

109TH CONGRESS
1ST SESSION

S. 1920

To amend the Clean Air Act to establish a renewable diesel standard, and
for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 25, 2005

Mr. OBAMA introduced the following bill; which was read twice and referred
to the Committee on Environment and Public Works

A BILL

To amend the Clean Air Act to establish a renewable diesel
standard, 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.**

4 This Act may be cited as the “Renewable Diesel
5 Standard Act of 2005”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

8 (1) section 211(o) of the Clean Air Act (42
9 U.S.C. 7535(o)) (as amended by section 1501 of the
10 Energy Policy Act of 2005 (Public Law 109–58))

1 established a renewable fuel program under which
2 entities in the petroleum sector are required to blend
3 renewable fuels into motor vehicle fuel based on the
4 gasoline motor pool;

5 (2) the need for energy diversification is greater
6 as of the date of enactment of this Act than it was
7 only months before the date of enactment of the En-
8 ergy Policy Act (Public Law 109–58; 119 Stat.
9 594);

10 (3)(A) the renewable fuel program under sec-
11 tion 211(o) of the Clean Air Act requires a small
12 percentage of the gasoline motor pool, totaling near-
13 ly 140,000,000,000 gallons, to contain a renewable
14 fuel; and

15 (B) the small percentage requirement described
16 in subparagraph (A) does not include the
17 40,000,000,000-gallon diesel motor pool; and

18 (4) beginning in 2008, the diesel motor pool
19 should contain no less than 1 percent of renewable
20 fuels by volume.

21 **SEC. 3. RENEWABLE CONTENT OF DIESEL MOTOR POOL.**

22 (a) IN GENERAL.—Section 211 of the Clean Air Act
23 (42 U.S.C. 7545) is amended by inserting after subsection
24 (o) the following:

1 “(p) RENEWABLE FUEL PROGRAM FOR THE DIESEL
2 MOTOR POOL.—

3 “(1) DEFINITION OF RENEWABLE FUEL.—

4 “(A) IN GENERAL.—In this subsection, the
5 term ‘renewable fuel’ has the meaning given the
6 term in subsection (o)(1)(C).

7 “(B) INCLUSIONS.—The term ‘renewable
8 fuel’ includes a diesel fuel substitute produced
9 from—

10 “(i) animal fat;

11 “(ii) vegetable oil;

12 “(iii) recycled yellow grease;

13 “(iv) thermal depolymerization;

14 “(v) thermochemical conversion;

15 “(vi) the coal-to-liquid process (includ-
16 ing the Fischer-Tropsch process); or

17 “(vii) a diesel-ethanol blend.

18 “(2) RENEWABLE FUEL PROGRAM.—

19 “(A) REGULATIONS.—

20 “(i) IN GENERAL.—Not later than 1
21 year after the date of enactment of this
22 subsection, the Administrator shall promul-
23 gate regulations to ensure that diesel sold
24 or introduced into commerce in the United
25 States (except in noncontiguous States or

1 territories), on an annual average basis,
2 contains the applicable volume of renew-
3 able fuel determined in accordance with
4 subparagraph (B).

5 “(ii) PROVISIONS OF REGULATIONS.—
6 Regardless of the date of promulgation,
7 the regulations promulgated under clause
8 (i)—

9 “(I) shall contain compliance pro-
10 visions applicable to refineries, blend-
11 ers, distributors, and importers, as
12 appropriate, to ensure that the re-
13 quirements of this paragraph are met;
14 but

15 “(II) shall not—

16 “(aa) restrict geographic
17 areas in which renewable fuel
18 may be used; or

19 “(bb) impose any per-gallon
20 obligation for the use of renew-
21 able fuel.

22 “(iii) REQUIREMENT IN CASE OF
23 FAILURE TO PROMULGATE REGULA-
24 TIONS.—If the Administrator fails to pro-
25 mulgate regulations under clause (i), the

1 percentage of renewable fuel in the diesel
 2 motor pool sold or dispensed to consumers
 3 in the United States, on a volume basis,
 4 shall be .006 percent for calendar year
 5 2008.

