

119TH CONGRESS
1ST SESSION

S. _____

To provide regulatory relief to alternative fuel producers and consumers,
and for other purposes.

IN THE SENATE OF THE UNITED STATES

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

A BILL

To provide regulatory relief to alternative fuel producers
and consumers, 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 “Fuel Choice and De-
5 regulation Act of 2025”.

6 **SEC. 2. ALTERNATIVE FUELS.**

7 (a) AFTERMARKET CONVERSIONS OF MOTOR VEHI-
8 CLES TO ALTERNATIVE FUEL.—Section 203 of the Clean
9 Air Act (42 U.S.C. 7522) is amended by adding at the
10 end the following:

1 “(c) OLDER VEHICLES.—

2 “(1) IN GENERAL.—The aftermarket conversion
3 of a motor vehicle to alternative fuel operation shall
4 not—

5 “(A) be considered tampering under this
6 section if the aftermarket conversion system
7 manufacturer or the person performing the con-
8 version demonstrates that the development and
9 engineering sophistication of the conversion
10 technology is—

11 “(i) matched to an appropriate motor
12 vehicle or group of motor vehicles; and

13 “(ii) well-designed and installed in ac-
14 cordance with good engineering judgment
15 so that the aftermarket conversion system
16 does not degrade emission performance, as
17 compared to the performance of the motor
18 vehicle or motor vehicles before the conver-
19 sion; or

20 “(B) require the Administrator to issue a
21 certificate of conformity.

22 “(2) LABEL.—The person performing a conver-
23 sion described in paragraph (1) shall affix a label to
24 the motor vehicle stating that—

1 “(A) the motor vehicle has been equipped
2 with an aftermarket conversion system; and

3 “(B) the installation of that system oc-
4 curred after the initial sale of the motor vehicle.

5 “(3) NO PRECLUSION OF ORDERS.—Nothing in
6 this subsection precludes the Administrator from
7 issuing an order to prohibit the manufacture, sale,
8 distribution, or installation of an aftermarket con-
9 version system if the Administrator has evidence
10 that the installation of the aftermarket conversion
11 system on a motor vehicle degrades emission per-
12 formance.”.

13 (b) BIOMASS FUELS.—Section 211 of the Clean Air
14 Act (42 U.S.C. 7545) is amended by adding at the end
15 the following:

16 “(w) BIOMASS FUELS.—Notwithstanding any other
17 provision of this Act, the Administrator may not prohibit
18 or control biomass fuel (as defined in section 203 of the
19 Biomass Energy and Alcohol Fuels Act of 1980 (42
20 U.S.C. 8802)) under this Act.”.

21 **SEC. 3. CALCULATION OF AVERAGE FUEL ECONOMY.**

22 (a) DEFINITIONS.—Section 32901(a) of title 49,
23 United States Code, is amended—

24 (1) by redesignating paragraphs (7) through
25 (19) as paragraphs (8), (9), (10), (13), (16), (17),

1 (19), (20), (21), (22), (23), (24), and (26), respec-
2 tively;

3 (2) by inserting after paragraph (6) the fol-
4 lowing:

5 “(7) ‘biodiesel’—

6 “(A) means liquid fuel derived from bio-
7 mass that meets—

8 “(i) the registration requirements for
9 fuels and fuel additives established by the
10 Environmental Protection Agency under
11 section 211 of the Clean Air Act (42
12 U.S.C. 7545); and

13 “(ii) the requirements of the Amer-
14 ican Society of Testing Materials Standard
15 D6751; and

16 “(B) does not include any liquid with re-
17 spect to which a credit may be determined
18 under section 40 of the Internal Revenue Code
19 of 1986.”;

20 (3) by inserting after paragraph (10) (as so re-
21 designated) the following:

22 “(11) ‘E85’ means a fuel mixture that—

23 “(A) contains between 51 and 83 percent
24 ethanol; and

1 “(B) meets the specifications of the Amer-
2 ican Society of Testing Materials Standard
3 D5798.

