II

117TH CONGRESS
1ST SESSION

S. 3125

To establish an alternative fuel and low-emission aviation technology program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 1, 2021

Mr. WARNOCK (for himself, Ms. CANTWELL, Mr. PETERS, and Mr. PADILLA) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

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A BILL

To establish an alternative fuel and low-emission aviation technology program, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Aviation Emissions Reduction Opportunity Act'' or the ''AERO Act''.

SEC. 2. ALTERNATIVE FUEL AND LOW-EMISSION AVIATION TECHNOLOGY PROGRAM.

(a) ESTABLISHMENT.—The Secretary shall establish a competitive grant program to provide grants to eligible entities to carry out projects located in the United States

that produce, transport, blend, or store sustainable aviation fuel, or develop, demonstrate, or apply low-emission aviation technologies.

(b) CONSIDERATIONS.—In carrying out subsection (a), the Secretary shall consider, with respect to a proposed project—

(1) the capacity for the eligible entity to increase the domestic production and deployment of sustainable aviation fuel or the use of low-emission aviation technologies among the United States commercial aviation and aerospace industry;

(2) the projected greenhouse gas emissions from such project, including emissions resulting from the development of the project, and the potential the project has to reduce or displace, on a lifecycle basis, United States greenhouse gas emissions associated with air travel;

(3) the capacity to create new jobs and develop supply chain partnerships in the United States;

(4) for projects related to the production of sustainable aviation fuel, the projected lifecycle greenhouse gas emissions benefits from the proposed project, which shall include feedstock and fuel production and potential direct and indirect greenhouse

gas emissions (including resulting from changes in land use); and

(5) the benefits of ensuring a diversity of feedstocks for sustainable aviation fuel, including the use of waste carbon oxides and direct air capture.

(c) COST SHARE.—The Federal share of the cost of a project carried out using grant funds under subsection (a) shall be a maximum of 90 percent of the proposed total cost of the project, and the Secretary shall consider the extent to which a proposed project meets the considerations described in subsection (b) in determining the Federal share under this subsection.

(d) FUEL EMISSIONS REDUCTION TEST.—For purposes of clause (ii) of subsection (f)(7)(E), the Secretary shall, not later than 2 years after the date of enactment of this section, adopt at least 1 methodology for testing lifecycle greenhouse gas emissions that meets the requirements of such clause.

(e) FUNDING.—

(1) AUTHORIZATION OF APPROPRIATIONS.—Out of any money in the Treasury not otherwise appropriated, there are authorized to be appropriated for each of fiscal years 2022 through 2026, $200,000,000 to carry out the purposes of this Act, to remain available until expended.

(2) FUNDING DISTRIBUTION.—Subject to paragraph (3), of any amount made available under paragraph (1)—

(A) 30 percent of such amount shall be awarded for projects that develop, demonstrate, or apply low-emission aviation technologies; and

(B) 70 percent of such amount shall be awarded for projects that produce, transport, blend, or store sustainable aviation fuel.

(3) ADMINISTRATION.—The Secretary may reserve not more than 2 percent of the amount appropriated under paragraph (1) for expenses related to administering this section.

(f) DEFINITIONS.—In this section:

(1) ELIGIBLE ENTITY.—The term ''eligible entity'' means—

(A) a State or local government, including the District of Columbia, other than an airport sponsor;

(B) an air carrier;

(C) an airport sponsor;

(D) an accredited institution of higher education;

(E) a research institution;

(F) a person or entity engaged in the production, transportation, blending, or storage of sustainable aviation fuel in the United States or feedstocks in the United States that could be used to produce sustainable aviation fuel;

(G) a person or entity engaged in the development, demonstration, or application of low-emission aviation technologies; or

(H) nonprofit entities or nonprofit consortia with experience in sustainable aviation fuels, low-emission aviation technologies, or other clean transportation research programs.

(2) FEEDSTOCK.—The term ''feedstock'' means sources of hydrogen and carbon not originating from unrefined or refined petrochemicals.

(3) INDUCED LAND-USE CHANGE VALUES.—The term ''induced land-use change values'' means the greenhouse gas emissions resulting from the conversion of land to the production of feedstocks and from the conversion of other land due to the displacement of crops or animals for which the original land was previously used.

(4) LIFECYCLE GREENHOUSE GAS EMISSIONS.—The term ''lifecycle greenhouse gas emissions'' means the combined greenhouse gas emis-

sions from feedstock production, collection of feedstock, transportation of feedstock to fuel production facilities, conversion of feedstock to fuel, transportation and distribution of fuel, and fuel combustion in an aircraft engine, as well as from induced land-use change values.

(5) LOW-EMISSION AVIATION TECHNOLOGIES.—The term ''low-emission aviation technologies'' means technologies, produced in the United States, that significantly—

(A) improve aircraft fuel efficiency;

(B) increase utilization of sustainable aviation fuel; or

(C) reduce greenhouse gas emissions produced during operation of civil aircraft.

(6) SECRETARY.—The term ''Secretary'' means the Secretary of Transportation.

(7) SUSTAINABLE AVIATION FUEL.—The term ''sustainable aviation fuel'' means liquid fuel, produced in the United States, that—

(A) consists of synthesized hydrocarbons;

(B) meets the requirements of—

(i) ASTM International Standard D7566; or

(ii) the co-processing provisions of ASTM International Standard D1655, Annex A1 (or such successor standard);

(C) is derived from biomass (in a similar manner as such term is defined in section 45K(c)(3) of the Internal Revenue Code of 1986), waste streams, renewable energy sources, or gaseous carbon oxides;

(D) is not derived from palm fatty acid distillates; and

(E) achieves at least a 50-percent lifecycle greenhouse gas emissions reduction in comparison with petroleum-based jet fuel, as determined by a test that shows—

(i) the fuel production pathway achieves at least a 50-percent reduction of the aggregate attributional core lifecycle emissions and the induced land use change values under a lifecycle methodology for sustainable aviation fuels similar to that adopted by the International Civil Aviation Organization with the agreement of the United States; or

(ii) the fuel production pathway achieves at least a 50-percent reduction of

the aggregate attributional core lifecycle greenhouse gas emissions values and the induced land-use change values under another methodology that the Secretary determines is—

(I) reflective of the latest scientific understanding of lifecycle greenhouse gas emissions; and

(II) as stringent as the requirement under clause (i).

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