

107TH CONGRESS
1ST SESSION

S. 1213

To authorize a short-term program of grants to certain electric utilities to be passed through, in the form of credits toward electric bills, to consumers that reduce electric energy consumption and to establish an Electric Energy Conservation Fund to provide loans to utilities and nonprofit organizations to fund energy productivity projects.

IN THE SENATE OF THE UNITED STATES

JULY 20, 2001

Ms. CANTWELL introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To authorize a short-term program of grants to certain electric utilities to be passed through, in the form of credits toward electric bills, to consumers that reduce electric energy consumption and to establish an Electric Energy Conservation Fund to provide loans to utilities and nonprofit organizations to fund energy productivity projects.

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 “Savings Through En-
5 ergy Productivity Act” or the “STEP Act”.

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) **ELIGIBLE UTILITY.**—The term “eligible
4 utility” means an electric utility that, during any
5 12-month period beginning on or after January 1,
6 2000, increased or increases the rates charged to all
7 categories of its customers by a weighted average of
8 20 percent or more in order to cover increases in the
9 cost of generating or acquiring electricity.

10 (2) **ENERGY PRODUCTIVITY PROJECT.**—The
11 term “energy productivity project” means a project
12 to—

13 (A) construct a facility or install equip-
14 ment that uses energy-efficient technology in
15 the generation or use of electric energy; or

16 (B) conduct a program, not conducted by
17 the applicant for a grant under section 4 before
18 the date of application for the grant, to increase
19 the productivity of a utility.

20 (3) **FUND.**—The term “Fund” means the
21 STEP Fund established by section 4.

22 (4) **SECRETARY.**—The term “Secretary” means
23 the Secretary of Energy.

24 (5) **UTILITY.**—The term “utility” means an
25 electric utility (as defined in section 3 of the Federal
26 Power Act (16 U.S.C. 796)) that is subject to regu-

1 lation by a State commission (as defined in that sec-
2 tion).

3 **SEC. 3. IMMEDIATE ELECTRIC ENERGY COST RELIEF FOR**
4 **CONSUMERS THAT REDUCE ENERGY CON-**
5 **SUMPTION.**

6 (a) IN GENERAL.—The Secretary shall establish a
7 program, to be known as the “STEP Emergency Rebate
8 Program”, under which the Secretary makes grants to eli-
9 gible utilities to pay the costs of providing rebates or cred-
10 its against the amounts of electric bills of customers that
11 reduce the amount of electric energy consumed by the cus-
12 tomer.

13 (b) CREDITS FOR REDUCTION OF ELECTRIC ENERGY
14 CONSUMPTION.—

15 (1) IN GENERAL.—To receive a grant under
16 subsection (a), an eligible utility shall agree to pro-
17 vide its customers rebates and credits as provided in
18 this subsection.

19 (2) FIRST PERIOD OF QUALIFICATION.—During
20 the first 12-month period in which a utility customer
21 qualifies for rebates or credits under this section, the
22 customer shall be entitled to a rebate of a portion
23 of the amount of an electric bill paid, or a credit
24 against the amount of an electric bill, for each bill-
25 ing period, in an amount that is proportionate to the

1 percentage by which the amount of electric energy
2 consumed by the customer during the billing period
3 is less than the amount consumed during the equiva-
4 lent billing period in the preceding year (referred to
5 in this section as the “base billing period”).

6 (3) SECOND PERIOD OF QUALIFICATION.—Dur-
7 ing the second 12-month period in which a utility
8 customer qualifies for rebates or credits under this
9 section, the customer shall be entitled to a rebate of
10 a portion of the amount of an electric bill paid, or
11 a credit against the amount of an electric bill, for
12 each billing period, in an amount that is propor-
13 tionate to the percentage by which the amount of
14 electric energy consumed by the customer during the
15 billing period is less than the amount consumed dur-
16 ing the base billing period.

17 (4) NEW CUSTOMERS.—In the case of a cus-
18 tomer to which an eligible utility has sold electric en-
19 ergy for less than a year, the proportion by which
20 the customer shall be considered to have reduced
21 electric energy consumption during a month shall be
22 determined by comparing the amount of electric en-
23 ergy consumed by the customer during the month
24 against a local area baseline determined in accord-
25 ance with regulations promulgated by the Secretary.

1 (5) PERCENTAGE REDUCTION.—

2 (A) LIMITATION.—A utility customer shall
3 be entitled to a rebate or credit only to the ex-
4 tent that the percentage described in paragraph
5 (3) or (4) is between 5.0 percent and 20.0 per-
6 cent, inclusive.

7 (B) ROUNDING.—For the purposes of de-
8 termining the amount of a rebate or credit, a
9 described in paragraph (3) or (4) shall be
10 rounded to the nearest tenth of a percent.

