

110TH CONGRESS
1ST SESSION

H. R. 2154

To enhance and improve the energy security of the United States, expand economic development, increase agricultural income, and improve environmental quality by reauthorizing and improving the renewable energy systems and energy efficiency improvements program of the Department of Agriculture through fiscal year 2012, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 3, 2007

Ms. HERSETH SANDLIN (for herself, Mr. FORTENBERRY, and Ms. KAPTUR) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To enhance and improve the energy security of the United States, expand economic development, increase agricultural income, and improve environmental quality by reauthorizing and improving the renewable energy systems and energy efficiency improvements program of the Department of Agriculture through fiscal year 2012, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Rural Energy for
3 America Act of 2007”.

4 **SEC. 2. FINDINGS.**

5 The Congress finds that—

6 (1) rising energy costs and uncertain long-term
7 energy supplies threaten to undermine the growth of
8 the United States economy;

9 (2) since 2003, fuel and fertilizer costs have
10 nearly doubled for agricultural producers;

11 (3) there are continuing and increasing risks to
12 the energy security of the United States;

13 (4) having an affordable, reliable, and plentiful
14 energy supply will strengthen the United States
15 economy and improve domestic energy security;

16 (5) the agricultural sector can provide a signifi-
17 cant source of clean, sustainable energy for the
18 United States that can reduce the dependence of the
19 United States on imported energy and lower energy
20 costs for all people of the United States;

21 (6) agriculture-based energy—

22 (A) boosts rural economic development;

23 (B) increases farm-based income;

24 (C) creates manufacturing, construction,
25 and service jobs;

1 (D) expands economic opportunity for all
2 people; and

3 (E) improves environmental quality;

4 (7) it is a goal of this Act to help the agricul-
5 tural sector to provide at least 25 percent of the en-
6 ergy consumed in the United States by calendar
7 year 2025;

8 (8) expanding agriculture-based renewable en-
9 ergy resources (including wind, solar, and geo-
10 thermal energy, biomass, ethanol, and biodiesel) and
11 improving energy efficiency will help to achieve that
12 goal;

13 (9) section 9006 of the Farm Security and
14 Rural Investment Act of 2002 (7 U.S.C. 8106) es-
15 tablished the renewable energy systems and energy
16 efficiency improvements program, which is the first
17 agricultural program to catalyze broad renewable en-
18 ergy and energy efficiency measures for the agricul-
19 tural and rural business sectors;

20 (10) since establishment, the program has been
21 a strong success, providing during the first 4 years
22 of the program \$111,000,000 in grants and loan
23 guarantees for approximately 800 renewable energy
24 and energy efficiency projects in 43 States, which le-

1 veraged more than \$1,000,000,000 in additional in-
2 vestments in farms and rural communities;

3 (11) projects assisted by the grants and loan
4 guarantees issued in the program's first three years
5 will—

6 (A) produce or save more than
7 17,000,000,000,000 British thermal units of
8 energy each year in the form of fuel, electricity,
9 thermal energy, and energy efficiency;

10 (B) produce 170,000,000 gallons of eth-
11 anol and biodiesel fuel annually;

12 (C) reduce carbon dioxide emissions by
13 more than 1,100,000 tons annually; and

14 (D) result in more than 330 megawatts of
15 installed wind power electrical generating ca-
16 pacity; and

17 (12) applications for assistance under the pro-
18 gram—

19 (A) in 2003, nearly matched the available
20 funding for the program;

21 (B) in 2004, were nearly twice the avail-
22 able funding for the program; and

23 (C) in 2005 and 2006, were nearly triple
24 the available funding for the program.

1 **SEC. 3. RURAL ENERGY FOR AMERICA PROGRAM.**

2 Section 9006 of the Farm Security and Rural Invest-
3 ment Act of 2002 (7 U.S.C. 8106) is amended—

4 (1) by striking the section heading and insert-
5 ing the following:

6 **“SEC. 9006. RURAL ENERGY FOR AMERICA PROGRAM.”.**

7 (2) in subsection (a)—

8 (A) by inserting “, and issue rebates,”
9 after “grants”;

10 (B) by inserting “rural school districts,”
11 after “ranchers,”;

12 (C) by striking “and” at the end of para-
13 graph (1);

14 (D) by striking the period and inserting “;
15 and”;

16 (E) by adding at the end the following:

17 “(3) produce and sell electricity generated by
18 new renewable energy systems.”;

19 (3) in subsection (b), by adding at the end the
20 following: “Farmers, ranchers and other agricultural
21 producers in rural and non-rural areas are eligible to
22 receive loans, loan guarantees, and grants under this
23 section.”;

24 (4) in subsection (c)—

1 (A) in paragraph (1), by redesignating
2 subparagraph (B) as subparagraph (C) and in-
3 serting after subparagraph (A) the following:

4 “(B) LOAN GUARANTEES.—Subject to sub-
5 paragraph (C)—

6 “(i) the maximum amount of a loan
7 guaranteed to any eligible entity under this
8 section shall be \$25,000,000, except that
9 the maximum amount of a loan guaranteed
10 to an eligible entity for a facility that pro-
11 duces renewable fuels derived from cel-
12 lulosic biomass shall be \$100,000,000; and

13 “(ii) a loan guaranteed under this sec-
14 tion shall not exceed 70 percent of the
15 total loan value.”; and

16 (B) in paragraph (2)—

17 (i) by striking “and” at the end of
18 subparagraph (F); and

19 (ii) by redesignating subparagraph
20 (G) as subparagraph (H) and inserting
21 after subparagraph (F) the following:

22 “(G) in the case of a grant, the extent to
23 which the amount requested by the applicant is
24 less than 25 percent of the cost of the activity
25 to be funded under subsection (a); and”.

