CRS Report for Congress

Received through the CRS Web

Renewable Fuels and MTBE: A Comparison of Selected Provisions in H.R. 6

Updated July 13, 2005

Brent D. Yacobucci, Mary E. Tiemann, and James E. McCarthy Resources, Science, and Industry Division

> Aaron M. Flynn American Law Division

Renewable Fuels and MTBE: A Comparison of Selected Provisions in H.R. 6

Summary

This report responds to congressional interest in comparing the House and Senate energy bill (H.R. 6) provisions involving ethanol and the gasoline additive methyl tertiary butyl ether (MTBE). On April 21, 2005, the House passed H.R. 6; the Senate passed H.R. 6 on June 28, 2005. Many provisions in the House and Senate versions of this bill are similar to the 108th Congress bills of the same number, which came close to passage, but the conference report failed to pass in the Senate.

Many provisions from Title XV of the House-passed H.R. 6 are similar to those in Title II of the Senate-passed version. Both bills would repeal the existing Clean Air Act requirement that reformulated gasoline (RFG) contain at least 2% oxygen, a requirement that led refiners and importers to use MTBE, and to a lesser extent ethanol, in their RFG. In place of this requirement, the bills would provide a major new stimulus for the use of ethanol — a provision that the annual production of motor fuels contain at least 5 billion gallons of renewable fuel in roughly seven years. Further, both bills would provide a "safe harbor" from product liability lawsuits for producers of ethanol and other renewable fuels, and both bills would ban the use of MTBE. In addition, the bills would require that the reductions in emissions of toxic substances achieved by RFG be maintained; and they allow ethanol credit trading among refiners and importers of fuels.

Major issues that the bills treat differently include whether to grant MTBE producers — in addition to ethanol producers — a safe harbor from product liability lawsuits (the House version does so, while the Senate version does not); and whether to require manufacturers of fuels and fuel additives to evaluate their impacts on public health and the environment (the Senate version does so, the House version does not).

In addition, both the House and Senate versions of H.R. 6 would amend the underground storage tank (UST) regulatory program to authorize the use of funds appropriated from the Leaking Underground Storage Tank (LUST) Trust Fund for enforcement of the UST program. Both bills also would authorize LUST Trust Fund appropriations for the remediation of leaks involving MTBE and other certain fuel additives. The House bill is much broader, and would add new leak prevention provisions to the UST program, and impose new requirements on states, EPA, and tank owners.

This report will be updated as events warrant.

Contents

| Introduction | •••• | | | • • | •• | •• | | ••• | • | •• | ••• | • • | •• | | • | ••• | | ••• | • | ••• | | • | •• | • | | • • | •• | 1 |
|--------------|------|------|-----|-----|----|-----|-----|-----|-----|----|-----|-----|----|----|-----|-----|----|-----|---|-----|-----|---|----|---|------|-----|----|---|
| Side-by-Side | Com | pari | son | of | Fι | ıel | s a | inc | 1 1 | M | ΓВ | E | Pr | ov | isi | on | IS | in | Н | .R | . 6 | 5 | | • | | | | 4 |

Renewable Fuels and MTBE: A Comparison of Selected Provisions in H.R. 6

Introduction

This report compares provisions concerning renewable fuel (e.g., ethanol) and the gasoline additive methyl tertiary butyl ether (MTBE) in Title XV of the Housepassed energy bill (H.R. 6) with similar provisions in Title II of the Senate-passed bill. H.R. 6 passed the House on April 21, 2005; it passed the Senate June 28.¹

Under the Clean Air Act Amendments of 1990, gasoline sold in numerous areas of the country with poor air quality must contain MTBE, ethanol, or other substances containing oxygen as a means of improving combustion and reducing emissions of ozone-forming compounds and carbon monoxide. The act has two programs that require the use of oxygenates, but the more significant of the two is the reformulated gasoline (RFG) program, which took effect January 1, 1995. Under the reformulated gasoline program, areas with "severe" or "extreme" ozone pollution (124 counties with a combined population of 73.6 million) must use reformulated gasoline; areas with less severe ozone pollution may opt into the program as well, and many have done so. In all, portions of 17 states and the District of Columbia use reformulated gasoline; a little more than 30% of the gasoline sold in the United States is RFG.