11 (c) ACTION BY THE SECRETARY.—

12 (1) EXPEDITIOUS RELIEF.—In order to provide
13 energy cost relief to consumers as expeditiously as
14 possible, the Secretary shall act on an application
15 for a grant under subsection (a) within 30 days
16 after receiving the application.

17 (2) FAILURE TO ACT.—If the Secretary fails to
18 act on an application for a grant within 30 days
19 after receiving the application, the application shall
20 be deemed to be granted.

21 (3) DENIAL OF APPLICATION.—If the Secretary
22 denies an application, the Secretary shall include in
23 the denial—

24 (A) a detailed statement of the reasons for
25 the denial; and

1 (B) a description any action that the appli-
 2 cant may make to obtain approval of the appli-
 3 cation.

4 (d) AUTHORIZATION OF APPROPRIATIONS.—

5 (1) IN GENERAL.—There are authorized to be
 6 appropriated such sums as are necessary to carry
 7 out this section for fiscal years 2002 and 2003.

8 (2) ADMINISTRATIVE EXPENSES.—The Sec-
 9 retary shall use not more than 5 percent of the
 10 amount made available to carry out this section for
 11 a fiscal year to pay administrative expenses.

12 (e) CESSATION OF EFFECTIVENESS.—

13 (1) IN GENERAL.—This section ceases to be in
 14 effect on October 1, 2003.

15 (2) TRANSFER TO THE FUND.—Any balance of
 16 the amounts made available to carry out this section
 17 that remain unexpended on September 30, 2003,
 18 shall be transferred to the Fund.

19 **SEC. 4. STEP FUND.**

20 (a) ESTABLISHMENT.—There is established in the
 21 Treasury of the United States a revolving fund to be
 22 known as the “STEP Fund”, consisting of—

23 (1) amounts appropriated to the Fund under
 24 subsection (f);

1 (2) amounts of loans repaid to the Fund under
2 subsection (b)(2)(B);

3 (3) amounts of interest earned on investment of
4 amounts in the Fund under subsection (c); and

5 (4) amounts transferred to the Fund under sec-
6 tion 3(e)(2).

7 (b) LOAN PROGRAM.—

8 (1) IN GENERAL.—The Secretary shall establish
9 a program under which the Secretary, using
10 amounts in the Fund, makes loans to utilities and
11 nonprofit organizations, at no interest, to pay up to
12 100 percent of the cost of an energy productivity
13 project.

14 (2) REPAYMENT.—

15 (A) SCHEDULE.—The Secretary shall re-
16 quire repayment of a loan on a schedule that
17 takes into account the length of time that will
18 be required for the amount of savings that is
19 expected to be realized from an energy produc-
20 tivity project to equal the cost of the energy
21 productivity project.

22 (B) DEPOSIT IN FUND.—The Secretary
23 shall deposit amounts received in repayment of
24 a loan in the Fund.

25 (c) INVESTMENT OF AMOUNTS.—

1 (1) IN GENERAL.—The Secretary of the Treas-
2 ury shall invest such portion of the Fund as is not,
3 in the judgment of the Secretary of the Treasury,
4 required to meet current withdrawals. Investments
5 may be made only in interest-bearing obligations of
6 the United States.

7 (2) ACQUISITION OF OBLIGATIONS.—For the
8 purpose of investments under paragraph (1), obliga-
9 tions may be acquired—

10 (A) on original issue at the issue price; or

11 (B) by purchase of outstanding obligations
12 at the market price.

13 (3) SALE OF OBLIGATIONS.—Any obligation ac-
14 quired by the Fund may be sold by the Secretary of
15 the Treasury at the market price.

16 (4) CREDITS TO FUND.—The interest on, and
17 the proceeds from the sale or redemption of, any ob-
18 ligations held in the Fund shall be credited to and
19 form a part of the Fund.

20 (d) AVAILABILITY.—Amounts in the Fund shall be
21 available to the Secretary, without further appropriation,
22 to make loans under subsection (b).

23 (e) REPORTS.—Not later than 1 year after the date
24 on which a utility or nonprofit organization receives a loan
25 under this section, and annually thereafter until such date

1 as the loan is repaid in full, the loan recipient shall submit
2 to the Secretary of Energy a report that describes—

3 (1) any electricity savings or peak demand re-
4 ductions resulting from the implementation of activi-
5 ties carried out using loan funds; and

6 (2) an estimate of the annual cost-effectiveness
7 of all programs carried out by the loan recipient in
8 the year for which the report is submitted.

9 (f) AUTHORIZATION OF APPROPRIATIONS.—There
10 are authorized to be appropriated to the Fund such sums
11 as are necessary to carry out this section.

12 (g) CESSATION OF EFFECTIVENESS.—This section
13 ceases to be in effect on the date that is 10 years after
14 the date of enactment of this Act.

