D” after  
18 “this section”.

19 (B) Section 24(b)(3)(B) of such Code is  
20 amended by striking “and 25B” and inserting  
21 “, 25B, and 25D”.

22 (C) Section 25B(g)(2) of such Code is  
23 amended by striking “section 23” and inserting  
24 “sections 23 and 25D”.

1           (D) Section 26(a)(1) of such Code is  
2           amended by striking “and 25B” and inserting  
3           “25B, and 25D”.

4           (d) EFFECTIVE DATE.—

5           (1) IN GENERAL.—The amendments made by  
6           this section shall apply to taxable years beginning  
7           after December 31, 2007.

8           (2) APPLICATION OF EGTRRA SUNSET.—The  
9           amendments made by subparagraphs (A) and (B) of  
10          subsection (c)(2) shall be subject to title IX of the  
11          Economic Growth and Tax Relief Reconciliation Act  
12          of 2001 in the same manner as the provisions of  
13          such Act to which such amendments relate.

14   **SEC. 305. EXTENSION AND MODIFICATION OF CREDIT FOR**  
15                           **CLEAN RENEWABLE ENERGY BONDS.**

16          (a) EXTENSION.—Section 54(m) of the Internal Rev-  
17          enue Code of 1986 (relating to termination) is amended  
18          by striking “December 31, 2008” and inserting “Decem-  
19          ber 31, 2009”.

20          (b) INCREASE IN NATIONAL LIMITATION.—Section  
21          54(f) of such Code (relating to limitation on amount of  
22          bonds designated) is amended—

23                 (1) by inserting “, and for the period beginning  
24                 after the date of the enactment of the Clean Energy  
25                 Tax Stimulus Act of 2008 and ending before Janu-

1 ary 1, 2010, \$400,000,000” after “\$1,200,000,000”  
2 in paragraph (1),

3 (2) by striking “\$750,000,000 of the” in para-  
4 graph (2) and inserting “\$750,000,000 of the  
5 \$1,200,000,000”, and

6 (3) by striking “bodies” in paragraph (2) and  
7 inserting “bodies, and except that the Secretary may  
8 not allocate more than  $\frac{1}{3}$  of the \$400,000,000 na-  
9 tional clean renewable energy bond limitation to fi-  
10 nance qualified projects of qualified borrowers which  
11 are public power providers nor more than  $\frac{1}{3}$  of such  
12 limitation to finance qualified projects of qualified  
13 borrowers which are mutual or cooperative electric  
14 companies described in section 501(c)(12) or section  
15 1381(a)(2)(C)”.

16 (c) PUBLIC POWER PROVIDERS DEFINED.—Section  
17 54(j) of such Code is amended—

18 (1) by adding at the end the following new  
19 paragraph:

20 “(6) PUBLIC POWER PROVIDER.—The term  
21 ‘public power provider’ means a State utility with a  
22 service obligation, as such terms are defined in sec-  
23 tion 217 of the Federal Power Act (as in effect on  
24 the date of the enactment of this paragraph).”, and

1           (2) by inserting “; PUBLIC POWER PROVIDER”  
2           before the period at the end of the heading.

3           (d) TECHNICAL AMENDMENT.—The third sentence of  
4           section 54(e)(2) of such Code is amended by striking  
5           “subsection (l)(6)” and inserting “subsection (l)(5)”.

6           (e) EFFECTIVE DATE.—The amendments made by  
7           this section shall apply to bonds issued after the date of  
8           the enactment of this Act.

9           **SEC. 306. EXTENSION AND MODIFICATION OF CREDIT FOR**  
10                           **ENERGY EFFICIENCY IMPROVEMENTS TO EX-**  
11                           **ISTING HOMES.**

12           (a) EXTENSION OF CREDIT.—Section 25C(g) of the  
13           Internal Revenue Code of 1986 (relating to termination)  
14           is amended by striking “December 31, 2007” and insert-  
15           ing “December 31, 2009”.

16           (b) QUALIFIED BIOMASS FUEL PROPERTY.—

17                   (1) IN GENERAL.—Section 25C(d)(3) of such  
18           Code is amended—

19                           (A) by striking “and” at the end of sub-  
20                           paragraph (D),

21                           (B) by striking the period at the end of  
22                           subparagraph (E) and inserting “, and”, and

23                           (C) by adding at the end the following new  
24                           subparagraph:

1           “(F) a stove which uses the burning of bio-  
2           mass fuel to heat a dwelling unit located in the  
3           United States and used as a residence by the  
4           taxpayer, or to heat water for use in such a  
5           dwelling unit, and which has a thermal effi-  
6           ciency rating of at least 75 percent.”.