Since the mid-1990s, the addition of MTBE to RFG and its use in conventional gasoline has become increasingly controversial. The additive has caused numerous incidents of water contamination across the nation. The primary source of MTBE in groundwater and drinking water has been petroleum releases from leaking underground storage tanks. MTBE has been detected in drinking water sources in at least 36 states,² and 22 states have taken steps to ban or regulate its use. The most significant of these bans (in California and New York) took effect at the end of 2003, leading many to suggest that Congress revisit the issue to modify the oxygenate requirement and set more uniform national requirements regarding MTBE and its potential replacements (principally ethanol).

Both versions of H.R. 6 would repeal the Clean Air Act requirement that reformulated gasoline contain at least 2% oxygen — the requirement that forces

¹ This report focuses on provisions that address Clean Air Act, renewable fuel, and underground storage tank leak prevention and cleanup issues. It does not address other provisions of the comprehensive energy bill; for an overview of these provisions, see CRS Issue Brief IB10143. Of the four authors of this report, James McCarthy handles the Clean Air Act; Brent Yacobucci, renewable fuels; Mary Tiemann, underground storage tank issues; and Aaron Flynn, legal issues, including "safe harbor" provisions.

² American Water Works Research Foundation, *Occurrence of MTBE and VOCs in Drinking Water Sources of the United States*, 2003.

refiners and importers to use MTBE, ethanol, or other oxygenates in their RFG.³ In place of this requirement, both bills would provide a major new stimulus to promote the use of ethanol — a provision that the annual production of gasoline contain at least 5 billion gallons of renewable fuel. The House version would require 5 billion gallons by 2012; the Senate version would require 8 billion gallons in the same year.

The bills use the term "renewable fuel" rather than ethanol, so the requirement could be met by other fuels. In fact, both bills specifically include natural gas produced from landfills, sewage treatment plants, feedlots, and other decaying organic matter in the definition. The renewable fuel definition also encompasses biodiesel, which can be made from soy oil or other cooking oils. However, ethanol is the only renewable motor fuel currently being produced in significant quantities. In 2004, roughly 3.4 billion gallons of ethanol were blended with gasoline.⁴ Biodiesel, the next most significant renewable motor fuel, is currently consumed at a rate of about 50 million gallons annually, less than 2% of the amount of ethanol consumed.⁵

Besides the oxygenate and renewable fuel provisions, the bills are similar in establishing a nationwide ban on the use of MTBE (although the deadlines and potential exceptions differ); both bills establish a "safe harbor" from product liability lawsuits for producers of ethanol and other renewable fuels; both require that reductions in emissions of toxic substances achieved by RFG be maintained; both require the consolidation of summertime volatility standards for RFG produced for northern and southern markets; and both allow ethanol credit trading among refiners and importers of fuels.

Major issues the bills handle differently include:

- when to ban MTBE the Senate bill would ban its use four years after enactment, while the House bill would allow use for nine years and gives the President authority to determine that it should not be banned;
- how much to authorize for grants to assist merchant MTBE production facilities in converting to the production of other fuel additives the House bill would authorize \$2 billion in such assistance, as compared to \$1 billion in the Senate bill;

³ It should be noted that while overall requirements for RFG formulation have significantly reduced the emissions of ozone-forming pollutants, some research indicates that these emissions reductions have resulted from RFG requirements other than the oxygenate standard, and that the benefits of the oxygenate standard alone are questionable.

⁴ This is roughly 2% of total U.S. gasoline demand. Renewable Fuels Association, *Ethanol Industry Outlook 2005*, Washington, D.C., January 2005.

⁵ For additional information on ethanol and biodiesel, see CRS Report RL30758, *Alternative Transportation Fuels and Vehicles: Energy, Environment, and Development Issues*, and CRS Report RL30369, *Fuel Ethanol: Background and Public Policy Issues*.

