

117TH CONGRESS
1ST SESSION

S. _____

To support the sustainable aviation fuel market, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. WHITEHOUSE introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To support the sustainable aviation fuel market, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Sustainable Aviation
5 Fuel Act”.

6 **SEC. 2. NATIONAL GOAL.**

7 It is hereby declared that it is the national goal for
8 the United States to reach—

9 (1) a net 35-percent reduction in greenhouse
10 gas emissions for United States domestic and inter-

1 national aviation flights by 2035, as compared to
2 2005; and

3 (2) net zero greenhouse gas emissions for
4 United States domestic and international aviation
5 flights by 2050.

6 **SEC. 3. DEFINITIONS.**

7 In this Act:

8 (1) SUSTAINABLE AVIATION FUEL.—The term
9 “sustainable aviation fuel” means liquid fuel con-
10 sisting of synthesized hydrocarbons that—

11 (A) meets the requirements of a Depart-
12 ment of Defense specification for military jet
13 fuel or an American Society of Testing and Ma-
14 terials specification for aviation turbine fuel;

15 (B) is derived from qualified feedstock;

16 (C) is certified by the Environmental Pro-
17 tection Agency Administrator that such fuel—

18 (i) either—

19 (I) conforms to the standards,
20 recommended practices, requirements
21 and criteria, supporting documents,
22 implementation elements, and any
23 other technical guidance for sustain-
24 able aviation fuels that are adopted by
25 the International Civil Aviation Orga-

1 nization with the agreement of the
2 United States; or

3 (II) meets the definition of “ad-
4 vanced biofuel” under section
5 211(o)(1) of the Clean Air Act (42
6 U.S.C. 7545(o)(1)), as demonstrated
7 by compliance with Environmental
8 Protection Agency implementing regu-
9 lations under subpart M of part 80 of
10 title 40, Code of Federal Regulations;
11 and

12 (ii) achieves at least a 50-percent re-
13 duction in lifecycle greenhouse gas emis-
14 sions compared to conventional jet fuel.

15 (2) QUALIFIED FEEDSTOCK.—The term “quali-
16 fied feedstock” means sources of hydrogen and car-
17 bon not originating from unrefined or refined petro-
18 chemicals.

19 (3) LIFECYCLE GREENHOUSE GAS EMIS-
20 SIONS.—The term “lifecycle greenhouse gas emis-
21 sions” means the combined greenhouse gas emis-
22 sions from feedstock production, collection of feed-
23 stock, transportation of feedstock to fuel production
24 facilities, conversion of feedstock to fuel, transpor-
25 tation and distribution of fuel, and fuel combustion

1 in an aircraft engine, as well as from induced land-
2 use change emissions, as calculated using appro-
3 priate modeling techniques approved by a regulating
4 authority.

5 (4) INDUCED LAND-USE CHANGE EMISSIONS.—
6 The term “induced land-use change emissions”
7 means the greenhouse gas emissions resulting from
8 the conversion of land to the production of feed-
9 stocks and from the conversion of other land due to
10 the displacement of crops or animals for which the
11 original land was previously used, as calculated
12 using appropriate modeling techniques approved by
13 a regulating authority.

14 (5) CONVENTIONAL JET FUEL.—The term
15 “conventional jet fuel” means liquid hydrocarbon
16 fuel used for aviation that is derived or refined from
17 petrochemicals.

18 **SEC. 4. GRANT PROGRAM.**

19 (a) IN GENERAL.—The Secretary of Transportation,
20 in consultation with the Administrator of the Environ-
21 mental Protection Agency, shall carry out a competitive
22 grant and cost-sharing agreement program for eligible en-
23 tities to carry out projects located in the United States
24 to produce, transport, blend, or store sustainable aviation
25 fuel.

1 (b) SELECTION.—In selecting an eligible entity to re-
2 ceive a grant or cost-share agreement under subsection
3 (a), the Secretary shall consider—

4 (1) the anticipated public benefits of a project
5 proposed by the eligible entity;

6 (2) the potential to increase the domestic pro-
7 duction and deployment of sustainable aviation fuel;

8 (3) the potential greenhouse gas emissions from
9 such project;

10 (4) the potential for creating new jobs in the
11 United States;

12 (5) the potential net greenhouse gas emissions
13 impact of different feedstocks to produce sustainable
14 aviation fuel on a lifecycle basis, which shall include
15 potential direct and indirect greenhouse gas emis-
16 sions (including resulting from changes in land use);
17 and

18 (6) the proposed utilization of non-Federal con-
19 tributions by the eligible entity.

