

110TH CONGRESS  
1ST SESSION

# S. 298

To provide incentives for renewable energy production, to increase fuel economy standards for automobiles, and to provide tax incentives for renewable energy production.

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IN THE SENATE OF THE UNITED STATES

JANUARY 16, 2007

Ms. MURKOWSKI (for herself and Mr. STEVENS) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To provide incentives for renewable energy production, to increase fuel economy standards for automobiles, and to provide tax incentives for renewable energy production.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Renewable Energy,  
5 Fuel Reduction, and Economic Stabilization and En-  
6 hancement Act of 2007” or the “REFRESH Act”.

1     **TITLE I—RENEWABLE ENERGY**  
2                     **INCENTIVES**

3     **SEC. 101. GEOTHERMAL POWER.**

4             (a) IN GENERAL.—The Secretary of Energy, acting  
5 through the Office of Energy Efficiency and Renewable  
6 Energy (referred to in this title as the “Secretary”), shall  
7 make grants to eligible entities (as determined by the Sec-  
8 retary) to promote geothermal power development, includ-  
9 ing high- and low-temperature geothermal power develop-  
10 ment.

11            (b) AUTHORIZATION OF APPROPRIATIONS.—There is  
12 authorized to be appropriated to carry out this section  
13 \$100,000,000.

14     **SEC. 102. OCEAN ENERGY.**

15            (a) IN GENERAL.—The Secretary shall make grants  
16 to eligible entities (as determined by the Secretary) to de-  
17 velop all forms of ocean energy (including wave, current,  
18 tidal, and thermal energy).

19            (b) AUTHORIZATION OF APPROPRIATIONS.—There is  
20 authorized to be appropriated to carry out this section  
21 \$100,000,000.

22     **SEC. 103. PLUG-IN HYBRID ELECTRIC-COMBUSTION EN-**  
23                     **GINE VEHICLES.**

24            (a) IN GENERAL.—The Secretary shall make grants  
25 to eligible entities (as determined by the Secretary) to as-

1 sist in the development of new technology (including stor-  
 2 age batteries or other forms of technology) to assist auto-  
 3 mobile manufactures in the production of plug-in hybrid  
 4 electric-combustion engine vehicles.

5 (b) AUTHORIZATION OF APPROPRIATIONS.—There is  
 6 authorized to be appropriated to carry out this section  
 7 \$100,000,000.

## 8 **TITLE II—FUEL EFFICIENCY** 9 **STANDARDS**

### 10 **SEC. 201. TRUTH IN TESTING OF CAFE STANDARDS.**

11 (a) TESTING AND CALCULATION PROCEDURES.—

12 (1) IN GENERAL.—Section 32904(c) of title 49,  
 13 United States Code, is amended by striking “How-  
 14 ever, except under section 32908 of this title, the  
 15 Administrator shall use the same procedures for pas-  
 16 senger automobiles the Administrator used for model  
 17 year 1975 (weighted 55 percent urban cycle and 45  
 18 percent highway cycle),” and insert “In measuring  
 19 fuel economy under this subsection, the Adminis-  
 20 trator shall use the procedures described in the final  
 21 rule relating to fuel economy labeling published in  
 22 the Federal Register on December 27, 2006 (71  
 23 Fed. Reg. 77,872; to be codified at 40 C.F.R. parts  
 24 86 and 600)”.

1           (2) EFFECTIVE DATE.—Paragraph (1) shall  
2 take effect on the date that is 5 years after the date  
3 of the enactment of this Act and shall apply to pas-  
4 senger automobiles manufactured after such date.

5 (b) STUDY AND REPORT.—

6           (1) STUDY.—The Administrator of the National  
7 Highway Traffic Safety Administration shall con-  
8 duct a study of the anticipated economic impacts  
9 and fuel saving benefits that would result from a re-  
10 quirement that all vehicles manufactured for sale in  
11 the United States with a gross vehicle weight of not  
12 less than 10,000 pounds meet specific average fuel  
13 economy standards.

14           (2) REPORT.—Not later than 2 years after the  
15 date of the enactment of this Act, the Administrator  
16 shall submit a report to Congress that includes—

17                   (A) the results of the study conducted  
18                   under paragraph (1); and

19                   (B) a recommendation on whether the ve-  
20                   hicles described in paragraph (1) should be sub-  
21                   ject to average fuel economy standards.

22 **SEC. 202. TIRE RESISTANCE STANDARDS.**

23           Section 30123 of title 49, United States Code, is  
24 amended by adding at the end the following:

1       “(d) **LOW ROLLING RESISTANCE TIRES.**—Not later  
 2 than 5 years after the date of the enactment of this sub-  
 3 section, all passenger automobile tires sold in the United  
 4 States shall meet the low rolling resistance standards pre-  
 5 scribed by the Administrator of the National Highway  
 6 Traffic Safety Administration.”.

7 **SEC. 203. TRAFFIC REDUCTION GRANTS.**

8       (a) **IN GENERAL.**—The Secretary of Transportation  
 9 may award grants to States to develop telecommuting and  
 10 flexible work scheduling incentives that will reduce traffic  
 11 congestion in urban areas.

12       (b) **AUTHORIZATION OF APPROPRIATIONS.**—There  
 13 are authorized to be appropriated \$50,000,000 for fiscal  
 14 year 2008 to carry out the grant program established  
 15 under this section. Any sums appropriated pursuant to  
 16 this subsection shall remain available until expended.