1 (5) by striking subsection (f);

2 (6) by redesignating subsection (e) as sub-
3 section (g);

4 (7) by inserting after subsection (d) the fol-
5 lowing:

6 “(e) FEASIBILITY STUDIES.—

7 “(1) IN GENERAL.—The Secretary may provide
8 assistance to eligible applicants to conduct feasibility
9 studies of projects for which assistance may be pro-
10 vided under this section.

11 “(2) LIMITATION.—The Secretary shall use not
12 more than 10 percent of the funds made available to
13 carry out this section to provide assistance described
14 in paragraph (1).

15 “(3) CRITERIA.—The Secretary shall, by regu-
16 lation, establish criteria for the receipt of assistance
17 under this subsection.

18 “(4) AVOIDANCE OF DUPLICATIVE ASSIST-
19 ANCE.—An applicant that receives assistance to
20 carry out a feasibility study for a project under this
21 subsection shall not be eligible for assistance to
22 carry out a feasibility study for the project under
23 any other provision of Federal law.

24 “(5) MATCHING FUNDS.—A recipient of funds
25 under this subsection shall contribute an amount of

1 non-Federal funds that is at least equal to 75 per-
2 cent of the amount of Federal funds received.

3 “(f) REBATE PROGRAM.—

4 “(1) IN GENERAL.—The Secretary shall make
5 competitive grants to eligible entities to provide re-
6 bates for farmers, ranchers, rural school districts,
7 and rural small businesses to purchase renewable en-
8 ergy systems and make energy efficiency improve-
9 ments.

10 “(2) ELIGIBLE ENTITIES.—To be eligible to re-
11 ceive a grant under paragraph (1), an entity shall
12 be—

13 “(A) a State energy or agriculture office;

14 “(B) a nonprofit State-based energy effi-
15 ciency or renewable energy organization that
16 uses public funds provided directly or under
17 contract with a State agency;

18 “(C) any other nonprofit organization with
19 a demonstrated ability to administer a State-
20 wide energy efficiency or renewable energy re-
21 bate program; or

22 “(D) a consortium of entities described in
23 subparagraphs (A) through (C).

24 “(3) MERIT REVIEW.—

1 “(A) IN GENERAL.—The Secretary shall
2 establish a merit review process to review appli-
3 cations for grants under paragraph (1) that
4 uses the expertise of the Department of Agri-
5 culture, other Federal and State agencies, and
6 non-governmental organizations.

7 “(B) REQUIREMENTS.—In reviewing the
8 application of an eligible entity to receive a
9 grant under paragraph (1), the Secretary shall
10 consider—

11 “(i) the experience and expertise of
12 the entity in establishing and admin-
13 istering a statewide clean energy rebate
14 program;

15 “(ii) the annual projected energy sav-
16 ings or production increases resulting from
17 the proposed program;

18 “(iii) the environmental benefits re-
19 sulting from the proposed program; and

20 “(iv) other appropriate factors, as de-
21 termined by the Secretary.

22 “(4) MAINTENANCE OF EFFORT.—An entity
23 that receives a grant under paragraph (1) shall pro-
24 vide assurances to the Secretary that funds provided
25 to the entity under this subsection will be used to

1 supplement, not to supplant, the amount of Federal,
2 State, and local funds otherwise expended for rebate
3 programs.

4 “(5) REBATE AMOUNT.—The amount of a re-
5 bate provided from a grant under this subsection
6 shall not exceed the lesser of—

7 “(A) \$10,000; or

8 “(B) 50 percent of the cost incurred to
9 purchase a renewable energy system or an en-
10 ergy efficiency improvement.”; and

11 (8) by adding at the end the following:

12 “(h) FUNDING.—

13 “(1) Of the funds of the Commodity Credit
14 Corporation, the Secretary shall make available to
15 carry out this section—

16 “(A) \$71,000,000 for fiscal year 2008;

17 “(B) \$90,000,000 for fiscal year 2009;

18 “(C) \$130,000,000 for fiscal year 2010;

19 “(D) \$180,000,000 for fiscal year 2011;

20 and

21 “(E) \$250,000,000 for fiscal year 2012,

22 to remain available until expended.

23 “(2) The Secretary shall use not less than 50
24 percent of the funds made available to carry out this

1 section to make grants and to implement the rebate
2 program described in subsection (f).”.

3 **SEC. 4. SENSE OF THE HOUSE ON A DIRECT LOAN PRO-**
4 **GRAM IN SECTION 9006.**

5 It is the sense of the House that—

6 (1) as authorized by section 9006 of the Farm
7 Security and Rural Investment Act of 2002 (7
8 U.S.C. 8106), the Secretary of Agriculture should
9 implement a direct loan program to complement the
10 grants provided under that section; and

11 (2) as appropriate, the Secretary should model
12 the direct loan program on the loan program estab-
13 lished under section 503 of the Small Business In-
14 vestment Act of 1958 (15 U.S.C. 697).

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