20 (c) AUTHORIZATION OF APPROPRIATIONS.—There is
21 authorized to be appropriated \$200,000,000 for each of
22 fiscal years 2022 through 2026 to carry out this section.

23 (d) REPORT.—Not later than October 1, 2027, the
24 Secretary shall submit to the Committee on Commerce,
25 Science, and Transportation and the Committee on Envi-

1 ronment and Public Works of the Senate and the Com-
2 mittee on Transportation and Infrastructure and the
3 Committee on Energy and Commerce of the House of
4 Representatives a report describing the results of the
5 grant program under this section. The report shall include
6 the following:

7 (1) A description of the entities and projects
8 that received grants or other cost-sharing agree-
9 ments under this section.

10 (2) A detailed explanation for why each entity
11 received the type of funding disbursement such enti-
12 ty did.

13 (3) A description of whether the program is
14 leading to an increase in the production and deploy-
15 ment of sustainable aviation fuels and whether that
16 increase is enough to keep the United States on
17 track to achieve the goals described in section 2 of
18 this Act.

19 (4) A description of the economic impacts re-
20 sulting from the funding to and operation of the
21 project.

22 (e) **ELIGIBLE ENTITY DEFINED.**—In this section, the
23 term “eligible entity” means—

24 (1) a State or local government other than an
25 airport sponsor;

- 1 (2) an air carrier;
- 2 (3) an airport sponsor; and
- 3 (4) a person or entity engaged in the produc-
- 4 tion, transportation, blending or storage of sustain-
- 5 able aviation fuel in the United States or feedstocks
- 6 in the United States that could be used to produce
- 7 sustainable aviation fuel.

8 **SEC. 5. LOW CARBON AVIATION FUEL STANDARD.**

9 (a) ESTABLISHMENT OF LOW CARBON AVIATION
10 FUEL STANDARD.—Section 211 of the Clean Air Act (42
11 U.S.C. 7545) is amended by adding at the end the fol-
12 lowing:

13 “(w) LOW CARBON AVIATION FUEL STANDARD.—

14 “(1) DEFINITIONS.—In this subsection:

15 “(A) AVIATION FUEL.—The term ‘aviation
16 fuel’ means fuel that is produced, sold, or dis-
17 pensed in the United States, for civil or military
18 purposes, for turbine-powered aviation.

19 “(B) CARBON INTENSITY.—The term ‘car-
20 bon intensity’ means the quantity of lifecycle
21 greenhouse gas emissions per unit of fuel en-
22 ergy.

23 “(C) CREDIT EXCHANGE.—The term ‘cred-
24 it exchange’ means a central marketplace with

1 established rules and regulations where buyers
2 and sellers meet to conduct trades.

3 “(D) FUEL STANDARD.—The term ‘fuel
4 standard’ means the low carbon fuel standard
5 established under paragraph (2).

6 “(2) ESTABLISHMENT.—Not later than 1 year
7 after the date of enactment of this subsection, the
8 Administrator shall promulgate regulations to estab-
9 lish a low carbon fuel standard for aviation fuels
10 that requires a reduction in carbon intensity for
11 aviation fuels each calendar year such that by 2050,
12 and thereafter, the average carbon intensity of all
13 aviation fuel used annually in the United States is
14 reduced by at least 50 percent, as compared to the
15 average carbon intensity of all aviation fuel used in
16 the United States in 2005.

17 “(3) TARGETS.—In promulgating regulations
18 under paragraph (2), the Administrator shall set a
19 target of a reduction of at least 20 percent in the
20 average carbon intensity of all aviation fuel used an-
21 nually in the United States by 2030, and of at least
22 50 percent by 2050, as compared to the average car-
23 bon intensity of all aviation fuel used in the United
24 States in 2005.

