

1 **TITLE VIII—COAL**

2 **SEC. 8001. AUTHORIZATION OF APPROPRIATIONS.**

3 (a) CLEAN COAL POWER INITIATIVE.—Except as  
4 provided in subsection (b), there are authorized to be ap-  
5 propriated to the Secretary to carry out the activities au-  
6 thorized by this title \$200,000,000 for each of the fiscal  
7 years 2005 through 2013, to remain available until ex-  
8 pended.

9 (b) LIMIT ON USE OF FUNDS.—The Secretary shall  
10 transmit to the Congress the report required by this sub-  
11 section not later than September 30, 2004. Notwith-  
12 standing subsection (a), no funds may be used to carry  
13 out the activities authorized by this title after September  
14 30, 2004, unless the report has been transmitted. The re-  
15 port shall include, with respect to subsection (a), a 10-  
16 year plan containing—

17 (1) a detailed assessment of whether the aggre-  
18 gate funding levels provided under subsection (a) are  
19 the appropriate funding levels for that program;

20 (2) a detailed description of how proposals will  
21 be solicited and evaluated, including a list of all ac-  
22 tivities expected to be undertaken;

23 (3) a detailed list of technical milestones for  
24 each coal and related technology that will be pur-  
25 sued; and

1           (4) a detailed description of how the program  
2           will avoid problems enumerated in General Account-  
3           ing Office reports on the Clean Coal Technology  
4           Program, including problems that have resulted in  
5           unspent funds and projects that failed either finan-  
6           cially or scientifically.

7           (c) **APPLICABILITY.**—Subsection (b) shall not apply  
8           to any project begun before September 30, 2004.

9           **SEC. 8002. PROJECT CRITERIA.**

10          (a) **IN GENERAL.**—The Secretary shall not provide  
11          funding under this title for any project that does not ad-  
12          vance efficiency, environmental performance, and cost  
13          competitiveness well beyond the level of technologies that  
14          on a full scale are in operation or have been demonstrated  
15          as of the date of the enactment of this Act.

16          (b) **TECHNICAL CRITERIA FOR CLEAN COAL POWER**  
17          **INITIATIVE.**—

18                 (1) **GASIFICATION.**—(A) In allocating the funds  
19                 made available under section 8001(a), the Secretary  
20                 shall ensure that up to 80 percent of the funds are  
21                 used only for coal-based gasification technologies, in-  
22                 cluding gasification combined cycle, gasification fuel  
23                 cells, gasification coproduction and hybrid gasifi-  
24                 cation/combustion.

1 (B) The Secretary shall set technical milestones  
2 specifying emissions levels for projects funded under  
3 this paragraph. The milestones shall be designed to  
4 increasingly restrict emission levels through the life  
5 of the program. The milestones shall be designed to  
6 achieve by 2020 coal gasification projects able—

7 (i) to remove 99 percent of sulfur dioxide;

8 (ii) to emit no more than .05 lbs of NO<sub>x</sub>  
9 per million BTU;

10 (iii) to achieve substantial reductions in  
11 mercury emissions; and

12 (iv) to achieve a thermal efficiency of—

13 (I) 60 percent for coal of more than  
14 9,000 Btu;

15 (II) 59 percent for coal of 7,000 to  
16 9,000 Btu; and

17 (III) 50 percent for coal of less than  
18 7,000 Btu.

19 (2) OTHER PROJECTS.—For projects not de-  
20 scribed in paragraph (1), the Secretary shall set  
21 technical milestones specifying emissions levels. The  
22 milestones shall be designed to increasingly restrict  
23 emission levels through the life of the program. The  
24 milestones shall be designed to achieve by 2010  
25 projects able—

1 (A) to remove 97 percent of sulfur dioxide;

2 (B) to emit no more than .08 lbs of NO<sub>x</sub>  
3 per million BTU;

4 (C) to achieve substantial reductions in  
5 mercury emissions; and

6 (D) except as provided in paragraph (4),  
7 to achieve a thermal efficiency of—

8 (i) 45 percent for coal of more than  
9 9,000 Btu;

10 (ii) 44 percent for coal of 7,000 to  
11 9,000 Btu; and

12 (iii) 42 percent for coal of less than  
13 7,000 Btu.