7           (2) BIOMASS FUEL.—Section 25C(d) of such  
8           Code (relating to residential energy property expend-  
9           itures) is amended by adding at the end the fol-  
10          lowing new paragraph:

11           “(6) BIOMASS FUEL.—The term ‘biomass fuel’  
12          means any plant-derived fuel available on a renew-  
13          able or recurring basis, including agricultural crops  
14          and trees, wood and wood waste and residues (in-  
15          cluding wood pellets), plants (including aquatic  
16          plants), grasses, residues, and fibers.”.

17          (c) MODIFICATIONS OF STANDARDS FOR ENERGY-  
18          EFFICIENT BUILDING PROPERTY.—

19           (1) ELECTRIC HEAT PUMPS.—Subparagraph  
20          (B) of section 25C(d)(3) of such Code is amended  
21          to read as follows:

22           “(A) an electric heat pump which achieves  
23          the highest efficiency tier established by the  
24          Consortium for Energy Efficiency, as in effect  
25          on January 1, 2008.”.

1           (2) CENTRAL AIR CONDITIONERS.—Section  
2           25C(d)(3)(D) of such Code is amended by striking  
3           “2006” and inserting “2008”.

4           (3) WATER HEATERS.—Subparagraph (E) of  
5           section 25C(d) of such Code is amended to read as  
6           follows:

7                   “(E) a natural gas, propane, or oil water  
8                   heater which has either an energy factor of at  
9                   least 0.80 or a thermal efficiency of at least 90  
10                   percent.”.

11           (4) OIL FURNACES AND HOT WATER BOIL-  
12           ERS.—Paragraph (4) of section 25C(d) of such Code  
13           is amended to read as follows:

14                   “(4) QUALIFIED NATURAL GAS, PROPANE, AND  
15           OIL FURNACES AND HOT WATER BOILERS.—

16                   “(A) QUALIFIED NATURAL GAS FUR-  
17                   NACE.—The term ‘qualified natural gas fur-  
18                   nace’ means any natural gas furnace which  
19                   achieves an annual fuel utilization efficiency  
20                   rate of not less than 95.

21                   “(B) QUALIFIED NATURAL GAS HOT  
22                   WATER BOILER.—The term ‘qualified natural  
23                   gas hot water boiler’ means any natural gas hot  
24                   water boiler which achieves an annual fuel utili-  
25                   zation efficiency rate of not less than 90.

1           “(C) QUALIFIED PROPANE FURNACE.—  
2           The term ‘qualified propane furnace’ means any  
3           propane furnace which achieves an annual fuel  
4           utilization efficiency rate of not less than 95.

5           “(D) QUALIFIED PROPANE HOT WATER  
6           BOILER.—The term ‘qualified propane hot  
7           water boiler’ means any propane hot water boil-  
8           er which achieves an annual fuel utilization effi-  
9           ciency rate of not less than 90.

10           “(E) QUALIFIED OIL FURNACES.—The  
11           term ‘qualified oil furnace’ means any oil fur-  
12           nace which achieves an annual fuel utilization  
13           efficiency rate of not less than 90.

14           “(F) QUALIFIED OIL HOT WATER BOIL-  
15           ER.—The term ‘qualified oil hot water boiler’  
16           means any oil hot water boiler which achieves  
17           an annual fuel utilization efficiency rate of not  
18           less than 90.”.

19           (d) EFFECTIVE DATE.—The amendments made this  
20           section shall apply to expenditures made after December  
21           31, 2007.

22           **SEC. 307. EXTENSION AND MODIFICATION OF TAX CREDIT**  
23           **FOR ENERGY EFFICIENT NEW HOMES.**

24           (a) EXTENSION OF CREDIT.—Subsection (g) of sec-  
25           tion 45L of the Internal Revenue Code of 1986 (relating

1 to termination) is amended by striking “December 31,  
2 2008” and inserting “December 31, 2010”.

3 (b) ALLOWANCE FOR CONTRACTOR’S PERSONAL  
4 RESIDENCE.—Subparagraph (B) of section 45L(a)(1) of  
5 such Code is amended to read as follows:

6 “(B)(i) acquired by a person from such eli-  
7 gible contractor and used by any person as a  
8 residence during the taxable year, or

9 “(ii) used by such eligible contractor as a  
10 residence during the taxable year.”.