4 “(12) ‘flexible fuel vehicle’ means a vehicle that
5 has been warranted to operate on gasoline, E85, and
6 M85.”;

7 (4) by inserting after paragraph (13) (as so re-
8 designated) the following:

9 “(14) ‘fuel choice enabling manufacturer’
10 means a manufacturer whose total fleet of auto-
11 mobiles manufactured for the most recent model
12 year for sale in the United States contains not less
13 than 50 percent fuel choice enabling vehicles.

14 “(15) ‘fuel choice enabling vehicle’ means an
15 automobile that—

16 “(A) has been warranted to operate on
17 natural gas, hydrogen, propane, or at least 20
18 percent biodiesel;

19 “(B) is a flexible fuel vehicle;

20 “(C) is a plug-in electric drive vehicle;

21 “(D) is propelled by a fuel cell that can
22 produce power without the use of petroleum or
23 a petroleum-based fuel; or

24 “(E)(i) is propelled by something other
25 than an internal combustion engine; and

1 “(ii) is warranted to operate on something
2 other than petroleum-based fuel.”;

3 (5) by inserting after paragraph (17) (as so re-
4 designated) the following:

5 “(18) ‘M85’ means a fuel mixture that—

6 “(A) contains up to 85 percent methanol;
7 and

8 “(B) meets the specifications of the Amer-
9 ican Society of Testing Materials International
10 Standard D5797.”; and

11 (6) by inserting after paragraph (24) (as so re-
12 designated) the following:

13 “(25) ‘plug-in electric drive vehicle’ has the
14 meaning given the term in section 508(a) of the En-
15 ergy Policy Act of 1992 (42 U.S.C. 13258(a)).”.

16 (b) FUEL CHOICE ENABLING MANUFACTURERS.—

17 (1) COMPLIANCE WITH THE CLEAN AIR ACT.—

18 Section 32902 of title 49, United States Code, is
19 amended by adding at the end the following:

20 “(l) DEEMED COMPLIANCE WITH THE CLEAN AIR
21 ACT.—If a fuel choice enabling manufacturer is in compli-
22 ance with all applicable standards prescribed under this
23 section for model year 2020 or any subsequent model year,
24 the automobiles manufactured by that manufacturer in
25 that model year are deemed to be in compliance with all

1 applicable greenhouse gas regulations established by the
2 Environmental Protection Agency pursuant to section 202
3 of the Clean Air Act (42 U.S.C. 7521).”.

4 (2) CREDITS FOR EXCEEDING STANDARDS.—
5 Section 32903(a) of title 49, United States Code, is
6 amended by striking paragraph (2) and inserting the
7 following:

8 “(2) any of the 5 consecutive model years im-
9 mediately after the model year for which the credits
10 are earned, to the extent that those credits are not
11 used under paragraph (1).”.

12 (3) AVERAGE FUEL ECONOMY BONUS FOR FUEL
13 CHOICE ENABLING MANUFACTURERS.—Section
14 32904 of title 49, United States Code, is amended—

15 (A) by redesignating subsections (d) and
16 (e) as subsections (e) and (f), respectively; and

17 (B) by inserting after subsection (c) the
18 following:

19 “(d) AVERAGE FUEL ECONOMY BONUS FOR FUEL
20 CHOICE ENABLING MANUFACTURERS.—The average fuel
21 economy of a fuel choice enabling manufacturer for a
22 model year is the sum of—

23 “(1) the average fuel economy of the fuel choice
24 enabling manufacturer for that model year, as other-
25 wise calculated under this section; and

1 “(2) 8 miles per gallon.”.

2 (c) EFFECTIVE DATE.—The amendments made by
3 this section shall apply with respect to automobiles manu-
4 factured for model year 2026 or for any subsequent model
5 year.

6 **SEC. 4. ETHANOL WAIVER.**

7 Section 211(h)(4) of the Clean Air Act (42 U.S.C.
8 7545(h)(4)) is amended—

9 (1) in the matter preceding subparagraph (A),
10 by inserting “or more of” after “10 percent”; and

11 (2) in subparagraph (C), by striking “additional
12 alcohol or”.