6 “(B) APPLICABLE VOLUME.—

7 “(i) CALENDAR YEARS 2008 THROUGH
 8 2015.—For the purpose of subparagraph
 9 (A), the applicable volume for any of cal-
 10 endar years 2008 through 2015 shall be
 11 determined in accordance with the fol-
 12 lowing table:

“Applicable volume of renewable fuel in diesel motor pool (in millions of gallons):		Calendar year:
250		2008
500		2009
750		2010
1,000		2011
1,250		2012
1,500		2013
1,750		2014
2,000		2015.

13 “(ii) CALENDAR YEAR 2016 AND
 14 THEREAFTER.—The applicable volume for
 15 calendar year 2016 and each calendar year
 16 thereafter shall be determined by the Ad-
 17 ministrator, in coordination with the Sec-
 18 retary of Agriculture and the Secretary of
 19 Energy, based on a review of the imple-
 20 mentation of the program during calendar

1 years 2008 through 2015, including a re-
2 view of—

3 “(I) the impact of the use of re-
4 newable fuels on the environment, air
5 quality, energy security, job creation,
6 and rural economic development; and

7 “(II) the expected annual rate of
8 future production of renewable fuels
9 to be used as a blend component or
10 replacement to the diesel motor pool.

11 “(iii) MINIMUM APPLICABLE VOL-
12 UME.—For the purpose of subparagraph
13 (A), the applicable volume for calendar
14 year 2016 and each calendar year there-
15 after shall be equal to the product obtained
16 by multiplying—

17 “(I) the number of gallons of die-
18 sel that the Administrator estimates
19 will be sold or introduced into com-
20 merce during the calendar year; and

21 “(II) the ratio that—

22 “(aa) 2,000,000,000 gallons
23 of renewable fuel; bears to

24 “(bb) the number of gallons
25 of diesel sold or introduced into

1 commerce during calendar year
2 2015.

3 “(3) APPLICABLE PERCENTAGES.—

4 “(A) PROVISION OF ESTIMATE OF VOL-
5 UMES OF DIESEL SALES.—Not later than Octo-
6 ber 31 of each of calendar years 2007 through
7 2015, the Administrator of the Energy Infor-
8 mation Administration shall provide to the Ad-
9 ministrator an estimate, with respect to the fol-
10 lowing calendar year, of the volumes of diesel
11 projected to be sold or introduced into com-
12 merce in the United States.

13 “(B) DETERMINATION OF APPLICABLE
14 PERCENTAGES.—

15 “(i) IN GENERAL.—Not later than
16 November 30 of each of calendar years
17 2008 through 2015, based on the estimate
18 provided under subparagraph (A), the Ad-
19 ministrator shall determine and publish in
20 the Federal Register, with respect to the
21 following calendar year, the renewable fuel
22 obligation that ensures that the require-
23 ments of paragraph (2) are met.

1 “(ii) REQUIRED ELEMENTS.—The re-
2 newable fuel obligation determined for a
3 calendar year under clause (i) shall—

4 “(I) be applicable to refineries,
5 blenders, and importers, as appro-
6 priate;

7 “(II) be expressed in terms of a
8 volume percentage of diesel sold or in-
9 troduced into commerce in the United
10 States; and

11 “(III) subject to subparagraph
12 (C), consist of a single applicable per-
13 centage that applies to all categories
14 of persons described in subclause (I).

15 “(C) ADJUSTMENTS.—In determining the
16 applicable percentage for a calendar year, the
17 Administrator shall make adjustments to pre-
18 vent the imposition of redundant obligations on
19 any person described in subparagraph
20 (B)(ii)(I).

21 “(4) CREDIT PROGRAM.—

22 “(A) IN GENERAL.—The regulations pro-
23 mulgated pursuant to paragraph (2)(A) shall
24 provide for the generation of an appropriate
25 amount of credits by any person that refines,

1 blends, or imports diesel that contains a quan-
2 tity of renewable fuel that is greater than the
3 quantity required under paragraph (2).

