

Coal-to-Liquid Fuel Promotion Act of 2007
Senators Bunning and Obama

1. Department of Energy Planning and Construction Assistance

- **Loan Guarantees** – Authorizes DOE to administer loan guarantees for the first CTL plants. These plants must have a minimum production of 10,000 barrels a day and the loan guarantee program would expire once ten large-scale plants are built or commercial production reaches 100,000 barrels of CTL fuel daily.
- **Planning Loans** – Create DOE program to issue matching loans to groups engaged in the permitting and planning of a large-scale CTL plant. The loans are capped at \$20 million, must be matched dollar-for-dollar by non-Federal money, and must be repaid after the plant is financed (within 5 years).
- **Expanded Plant Siting** – Authorizes DOE, DOD, and other agencies to promulgate regulations to allow BRAC sites, current DOD bases, and current and former DOE facilities to be considered as sites for commercial CTL plants.
- **Emissions Report** – Requires comprehensive, university-based testing and evaluation of Fischer-Tropsch fuels to be completed in cooperation with the DOE, EPA, DOD, FAA and HHS.

2. Tax Incentives for Investment and Production

- **Investment Tax Credit and Expensing**– Expands 20% tax credit for CTL plants (including the infrastructure needed to capture, transport and sequester carbon) capped at \$200 million a plant and limited to 10 plants. Provides a similar provision for expensing these investments, but does not allow double dipping.
- **Fuel Excise Tax Extension for CTL** – Extends the fuel tax credit for CTL products from 2009 (From SAFETEA-LU) until January 1, 2020.
- **Enhanced oil, natural gas, coalbed methane recovery, and capture and sequestration credit** – Increases the tax credit to 50% from 15% for equipment for the separation, delivery and sequestration of CO₂ put in place before 2020.

3. National Security and Defense

- **Strategic Petroleum Reserve** – Requires a DOD report on CTL fuel storage and inclusion in the SPR, authorizes the construction of SPR storage facilities for CTL fuel to be located outside of the Gulf States and authorizes that the SPR to hold up to 20% of the reserve in the form of CTL finished fuels.
- **DOD Research and Development** – Authorizes funding for the Air Force CTL R&D and testing program.
- **DOD Multi-year contracting** – Authorizes DOD contract authority for up to 25 years to purchase CTL fuel.