1 administrator to be the best lifecycle green-
2 house gas emission accounting practices,
3 provided that such practices account for
4 the aggregate quantity of greenhouse gas
5 emissions (including direct emissions and
6 significant indirect emissions such as sig-
7 nificant emissions from land use changes),
8 as determined by the Administrator, re-
9 lated to the full fuel lifecycle, including all
10 stages of fuel and feedstock production and
11 distribution, from feedstock generation or
12 extraction through the distribution and de-
13 livery and use of the finished fuel to the
14 ultimate consumer, where the mass values
15 for all greenhouse gases are adjusted to ac-
16 count for their relative global warming po-
17 tential;

18 “(D) determine how long the calculation of
19 the carbon intensity of an aviation fuel (pursu-
20 ant to the procedures established under sub-
21 paragraph (C)), will remain in effect before
22 needing to be reevaluated;

23 “(E) allow a person described in subpara-
24 graph (B), who, for a calendar year, produces
25 or imports aviation fuel—

1 “(i) that has an average carbon inten-
2 sity that is less than the benchmark for av-
3 erage carbon intensity for that calendar
4 year to, except as provided in paragraph
5 (8), generate credits, to be used, or trans-
6 ferred to another person, to demonstrate
7 compliance with this subsection; and

8 “(ii) that has an average carbon in-
9 tensity that is greater than the benchmark
10 for average carbon intensity for that cal-
11 endar year to purchase credits to be used
12 to demonstrate compliance with this sub-
13 section;

14 “(F) determine the—

15 “(i) appropriate amount of credits
16 generated and used to demonstrate compli-
17 ance pursuant to subparagraph (E);

18 “(ii) appropriate conditions, if any,
19 on—

20 “(I) the duration of such credits;

21 and

22 “(II) the transfer such credits
23 through a credit exchange; and

24 “(G) consult with all relevant stakeholders,
25 including aviation industry groups, renewable

1 fuel industry groups, researchers at institutions
2 of higher education, labor unions, consumer ad-
3 vocates, and any other stakeholders the Admin-
4 istrator determines to be appropriate.

5 “(5) CONSULTATION.—In carrying out this sub-
6 section, the Administrator shall consult with the Ad-
7 ministrator of the Federal Aviation Administration,
8 the Secretary of Energy, and the Secretary of Agri-
9 culture.

10 “(6) COORDINATION WITH STATES.—The Ad-
11 ministrator shall, after notice and opportunity for
12 public hearing, waive application of the fuel stand-
13 ard in any State that has adopted a standard for
14 aviation fuels that the Administrator determines is
15 at least as stringent as the fuel standard.

16 “(7) REVISION.—If Congress enacts a standard
17 or similar law that the Administrator, in consulta-
18 tion with the Administrator of the Federal Aviation
19 Administration, determines accomplishes the pur-
20 poses of the fuel standard for sectors of the economy
21 that include the aviation sector, the Administrator
22 may revoke the fuel standard in favor of the other
23 standard or law.

24 “(8) RELATIONSHIP TO RENEWABLE FUEL PRO-
25 GRAM.—No credit may be generated under this sub-

1 section with respect to renewable fuel for which a
2 credit is generated under subsection (o).

3 “(9) REPORT.—Not later than 180 days after
4 the date of enactment of this subsection, the Admin-
5 istrator shall submit to Congress and make publicly
6 available a report describing—

7 “(A) the status of the development of the
8 fuel standard; and

9 “(B) the considerations the Administrator
10 is using in developing the fuel standard.”.

11 (b) ENFORCEMENT.—Section 211(d) of the Clean Air
12 Act (42 U.S.C. 7545(d)) is amended—

13 (1) in paragraph (1)—

14 (A) by striking “or (o) of this section or
15 the regulations” and inserting “(o), or (w) of
16 this section or the regulations”;

17 (B) by striking “or (o) of this section or
18 who fails” and inserting “(o), or (w) of this sec-
19 tion or who fails”; and

20 (C) by striking “or (o) of this section
21 which establishes” and inserting “(o), or (w) of
22 this section which establishes”; and

23 (2) in paragraph (2), by striking “and (o) of
24 this section” each place it appears and inserting
25 “(o), and (w) of this section”.