14 (3) CONSULTATION.—Before setting the tech-  
15 nical milestones under paragraphs (1)(B) and (2),  
16 the Secretary shall consult with the Administrator of  
17 the Environmental Protection Agency and interested  
18 entities, including coal producers, industries using  
19 coal, organizations to promote coal or advanced coal  
20 technologies, environmental organizations, and orga-  
21 nizations representing workers.

22 (4) EXISTING UNITS.—In the case of projects  
23 at existing units, in lieu of the thermal efficiency re-  
24 quirements set forth in paragraph (1)(B)(iv) and  
25 (2)(D), the projects shall be designed to achieve an

1 overall thermal design efficiency improvement com-  
2 pared to the efficiency of the unit as operated, of not  
3 less than—

4 (A) 7 percent for coal of more than 9,000  
5 Btu;

6 (B) 6 percent for coal of 7,000 to 9,000  
7 Btu; or

8 (C) 4 percent for coal of less than 7,000  
9 Btu.

10 “(5) PERMITTED USES.—In allocating funds  
11 made available under section 8001, the Secretary  
12 may fund projects that include, as part of the  
13 project, the separation and capture of carbon diox-  
14 ide.

15 (c) FINANCIAL CRITERIA.—The Secretary shall not  
16 provide a funding award under this title unless the recipi-  
17 ent has documented to the satisfaction of the Secretary  
18 that—

19 (1) the award recipient is financially viable  
20 without the receipt of additional Federal funding;

21 (2) the recipient will provide sufficient informa-  
22 tion to the Secretary for the Secretary to ensure  
23 that the award funds are spent efficiently and effec-  
24 tively; and

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

5           (d) FINANCIAL ASSISTANCE.—The Secretary shall  
6           provide financial assistance to projects that meet the re-  
7           quirements of subsections (a), (b), and (c) and are likely  
8           to—

9           (1) achieve overall cost reductions in the utiliza-  
10          tion of coal to generate useful forms of energy;

11          (2) improve the competitiveness of coal among  
12          various forms of energy in order to maintain a diver-  
13          sity of fuel choices in the United States to meet elec-  
14          tricity generation requirements; and

15          (3) demonstrate methods and equipment that  
16          are applicable to 25 percent of the electricity gener-  
17          ating facilities, utilizing different types of coal, that  
18          use coal as the primary feedstock as of the date of  
19          the enactment of this Act.

20          (e) FEDERAL SHARE.—The Federal share of the cost  
21          of a project funded by the Secretary under this title shall  
22          not exceed 50 percent.

23          (f) APPLICABILITY.—No technology, or level of emis-  
24          sion reduction, shall be treated as adequately dem-  
25          onstrated for purposes of section 111 of the Clean Air Act,

1 achievable for purposes of section 169 of that Act, or  
2 achievable in practice for purposes of section 171 of that  
3 Act solely by reason of the use of such technology, or the  
4 achievement of such emission reduction, by one or more  
5 facilities receiving assistance under this title.

6 **SEC. 8003. REPORT.**

7 Not later than 1 year after the date of the enactment  
8 of this Act, and once every 2 years thereafter for the fol-  
9 lowing 8 years, the Secretary, in consultation with other  
10 appropriate Federal agencies, shall transmit to the Con-  
11 gress a report describing—

12 (1) the technical milestones set forth in section  
13 8002 and how those milestones ensure progress to-  
14 ward meeting the requirements of subsections  
15 (b)(1)(B) and (b)(2) of section 8002; and

16 (2) the status of projects funded under this  
17 title.

18 **SEC. 8004. CLEAN COAL CENTERS OF EXCELLENCE.**

19 As part of the program authorized in section 8001,  
20 the Secretary shall award competitive, merit-based grants  
21 to universities for the establishment of Centers of Excel-  
22 lence for Energy Systems of the Future. The Secretary  
23 shall provide grants to universities that can show the  
24 greatest potential for advancing new clean coal tech-  
25 nologies.