- whether to grant MTBE producers (in addition to ethanol producers) a safe harbor the House bill would, the Senate bill would not;
- whether to require manufacturers of fuels and fuel additives to evaluate their impacts on public health and the environment the Senate bill would do so, the House bill would not;
- whether to allow EPA to control or prohibit fuels and fuel additives in order to protect water quality the Senate bill would do so, the House bill would not;
- how stringent to make the required maintenance of toxic emission reductions in RFG the Senate bill establishes a more stringent baseline; and
- what amount to authorize from the Leaking Underground Storage Tank (LUST) Trust Fund for remediation of contamination by MTBE and other fuel additives — the House version of H.R. 6 would authorize \$1 billion for the cleanup of underground storage tank (UST) leaks of fuels containing MTBE or other oxygenates (including ethanol), and another \$1 billion for EPA and states to administer and enforce the current LUST cleanup program; the Senate bill would authorize \$200 million for the cleanup of MTBE and other ether fuels (but not ethanol) from USTs and other sources.

In addition to authorizing appropriations from the LUST Trust Fund for remediating gasoline leaks involving MTBE, the House and Senate bills would amend Subtitle I of the Solid Waste Disposal Act (SWDA) to allow LUST Trust Fund appropriations to be used to enforce UST leak prevention regulations. The House bill, which is much broader, would make numerous amendments to the UST regulatory program, adding several new leak prevention provisions and new requirements for states, EPA, and tank owners. As noted, other key differences are that the Senate bill would allow funds to be used to clean up releases of MTBE and other ether fuel additives, whether a release is from an UST or other source, while the House bill would allow funds to be used to remediate releases involving MTBE and other oxygenated fuels (including ethanol), but from USTs only.

The remainder of this report provides a side-by-side comparison of the MTBE and renewable motor fuel provisions of the bills. (For additional information on MTBE, see CRS Report RL32787, *MTBE in Gasoline: Clean Air and Drinking Water Issues*. For information on ethanol, see CRS Report RL30369, *Fuel Ethanol: Background and Public Policy Issues*. For information on the safe harbor provisions, see CRS Report RS21676, *The Safe-Harbor Provision for Methyl Tertiary Butyl Ether (MTBE)*. For recent legislative actions, see CRS Issue Brief IB10128, *Alternative Fuels and Advanced Technology Vehicles: Issues in Congress.*)