1 **SEC. 6. PROCUREMENT OF SUSTAINABLE AVIATION FUEL**
2 **BY THE DEPARTMENT OF DEFENSE.**

3 (a) **IN GENERAL.**—Effective October 1, 2023, the
4 Secretary of Defense shall make a bulk purchase of an
5 amount of sustainable aviation fuel that is not less than
6 10 percent of the total amount of aviation fuel procured
7 for operational purposes (as defined in section 2922h of
8 title 10, United States Code) if—

9 (1) the cost of sustainable aviation fuel is com-
10 petitive with the fully burdened cost of conventional
11 jet fuel available for the same purpose; and

12 (2) the sustainable aviation fuel is refined or
13 produced in the United States.

14 (b) **BLENDED FUEL.**—If the Secretary of Defense
15 purchases sustainable aviation fuel that is blended with
16 conventional jet fuel, the percentage of sustainable avia-
17 tion fuel in such blend will be counted towards the per-
18 centage described in subsection (a).

19 (c) **CERTIFICATION.**—Before making a purchase
20 under subsection (a), the Secretary of Defense or the Sec-
21 retary concerned (as defined in section 101(a)(9) of title
22 10, United States Code) shall certify that the sustainable
23 aviation fuel is suitable for use in aircrafts of the Depart-
24 ment of Defense.

25 (d) **WAIVER.**—

1 (1) IN GENERAL.—Subject to the requirements
2 of paragraph (2), the Secretary of Defense may
3 waive the requirement under subsection (a) for rea-
4 sons of national security, including the lack of avail-
5 able, qualifying sustainable aviation fuel.

6 (2) NOTICE.—Not later than 30 days after
7 issuing a waiver under this subsection, the Secretary
8 shall submit to the congressional defense committees
9 (as defined in section 101(a)(16) of title 10, United
10 States Code) notice of the waiver. Any such notice
11 shall include each of the following:

12 (A) The rationale of the Secretary for
13 issuing the waiver.

14 (B) A certification that the waiver is in the
15 national security interest of the United States.

16 (e) DEFINITIONS.—The terms “fully burdened cost”
17 and “operational purposes” have the meanings given such
18 terms, respectively, in section 2922h of title 10, United
19 States Code.

20 **SEC. 7. FEDERAL AVIATION ADMINISTRATION RESEARCH.**

21 (a) IN GENERAL.—Section 911(a) of the FAA Mod-
22 ernization and Reform Act of 2012 (49 U.S.C. 44504
23 note) is amended—

24 (1) by striking “assist in the development” and
25 inserting the following:

1 “(1) assist in the development”;

2 (2) by striking “and other” and inserting “,
3 other”;

4 (3) by striking the period and inserting “, and
5 sustainable fuel that can be used without the need
6 to blend with any other type of aviation fuel;”;

7 (4) by adding at the end the following:

8 “(2) promote the efforts of the aviation sector
9 to become a net-zero greenhouse gas emitting sector;

10 “(3) study the climate impacts of non-carbon
11 dioxide greenhouse gas emissions, water vapor, and
12 contrails and ways to minimize such impacts; and

13 “(4) develop a methodology for quantifying the
14 non-carbon dioxide climate impacts of aviation in a
15 lifecycle analysis, including the benefits of sustain-
16 able aviation fuel other than the reduction in carbon
17 dioxide emissions.”.

18 (b) DEFINITIONS.—Section 911 of such Act is
19 amended by adding at the end the following:

20 “(e) DEFINITIONS.—In this section:

21 “(1) SUSTAINABLE AVIATION FUEL.—The term
22 ‘sustainable aviation fuel’ means liquid fuel con-
23 sisting of synthesized hydrocarbons that—

24 “(A) is derived from a qualified feedstock;

25 and

1 “(B) conforms to the standards, rec-
2 ommended practices, requirements and criteria,
3 supporting documents, implementation ele-
4 ments, and any other technical guidance for
5 sustainable aviation fuels that are adopted by
6 the International Civil Aviation Organization
7 with the agreement of the United States.

8 “(2) QUALIFIED FEEDSTOCK.—The term ‘quali-
9 fied feedstock’ means sources of hydrogen and car-
10 bon not originating from unrefined or refined petro-
11 chemicals.

