

107TH CONGRESS
1ST SESSION

H. R. 2233

To assist municipalities and local communities to explore and determine options for the alternative provision of electricity and to create new public power systems, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 19, 2001

Mr. NADLER (for himself and Mr. HINCHEY) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To assist municipalities and local communities to explore and determine options for the alternative provision of electricity and to create new public power systems, 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. PURPOSE.**

4 The purpose of this Act is to assist municipalities and
5 local communities to explore and determine options for the
6 alternative provision of electricity and, at their discretion,
7 to create or expand public power systems.

1 **SEC. 2. COMMUNITY POWER INVESTMENT REVOLVING**
2 **LOAN FUND.**

3 (a) REVOLVING LOAN FUND.—There is established
4 in the Treasury of the United States a revolving loan fund
5 to be known as the “Community Power Investment Re-
6 volving Loan Fund” consisting of such amounts as may
7 be appropriated or credited to such Fund as provided in
8 this section.

9 (b) EXPENDITURES FROM LOAN FUNDS.—

10 (1) IN GENERAL.—The Secretary of Energy,
11 under such rules and regulations as the Secretary
12 may prescribe, may make loans from the Community
13 Power Investment Revolving Loan Fund, without
14 further appropriation, to a State or local govern-
15 ment, including any municipality.

16 (2) PURPOSE.—Loans provided under this sec-
17 tion shall be used only for any of the following:

18 (A) Feasibility studies to investigate op-
19 tions for the creation or expansion of public
20 power systems.

21 (B) Community development assistance
22 programs to stem rising energy costs, including
23 low-income customer payment programs.

24 (C) Energy efficiency programs and other
25 local conservation measures.

1 (D) Incentives for new renewable energy
2 resources, including research and development
3 programs, purchases from alternative energy
4 providers, and construction of new generation
5 facilities.

6 (E) Increased and rapid deployment of dis-
7 tributed energy generation resources, including
8 the following:

9 (i) Microturbines.

10 (ii) Fuel cells.

11 (iii) Combined heat and power sys-
12 tems.

13 (iv) Advanced internal combustion en-
14 gine generators.

15 (v) Advanced natural gas turbines.

16 (vi) Energy storage devices.

17 (vii) Distributed generation research
18 and development for local communities, in-
19 cluding interconnection standards and
20 equipment, and dispatch and control serv-
21 ices that preserve appropriate local control
22 authority to protect distribution system
23 safety, reliability, and new and backup
24 power quality.

1 (F) Purchase of existing electricity genera-
2 tion and transmission systems of private power
3 companies.

4 (G) Construction of new electricity genera-
5 tion and transmission facilities.

6 (H) Education and public information pro-
7 grams.

8 (3) RESTRICTIONS.—No loan may be made
9 under this section to any entity that is financially
10 distressed, delinquent on any Federal debt, or in
11 current bankruptcy proceedings. No loan shall be
12 made under this section unless the Secretary deter-
13 mines that—

14 (A) there is reasonable assurance of repay-
15 ment of the loan; and

16 (B) the amount of the loan, together with
17 other funds provided by or available to the re-
18 cipient, is adequate to assure completion of the
19 facility or facilities for which the loan is made.

20 (c) LOAN REPAYMENTS.—

21 (1) LENGTH OF REPAYMENT.—

22 (A) IN GENERAL.—Before making a loan
23 under this section, the Secretary shall deter-
24 mine the period of time within which a State
25 must repay such loan.

1 (B) LIMITATION.—Except as provided in
2 subparagraph (C), the Secretary shall in no
3 case allow repayment of such loan—

4 (i) to begin later than the date that is
5 one year after the date on which the loan
6 is made; and

7 (ii) to be completed later than the
8 date that is 30 years after the date on
9 which the loan is made.

10 (C) MORATORIUM.—The Secretary may
11 grant a temporary moratorium on the repay-
12 ment of a loan provided under this section if,
13 in the determination of the Secretary, continued
14 repayment of such loan would cause a financial
15 hardship on the State that received the loan.

16 (2) INTEREST.—The Secretary may not impose
17 or collect interest on a loan provided under this sec-
18 tion in excess of one percent above the current U.S.
19 Treasury rate for obligations of similar maturity.

20 (3) CREDIT TO LOAN FUND.—Repayment of
21 amounts loaned under this section shall be credited
22 to the Community Power Investment Revolving
23 Loan Fund and shall be available for the purposes
24 for which the fund is established.

1 (4) FINANCE CHARGES.—The Secretary may
2 assess finance charges of 5 percent on loans under
3 this section that are repaid within 5 to 10 years, 3
4 percent on such loans that are repaid within 3 to 5
5 years, and one percent for loans repaid within 3
6 years.

7 (d) ADMINISTRATION EXPENSES.—The Secretary
8 may defray the expenses of administering the loans pro-
9 vided under this section.

10 (e) AUTHORIZATION OF APPROPRIATIONS.—There
11 are authorized to be appropriated to the Community
12 Power Investment Revolving Loan Fund \$5,000,000,000
13 for each of the fiscal years 2002 through 2007.

14 **SEC. 3. STRANDED COSTS.**

15 Section 206 of the Federal Power Act is amended by
16 adding the following new subsection after subsection (d):

17 “(e) STRANDED COST RECOVERY.—The Commission
18 shall prohibit any public utility or State regulatory author-
19 ity from imposing, after the enactment of this subsection,
20 any fee or charge (including any exit fee) on any electric
21 consumer or State or municipality (or entity established
22 by a State or municipality) for the purpose of recovering
23 any wholesale stranded costs of such public utility that
24 may occur when retail electric consumers cease to be
25 served by that public utility by reason of the provision of

1 electric service to such consumers by a State or a political
2 subdivision of a State (or by any entity established by such
3 State or political subdivision). As promptly as practical
4 after the enactment of this subsection, the Commission
5 shall amend such rules and orders of the Commission as
6 may be necessary to carry out this subsection.”.

7 **SEC. 4. REPEAL OF RESTRICTION ON USE OF TAX-EXEMPT**
8 **BONDS TO ACQUIRE OUTPUT FACILITIES.**

9 (a) **IN GENERAL.**—Section 141 of the Internal Rev-
10 enue Code of 1986 (relating to private activity bond; quali-
11 fied bond) is amended by striking subsection (d) and by
12 redesignating subsection (e) and subsection (d).

13 (b) **EFFECTIVE DATE.**—The amendment made by
14 subsection (a) shall apply to obligations issued after the
15 date of the enactment of this Act.

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