CRS-4

Side-by-Side Comparison of Fuels and MTBE Provisions in H.R. 6

| Provision | H.R. 6 — Energy Policy Act of 2005, as passed the House | H.R. 6 — Energy Policy Act of 2005, as passed by the Senate |
|--|--|--|
| Renewable Content of Motor Vehicle Fuel | A new §211(o) is added to the Clean Air Act. Beginning in 2005, motor vehicle fuel must contain a certain amount of renewable fuel. In 2005, 3.1 billion gallons of renewable fuel must be sold annually, increasing to 5.0 billion gallons in 2012. After 2012, the percentage of renewable fuel required in the motor fuel pool must be the same as the percentage required in 2012. This standard will largely be met by ethanol, but other renewable fuels, such as biodiesel, are eligible. Ethanol from cellulosic biomass (including from wood and agricultural residue, animal waste, and municipal solid waste) is granted extra credits toward fulfilling the program's requirements (1 gallon of cellulosic ethanol counts as 1.5 gallons of renewable fuel). Further, the bill would establish a credit trading program to provide flexibility to refiners and blenders. [§1501] | Significant differences from the House version: Requires that 4.0 billion gallons of renewable fuel be used in 2006, increasing to 8.0 billion gallons in 2012. After 2012, the minimum requirement is the ratio of renewable fuel to gasoline in 2012, but EPA has the authority to establish a higher requirement. A gallon of cellulosic ethanol counts as 2.5 gallons of renewable fuel (1.5 gallons in the House version). Further, after 2012, a minimum of 250 million gallons of cellulosic ethanol is required in fuel annually (and would not be subject to the increased credit for cellulosic ethanol). [§211] |
| Safe Harbor | Renewable fuels, MTBE, or fuels blended with renewable fuels or MTBE cannot be deemed a "defective product." Applicability of this "safe harbor" would be conditioned upon a party's compliance with EPA regulations issued under § 211 of the Clean Air Act and any applicable requests for information. Assuming these qualifications were met, any entity within the product chain, from manufacturers to retailers, would be shielded from products liability-based lawsuits, the approach that has been taken in most of the suits filed. Liability based on other grounds, such as negligence or breach of contract, to the extent it applies, would remain intact. [§1502(a)] The provision would apply retroactively to claims filed on or after September 5, 2003, thereby nullifying numerous pending lawsuits. [§1502(b)] | Renewable fuels used or intended to be used as a motor vehicle fuel and any motor vehicle fuel containing renewable fuel cannot be deemed defective in design or manufacture. The term "renewable fuels" would be defined by a corresponding amendment to § 211 of the Clean Air Act. Further, ethers, including MTBE, would not be covered by the "safe harbor." Applicability of the provision would also be conditioned upon a party's compliance with EPA regulations issued under § 211 of the Clean Air Act and any applicable requests for information. Unlike the House bill, this provision would not apply retroactively, and pertains only to claims filed on after the date of the provision's enactment. [211(a)] |

| CRS-5 |
|-------|
|-------|

| Provision | H.R. 6 — Energy Policy Act of 2005, as passed the House | H.R. 6 — Energy Policy Act of 2005, as passed by the Senate |
|--|--|---|
| MTBE Transition Assistance | Amends §211(c) of the Clean Air Act to authorize \$2 billion (\$250 million in each of FY2005-FY2012) for grants to assist merchant U.S. producers of MTBE in converting to the production of iso-octane, iso-octene, alkylates, renewable fuels, and other fuel additives. Eligible facilities are those that produced MTBE before April 2003 and ceased production after the date of enactment. The Secretary of Energy may make grants available unless EPA determines that such additives may reasonably be anticipated to endanger public health or the environment. [§1503] | Similar provision, except that \$1 billion in grants are authorized (\$250 million in each of FY2005-FY2008). Eligible facilities are those that produced MTBE for consumption in nonattainment areas after the date of enactment. [\$223(c)] |
| Ban on Use of MTBE | Not later than December 31, 2014, the use of MTBE in motor vehicle fuel is prohibited except in states that specifically authorize it. EPA may allow MTBE in motor vehicle fuel in quantities up to 0.5% in cases the Administrator determines to be appropriate. [§1504] | Similar provisions, except that the prohibition amends Section 211(c) of the Clean Air Act and would take effect not later than 4 years after the date of enactment. [§223(c)] |
| Presidential Determination | Allows the President to make a determination, not later than June 30, 2014, that the restrictions on the use of MTBE shall not take place. [\$1505(b)] | No comparable provision. |
| National Academy of Sciences Review | Separately, requires the National Academy of Sciences to conduct a review of MTBE's beneficial and detrimental effects on environmental quality or public health or welfare, including costs and benefits. The review shall be completed by May 31, 2014. [§1505(a)] | No comparable provision. |