4 “(B) USE OF CREDITS.—A person that
5 generates a credit under subparagraph (A) may
6 use the credit, or transfer all or a portion of the
7 credit to another person, for the purpose of
8 complying with regulations promulgated pursu-
9 ant to paragraph (2).

10 “(C) DURATION OF CREDITS.—A credit
11 generated under this paragraph shall be valid
12 during the 1-year period beginning on the date
13 on which the credit is generated.

14 “(D) INABILITY TO GENERATE OR PUR-
15 CHASE SUFFICIENT CREDITS.—The regulations
16 promulgated pursuant to paragraph (2)(A)
17 shall include provisions allowing any person
18 that is unable to generate or purchase sufficient
19 credits under subparagraph (A) to meet the re-
20 quirements of paragraph (2) by carrying for-
21 ward a credit generated during a previous year
22 on the condition that the person, during the cal-
23 endar year following the year in which the re-
24 newable fuel deficit is created—

1 “(i) achieves compliance with the re-
2 newable fuel requirement under paragraph
3 (2); and

4 “(ii) generates or purchases additional
5 credits under subparagraph (A) to offset
6 the deficit of the previous year.

7 “(5) WAIVERS.—

8 “(A) IN GENERAL.—The Administrator, in
9 consultation with the Secretary of Agriculture
10 and the Secretary of Energy, may waive the re-
11 quirements of paragraph (2) in whole or in part
12 on receipt of a petition of 1 or more States by
13 reducing the national quantity of renewable fuel
14 for the diesel motor pool required under para-
15 graph (2) based on a determination by the Ad-
16 ministrator, after public notice and opportunity
17 for comment, that—

18 “(i) implementation of the require-
19 ment would severely harm the economy or
20 environment of a State, a region, or the
21 United States; or

22 “(ii) there is an inadequate domestic
23 supply of renewable fuel.

24 “(B) PETITIONS FOR WAIVERS.—Not later
25 than 90 days after the date on which the Ad-

1 administrator receives a petition under subpara-
 2 graph (A), the Administrator, in consultation
 3 with the Secretary of Agriculture and the Sec-
 4 retary of Energy, shall approve or disapprove
 5 the petition.

6 “(C) TERMINATION OF WAIVERS.—

7 “(i) IN GENERAL.—Except as pro-
 8 vided in clause (ii), a waiver under sub-
 9 paragraph (A) shall terminate on the date
 10 that is 1 year after the date on which the
 11 waiver is provided.

12 “(ii) EXCEPTION.—The Adminis-
 13 trator, in consultation with the Secretary
 14 of Agriculture and the Secretary of En-
 15 ergy, may extend a waiver under subpara-
 16 graph (A), as the Administrator deter-
 17 mines to be appropriate.”.

18 (b) PENALTIES AND ENFORCEMENT.—Section
 19 211(d) of the Clean Air Act (42 U.S.C. 7545(d)) is
 20 amended—

21 (1) in paragraph (1), by striking “or (o)” each
 22 place it appears and inserting “(o), or (p)”; and

23 (2) in paragraph (2), by striking “and (o)”
 24 each place it appears and inserting “(o), and (p)”.

1 (c) TECHNICAL AMENDMENTS.—Section 211 of the
2 Clean Air Act (42 U.S.C. 7545) is amended—

3 (1) in subsection (c)(4)(C), by redesignating the
4 second clause (v) as clause (vi);

5 (2) in subsection (i)(4), by striking “section
6 324” each place it appears and inserting “section
7 325”;

8 (3) in subsection (k)(10), by indenting subpara-
9 graphs (E) and (F) appropriately;

10 (4) in subsection (n), by striking “section
11 219(2)” and inserting “section 216(2)”;

12 (5) by redesignating the second subsection (r)
13 and subsection (s) as subsections (s) and (t), respec-
14 tively; and

15 (6) in subsection (t)(1) (as redesignated by
16 paragraph (5)), by striking “this subtitle” and in-
17 serting “this part”.

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