12 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
13 is authorized to be appropriated to the Administrator of
14 the Federal Aviation Administration \$35,000,000 for each
15 of fiscal years 2022 through 2026 to carry out this sec-
16 tion.”.

17 **SEC. 8. DEPARTMENT OF ENERGY RESEARCH.**

18 (a) IN GENERAL.—The Secretary of Energy shall
19 carry out a program to research the use of cover crops
20 or other crops grown for conservation purposes rather
21 than for sale in the production of sustainable aviation fuel.

22 (b) COLLABORATION.—In carrying out the program
23 under subsection (a), the Secretary shall collaborate with
24 the national laboratories, the Department of Agriculture,
25 and industry partners.

1 (c) DEFINITIONS.—In this section:

2 (1) SUSTAINABLE AVIATION FUEL.—The term
3 “sustainable aviation fuel” means liquid fuel con-
4 sisting of synthesized hydrocarbons that—

5 (A) is derived from a qualified feedstock;
6 and

7 (B) conforms to the standards, rec-
8 ommended practices, requirements and criteria,
9 supporting documents, implementation ele-
10 ments, and any other technical guidance for
11 sustainable aviation fuels that are adopted by
12 the International Civil Aviation Organization
13 with the agreement of the United States.

14 (2) NATIONAL LABORATORY.—The term “na-
15 tional laboratory” has the meaning given the term in
16 section 2(3) of the Energy Policy Act of 2005 (42
17 U.S.C. 15801(3)).

18 (d) AUTHORIZATION OF APPROPRIATIONS.—There
19 are authorized to be appropriated such sums as may be
20 necessary to carry out this section.

21 **SEC. 9. SUSTAINABLE AVIATION FUEL CREDIT.**

22 (a) IN GENERAL.—Subpart D of part IV of sub-
23 chapter A of chapter 1 of the Internal Revenue Code of
24 1986 is amended by inserting after section 40A the fol-
25 lowing new section:

1 **“SEC. 40B. SUSTAINABLE AVIATION FUEL CREDIT.**

2 “(a) IN GENERAL.—For purposes of section 38, the
3 sustainable aviation fuel credit for the taxable year is, with
4 respect to each gallon of neat sustainable aviation fuel
5 blending component used by the taxpayer in the produc-
6 tion of a qualified mixture—

7 “(1) \$1.50, plus

8 “(2) the applicable supplementary credit
9 amount.

10 “(b) APPLICABLE SUPPLEMENTARY CREDIT
11 AMOUNT.—

12 “(1) IN GENERAL.—For purposes of subsection
13 (a), the applicable supplementary credit amount is
14 \$0.25, reduced (but not below zero) by the emissions
15 reduction certification amount.

16 “(2) EMISSIONS REDUCTION CERTIFICATION
17 AMOUNT.—For purposes of paragraph (1), the emis-
18 sions reduction certification amount is \$0.01 for
19 every 2 percentage points below 100 percent for
20 which the neat sustainable aviation fuel blending
21 component is certified to reduce emissions in com-
22 parison with conventional fuel under section 10 of
23 the Sustainable Aviation Fuel Act.

24 “(c) NEAT SUSTAINABLE AVIATION FUEL BLENDING
25 COMPONENT.—For purposes of this section, the term

1 ‘neat sustainable aviation fuel blending component’ means
2 unblended liquid fuel—

3 “(1) that consists of synthesized hydrocarbons,
4 and

5 “(2) that—

6 “(A) meets the requirements of a Depart-
7 ment of Defense specification for military jet
8 fuel or an American Society of Testing and Ma-
9 terials specification for aviation turbine fuel,

10 “(B) is derived from qualified feedstock,
11 and

12 “(C) is certified by the Environmental Pro-
13 tection Agency to—

14 “(i) either—

15 “(I) comply with such standards
16 of the International Civil Aviation Or-
17 ganization for sustainable aviation
18 fuels as have been adopted by the
19 United States, or

20 “(II) meet the definition of ad-
21 vanced biofuel under section
22 211(o)(1)(B) of the Clean Air Act (42
23 U.S.C. 7545(o)(1)(B)), and

24 “(ii) achieve at least a 50-percent re-
25 duction in lifecycle greenhouse gas emis-

1 sions in comparison with conventional jet
2 fuel.