17                   **TITLE III—TAX CREDITS**

18 **SEC. 301. EXPANSION OF CREDIT FOR PRODUCTION OF EN-**  
 19                   **ERGY FROM CERTAIN RENEWABLE RE-**  
 20                   **SOURCES.**

21       (a) **EXPANSION OF RESOURCES TO WAVE, CURRENT,**  
 22 **TIDAL, AND OCEAN THERMAL ENERGY.**—

23               (1) **IN GENERAL.**—Section 45(c)(1) of the In-  
 24               ternal Revenue Code of 1986 (defining qualified en-  
 25               ergy resources) is amended by striking “and” at the

1 end of subparagraph (G), by striking the period at  
2 the end of subparagraph (H) and inserting “, and”,  
3 and by adding at the end the following new subpara-  
4 graph:

5 “(I) wave, current, tidal, and ocean ther-  
6 mal energy.”

7 (2) DEFINITION OF RESOURCES.—Section 45(c)  
8 of the Internal Revenue Code of 1986 is amended by  
9 adding at the end the following new paragraph:

10 “(10) WAVE, CURRENT, TIDAL, AND OCEAN  
11 THERMAL ENERGY.—The term ‘wave, current, tidal,  
12 and ocean thermal energy’ means electricity pro-  
13 duced from any of the following:

14 “(A) Free flowing ocean water derived  
15 from tidal currents, ocean currents, waves, or  
16 estuary currents.

17 “(B) Ocean thermal energy.

18 “(C) Free flowing water in rivers, lakes,  
19 man made channels, or streams.”

20 (3) FACILITIES.—Section 45(d) of the Internal  
21 Revenue Code of 1986 is amended by adding at the  
22 end the following new paragraph:

23 “(11) WAVE, CURRENT, TIDAL, AND OCEAN  
24 THERMAL FACILITY.—In the case of a facility using  
25 resources described in clause (i), (ii), or (iii) of sub-

1 section (c)(10)(A) to produce electricity, the term  
 2 ‘qualified facility’ means any facility owned by the  
 3 taxpayer which is originally placed in service after  
 4 the date of the enactment of this paragraph and be-  
 5 fore January 1, 2009, but such term shall not in-  
 6 clude a facility which includes impoundment struc-  
 7 tures or a small irrigation power facility.”

8 (b) EXPANSION OF SMALL IRRIGATION POWER.—  
 9 Paragraph (5) of section 45(c) of the Internal Revenue  
 10 Code of 1986 is amended to read as follows:

11 “(5) SMALL IRRIGATION POWER.—The term  
 12 ‘small irrigation power’ means power—

13 “(A) generated without any dam or im-  
 14 poundment of water through—

15 “(i) through an irrigation system  
 16 canal or ditch, or

17 “(ii) utilizing lake taps, perched al-  
 18 pine lakes, or run-of-river with diversion,  
 19 and

20 “(B) the nameplate capacity rating of  
 21 which is less than 15 megawatts.”.

22 (c) EFFECTIVE DATE.—The amendments made by  
 23 this section shall apply to electricity produced in taxable  
 24 years ending after the date of the enactment of this Act.

1 **SEC. 302. EXTENSION AND MODIFICATION OF NEW QUALI-**  
2 **FIED HYBRID MOTOR VEHICLE CREDIT FOR**  
3 **PLUG-IN HYBRIDS.**

4 (a) EXTENSION.—

5 (1) NEW QUALIFIED HYBRID PASSENGER AUTO-  
6 MOBILES AND LIGHT TRUCKS.—Paragraph (2) of  
7 section 30B(j) of the Internal Revenue Code of 1986  
8 is amended by inserting “(December 31, 2012, in  
9 the case of a new qualified hybrid motor vehicle  
10 which is recharged by means of an off board de-  
11 vice)” after “December 31, 2010”.

12 (2) OTHER QUALIFIED HYBRID MOTOR VEHI-  
13 CLES.—Paragraph (3) of section 30B(j) of the In-  
14 ternal Revenue Code of 1986 is amended by insert-  
15 ing “(December 31, 2012, in the case of a new  
16 qualified hybrid motor vehicle which is recharged by  
17 means of an off board device)” after “December 31,  
18 2009”.

19 (b) ELIMINATION OF LIMITATION ON NUMBER OF  
20 NEW QUALIFIED HYBRID AND ADVANCED LEAN BURN  
21 TECHNOLOGY VEHICLES ELIGIBLE FOR FULL ALTER-  
22 NATIVE MOTOR VEHICLE TAX CREDIT.—

23 (1) IN GENERAL.—Section 30B of the Internal  
24 Revenue Code of 1986 is amended—

25 (A) by striking subsection (f); and

1 (B) by redesignating subsections (g)  
2 through (j), as amended by subsection (a), as  
3 subsections (f) through (i), respectively.

4 (2) CONFORMING AMENDMENTS.—

5 (A) Paragraphs (4) and (6) of section  
6 30B(g) of such Code, as redesignated by para-  
7 graph (1)(B), are each amended by striking  
8 “(determined without regard to subsection (g))”  
9 and inserting “(determined without regard to  
10 subsection (f))”.

11 (B) Section 38(b)(25) of such Code is  
12 amended by striking “section 30B(g)(1)” and  
13 inserting “section 30B(f)(1)”.

14 (C) Section 55(e)(2) of such Code is  
15 amended by striking “section 30B(g)(2)” and  
16 inserting “section 30B(f)(2)”.

17 (D) Section 1016(a)(36) of such Code is  
18 amended by striking “section 30B(h)(4)” and  
19 inserting “section 30B(g)(4)”.

20 (E) Section 6501(m) of such Code is  
21 amended by striking “section 30B(h)(9)” and  
22 inserting “section 30B(g)(9)”.

23 (c) EFFECTIVE DATE.—The amendments made by  
24 this section shall apply to property placed in service after

1 December 31, 2005, in taxable years ending after such  
2 date.

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