

AMENDMENT TO H.R. 2454, AS REPORTED
MR. CARNAHAN OF MISSOURI,
OFFERED BY MR. INSLEE OF WASHINGTON,
AND MR. POLIS OF COLORADO
 (Page and line numbers refer to the file ACESFL_001 (HR 2998) on the Rules Committee website)

At the end of subtitle J of title I (page 296, after line 6), add the following new section:

1 **SEC. 199. DEPARTMENT OF AGRICULTURE STANDBY LOANS**
 2 **FOR REFINERIES PRODUCING AVIATION**
 3 **FUEL FROM RENEWABLE BIOMASS.**

4 (a) DEFINITIONS.—In this section:

5 (1) SPECIFIED PRICE.—The term ‘specified
 6 price’ means the 10-year average price for 2011–
 7 2021 for aviation fuel in nominal dollars as pro-
 8 jected in the Energy Information Administration
 9 publication entitled “Annual Energy Outlook 2009
 10 with Projections to 2030”.

11 (2) FULL TERM.—The term “full term” means
 12 the full term of a standby loan agreement, as speci-
 13 fied in the agreement, which shall not exceed the
 14 lesser of 20 years or 90 percent of the projected use-
 15 ful life of a qualifying renewable aviation fuel
 16 project, as determined by the Secretary.

1 (3) MARKET PRICE.—The term “market price”
2 means the monthly average retail selling price of
3 kerosene-type aviation fuel, after deducting all appli-
4 cable Federal and State sales taxes.

5 (4) OUTPUT.—The term “output” means the
6 volume of aviation fuel produced by a qualifying re-
7 newable aviation fuel project from renewable bio-
8 mass, as specified in the standby loan agreement.

9 (5) PRIMARY TERM.—The term “primary term”
10 means the initial term of a standby loan agreement,
11 as specified in the agreement, which shall not exceed
12 the lesser of 10 years or 75 percent of the projected
13 useful life of the project, as determined by the Sec-
14 retary.

15 (6) LIFECYCLE GREENHOUSE GAS EMIS-
16 SIONS.—The term “lifecycle greenhouse gas emis-
17 sions” has the meaning given such term in section
18 211 of the Clean Air Act (42 U.S.C. 7545).

19 (7) RENEWABLE BIOMASS.—The term “renew-
20 able biomass” has the meaning given such term in
21 section 211 of the Clean Air Act (42 U.S.C. 7545).

22 (8) RENEWABLE AVIATION FUEL.—The term
23 “renewable aviation fuel” means a transportation
24 fuel produced from renewable biomass feedstocks
25 that—

1 (A) meets a standard published by ASTM
2 International for aviation turbine fuels; and

3 (B) reduces lifecycle greenhouse gas emis-
4 sions per unit of energy contained in the fuel,
5 relative to aviation turbine fuels produced from
6 petroleum, by 50 percent or more.

7 (9) RENEWABLE FUEL.—The term “renewable
8 fuel” means a transportation fuel (including aviation
9 fuel) produced from renewable biomass feedstocks.

10 (10) QUALIFYING RENEWABLE AVIATION FUEL
11 PROJECT.—The term “qualifying renewable aviation
12 fuel project” means a new commercial-scale refinery
13 located in the United States—

14 (A) whose primary purpose is to produce
15 renewable aviation fuel; and

16 (B) that has a production capacity of
17 35,000,000 gallons or more of renewable fuel
18 (including renewable aviation fuel) over any
19 continuous 12-month period.

20 (11) SECRETARY.—The term “Secretary”
21 means the Secretary of Agriculture.

22 (12) STANDBY LOAN AGREEMENT.—The term
23 “standby loan agreement” means a loan agreement
24 entered into under subsection (b).

25 (b) STANDBY LOAN AGREEMENTS.—

1 (1) LOAN AUTHORITY.—The Secretary of Agri-
2 culture may enter into a standby loan agreement
3 with not more than 6 qualifying renewable aviation
4 fuel projects.

5 (2) NATURE OF LOAN.—The standby loan
6 agreement shall provide that the Secretary will make
7 a direct loan (within the meaning of section 502(1)
8 of the Federal Credit Reform Act of 1990 (2 U.S.C.
9 661a)) to the qualifying renewable aviation fuel
10 project.