| Provision | H.R. 6 — Energy Policy Act of 2005, as passed the House | H.R. 6 — Energy Policy Act of 2005, as passed by the Senate |
|--------------------------------|---|---|
| Protection of Water Quality | No comparable provision. | Amends Section 211(c) of the Clean Air Act to authorize the EPA Administrator to regulate, control, or prohibit the manufacture, introduction into commerce, offering for sale, or sale of any fuel or fuel additive for use in a motor vehicle or engine if it causes or contributes to water pollution. [§223(c)] |
| Oxygen Content | Amends §211(k) of the Clean Air Act to eliminate requirement that reformulated gasoline contain at least 2% oxygen. Provision takes effect 270 days after enactment, except in California, where it takes effect immediately upon enactment. [1506(a)] | Identical provision. [§224(a)] |
| Toxic Air Pollutants | Amends §211(k)(1) of the Clean Air Act to require that each refinery or importer of gasoline maintain the average annual reductions in emissions of toxic air pollutants <i>achieved</i> by the reformulated gasoline it produced or distributed in 1999 and 2000. This provision is intended to prevent backsliding, since the reductions actually achieved in those years exceeded the regulatory requirements. Establishes a credit trading program for emissions of toxic air pollutants. [§1506(b)] | Similar anti-backsliding provision, except that the base years for determining allowable emissions are 2001 and 2002. Also provides an exception for California, which has more stringent state requirements. [§224(b)] |
| Mobile Source Air Toxics | Requires EPA to promulgate final regulations to control hazardous air pollutants from motor vehicles and their fuels by July 1, 2005. [§1506(b)] | Similar provision, but the deadline for promulgation is July 1, 2007. Also provides that if the promulgated regulations achieve and maintain greater overall reductions in emissions of air toxics from RFG than what would be achieved under the antibacksliding requirements described above, the anti-backsliding requirements shall be null and void. [§224(b)] |

| CRS-7 |
|-------|
|-------|

| Provision | H.R. 6 — Energy Policy Act of 2005, as passed the House | H.R. 6 — Energy Policy Act of 2005, as passed by the Senate |
|---|---|---|
| Consolidation of RFG Requirements | Eliminates the less stringent requirements for volatility applicable to reformulated gasoline sold in VOC Control Region 2 (northern states) by applying the more stringent standards of VOC Control Region 1(southern states) to both regions. [§1506(c)] | Identical provision. [§224(d)] |
| Public Health and Environmental Impacts of Fuels and Additives | No comparable provision. | Amends §211(b) of the Clean Air Act to require manufacturers of fuels and fuel additives to conduct tests of their health and environmental impacts (currently, these tests are at EPA's discretion and do not include environmental effects). Also requires EPA, within 2 years, to conduct a study of the health and environmental effects of MTBE substitutes, including ethanol-blended RFG. [§225] |
| Analyses of Fuel Changes | A new §211(p) is added to the Clean Air Act. Within four years of enactment, the Administrator of the Environmental Protection Agency (EPA) must publish a draft analysis of the effects of the fuels provisions in H.R. 6 on air pollutant emissions and air quality. Within five years of enactment, the Administrator is required to publish a final version of the analysis. [§1507] | Similar to the House provision, except that the Senate version also requires EPA to publish within one year of enactment a study on the effects of ethanol content on fuel permeation through vehicle fuel systems. [§226] |
| RFG Opt-In | No comparable provision. | Allows governors of 12 northeastern states (the Ozone Transport Region) to petition EPA to require RFG use in <i>attainment</i> areas in their states. The Administrator shall do so unless he determines that there is insufficient capacity to produce RFG, in which case the commencement date of the requirement shall be delayed. [§227] |

| Provision | H.R. 6 — Energy Policy Act of 2005, as passed the House | H.R. 6 — Energy Policy Act of 2005, as passed by the Senate |
|---|---|---|
| Federal Enforcement of State Standards | No comparable provision. | At the request of a state, allows federal enforcement of state controls on fuels and fuel additives. [§228] |
| Renewable Fuels Surveys | Requires DOE to collect and publish monthly survey data on the production, blending, importing, demand, and price of renewable fuels, both on a national and regional basis. [§1508] | Similar to House provision, except that DOE must also collect and publish data on production costs. [§213] |
| | Not later than December 1, 2006, and annually thereafter, requires EPA Administrator to conduct a survey to determine the market shares of conventional gasoline and RFG containing ethanol and other renewable fuels in conventional and RFG areas in each state. [§1501(c)] | Substantially similar to House version. [§212(b)] |
| Reducing the Proliferation of State Fuel Blends | A new provision is added to §211(c)(4) of the Clean Air Act. The EPA Administrator shall not approve a control or prohibition respecting the use of a fuel or fuel additive unless he finds that it will not cause fuel supply or distribution interruptions or have a significant adverse impact on fuel producibility in the affected area or contiguous areas. Within 18 months of enactment, the Administrator shall submit a report to Congress on the effects of providing a preference for RFG or either of two low volatility (7.0 and 7.8 Reid Vapor Pressure) gasolines. [§1509] | No comparable provision. |
| Reducing the Proliferation of Boutique Fuels | The EPA Administrator is permitted to temporarily waive fuel requirements, including state fuel requirements and RFG standards, in the case of a natural disaster, Act of God, pipeline or refinery equipment malfunction, or other unforseeable event. [§1541(a)] | No comparable provision. |
| | In addition, the Administrator may not approve a fuel standard under a State Implementation Plan if that standard would increase the number of unique state formulations above the number as of September 1, 2004. [§1541(b)] | |