11 (c) EFFECTIVE DATE.—The amendments made by  
12 this section shall apply to homes acquired after December  
13 31, 2008.

14 **SEC. 308. EXTENSION AND MODIFICATION OF ENERGY EF-**  
15 **FICIENT COMMERCIAL BUILDINGS DEDUC-**  
16 **TION.**

17 (a) EXTENSION.—Section 179D(h) of the Internal  
18 Revenue Code of 1986 (relating to termination) is amend-  
19 ed by striking “December 31, 2008” and inserting “De-  
20 cember 31, 2009”.

21 (b) ADJUSTMENT OF MAXIMUM DEDUCTION  
22 AMOUNT.—

23 (1) IN GENERAL.—Subparagraph (A) of section  
24 179D(b)(1) of such Code (relating to maximum

1 amount of deduction) is amended by striking  
2 “\$1.80” and inserting “\$2.25”.

3 (2) PARTIAL ALLOWANCE.—Paragraph (1) of  
4 section 179D(d) of such Code is amended—

5 (A) by striking “\$.60” and inserting  
6 “\$0.75”, and

7 (B) by striking “\$1.80” and inserting  
8 “\$2.25”.

9 (c) EFFECTIVE DATE.—The amendments made by  
10 this section shall apply to property placed in service after  
11 the date of the enactment of this Act.

12 **SEC. 309. MODIFICATION AND EXTENSION OF ENERGY EF-**  
13 **FICIENT APPLIANCE CREDIT FOR APPLI-**  
14 **ANCES PRODUCED AFTER 2007.**

15 (a) IN GENERAL.—Subsection (b) of section 45M of  
16 the Internal Revenue Code of 1986 (relating to applicable  
17 amount) is amended to read as follows:

18 “(b) APPLICABLE AMOUNT.—For purposes of sub-  
19 section (a)—

20 “(1) DISHWASHERS.—The applicable amount  
21 is—

22 “(A) \$45 in the case of a dishwasher which  
23 is manufactured in calendar year 2008 or 2009  
24 and which uses no more than 324 kilowatt  
25 hours per year and 5.8 gallons per cycle, and

1           “(B) \$75 in the case of a dishwasher  
2           which is manufactured in calendar year 2008,  
3           2009, or 2010 and which uses no more than  
4           307 kilowatt hours per year and 5.0 gallons per  
5           cycle (5.5 gallons per cycle for dishwashers de-  
6           signed for greater than 12 place settings).

7           “(2) CLOTHES WASHERS.—The applicable  
8           amount is—

9           “(A) \$75 in the case of a residential top-  
10          loading clothes washer manufactured in cal-  
11          endar year 2008 which meets or exceeds a 1.72  
12          modified energy factor and does not exceed a  
13          8.0 water consumption factor,

14          “(B) \$125 in the case of a residential top-  
15          loading clothes washer manufactured in cal-  
16          endar year 2008 or 2009 which meets or ex-  
17          ceeds a 1.8 modified energy factor and does not  
18          exceed a 7.5 water consumption factor,

19          “(C) \$150 in the case of a residential or  
20          commercial clothes washer manufactured in cal-  
21          endar year 2008, 2009, or 2010 which meets or  
22          exceeds 2.0 modified energy factor and does not  
23          exceed a 6.0 water consumption factor, and

24          “(D) \$250 in the case of a residential or  
25          commercial clothes washer manufactured in cal-

1           endar year 2008, 2009, or 2010 which meets or  
2           exceeds 2.2 modified energy factor and does not  
3           exceed a 4.5 water consumption factor.

4           “(3) REFRIGERATORS.—The applicable amount  
5           is—

6                   “(A) \$50 in the case of a refrigerator  
7                   which is manufactured in calendar year 2008,  
8                   and consumes at least 20 percent but not more  
9                   than 22.9 percent less kilowatt hours per year  
10                  than the 2001 energy conservation standards,

11                  “(B) \$75 in the case of a refrigerator  
12                  which is manufactured in calendar year 2008 or  
13                  2009, and consumes at least 23 percent but no  
14                  more than 24.9 percent less kilowatt hours per  
15                  year than the 2001 energy conservation stand-  
16                  ards,

17                  “(C) \$100 in the case of a refrigerator  
18                  which is manufactured in calendar year 2008,  
19                  2009, or 2010, and consumes at least 25 per-  
20                  cent but not more than 29.9 percent less kilo-  
21                  watt hours per year than the 2001 energy con-  
22                  servation standards, and

23                  “(D) \$200 in the case of a refrigerator  
24                  manufactured in calendar year 2008, 2009, or  
25                  2010 and which consumes at least 30 percent

1 less energy than the 2001 energy conservation  
2 standards.”.

