



Sen. David Koehler

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1 AMENDMENT TO SENATE BILL 1556

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1556 by replacing  
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the Clean  
5 Transportation Standard Act.

6 Section 5. Findings. The General Assembly finds that:

7 (1) The transportation sector in this State is a  
8 leading source of criteria air pollutants and greenhouse  
9 gas emissions, which collectively endanger public health  
10 and welfare by causing and contributing to increased air  
11 pollution and climate change.

12 (2) Shifting from petroleum-based transportation fuels  
13 to alternative fuels has the potential to significantly  
14 reduce transportation emissions of air pollutants and  
15 greenhouse gases and is recommended by the  
16 Intergovernmental Panel on Climate Change as an important

1 pathway for holding global warming at 1.5 degrees Celsius.  
2 A clean transportation standard would promote innovation  
3 in and production and use of nonpetroleum fuels that  
4 reduce vehicle-related and fuel-related air pollution that  
5 endangers public health and welfare and disproportionately  
6 impacts disadvantaged communities.

7 (3) Credits generated through the use of clean fuel  
8 under this Act will promote innovation and investment in  
9 clean fuels.

10 Section 10. Definitions. As used in this Act:

11 "Agency" means the Environmental Protection Agency.

12 "Aggregator" or "credit aggregator" means a person who  
13 registers to participate in the clean transportation standard  
14 program on behalf of one or more credit generators to  
15 facilitate credit generation and to trade credits.

16 "Aviation fuel" means a fuel suitably blended to be used  
17 in aviation engines.

18 "Backstop aggregator" means a qualified nonprofit entity  
19 approved by the Agency to aggregate credits for electricity  
20 used as a transportation fuel when those credits would not  
21 otherwise be generated.

22 "Board" means the Pollution Control Board.

23 "Carbon intensity" means the amount of life cycle  
24 greenhouse gas emissions per unit of fuel energy expressed in  
25 grams of carbon dioxide equivalent per megajoule.

1 "Clean fuel" means a transportation fuel that is  
2 domestically produced and has a carbon intensity below the  
3 clean transportation standard carbon intensity standard in a  
4 given year.

5 "Clean transportation standard" means the standard adopted  
6 by the Board under Section 15 for the reduction, on average, of  
7 life cycle carbon intensity of fuels used for on-road  
8 transportation. If there is an industry-accepted standard for  
9 calculating the carbon intensity of different modes of  
10 transportation, such as off-road, light rail, and other forms  
11 of mass transportation, the Board shall adopt that standard  
12 for those modes of transportation.

13 "Consumer Price Index for All Urban Consumers" or "CPI-U"  
14 means the index published by the Bureau of Labor Statistics of  
15 the United States Department of Labor that measures the  
16 average change in prices of goods and services, United States  
17 city average, all items.

18 "Credit" means a unit of measure generated when clean fuel  
19 is provided for use in this State, such that one credit is  
20 equal to one metric ton of carbon dioxide equivalent.

21 "Credit generator" means a regulated entity that generates  
22 a credit in the clean transportation standard.

23 "Deficit" means a unit of measure generated when a fuel  
24 provided in this State has a carbon intensity that exceeds the  
25 clean transportation standard for the applicable year,  
26 expressed in metric tons of carbon dioxide equivalent.

1 "Deficit generator" means a regulated entity that  
2 generates a deficit in the clean transportation standard.

3 "Fuel" means any one or more of the following that is used  
4 to power vehicles or equipment for the purpose of  
5 transportation: electricity or a liquid, gaseous, or blended  
6 fuel, including gasoline, diesel, liquefied petroleum gas,  
7 natural gas, or hydrogen.

8 "Fuel pathway" means a detailed description of all stages  
9 of a transportation fuel's production and use, including  
10 feedstock growth, extraction, processing, transportation,  
11 distribution, and combustion or use by an end user.

12 "Life cycle carbon intensity" means the quantity of  
13 greenhouse gas emissions per unit of energy, expressed in  
14 carbon dioxide equivalent per megajoule, emitted by the fuel,  
15 including both direct and indirect sources, as calculated by  
16 the Agency under subsection (2) of Section 20 using the  
17 methods described under Section 30.