| CRS-9 |
|-------|
|-------|

| Provision | H.R. 6 — Energy Policy Act of 2005, as passed the House | H.R. 6 — Energy Policy Act of 2005, as passed by the Senate |
|--|--|--|
| Fuel System Requirements Harmonization Study | The EPA Administrator and the Secretary of Energy are required to conduct a study of federal, state, and local motor fuels requirements. They are required to analyze the effects of various standards on consumer prices, fuel availability, domestic suppliers, air quality, and emissions. Further, they are required to study the feasibility of developing national or regional fuel standards, and to provide recommendations on legislative and administrative actions to improve air quality, increase supply liquidity, and reduce costs to consumers and producers. A report must be submitted to Congress by December 31, 2009. [§1510] | Substantially similar to the House version, except that the report must include the effects on sensitive populations, and the report must be submitted to Congress by June 1, 2008. [§229] |
| Cellulosic Biomass and Municipal Solid Waste Loan Guarantees | The Secretary of Energy is required to establish a loan guarantee program for the construction of facilities to produce fuel ethanol and other commercial byproducts from municipal solid waste and cellulosic biomass. Applicants for loan guarantees must provide assurance of repayment (at least 20%) in the form of a performance bond, insurance collateral, or other means. The section authorizes such sums as may be necessary for the program. [§1511] | The Secretary of Energy is required to establish loan guarantees for no more than four projects to demonstrate the commercial feasibility and viability of converting cellulosic biomass or sucrose into ethanol. Loan guarantees can cover a maximum amount of \$250 million per project, but in no case for more than 80% of a project's estimated cost, as well as up to 80% of project costs in excess of the estimate. No new funding is authorized. [§212(c)] |
| Cellulosic Biomass Conversion Assistance | Allows Secretary of Energy to provide grants for the construction of facilities to produce renewable fuels (including ethanol) from cellulosic biomass, agricultural byproducts, agricultural waste, and municipal solid waste. A total of \$750 million is authorized to be appropriated between FY2005 and FY2007. [\$1512] | Similar to the House version, except that only facilities that produce ethanol (and not other renewable fuels) from municipal waste or agricultural residue may qualify. A total of \$650 million is authorized between FY2005 and FY2006. [§212(f)] |
| Blending of Compliant Reformulated Gasolines | Retailers may blend batches of reformulated gasoline with and without ethanol, as long as both batches are compliant with the Clean Air Act. In a given year, retailers may only blend batches over two ten-day periods in the summer months. [§1513] | Retailers may blend batches of reformulated gasoline with and without ethanol as long as the resulting fuel is compliant with the Clean Air Act. There is no limitation on the number of batches or duration of blending. [§224(c)] |

