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AMENDMENT NO. _____ Calendar No. _____

Purpose: To improve the clean coal power initiative.

IN THE SENATE OF THE UNITED STATES—109th Cong., 1st Sess.

H.R. 6

Craig Ford AMENDMENT No. 1007, and
 By *Boyd* _____

To: *HR 6* _____

Re _____

12
 Page(s)

GPO: 2004 97-290(Mac)

AMENDMENT _____ intended to be proposed by _____

Viz:

1 Beginning on page 328, strike line 13 and all that
 2 follows through page 337, line 6, and insert the following:

3 **Subtitle A—Clean Coal Power**
 4 **Initiative**

5 **SEC. 401. AUTHORIZATION OF APPROPRIATIONS.**

6 (1) CLEAN COAL POWER INITIATIVE.—There is au-
 7 thorized to be appropriated to the Secretary to carry out
 8 the activities authorized by this subtitle \$200,000,000 for
 9 each of fiscal years 2006 through 2012, to remain avail-
 10 able until expended.

1 (b) REPORT.—Not later than March 31, 2006, the
2 Secretary shall submit to Congress a report that includes
3 a 10-year plan containing—

4 (1) a detailed assessment of whether the aggre-
5 gate assistance levels provided under subsection (a)
6 are the appropriate assistance levels for the clean
7 coal power initiative;

8 (2) a detailed description of how proposals for
9 assistance under the clean coal power initiative will
10 be solicited and evaluated, including a list of all ac-
11 tivities expected to be undertaken;

12 (3) a detailed list of technical milestones for
13 each coal and related technology that will be pursued
14 under the clean coal power initiative; and

15 (4) a detailed description of how the clean coal
16 power initiative will avoid problems enumerated in
17 Government Accountability Office reports on the
18 Clean Coal Technology Program of the Department,
19 including problems that have resulted in unspent
20 funds and projects that failed either financially or
21 scientifically.

22 **SEC. 402. PROJECT CRITERIA.**

23 a) IN GENERAL.—To be eligible to receive assistance
24 under this subtitle, a project shall advance efficiency, envi-
25 ronmental performance, and cost competitiveness well be-

1 yond the level of technologies that are in commercial serv-
2 ice or have been demonstrated on a scale that the Sec-
3 retary determines is sufficient to demonstrate that com-
4 mercial service is viable as of the date of enactment of
5 this Act.

6 (b) TECHNICAL CRITERIA FOR CLEAN COAL POWER
7 INITIATIVE.—

8 (1) GASIFICATION PROJECTS.—

9 (A) IN GENERAL.—In allocating the funds
10 made available under section 401(a), the Sec-
11 retary shall ensure that at least 80 percent of
12 the funds are used only to fund projects on
13 coal-based gasification technologies, including—

- 14 (i) gasification combined cycle;
- 15 (ii) gasification fuel cells and turbine
16 combined cycle;
- 17 (iii) gasification coproduction; and
- 18 (iv) hybrid gasification and combus-
19 tion.

20 (B) TECHNICAL MILESTONES.—

21 (i) PERIODIC DETERMINATION.—

22 (I) IN GENERAL.—The Secretary
23 shall periodically set technical mile-
24 stones specifying the emission and
25 thermal efficiency levels that coal gas-

1 ification projects under this subtitle
2 shall be designed, and reasonably ex-
3 pected, to achieve.

4 (II) PRESCRIPTIVE MILE-
5 STONES.—The technical milestones
6 shall become more prescriptive during
7 the period of the clean coal power ini-
8 tiative.

9 (ii) 2020 GOALS.—The Secretary shall
10 establish the periodic milestones so as to
11 achieve by the year 2020 coal gasification
12 projects able—

13 (I) to remove at least 99 percent
14 of sulfur dioxide;

15 (II) to emit not more than .05
16 lbs of NO_x per million Btu;

17 (III) to achieve at least 95 per-
18 cent reductions in mercury emissions;
19 and

20 (IV) to achieve a thermal effi-
21 ciency of at least—

22 (aa) 50 percent for coal of
23 more than 9,000 Btu;

24 (bb) 48 percent for coal of
25 7,000 to 9,000 Btu; and

1 (cc) 46 percent for coal of
2 less than 7,000 Btu.