18 "Military tactical vehicle" means a motor vehicle owned by  
19 the U.S. Department of Defense or the U.S. military services  
20 and used in combat, combat support, combat service support,  
21 tactical or relief operations, or training for such  
22 operations.

23 "Petroleum-only portion" means the component of gasoline  
24 or diesel fuel before blending with ethanol, biodiesel,  
25 biofuel, or other clean fuel.

26 "Provider" means:

1           (1) with respect to any liquid fuel, hydrogen fuel,  
2           and renewable propane used as a fuel source for  
3           transportation, the person who refines, produces, or  
4           imports the fuel;

5           (2) with respect to any biomethane, the person who  
6           imports or produces, refines, treats, or otherwise  
7           processes biogas into biomethane used as a fuel source for  
8           transportation;

9           (3) with respect to electricity used as a fuel source  
10          for transportation, the person who is the direct provider  
11          of electricity, the electric vehicle charging service  
12          provider, the electric utility, the electric vehicle fleet  
13          operator, the electric vehicle manufacturer, and the  
14          owners or operators of charging stations located on  
15          commercial property; or

16          (4) with respect to other types of fuel, a person  
17          determined to be the provider by the Agency.

18          "Provider" does not include the owner or operator of a  
19          residential charging station.

20          "Regulated entity" means any entity, whether a credit  
21          generator or deficit generator, that has registered, on a  
22          mandatory or permissive basis, to participate in the clean  
23          transportation standard.

24          "Sustainable aviation fuel" means an aviation fuel with a  
25          carbon intensity sufficient to generate credits under the  
26          clean transportation standard upon its production or supply.

1 "Tactical support equipment" means equipment using a  
2 portable engine, including turbines, that meets military  
3 specifications, is owned by the U.S. Department of Defense or  
4 the U.S. military services or its allies, and is used in  
5 combat, combat support, combat service support, tactical or  
6 relief operations, or training for such operations. "Tactical  
7 support equipment" includes, but is not limited to, engines  
8 associated with portable generators, aircraft start carts,  
9 heaters and lighting carts.

10 Section 15. Rulemaking and baseline calculations for clean  
11 transportation standard.

12 (a) To the extent allowed by federal law, within 24 months  
13 after the effective date of this Act, the Agency shall propose  
14 and the Board shall adopt rules establishing a clean  
15 transportation standard in order to reduce, within 10 years of  
16 the adoption of the Agency's rules by the Board, the life cycle  
17 carbon intensity of fuels for the ground transportation sector  
18 by 25% below the 2019 baseline level as calculated under this  
19 Section. After the 25% reduction described in this Section is  
20 attained, the Agency shall prepare a report that proposes  
21 further reductions in the life cycle carbon intensity of fuels  
22 for the ground transportation sector for the following 10  
23 years. The report prepared by the Agency shall include  
24 proposed changes to this Act that are required to implement  
25 those reductions. The rules proposed and adopted shall be

1 subject to public notice and comment under the Illinois  
2 Administrative Procedure Act. The Board may recommend to the  
3 General Assembly reductions to the clean transportation  
4 standard below those adopted in accordance with this Act,  
5 using factors, including, but not limited to, advances in  
6 clean fuel technology. The rules adopted by the Board under  
7 this Section shall include fees for the registration of  
8 regulated entities to offset the costs incurred by the Board  
9 and the Agency that are associated with implementing the clean  
10 transportation standard. These fees shall be used only in  
11 connection with the administration of the program and may be  
12 levied differently based on whether a regulated entity is a  
13 credit generator or deficit generator. Except where otherwise  
14 provided in this Act, the Agency shall consider rules that are  
15 harmonized, to the extent practicable, with the regulatory  
16 standards, exemptions, reporting obligations, and other clean  
17 transportation standard compliance requirements and methods  
18 for credit generation of other states that have adopted  
19 low-carbon fuel standards or similar greenhouse gas emissions  
20 requirements applicable specifically to transportation fuels.

21 (b) The Agency shall calculate the baseline carbon  
22 intensities of the petroleum-only portion of all  
23 transportation fuels produced or imported in 2019 for use in  
24 this State by:

25 (1) reviewing and considering the best available  
26 applicable scientific data and calculations; and

1           (2) using a life cycle emissions, performance-based  
2           approach that is technology-and-feedstock neutral.