| CRS- | 1 | 0 |
|------|---|---|
|------|---|---|

| Provision | H.R. 6 — Energy Policy Act of 2005, as passed the House | H.R. 6 — Energy Policy Act of 2005, as passed by the Senate |
|---|---|---|
| Underground Storage Tanks (USTs) | Amends Solid Waste Disposal Act (SWDA) Subtitle I. New §9004(f) directs EPA to allot to the states at least 80% of the funds made available from the Leaking Underground Storage Tank (LUST) Trust Fund under §9014(2)(A). [§1522] | No comparable provision. |
| New Uses of LUST Trust Fund | In addition to the current use of funds to carry out the response program for petroleum tank leaks under §9003(h)(7)(A) (i.e., enforcing and carrying out corrective actions, and cost recovery), §9004(f) of SWDA authorizes states to use funds to pay the reasonable costs incurred for (1) administrative expenses related to state funds or assurance programs; and (2) enforcing state UST programs. Also authorizes EPA to use funds not allotted to states to enforce any Subtitle I regulation. [§1522] | No comparable provision. |
| Cost Recovery | New SWDA §9003(h)(6)(E) requires EPA or a state, in determining the portion of cleanup costs to recover from a tank owner or operator, to consider the owner or operator's ability to pay and still maintain basic business operations. [§1522] | No comparable provision. |
| Tank Inspections | New SWDA §9005(c) requires states, within 2 years of enactment, as appropriate, to perform on-site compliance inspections of all tanks that have not been inspected since Dec. 1998 (when final UST regulations went into effect). Then, as appropriate, states must conduct inspections of tanks at least once every 3 years. EPA may grant a state a 1-year extension to the first 3-year inspection interval. [§1523] | No comparable provision. |
| State Compliance Reports | New SWDA §9003(i) requires states to prepare and submit to EPA compliance reports on government-owned tanks in the state. [§1526(b)] (<i>Note:</i> §1530(a) also adds a new SWDA §9003(i) on additional groundwater protection measures.) | No comparable provision. |
| LUST Trust Fund Authorization of Appropriations | §9014(2)(C) authorizes the appropriation of \$100 million for each of FY2005-FY2009 to carry out §9003(i), §9004(f), and §9005(c). [§1531] | No comparable provision. |

| Provision | H.R. 6 — Energy Policy Act of 2005, as passed the House | H.R. 6 — Energy Policy Act of 2005, as passed by the Senate |
|---|--|--|
| LUST Trust Fund Authorization of Appropriations for LUST Response Program | New SWDA §9014(2)(A) authorizes the appropriation of \$200 million for each of FY2005-FY2009 from the LUST Trust Fund for EPA and states to carry out §9003(h), the response program for leaking petroleum tanks (except for MTBE and other oxygenated fuel remediation). [§1531] | No comparable provision. |
| Remediation of MTBE and Other Fuel Additives | New SWDA §9003(h)(12) authorizes EPA and states to use funds from the LUST Trust Fund to remediate underground storage tank releases of fuels containing <i>oxygenated fuel</i> additives (e.g., MTBE, other ethers, and ethanol). [§1525] | Similar, except that funds may be used to remediate contamination from MTBE and other ether fuel additives (not ethanol); releases need not be from underground storage tanks to be eligible for funding. [§222(a)] |
| LUST Trust Fund Authorization of Appropriations | New SWDA §9014(2)(B) authorizes for this purpose the appropriation of \$200 million annually for FY2005-FY2009. [§1531(a)] | New SWDA §9011(1) authorizes for this purpose the appropriation of \$200 million for FY2005, to remain available until expended. [§222(a)] |
| Use of LUST Trust Fund for UST Program Enforcement | New SWDA §9011 authorizes EPA and states to use funds from the LUST Trust Fund to conduct inspections, issue orders, or otherwise enforce Subtitle I regulations (UST leak prevention and detection regulations, as well as LUST response program regulations). [§1526(a)] | Adds similar new §9010. [§222(b)] |