3 “(d) QUALIFIED MIXTURE.—For purposes of this
4 section, the term ‘qualified mixture’ means a mixture of
5 neat sustainable aviation fuel blending component and
6 kerosene, which—

7 “(1) is used by the taxpayer as aircraft fuel in
8 a trade or business, or

9 “(2) is sold by the taxpayer to any person for
10 use as aircraft fuel.

11 “(e) DEFINITIONS.—For purposes of this section, the
12 terms ‘qualified feedstock’, ‘lifecycle greenhouse gas emis-
13 sions’, and ‘induced land-use change emissions’ have the
14 meanings given such terms in section 3 of the Sustainable
15 Aviation Fuel Act.

16 “(f) SALE OR USE MUST BE IN TRADE OR BUSI-
17 NESS, ETC.—Neat sustainable aviation fuel blending com-
18 ponent used in the production of a qualified mixture shall
19 be taken into account—

20 “(1) only if the sale or use described in sub-
21 section (d) is in a trade or business of the taxpayer
22 or other person, and

23 “(2) for the taxable year in which such sale or
24 use occurs.

1 “(g) APPLICATION OF SECTION.—This section shall
2 only apply to fuel produced before January 1, 2032.”

3 (b) CREDIT MADE PART OF GENERAL BUSINESS
4 CREDIT.—Section 38(b) (relating to current year business
5 credit) is amended by striking “plus” at the end of para-
6 graph (32), by striking the period at the end of paragraph
7 (33) and inserting “, plus”, and by inserting after para-
8 graph (33) the following new paragraph:

9 “(34) the sustainable aviation fuel credit deter-
10 mined under section 40B.”

11 (c) CONFORMING AMENDMENT.—Section 40A(f) of
12 such Code is amended by striking paragraph (4).

13 (d) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to fuel produced after December
15 31, 2021.

16 **SEC. 10. EPA CERTIFICATION OF NEAT SUSTAINABLE AVIA-**
17 **TION FUEL BLENDING COMPONENT.**

18 (a) IN GENERAL.—Not later than 180 days after the
19 date of enactment of this Act, the Administrator of the
20 Environmental Protection Agency shall promulgate regu-
21 lations, for purposes of section 40B of the Internal Rev-
22 enue Code of 1986, to certify—

23 (1) whether a liquid fuel produced by a fuel
24 producer qualifies as a neat sustainable aviation fuel

1 blending component under subsection (c)(2)(C) of
2 such section; and

3 (2) the percent reduction of greenhouse gas
4 emissions from a gallon of neat sustainable aviation
5 fuel blending component produced by a fuel producer
6 in comparison to the greenhouse gas emissions from
7 a gallon of conventional jet fuel.

8 (b) CONSIDERATIONS AND INCLUSIONS.—In promul-
9 gating regulations under subsection (a), the Administrator
10 of the Environmental Protection Agency shall—

11 (1) establish procedures for fuel producers to
12 apply to, and receive from, the Environmental Pro-
13 tection Agency—

14 (A) a certification, with respect to liquid
15 fuel produced by such fuel producer, that such
16 fuel qualifies as a neat sustainable aviation fuel
17 blending component under section 40B(c)(2)(C)
18 of the Internal Revenue Code of 1986; and

19 (B) if the fuel described in (A) so qualifies,
20 a certification of the percent reduction of green-
21 house gas emissions from a gallon of such fuel
22 in comparison to the greenhouse gas emissions
23 from a gallon of conventional jet fuel;

24 (2) determine methods for calculating green-
25 house gas emissions from a gallon of conventional

1 jet fuel, and for reviewing and updating such cal-
2 culations every three years;

3 (3) for purposes of calculating the greenhouse
4 gas emissions from a liquid fuel that does or may
5 qualify as a neat sustainable aviation fuel blending
6 component, determine whether to use—

7 (A) the Sustainability Certification
8 Schemes approved by the International Civil
9 Aviation Organization with agreement by the
10 United States; or

11 (B) other methods that take into account
12 lifecycle greenhouse gas emissions from the ap-
13 plicable fuel pathway;