3           Section 20. Contents of clean transportation standard. The  
4           clean transportation standard adopted by the Board, by rule,  
5           shall:

6           (1) apply to all providers in the State;

7           (2) be measured based on a life cycle carbon intensity  
8           that shall be calculated by the Agency in accordance with  
9           Section 30;

10          (3) recognize voluntary farm emissions reductions that  
11          contribute to the reduced carbon intensity of fuels by  
12          allowing credit generators to use individualized  
13          farm-level carbon intensity scoring for approved  
14          sustainable agricultural practices and by requiring the  
15          Agency to use the GREET model's Feedstock Carbon Intercity  
16          Calculator (FD-CIC) to determine individualized farm-level  
17          carbon intensity scoring;

18          (4) take into consideration the low-carbon clean  
19          transportation fuel standards that are pending or have  
20          been adopted in other states, including their provisions  
21          related to the inclusion of additional credit  
22          opportunities from activities and projects that support  
23          the reduction or removal of greenhouse gas emissions  
24          associated with transportation in the State, and that  
25          allow regulated entities to generate credits under any



1 overlapping current and future federal transportation fuel  
2 statutes and regulations;

3 (5) include a credit price cap (i) that is to be  
4 determined by the Agency and confirmed by the Board to  
5 contain costs if the fuel supply forecasts determine that  
6 not enough credits will be available and (ii) that shall  
7 be adjusted annually by the rate of inflation as measured  
8 by the most recently available 12 months of the Consumer  
9 Price Index for All Urban Consumers;

10 (6) contain a structure for compliance that conforms  
11 with the marketplace system described in Section 25,  
12 including, but not limited to, details, such as:

13 (A) methods for assigning compliance obligations  
14 and methods for tracking tradable credits;

15 (B) mechanisms that allow credits to be traded,  
16 transferred, sold, and banked for future compliance  
17 periods;

18 (C) mechanisms that provide for the creation of a  
19 list of accepted credit transactions and a list of  
20 prohibited forms of credit transactions, which may  
21 include trades involving, related to, or associated  
22 with any of the following:

23 (i) any manipulative or deceptive device;

24 (ii) a corner or an attempt to corner the  
25 market for credits;

26 (iii) fraud or an attempt to defraud any other

1           entity;

2                   (iv) false, misleading, or inaccurate reports  
3           concerning information or conditions that affect  
4           or tend to affect the price of a credit; and

5                   (v) applications, reports, statements, or  
6           documents required to be filed under this Act that  
7           are false or misleading with respect to a material  
8           fact or that omit a material fact necessary to  
9           make the contents therein not misleading;

10           (C) procedures for verifying the validity of  
11           credits and deficits generated under the clean  
12           transportation standard;

13           (D) mechanisms by which persons associated with  
14           the supply chains of transportation fuels that are  
15           used for purposes that are exempt from the clean  
16           transportation standard described in Section 40 and  
17           persons that are associated with the supply chains of  
18           transportation fuels and will generate credits may  
19           register with the Agency to participate in the clean  
20           transportation standard program; and

21           (E) an administrative procedure by which a  
22           regulated entity may contest the Board's or Agency's  
23           calculation prior to the levying of a penalty for  
24           failure to remedy a given deficit;

25           (F) procedures that will allow the Agency to  
26           cancel or reverse (i) a credit transfer that is

1           determined to be a prohibited transaction under items  
2           (i) through (v) of subparagraph (B) or (ii) any other  
3           prohibited transaction as determined by the Board in  
4           rulemaking;

5           (7) contain a program review procedure whereby the  
6           Board or Agency shall, every 3 years after the  
7           implementation of the clean transportation standard,  
8           solicit feedback from and consult with representatives  
9           from stakeholder groups, including representatives from  
10          the fuel production industry, the transportation industry,  
11          the agricultural industry, environmental advocacy  
12          organizations, labor organizations, representatives from  
13          impacted environmental justice communities, as defined in  
14          Section 801-10 of the Illinois Finance Authority Act, and  
15          representatives from related State agencies; the substance  
16          of the consultations shall include, but may not be limited  
17          to, a review of the economic impact of the clean  
18          transportation standard, whether the clean transportation  
19          standard is adhering to the established carbon intensity  
20          reduction goals, the health impact of the emissions  
21          reductions on disadvantaged environmental justice  
22          communities, as defined in Section 801-10 of the Illinois  
23          Finance Authority Act, and whether access to  
24          transportation has been affected as a result of the  
25          implementation of the clean transportation standard;