3 (2) OTHER PROJECTS.—

4 (A) ALLOCATION OF FUNDS.—The Sec-
5 retary shall ensure that up to 20 percent of the
6 funds made available under section 401(a) are
7 used to fund projects other than those described
8 in paragraph (1).

9 (B) TECHNICAL MILESTONES.—

10 (i) PERIODIC DETERMINATION.—

11 (I) IN GENERAL.—The Secretary
12 shall periodically establish technical
13 milestones specifying the emission and
14 thermal efficiency levels that projects
15 funded under this paragraph shall be
16 designed, and reasonably expected, to
17 achieve.

18 (II) PRESCRIPTIVE MILE-
19 STONES.—The technical milestones
20 shall become more prescriptive during
21 the period of the clean coal power ini-
22 tiative.

23 (ii) 2020 GOALS.—The Secretary shall
24 set the periodic milestones so as to achieve
25 by the year 2020 projects able—

6

1 (I) to remove at least 97 percent
2 of sulfur dioxide;

3 (II) to emit no more than .08 lbs
4 of NO_x per million Btu;

5 (III) to achieve at least 90 per-
6 cent reductions in mercury emissions;
7 and

8 (IV) to achieve a thermal effi-
9 ciency of at least—

10 (aa) 43 percent for coal of
11 more than 9,000 Btu;

12 (bb) 41 percent for coal of
13 7,000 to 9,000 Btu; and

14 (cc) 39 percent for coal of
15 less than 7,000 Btu.

16 (3) CONSULTATION.—Before setting the tech-
17 nical milestones under paragraphs (1)(B) and
18 (2)(B), the Secretary shall consult with—

19 (A) the Administrator of the Environ-
20 mental Protection Agency; and

21 (B) interested entities, including—

22 (i) coal producers;

23 (ii) industries using coal;

24 (iii) organizations that promote coal
25 or advanced coal technologies;

- 1 (iv) environmental organizations;
- 2 (v) organizations representing work-
- 3 ers; and
- 4 (vi) organizations representing con-
- 5 sumers.

6 (4) EXISTING UNITS.—In the case of projects
7 at units in existence on the date of enactment of this
8 Act, in lieu of the thermal efficiency requirements
9 described in paragraphs (1)(B)(ii)(IV) and
10 (2)(B)(ii)(IV), the milestones shall be designed to
11 achieve an overall thermal design efficiency improve-
12 ment, compared to the efficiency of the unit as oper-
13 ated, of not less than—

- 14 (A) 7 percent for coal of more than 9,000
- 15 Btu;
- 16 (B) 6 percent for coal of 7,000 to 9,000
- 17 Btu; or
- 18 (C) 4 percent for coal of less than 7,000
- 19 Btu.

20 (5) ADMINISTRATION.—

- 21 (A) ELEVATION OF SITE.—In evaluating
- 22 project proposals to achieve thermal efficiency
- 23 levels established under paragraphs (1)(B)(i)
- 24 and (2)(B)(i) and in determining progress to-
- 25 wards thermal efficiency milestones under para-

1 graphs (1)(B)(ii)(IV), (2)(B)(ii)(IV), and (4),
2 the Secretary shall take into account and make
3 adjustments for the elevation of the site at
4 which a project is proposed to be constructed.

5 (B) APPLICABILITY OF MILESTONES.—The
6 thermal efficiency milestones under paragraphs
7 (1)(B)(ii)(IV), (2)(B)(ii)(IV), and (4) shall not
8 apply to projects that separate and capture at
9 least 50 percent of the potential emissions of
10 carbon dioxide by a facility.

11 (C) PERMITTED USES.—In carrying out
12 this section, the Secretary shall give high pri-
13 ority to projects that include, as part of the
14 project—

15 (i) the separation or capture of carbon
16 dioxide; or

17 (ii) the reduction of the demand for
18 natural gas if deployed.