3 (b) ELIGIBLE PRODUCTION.—

4 (1) SIMILAR TREATMENT FOR ALL APPLI-  
5 ANCES.—Subsection (c) of section 45M of such Code  
6 (relating to eligible production) is amended—

7 (A) by striking paragraph (2),

8 (B) by striking “(1) IN GENERAL” and all  
9 that follows through “the eligible” and inserting  
10 “The eligible”, and

11 (C) by moving the text of such subsection  
12 in line with the subsection heading and redesignig-  
13 nating subparagraphs (A) and (B) as para-  
14 graphs (1) and (2), respectively.

15 (2) MODIFICATION OF BASE PERIOD.—Para-  
16 graph (2) of section 45M(c) of such Code, as amend-  
17 ed by paragraph (1) of this section, is amended by  
18 striking “3-calendar year” and inserting “2-calendar  
19 year”.

20 (c) TYPES OF ENERGY EFFICIENT APPLIANCES.—

21 Subsection (d) of section 45M of such Code (defining  
22 types of energy efficient appliances) is amended to read  
23 as follows:

1 “(d) TYPES OF ENERGY EFFICIENT APPLIANCE.—  
2 For purposes of this section, the types of energy efficient  
3 appliances are—

4 “(1) dishwashers described in subsection (b)(1),

5 “(2) clothes washers described in subsection  
6 (b)(2), and

7 “(3) refrigerators described in subsection  
8 (b)(3).”.

9 (d) AGGREGATE CREDIT AMOUNT ALLOWED.—

10 (1) INCREASE IN LIMIT.—Paragraph (1) of sec-  
11 tion 45M(e) of such Code (relating to aggregate  
12 credit amount allowed) is amended to read as fol-  
13 lows:

14 “(1) AGGREGATE CREDIT AMOUNT ALLOWED.—

15 The aggregate amount of credit allowed under sub-  
16 section (a) with respect to a taxpayer for any tax-  
17 able year shall not exceed \$75,000,000 reduced by  
18 the amount of the credit allowed under subsection  
19 (a) to the taxpayer (or any predecessor) for all prior  
20 taxable years beginning after December 31, 2007.”.

21 (2) EXCEPTION FOR CERTAIN REFRIGERATOR  
22 AND CLOTHES WASHERS.—Paragraph (2) of section  
23 45M(e) of such Code is amended to read as follows:

24 “(2) AMOUNT ALLOWED FOR CERTAIN REFRIG-  
25 ERATORS AND CLOTHES WASHERS.—Refrigerators

1 described in subsection (b)(3)(D) and clothes wash-  
2 ers described in subsection (b)(2)(D) shall not be  
3 taken into account under paragraph (1).”.

4 (e) QUALIFIED ENERGY EFFICIENT APPLIANCES.—

5 (1) IN GENERAL.—Paragraph (1) of section  
6 45M(f) of such Code (defining qualified energy effi-  
7 cient appliance) is amended to read as follows:

8 “(1) QUALIFIED ENERGY EFFICIENT APPLI-  
9 ANCE.—The term ‘qualified energy efficient appli-  
10 ance’ means—

11 “(A) any dishwasher described in sub-  
12 section (b)(1),

13 “(B) any clothes washer described in sub-  
14 section (b)(2), and

15 “(C) any refrigerator described in sub-  
16 section (b)(3).”.

17 (2) CLOTHES WASHER.—Section 45M(f)(3) of  
18 such Code (defining clothes washer) is amended by  
19 inserting “commercial” before “residential” the sec-  
20 ond place it appears.

21 (3) TOP-LOADING CLOTHES WASHER.—Sub-  
22 section (f) of section 45M of such Code (relating to  
23 definitions) is amended by redesignating paragraphs  
24 (4), (5), (6), and (7) as paragraphs (5), (6), (7),

1 and (8), respectively, and by inserting after para-  
2 graph (3) the following new paragraph:

3 “(4) TOP-LOADING CLOTHES WASHER.—The  
4 term ‘top-loading clothes washer’ means a clothes  
5 washer which has the clothes container compartment  
6 access located on the top of the machine and which  
7 operates on a vertical axis.”.