26          (8) include annual carbon intensity reduction

1 standards that are to be met by regulated entities and  
2 that result in the attainment of carbon intensity  
3 reduction targets set by the Board;

4 (9) maximize benefits to the environment and natural  
5 resources and develop safeguards and incentives to protect  
6 natural lands and enhance environmental integrity,  
7 including biodiversity;

8 (10) aim to support, through credit generation or  
9 other financial means, voluntary farmer-led efforts to  
10 adopt agricultural practices that benefit soil health and  
11 water quality;

12 (11) support equitable transportation electrification  
13 that benefits all communities and is powered primarily  
14 with low-carbon and carbon-free electricity;

15 (12) seek to improve air quality and public health,  
16 targeting communities that bear a disproportionate health  
17 burden from transportation pollution;

18 (13) establish, in consultation with the Department of  
19 Agriculture and the Department of Transportation, a  
20 procedure for determining fuel pathways that:

21 (A) is consistent for all fuel types;

22 (B) is based on science and engineering; and

23 (C) accounts for any on-site additional energy use  
24 by a carbon capture technology employed in the fuel  
25 production process, including, but not limited to,  
26 generation, distillation, and compression;

1           (14) recognize that farmers who can demonstrate use of  
2 production methods that lower the carbon intensity of  
3 their commodities shall be compensated a fair market value  
4 that is, at minimum, commensurate with costs associated  
5 with those low-carbon production methods or shall be  
6 provided a fair share of the increased market value of the  
7 end-use product that their commodity is used to produce.  
8 Compensation may come in a variety of forms, including,  
9 but not limited to, practice-based incentive payments,  
10 outcome-based incentive payments, price premiums, or other  
11 forms of payment. The Agency shall also protect farm data  
12 by ensuring farmer ownership of data for a specific amount  
13 of time or negotiated on an annual basis;

14           (15) contain mechanisms to excuse noncompliance from  
15 enforcement action if compliance is impossible, including  
16 rules that shall specify the criteria and procedures for  
17 the Agency to determine whether a period of noncompliance  
18 is excusable in accordance with Sections 50 and 55;

19           (16) include mechanisms by which providers who would  
20 be eligible to generate credits from electricity used as  
21 transportation fuel may assign their right to generate  
22 credits to an aggregator, and include mechanisms by which  
23 a backstop aggregator may register with the program to  
24 generate credits if an electric utility opts out of the  
25 program; and

26           (17) provide indirect accounting mechanisms, such as

1 book-and-claim or mass-balancing for clean fuels entering  
2 fungible supply systems that can access this State.

3 Section 25. Credit market; verification and data privacy;  
4 compliance and penalties.

5 (a) The clean transportation standard adopted by the Board  
6 shall take the form of a credit marketplace with the following  
7 structure. The marketplace shall consist of a system of  
8 credits and deficits monitored by the Agency. The Agency shall  
9 compile a list of fuel pathways that providers may use to  
10 generate credits. Providers seeking to be credit generators  
11 must register with the Agency and attest to the transportation  
12 fuels they provide in the State in order to qualify to generate  
13 credits. Each deficit generator must register and comply with  
14 the program. Fuels that are registered with the program must  
15 have a dedicated, verifiable fuel pathway with a carbon  
16 intensity score measurable by software described in Section 30  
17 and assigned a unique identifier by the Agency. Providers  
18 reaching or exceeding the required reduction of life cycle  
19 carbon intensity under the clean transportation standard shall  
20 receive credits from the Agency upon verification described in  
21 subsection (b) at the end of a reoccurring reporting period as  
22 determined by the Agency. Fuel providers that are deficit  
23 generators during a year shall eliminate the deficit by either  
24 providing transportation fuels whose carbon intensity is at or  
25 below the level of that year's annual clean transportation

1 standard or by purchasing credits to offset the deficit. The  
2 system of credits created under this subsection shall provide  
3 credits based on a life cycle emissions performance-based  
4 approach that is technology neutral, feedstock neutral, and  
5 has the purpose of achieving transportation fuel  
6 decarbonization.