11 (3) SELECTION OF QUALIFYING RENEWABLE
12 AVIATION FUEL PROJECTS.—In selecting qualifying
13 renewable aviation fuel projects with which to enter
14 into a standby loan agreement, the Secretary shall—

15 (A) enter into not more than 2 standby
16 loan agreements with qualifying renewable avia-
17 tion fuel projects that primarily use the same
18 type of renewable biomass feedstock to produce
19 renewable aviation fuel;

20 (B) select projects to maximize the diver-
21 sity of renewable biomass feedstocks used to
22 produce renewable aviation fuel; and

23 (C) give priority to projects that use do-
24 mestically produced renewable biomass feed-
25 stocks;

1 (c) LOAN DISBURSEMENTS.—

2 (1) TIME FOR DISBURSEMENT.—The Secretary
3 shall disburse a standby loan pursuant to a standby
4 loan agreement during the primary term of the
5 agreement whenever the market price falls below the
6 specified price for that year.

7 (2) AMOUNT OF DISBURSEMENTS.—The
8 amount of the disbursements under a standby loan
9 in any calendar month shall be equal to the lesser
10 of the following:

11 (A) The excess of the specified price minus
12 the average market price for that month, times
13 the total output of the qualifying renewable
14 aviation fuel project for that month.

15 (B) The amount requested by the recipient
16 of the loan.

17 (d) LOAN REPAYMENTS.—The Secretary shall estab-
18 lish terms and conditions, including interest rates and am-
19 ortization schedules, for the repayment of a standby loan
20 made pursuant to a standby loan agreement within the
21 full term of the agreement, subject to the following limita-
22 tions:

23 (1) If in any calendar month during the pri-
24 mary term of the agreement the market price is less
25 than the specified price, the qualifying renewable

1 aviation fuel project may elect to defer some or all
2 of its repayment obligations due in that month. Any
3 unpaid obligations will continue to accrue interest.

4 (2) If in any calendar month during the pri-
5 mary term of the agreement the market price is
6 greater than the specified price, the qualifying re-
7 newable aviation fuel project shall meet its scheduled
8 repayment obligation plus deferred repayment obli-
9 gations, but shall not be required to pay in that
10 month an amount that is greater than the excess of
11 the market price minus the specified price, times the
12 output for that month.

13 (3) At the end of the primary term of the
14 agreement, the cumulative amount of any deferred
15 repayment obligations, the cumulative amount of
16 any deferred repayment obligations, together with
17 accrued interest, shall be amortized (with interest)
18 over the remainder of the full term of the agree-
19 ment.

20 (e) COMPLIANCE WITH FEDERAL CREDIT REFORM
21 ACT.—

22 (1) UPFRONT PAYMENT OF COST OF LOAN.—
23 No standby loan agreement may be entered into
24 under this subsection unless the qualifying renew-
25 able aviation fuel project makes a payment to the

1 United States that the Office of Management and
2 Budget determines is equal to the cost of such loan
3 (determined under 502(5)(B) of the Federal Credit
4 Reform Act of 1990 (2 U.S.C. 661a(5)(B)). Such
5 payment shall be made at the time the standby loan
6 agreement is executed.

7 (2) MINIMIZATION OF RISK TO THE GOVERN-
8 MENT.—In making the determination of the cost of
9 the loan for purposes of setting the payment for a
10 standby loan under paragraph (1), the Secretary
11 and the Office of Management and Budget shall
12 take into consideration current projections of avia-
13 tion fuel prices and an analysis of the uncertainty of
14 those projections. The projections and analysis of
15 uncertainty shall be based upon publicly available
16 data from the Energy Information Administration,
17 and employ statistical methods and analyses that are
18 appropriate for the analysis of uncertainty in energy
19 prices.

20 (3) TREATMENT OF PAYMENTS.—The value to
21 the United States of a payment under paragraph (1)
22 shall be taken into account for purposes of section
23 502(5)(B)(iii) of the Federal Credit Reform Act of
24 1990 (2 U.S.C. 661a(5)(B)(iii)) in determining the

1 cost to the Federal Government of a standby loan
2 made under this subsection.

3 (f) AUTHORIZATION OF APPROPRIATIONS; SPECIFIC
4 APPROPRIATION.—

5 (1) AUTHORIZATION OF APPROPRIATIONS.—

6 There is authorized to be appropriated to the Sec-
7 retary such sums as may be necessary to carry out
8 this section.

9 (2) LIMITATION.—The Secretary shall not enter
10 into a standby loan agreement unless an appropria-
11 tion for the cost of the loan has been made pursuant
12 to the authorization of appropriations in paragraph
13 (1).