19 (c) FINANCIAL CRITERIA.—The Secretary shall not
20 provide financial assistance under this subtitle for a
21 project unless the recipient documents to the satisfaction
22 of the Secretary that—

23 (1) the recipient is financially responsible;

24 (2) the recipient will provide sufficient informa-
25 tion to the Secretary to enable the Secretary to en-

1 sure that the funds are spent efficiently and effec-
2 tively; and

3 (3) a market exists for the technology being
4 demonstrated or applied, as evidenced by statements
5 of interest in writing from potential purchasers of
6 the technology.

7 (d) **FINANCIAL ASSISTANCE.**—The Secretary shall
8 provide financial assistance to projects that, as determined
9 by the Secretary—

10 (1) meet the requirements of subsections (a),
11 (b), and (c); and

12 (2) are likely—

13 (A) to achieve overall cost reductions in
14 the use of coal to generate useful forms of en-
15 ergy or chemical feedstocks;

16 (B) to improve the competitiveness of coal
17 among various forms of energy in order to
18 maintain a diversity of fuel choices in the
19 United States to meet electricity generation re-
20 quirements; and

21 (C) to demonstrate methods and equip-
22 ment that are applicable to 25 percent of the
23 electricity generating facilities, using various
24 types of coal, that use coal as the primary feed-
25 stock as of the date of enactment of this Act.

1 (e) COST-SHARING.—In carrying out this subtitle,
2 the Secretary shall require cost sharing in accordance with
3 section 1002.

4 (f) SCHEDULED COMPLETION OF SELECTED
5 PROJECTS.—

6 (1) IN GENERAL.—In selecting a project for fi-
7 nancial assistance under this section, the Secretary
8 shall establish a reasonable period of time during
9 which the owner or operator of the project shall
10 complete the construction or demonstration phase of
11 the project, as the Secretary determines to be appro-
12 priate.

13 (2) CONDITION OF FINANCIAL ASSISTANCE.—
14 The Secretary shall require as a condition of receipt
15 of any financial assistance under this subtitle that
16 the recipient of the assistance enter into an agree-
17 ment with the Secretary not to request an extension
18 of the time period established for the project by the
19 Secretary under paragraph (1).

20 (3) EXTENSION OF TIME PERIOD.—

21 (A) IN GENERAL.—Subject to subpara-
22 graph (B), the Secretary may extend the time
23 period established under paragraph (1) if the
24 Secretary determines, in the sole discretion of
25 the Secretary, that the owner or operator of the

1 project cannot complete the construction or
2 demonstration phase of the project within the
3 time period due to circumstances beyond the
4 control of the owner or operator.

5 (B) LIMITATION.—The Secretary shall not
6 extend a time period under subparagraph (A)
7 by more than 4 years.

8 (g) FEE TITLE.—The Secretary may vest fee title or
9 other property interests acquired under cost-share clean
10 coal power initiative agreements under this subtitle in any
11 entity, including the United States.

12 (h) DATA PROTECTION.—For a period not exceeding
13 5 years after completion of the operations phase of a coop-
14 erative agreement, the Secretary may provide appropriate
15 protections (including exemptions from subchapter II of
16 chapter 5 of title 5, United States Code) against the dis-
17 semination of information that—

18 (1) results from demonstration activities carried
19 out under the clean coal power initiative program;
20 and

21 (2) would be a trade secret or commercial or fi-
22 nancial information that is privileged or confidential
23 if the information had been obtained from and first
24 produced by a non-Federal party participating in a
25 clean coal power initiative project.

1 (i) APPLICABILITY.—No technology, or level of emis-
2 sion reduction, solely by reason of the use of the tech-
3 nology, or the achievement of the emission reduction, by
4 1 or more facilities receiving assistance under this Act,
5 shall be considered to be—

6 (1) adequately demonstrated for purposes of
7 section 111 of the Clean Air Act (42 U.S.C. 7411);

8 (2) achievable for purposes of section 169 of
9 that Act (42 U.S.C. 7479); or

10 (3) achievable in practice for purposes of sec-
11 tion 171 of that Act (42 U.S.C. 7501).