7 (b) The Agency must, in collaboration with the Department  
8 of Agriculture and the Department of Transportation, establish  
9 acceptable methods to verify that the transportation fuel used  
10 by regulated entities has been provided following the pathway  
11 bearing the unique identifier as attested by the regulated  
12 entity. The Agency is authorized to contract with third party  
13 verifiers to accomplish this requirement. Upon registering  
14 with the program, regulated entities must agree to provide  
15 data related to the registered fuel pathway used to generate  
16 credits or deficits with the Agency as required to administer  
17 the program. Upon registering with the program, regulated  
18 entities must agree to be subject to periodic audits as  
19 determined by the Agency.

20 All information gathered by or provided to the Agency or  
21 contractors of the Agency, either by regulated entities,  
22 agents of regulated entities, or growers of feedstock used in  
23 a registered fuel pathway by regulated entities, through  
24 either voluntary disclosure or audit, must not be shared by  
25 the Agency with any party except in relation to the  
26 administration of the clean transportation standard absent

1 written consent by the regulated entity and the entity from  
2 which the data was gathered. This data must not be used for any  
3 purpose outside of the administration and enforcement of the  
4 clean transportation standard except by written consent from  
5 the original data holder. Ownership of all data shared or  
6 collected by the Agency for the administration and enforcement  
7 of the clean transportation standard is retained with the  
8 entity from which the data originates. Data protected under  
9 this subparagraph does not include a regulated entity's credit  
10 or deficit balance, which may be publicly disclosed by the  
11 Agency.

12 (c) Deficit generators who fail to offset their deficits  
13 at the conclusion of any compliance period administered by the  
14 Agency shall be subject to a civil penalty established by the  
15 Agency subject to the following limitations:

16 (1) the value of the penalty shall correspond to the  
17 amount of deficits attributed to a given regulated entity  
18 at the time the transaction has completed; and

19 (2) for every one deficit the regulated entity fails  
20 to offset, the penalty for failure to offset that deficit  
21 shall not exceed 10 times the value of the credit needed to  
22 offset the deficit.

23 (d) Regulated entities that submit false information in  
24 support of an application to register for the clean  
25 transportation standard, that share false information during  
26 an audit or in support of an attestation, or that otherwise



1 share false or inaccurate information to the Agency or a  
2 contractor working under the direction of the Agency shall be  
3 subject to penalties to be determined by the Agency by rule.  
4 Penalties under this paragraph may include monetary penalties,  
5 forfeiture of credits, and reversals of prohibited  
6 transactions as described in subparagraph (B) of paragraph (6)  
7 of Section 20. The Agency may waive penalties under this  
8 subparagraph. If the violator under this subsection is a  
9 credit generator, following 3 violations, the Agency may  
10 remove the violating credit generator from the clean  
11 transportation standard. In determining whether penalties  
12 should be applied and, if a penalty is to be applied, the  
13 amount of penalties to be levied for violations under this  
14 subparagraph, the Agency shall consider:

15 (1) evidence of willfulness by the regulated entity to  
16 submit false information;

17 (2) the scope of the false information;

18 (3) evidence of past submissions of false information;

19 and

20 (4) efforts undertaken by the regulated entity to  
21 remedy the false submission.

22 (e) The penalties provided for in this Section may be  
23 recovered in a civil action brought in the name of the people  
24 of the State of Illinois by the State's Attorney of the county  
25 in which the violation occurred or by the Attorney General.  
26 Any penalties collected under this Section in an action in

1 which the Attorney General has prevailed shall be used to  
2 offset registration fees in support of the administration of  
3 the clean transportation standard program. Any amount of  
4 penalties collected in addition to the amount needed to  
5 administer the clean transportation standard program shall be  
6 deposited into the Environmental Protection Trust Fund, to be  
7 used in accordance with the provisions of the Environmental  
8 Protection Trust Fund Act.

9 (f) The Attorney General or the State's Attorney of a  
10 county in which a violation occurs may institute a civil  
11 action for an injunction, prohibitory or mandatory, to  
12 restrain violations of this Act or to require such actions as  
13 may be necessary to address violations of this Act.