14 (4) require different certifications for each fuel
15 pathway used by a fuel producer;

16 (5) determine how long a certification under
17 subsection (a)(1) or (a)(2) will be in effect for a fuel
18 producer; and

19 (6) include procedures for—

20 (A) notifying a fuel producer and the In-
21 ternal Revenue Service that a certification
22 under subsection (a) will expire, at least 180
23 days before such expiration;

24 (B) expedited review and recertification
25 under subsection (a), during the 180-day period

1 described in subparagraph (A), of the green-
2 house gas emissions from a neat sustainable
3 aviation fuel blending component produced by a
4 fuel producer; and

5 (C) submission of a certification under
6 subsection (a) to the Internal Revenue Service.

7 (c) DEFINITIONS.—For purposes of this section—

8 (1) FUEL PATHWAY.—The term “fuel pathway”
9 means the production process through which feed-
10 stock is converted into neat sustainable aviation fuel
11 blending component, and includes the type of feed-
12 stock, the region in which such feedstock is located,
13 the harvesting and collection method of such feed-
14 stock, the transportation of such feedstock to a fuel
15 producing facility, and the method by which such
16 feedstock is converted into neat sustainable aviation
17 fuel blending component.

18 (2) FUEL PRODUCER.—The term “fuel pro-
19 ducer” means a person or entity engaged in the pro-
20 duction of neat sustainable aviation fuel blending
21 component.

22 **SEC. 11. SUSTAINABLE AVIATION FUEL PRODUCTION PROP-**
23 **ERTY ADDED TO ENERGY CREDIT.**

24 (a) IN GENERAL.—Section 48 of the Internal Rev-
25 enue Code of 1986 is amended—

1 (1) in subsection (a)—

2 (A) in paragraph (2)(A)(i)—

3 (i) in subclause (III), by striking
4 “and”, and

5 (ii) by adding at the end the following
6 new subclause:

7 “(V) sustainable aviation fuel
8 production property, and”,

9 (B) in paragraph (3)(A), by striking “or”
10 at the end of clause (vi), inserting “or” at the
11 end of clause (vii), and by adding at the end
12 the following new clause:

13 “(viii) sustainable aviation fuel pro-
14 duction property,”, and

15 (C) by adding at the end the following new
16 paragraph:

17 “(8) PHASEOUT FOR SUSTAINABLE AVIATION
18 FUEL PRODUCTION PROPERTY.—In the case of any
19 energy property described in paragraph (3)(A)(viii)
20 the construction of which begins before January 1,
21 2035, the energy percentage determined under para-
22 graph (2) shall be equal to—

23 “(A) in the case of any property the con-
24 struction of which begins after December 31,
25 2026, and before January 1, 2028, 24 percent,

1 “(B) in the case of any property the con-
2 struction of which begins after December 31,
3 2027, and before January 1, 2029, 18 percent,
4 and

5 “(C) in the case of any property the con-
6 struction of which begins after December 31,
7 2028, and before January 1, 2035, 12 per-
8 cent.”, and

9 (2) in subsection (c), by adding at the end the
10 following new paragraph:

11 “(5) SUSTAINABLE AVIATION FUEL PRODUC-
12 TION PROPERTY.—

13 “(A) IN GENERAL.—The term ‘sustainable
14 aviation fuel production property’ means—

15 “(i) property which produces sustain-
16 able aviation fuel (as defined in section
17 40B(b)) from qualified feedstock (as de-
18 fined in section 40B(d)), or

19 “(ii) property directly related to ena-
20 bling the production or distribution of sus-
21 tainable aviation fuel.

22 “(B) RECAPTURE OF CREDIT.—The Sec-
23 retary shall, by regulations, provide for recap-
24 turing the benefit of any credit allowable under
25 subsection (a)(3)(viii) with respect to any sus-

1 tainable aviation fuel production property if the
2 sustainable aviation fuel production of such
3 property comprises less than 80 percent of the
4 total fuel production of such property in any of
5 the 5 taxable years immediately following the
6 taxable year in which such property was placed
7 in service.”.

8 (b) **EFFECTIVE DATE.**—The amendments made by
9 this section shall apply to fuel produced after December
10 31, 2021.