8 (4) REPLACEMENT OF ENERGY FACTOR.—Sec-  
9 tion 45M(f)(6) of such Code, as redesignated by  
10 paragraph (3), is amended to read as follows:

11 “(6) MODIFIED ENERGY FACTOR.—The term  
12 ‘modified energy factor’ means the modified energy  
13 factor established by the Department of Energy for  
14 compliance with the Federal energy conservation  
15 standard.”.

16 (5) GALLONS PER CYCLE; WATER CONSUMP-  
17 TION FACTOR.—Section 45M(f) of such Code (relat-  
18 ing to definitions), as amended by paragraph (3), is  
19 amended by adding at the end the following:

20 “(9) GALLONS PER CYCLE.—The term ‘gallons  
21 per cycle’ means, with respect to a dishwasher, the  
22 amount of water, expressed in gallons, required to  
23 complete a normal cycle of a dishwasher.

24 “(10) WATER CONSUMPTION FACTOR.—The  
25 term ‘water consumption factor’ means, with respect

1 to a clothes washer, the quotient of the total weight-  
2 ed per-cycle water consumption divided by the cubic  
3 foot (or liter) capacity of the clothes washer.”.

4 (f) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply to appliances produced after De-  
6 cember 31, 2007.

7 **SEC. 310. APOLLO 21 ENERGY INDEPENDENCE PROGRAM.**

8 The President shall establish a program, modeled on  
9 the Apollo program, for the 21st century that will make  
10 it the goal of the United States to become energy inde-  
11 pendent by 2018. Such program shall be designed to, by  
12 2018—

13 (1) end our dependence on foreign sources of  
14 oil;

15 (2) establish infrastructure and invest in re-  
16 search to power America with alternative sources of  
17 energy, especially low-carbon emitting fuels and fuels  
18 that encourage economic development in rural areas;  
19 and

20 (3) reduce the proportion of the family budget  
21 that goes toward energy costs, especially among  
22 Americans with limited income.

1 **SEC. 311. STUDY OF EFFECTS OF SPECULATION IN THE FU-**  
2 **TURES MARKETS FOR NATURAL GAS, CRUDE**  
3 **OIL, AND GASOLINE ON CASH MARKET AND**  
4 **RETAIL PRICES, AND CHOICE OF TRADING**  
5 **VENUE.**

6 (a) **STUDY.**—The Federal Trade Commission, the  
7 Board of Governors of the Federal Reserve System, and  
8 the Energy Information Agency, in consultation with the  
9 Commodity Futures Trading Commission, other Federal  
10 agencies, and other entities involved in gathering and re-  
11 viewing such information, shall jointly conduct a study of  
12 the effects of speculation in the futures markets (including  
13 foreign futures markets) for natural gas, crude oil, and  
14 gasoline on cash market and retail prices for the commod-  
15 ities. The study shall focus on the effects of margin re-  
16 quirements, position limits, and other regulatory require-  
17 ments that apply with respect to trading in the commod-  
18 ities on the choice of trading venue.

19 (b) **REPORT TO THE CONGRESS.**—Within 180 days  
20 after the date of the enactment of this Act, the Federal  
21 Trade Commission shall submit to the Committee on En-  
22 ergy and Commerce of the House of Representatives and  
23 the Committee on Commerce of the Senate a report on  
24 the results of the study required by subsection (a).

1 **SEC. 312. REQUIREMENT THAT THE COMMODITY FUTURES**  
2 **TRADING COMMISSION ISSUE A NOTICE OF**  
3 **PROPOSED RULEMAKING REGARDING COM-**  
4 **PARABILITY OF FOREIGN REGULATION OF**  
5 **FUTURES AND DERIVATIVES TRADING.**

6 Within 6 months after the date of the enactment of  
7 this Act, the Commodity Futures Trading Commission  
8 shall—

9 (1) issue a notice of proposed rulemaking re-  
10 garding how the Commission determines whether  
11 regulation of futures contracts and derivatives (in-  
12 cluding any related position limits, margin require-  
13 ments, and reporting requirements) by a foreign  
14 country is comparable to regulation of such under  
15 the Commodity Exchange Act, which includes a re-  
16 quest for comments from the public regarding the  
17 factors which the Commission should consider in  
18 making such a determination;

19 (2) evaluate any such comments submitted to  
20 the Commission; and

21 (3) determine whether the Commission should  
22 issue a proposed rule regarding the matter.

○