14 (g) The penalties and injunctions provided in this Act are  
15 in addition to any penalties, injunctions, or other relief  
16 provided under any other law. Nothing in this Act bars an  
17 action by the State for any other penalty, injunction, or  
18 other relief provided by any other law.

19 Section 30. Life cycle carbon intensity calculations;  
20 software. The life cycle carbon intensity calculation  
21 conducted by the Agency under paragraph (2) of Section 20  
22 shall use the Argonne National Laboratory's GREET model and  
23 shall include all stages of fuel and feedstock production and  
24 distribution, from feedstock generation or extraction through  
25 the distribution, delivery, and use of the finished fuel by

1 the ultimate consumer. The Agency shall, as needed and  
2 periodically as established by rule, use as up-to-date a model  
3 as possible, taking into account staffing and hiring needs.  
4 Carbon intensity values calculated for clean fuel pathways  
5 under construction or in operation using the current version  
6 of the GREET model shall be allowed if the GREET model is  
7 revised during the compliance year. In calculating the life  
8 cycle carbon intensity, the mass values for all greenhouse  
9 gases that are not carbon dioxide must be adjusted to account  
10 for each of their relative global warming potentials. This  
11 adjustment shall be performed using the global warming  
12 potential deemed most accurate by the Agency for each  
13 greenhouse gas for the period during which reductions in  
14 greenhouse gas emissions are to be attained under the clean  
15 transportation standard. When measuring the carbon intensity  
16 of clean fuels, the Agency shall use the GREET model's  
17 Feedstock Carbon Intensity Calculator (FD-CIC) for the  
18 purposes of accounting for variations in farming practices  
19 across different fuel pathways.

20 Section 35. Investments by backstop aggregators and  
21 utilities. In implementing this Act, the Agency and Board  
22 shall establish rules directing participating utilities and  
23 backstop aggregators under the standard to invest all revenue  
24 earned from trading credits toward investments into  
25 distribution, grid modernization, infrastructure and other

1 projects that support transportation decarbonization, with at  
2 least 50% of such revenues supporting environmental justice  
3 communities as defined in Section 801-10 of the Illinois  
4 Finance Authority Act. All labor paid for with money from  
5 required investments under this Section shall be subject to  
6 the prevailing wage. The Agency and Board shall determine  
7 projects and goals under this Act in consultation with  
8 relevant stakeholders, including, but not limited to, credit  
9 generators, affected communities, and environmental justice  
10 advocacy organizations.

11 Section 40. Exemptions. The following fuels are exempt  
12 from the clean transportation standard established in Section  
13 15:

14 (1) aviation fuels;

15 (2) transportation fuel used in locomotives;

16 (3) transportation fuel used in ocean-going vessels;

17 and

18 (4) fuel used in military tactical vehicles and  
19 tactical support equipment owned by the U.S. Department of  
20 Defense or the U.S. military services.

21 However, providers of these fuels, if deemed to be clean  
22 fuels, shall be eligible under the rules adopted pursuant to  
23 this Act to receive credits on an opt-in basis that may be  
24 applied to future obligations or sold to deficit generators.

1           Section 45. Agency reporting obligation. Within 12 months  
2 after the implementation of the clean transportation standard,  
3 the Agency shall submit a report to the General Assembly  
4 detailing the implementation of the clean transportation  
5 standard, the reductions in greenhouse gas emissions that have  
6 been achieved through the clean transportation standard, and  
7 targets for future reductions in greenhouse gas emissions.  
8 These reports shall include feedback solicited from  
9 stakeholders under paragraph (7) of Section 20.

