



Sen. Heather Steans

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1 AMENDMENT TO SENATE BILL 876

2 AMENDMENT NO. _____. Amend Senate Bill 876 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 Petroleum Refinery Expansion Air Pollution Control Act.

6 Section 5. Findings.

7 (a) The world's scientists have formed a near-unanimous
8 chorus, warning that pollution primarily caused by burning
9 fossil fuels, known as greenhouse gases, are causing the
10 temperature of the Earth to rise.

11 (b) Warning signs of global warming are being discovered
12 and reported throughout the world. Melting glaciers, severe
13 storms, prolonged drought, reduced mountain snow-pack, and
14 dying coral reefs are among the signs that global warming is
15 underway.

16 (c) Decisive action at the international, national, State,

1 and local levels to address the threat of global warming is
2 necessary to meet the challenge posed by global warming.

3 (d) Illinois business and industry will benefit from
4 proactive policies that will ensure that we remain competitive
5 as the world's economy shifts from high-carbon to low-carbon
6 technologies.

7 (e) Petroleum refineries are enormous sources of
8 greenhouse gases, including but not limited to carbon dioxide,
9 nitrous oxide, and methane. Processing tar sands at oil
10 refineries will pose a threat of even greater greenhouse gas
11 pollution due to the lower combustion efficiency of this input
12 relative to light sweet crude oil. In their current design
13 forms, refineries emit greenhouse gases from numerous
14 components of the facilities' plant equipment.

15 (f) Businesses throughout the Illinois economy currently
16 engage in and are planning for additional control of greenhouse
17 gases in a manner that can be measured, tracked, verified, and
18 enforced. Many of these businesses are members of the Climate
19 Registry, a collaboration among states, provinces, and tribes
20 developing and managing a common greenhouse gas emissions
21 reporting system with high integrity.

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

23 "Carbon dioxide equivalent" means the amount of carbon
24 dioxide by weight that would produce the same global warming
25 impact as a given weight of another greenhouse gas, based on

1 the best available science, including that from the
2 Intergovernmental Panel on Climate Change.

3 "Carbon offset" means any project that eliminates one ton
4 of greenhouse gas emissions. A carbon offset must be:

5 (1) permanent;

6 (2) additional;

7 (3) verifiable;

8 (4) located within the State of Illinois;

9 (5) real; and

10 (6) legally and practicably enforceable.

11 "Climate Registry" means a collaboration among states,
12 provinces, and tribes developing and managing a common
13 greenhouse gas emissions reporting system with high integrity
14 that is capable of supporting various greenhouse gas emission
15 reporting and reduction policies for its member states and
16 tribes and reporting entities, of which the State of Illinois
17 is a member, and that private businesses may join as members.

18 "Expansion" means any physical or process change, or both,
19 that results in an increase in a refinery's processing capacity
20 of 5,000 barrels per day or greater.

21 "Gas" means the state of matter that has neither
22 independent shape nor volume, but tends to expand indefinitely.
23 Gas includes aerosols, and the terms "gas" and "gases" are
24 interchangeable.

25 "Greenhouse gas" or "greenhouse gases" include, but are not
26 limited to, the following gases: carbon dioxide, methane,

1 nitrous oxide, hydrofluorocarbons, perfluorocarbons, and
2 sulfur hexafluoride.

3 "Greenhouse gas emissions level" means the total annual
4 emissions of greenhouse gases emitted by an oil refinery
5 expressed in tons of carbon dioxide equivalents.

6 "Petroleum refinery" means a facility that processes
7 petroleum, as defined in the North American Industrial
8 Classification Standard No. 32411 and including any associated
9 sulfur recovery plant.

10 "Potential to emit" means the maximum capacity of an
11 emission source to emit a pollutant under its physical and
12 operational design. Any physical or operational limitation on
13 the capacity of the emission source to emit a pollutant,
14 including air pollution control equipment and restrictions on
15 hours of operation or on the type or amount of material
16 combusted, stored, or processed, shall be treated as part of
17 its design only if the limitation or the effect it would have
18 on emissions is enforceable. Secondary emissions do not count
19 in determining the potential to emit of a stationary source.

20 Section 15. Applicability. Any owner or operator of a
21 petroleum refinery that makes a physical or process change, or
22 both, to its petroleum refinery that expands the refinery's
23 processing capacity by 1,000 barrels per day or more is subject
24 to this Act.

1 Section 20. Membership in the Climate Registry. Any owner
2 or operator meeting the applicability criteria in Section 15
3 must enroll in the Climate Registry for purposes of estimating,
4 monitoring, and reporting greenhouse gas emissions prior to and
5 resulting from the expansion. Enrollment in the Climate
6 Registry must occur within 30 days after the effective date of
7 this Act or after first meeting the applicability criteria in
8 Section 15, whichever first occurs.

9 Section 25. Carbon offsets. Any owner or operator subject
10 to this Act must (i) calculate the expansion's potential to
11 emit all greenhouse gases in carbon dioxide equivalents and
12 (ii) provide funding to the Illinois Carbon Offset Trust
13 sufficient to finance carbon offsets that eliminate greenhouse
14 gas emissions, measured in terms of carbon dioxide equivalents,
15 equal to at least twice the rate of the increase in greenhouse
16 gas emissions from the expansion.

17 Section 30. Illinois Carbon Offset Trust.

18 (a) The Illinois Carbon Offset Trust shall be created by
19 the Governor. The purpose of the Trust shall be the financing
20 of carbon offsets in the State of Illinois.

21 (b) The Illinois Carbon Offset Trust shall be a
22 non-governmental, not-for-profit, private entity. The funds in
23 the Trust shall not be subject to use by the State in any way.

24 (c) The Trust shall be governed by a declaration of trust

1 or articles of incorporation and bylaws that shall, at a
2 minimum, provide that:

3 (1) There shall be voting trustees of the Trust.

4 (2) Trustees shall be appointed within 30 days after
5 the creation of the Trust and shall serve for a term of 5
6 years commencing upon the date of their respective
7 appointments, until their respective successors are
8 appointed and qualified.

9 (3) Trustees shall have a professionally recognized
10 expertise in the field of global climate change, energy
11 production, and environmental and natural lands
12 protection.

13 (4) The Trust shall have an indefinite term and shall
14 terminate at such time as no Trust assets remain.

15 (5) The Trust shall be funded by the refinery owners or
16 operators as provided in Section 25.

17 (6) The Trust shall be authorized to employ an
18 executive director and other employees, to enter into
19 leases, contracts, and other obligations on behalf of the
20 Trust, and to incur expenses that the trustees deem
21 necessary or appropriate for the fulfillment of the
22 purposes for which the Trust is established.

23 (7) The trustees may create and appoint advisory boards
24 or committees to assist them with the administration of the
25 Trust and to advise and make recommendations to them
26 regarding the contribution and disbursement of the Trust's

1 funds.

2 Section 35. Enforcement; fines. The Illinois Environmental
3 Protection Agency shall enforce this Act. If an owner or
4 operator of a petroleum refinery fails to comply with this Act,
5 the Agency shall impose an administrative fine against that
6 owner or operator equivalent to 3 times the amount necessary to
7 finance any deficiency in carbon offsets.".