| CRS- | 12 |
|------|----|
|------|----|

| Provision | H.R. 6 — Energy Policy Act of 2005, as passed the House | H.R. 6 — Energy Policy Act of 2005, as passed by the Senate |
|---|--|---|
| Other UST Requirements and Funding | Subtitle I makes several other changes to the UST regulatory program in SWDA, imposing new requirements on state and federal governments, and tank owners, operators and installers: | No comparable provisions. |
| UST Operator Training | Revised §9010 requires states to develop operator training requirements, based on EPA guidance (applicable to persons with primary and daily tank operation and maintenance responsibilities, and spill response responsibilities). [§1524] | No comparable provision. |
| Delivery prohibition | New §9012 prohibits product delivery to tanks that EPA or a state determines are ineligible for fuel delivery. Requires EPA and states to develop delivery prohibition rosters. Provides for civil penalties for violations of this prohibition. [§1527] | No comparable provision. |
| Federal Facilities | Amends §9007 to clarify and expand compliance requirements for USTs under the jurisdiction of the federal government. [§1528] | No comparable provision. |
| Tanks under Tribal Jurisdiction | New §9013 requires EPA, with Indian tribes, to develop and implement a strategy to address releases on tribal lands. [§1529] | No comparable provision. |
| Other Groundwater Protection Measures (Secondary Containment, Financial Responsibility) | New §9003(i) provides that, beginning 18 months after enactment, states that receive funding under Subtitle I must do one of the following: (1) require that newly installed or replaced tanks and piping are secondarily contained and monitored for leaks if the tank or piping is within 1,000 feet of a community water system or potable well; (2) require that UST manufacturers and installers maintain evidence of financial responsibility to pay for corrective actions, and require that persons installing UST systems are certified or licensed, or that their UST system installation is certified by a professional engineer or inspected and approved by the state, or is compliant with a code of practice or other method determined by a state (or EPA) to be no less protective of human health and the environment. [§1530(a)] <i>(Note: §1526(b) and §1530(a) both create a new §9003(i).)</i> | No comparable provision. |

| CRS-13 | |
|--------|--|
|--------|--|

| Provision | H.R. 6 — Energy Policy Act of 2005, as passed the House | H.R. 6 — Energy Policy Act of 2005, as passed by the Senate |
|--|--|--|
| LUST Trust Fund Authorization of Appropriations | New SWDA §9014(2)(D) authorizes the appropriation of \$55 million for each of FY2005-FY2009 to carry out §9010 (operator training), §9011 (enforcement), §9012 (delivery prohibition) and §9013 (Indian lands strategy). [§1531] | New SWDA §9011(2) authorizes the appropriation of \$50 million for FY2005 and \$30 million for each of FY2006-FY2010 to carry out §9010 (enforcement). [§222(b)] |
| Authorization of Appropriations (General Revenues) | New SWDA §9014(1) authorizes the appropriation of \$50 million for each of FY2005-FY2009 to carry out Subtitle I (except for §9003(h) (LUST cleanup program),§9005(c) (inspections), §9011(enforcement), and §9012 (delivery prohibition). [§1531] | No comparable provision. |
| Resource Center | No comparable provision. | Authorizes \$4 million for the Mississippi State University and Oklahoma State University for each of FY2005-FY2007 for a resource center to further develop bioconversion technology using low-cost biomass for the production of ethanol. [§212(d)] |
| Renewable Fuel Production Research and Development Grants | No comparable provision. | Authorizes \$25 million in each of FY2006-FY2010 for research, development, and implementation of renewable fuel production technologies in RFG states with low rates of ethanol production. [§212(e)] |
| Advanced Biofuels Technology Program | No comparable provision. | Authorizes \$110 million in each of FY2005 through FY2009 for projects to demonstrate new technologies for the production of biofuels. The program must fund at least 4 different technologies for producing cellulosic biomass ethanol and at least 5 technologies for the production of value-added biodiesel fuel coproducts. Preference is given to projects that enhance geographical diversity of alternative fuel production and to projects with feedstocks used in 10 percent or less of annual ethanol and biodiesel production. [§230] |
| Sugar Cane Ethanol Program | No comparable provision. | Establishes a program to study the production of ethanol from cane sugar, sugarcane, and sugarcane byproducts. The program would be limited to projects in Florida, Louisiana, Texas, and Hawaii. A total of \$36 million is authorized. [§231] |