10           Section 50. Fuel supply forecasting. In consultation with  
11 the Department of Transportation and the Department of  
12 Agriculture, the Agency must develop a periodic fuel supply  
13 forecast to project the availability of fuels to the State  
14 necessary for compliance with clean transportation standard  
15 requirements. The fuel supply forecast for each upcoming  
16 compliance period must include, but is not limited to, the  
17 following:

18           (1) an estimate of the potential volumes of gasoline,  
19 gasoline substitutes, and gasoline alternatives, and  
20 diesel, diesel substitutes, and diesel alternatives  
21 available to the State. In developing this estimate, the  
22 Agency must consider, but is not limited to, considering:

23           (A) the existing and future vehicle fleet in this  
24 State; and

25           (B) any constraints that might be preventing

1 access to available and cost-effective clean fuels by  
2 the State, such as geographic and logistical factors,  
3 and alleviating factors to the constraints;

4 (2) an estimate of the total banked credits and  
5 carried over deficits held by regulated entities, credit  
6 generators, and credit aggregators at the beginning of the  
7 compliance period, and an estimate of the total credits  
8 attributable to fuels described in paragraph (1);

9 (3) an estimate of the number of credits needed to  
10 meet the applicable clean transportation standard  
11 requirements during the forecasted compliance period; and

12 (4) a comparison in the estimates of paragraphs (1)  
13 and (2) with the estimate in paragraph (3), for the  
14 purpose of indicating the availability of fuels and banked  
15 credits needed for compliance with the requirements of  
16 this chapter.

17 The Agency may appoint a forecast review team of relevant  
18 experts to participate in the fuel supply forecast or  
19 examination of data required by this Section. The Agency must  
20 finalize a fuel supply forecast for an upcoming compliance  
21 period by no later than 90 days prior to the start of the  
22 compliance period.

23 Section 55. Forecast deferral.

24 (a) No later than 30 calendar days before the commencement  
25 of a compliance period, the Agency shall issue an order

1 declaring a forecast deferral if the fuel supply forecast  
2 under Section 50 projects that the amount of credits that will  
3 be available during the forecast compliance period will be  
4 less than 100% of the credits projected to be necessary for  
5 regulated parties to comply with the scheduled applicable  
6 clean transportation standard adopted by the Agency for the  
7 forecast compliance period.

8 (b) An order declaring a forecast deferral under this  
9 Section must set forth:

10 (1) the duration of the forecast deferral;

11 (2) the types of fuel to which the forecast deferral  
12 applies; and

13 (3) which of the following methods the Agency has  
14 selected for deferring compliance with the scheduled  
15 applicable clean transportation standard during the  
16 forecast deferral:

17 (A) temporarily adjusting the scheduled applicable  
18 clean transportation program standard to a standard  
19 identified in the order that better reflects the  
20 forecast availability of credits during the forecast  
21 compliance period and requiring regulated entities to  
22 comply with the temporary standard;

23 (B) requiring regulated entities to comply only  
24 with the clean transportation standard applicable  
25 during the compliance period prior to the forecast  
26 compliance period; or

1 (C) suspending deficit accrual for part or all of  
2 the forecast deferral period.

3 (c) In implementing a forecast deferral, the Agency may  
4 take an action for deferring compliance with the clean  
5 transportation standard other than, or in addition to,  
6 selecting a method under paragraph (3) of subsection (b) only  
7 if the Agency determines that none of the methods under  
8 paragraph (3) of subsection (b) will provide a sufficient  
9 mechanism for containing the costs of compliance with the  
10 clean transportation standard during the forecast deferral.

11 (d) If the Agency makes the determination specified in  
12 subsection (c), the Agency shall:

13 (1) include in the order declaring a forecast deferral  
14 the determination and the action to be taken; and

15 (2) provide written notification and justification of  
16 the determination and the action to:

17 (A) the Governor;

18 (B) the President of the Senate;

19 (C) the Speaker of the House of Representatives;

20 (D) the Majority and Minority Leaders of the  
21 Senate; and

22 (E) the Majority and Minority Leaders of the House  
23 of Representatives.

24 (e) The duration of a forecast deferral may not be less  
25 than one calendar quarter or longer than one compliance  
26 period. Only the Agency may terminate, by order, a forecast



1 deferral before the expiration date of the forecast deferral.  
2 Termination of a forecast deferral is effective on the first  
3 day of the next calendar quarter after the date that the order  
4 declaring the termination is adopted.

5 Section 60. Conflicts with other State programs. Nothing  
6 in this Act precludes the Agency or Board from adopting or  
7 maintaining other programs as permitted or required by  
8 existing or future legislation to reduce greenhouse gas  
9 emissions from the transportation sector.

10 Section 99. Effective date. This Act takes effect upon  
11 becoming law.".