

In the House of Representatives, U. S.,

December 6, 2007.

Resolved, That the House agree to the amendments of the Senate to the bill (H.R. 6) entitled “An Act to reduce our Nation’s dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes”, with the following

HOUSE AMENDMENTS TO SENATE AMENDMENTS:

In lieu of the matter proposed to be inserted by the amendment of the Senate to the text of the bill, insert the following:

1 ***SECTION 1. SHORT TITLE; TABLE OF CONTENTS.***

2 (a) *SHORT TITLE.*—*This Act may be cited as the “En-*
3 *ergy Independence and Security Act of 2007”.*

4 (b) *TABLE OF CONTENTS.*—*The table of contents of this*
5 *Act is as follows:*

Sec. 1. Short title; table of contents.

Sec. 2. Definitions.

Sec. 3. Relationship to other law.

TITLE I—ENERGY SECURITY THROUGH IMPROVED VEHICLE FUEL ECONOMY

Subtitle A—Increased Corporate Average Fuel Economy Standards

Sec. 101. Short title.

Sec. 102. Average fuel economy standards for automobiles and certain other vehicles.

Sec. 103. Definitions.

- Sec. 104. Credit trading program.*
- Sec. 105. Consumer information.*
- Sec. 106. Continued applicability of existing standards.*
- Sec. 107. National Academy of Sciences studies.*
- Sec. 108. National Academy of Sciences study of medium-duty and heavy-duty truck fuel economy.*
- Sec. 109. Extension of flexible fuel vehicle credit program.*
- Sec. 110. Periodic review of accuracy of fuel economy labeling procedures.*
- Sec. 111. Consumer tire information.*
- Sec. 112. Use of civil penalties for research and development.*
- Sec. 113. Exemption from separate calculation requirement.*

Subtitle B—Improved Vehicle Technology

- Sec. 131. Transportation electrification.*
- Sec. 132. Domestic manufacturing conversion grant program.*
- Sec. 133. Inclusion of electric drive in Energy Policy Act of 1992.*
- Sec. 134. Loan guarantees for fuel-efficient automobile parts manufacturers.*
- Sec. 135. Advanced battery loan guarantee program.*
- Sec. 136. Advanced technology vehicles manufacturing incentive program.*

Subtitle C—Federal Vehicle Fleets

- Sec. 141. Federal vehicle fleets.*
- Sec. 142. Federal fleet conservation requirements.*

**TITLE II—ENERGY SECURITY THROUGH INCREASED PRODUCTION
OF BIOFUELS**

Subtitle A—Renewable Fuel Standard

- Sec. 201. Definitions.*
- Sec. 202. Renewable fuel standard.*
- Sec. 203. Study of impact of Renewable Fuel Standard.*
- Sec. 204. Environmental and resource conservation impacts.*
- Sec. 205. Biomass based diesel and biodiesel labeling.*
- Sec. 206. Study of credits for use of renewable electricity in electric vehicles.*
- Sec. 207. Grants for production of advanced biofuels.*
- Sec. 208. Integrated consideration of water quality in determinations on fuels and fuel additives.*
- Sec. 209. Anti-backsliding.*
- Sec. 210. Effective date, savings provision, and transition rules.*

Subtitle B—Biofuels Research and Development

- Sec. 221. Biodiesel.*
- Sec. 222. Biogas.*
- Sec. 223. Grants for biofuel production research and development in certain States.*
- Sec. 224. Biorefinery energy efficiency.*
- Sec. 225. Study of optimization of flexible fueled vehicles to use E-85 fuel.*
- Sec. 226. Study of engine durability and performance associated with the use of biodiesel.*
- Sec. 227. Study of optimization of biogas used in natural gas vehicles.*
- Sec. 228. Algal biomass.*
- Sec. 229. Biofuels and biorefinery information center.*
- Sec. 230. Cellulosic ethanol and biofuels research.*

- Sec. 231. Bioenergy research and development, authorization of appropriation.*
Sec. 232. Environmental research and development.
Sec. 233. Bioenergy research centers.
Sec. 234. University based research and development grant program.

Subtitle C—Biofuels Infrastructure

- Sec. 241. Prohibition on franchise agreement restrictions related to renewable fuel infrastructure.*
Sec. 242. Renewable fuel dispenser requirements.
Sec. 243. Ethanol pipeline feasibility study.
Sec. 244. Renewable fuel infrastructure grants.
Sec. 245. Study of the adequacy of transportation of domestically-produced renewable fuel by railroads and other modes of transportation.
Sec. 246. Federal fleet fueling centers.
Sec. 247. Standard specifications for biodiesel.
Sec. 248. Biofuels distribution and advanced biofuels infrastructure.

Subtitle D—Environmental Safeguards

- Sec. 251. Waiver for fuel or fuel additives.*

**TITLE III—ENERGY SAVINGS THROUGH IMPROVED STANDARDS
FOR APPLIANCE AND LIGHTING**

Subtitle A—Appliance Energy Efficiency

- Sec. 301. External power supply efficiency standards.*
Sec. 302. Updating appliance test procedures.
Sec. 303. Residential boilers.
Sec. 304. Furnace fan standard process.
Sec. 305. Improving schedule for standards updating and clarifying State authority.
Sec. 306. Regional standards for furnaces, central air conditioners, and heat pumps.
Sec. 307. Procedure for prescribing new or amended standards.
Sec. 308. Expedited rulemakings.
Sec. 309. Battery chargers.
Sec. 310. Standby mode.
Sec. 311. Energy standards for home appliances.
Sec. 312. Walk-in coolers and walk-in freezers.
Sec. 313. Electric motor efficiency standards.
Sec. 314. Standards for single package vertical air conditioners and heat pumps.
Sec. 315. Improved energy efficiency for appliances and buildings in cold climates.
Sec. 316. Technical corrections.

Subtitle B—Lighting Energy Efficiency

- Sec. 321. Efficient light bulbs.*
Sec. 322. Incandescent reflector lamp efficiency standards.
Sec. 323. Public building energy efficient and renewable energy systems.
Sec. 324. Metal halide lamp fixtures.
Sec. 325. Energy efficiency labeling for consumer electronic products.

TITLE IV—ENERGY SAVINGS IN BUILDINGS AND INDUSTRY

- Sec. 401. Definitions.*

Subtitle A—Residential Building Efficiency

- Sec. 411. Reauthorization of weatherization assistance program.*
Sec. 412. Study of renewable energy rebate programs.
Sec. 413. Energy code improvements applicable to manufactured housing.

Subtitle B—High-Performance Commercial Buildings

- Sec. 421. Commercial high-performance green buildings.*
Sec. 422. Zero Net Energy Commercial Buildings Initiative.
Sec. 423. Public outreach.

Subtitle C—High-Performance Federal Buildings

- Sec. 431. Energy reduction goals for Federal buildings.*
Sec. 432. Management of energy and water efficiency in Federal buildings.
Sec. 433. Federal building energy efficiency performance standards.
Sec. 434. Management of Federal building efficiency .
Sec. 435. Leasing.
Sec. 436. High-performance green Federal buildings.
Sec. 437. Federal green building performance.
Sec. 438. Storm water runoff requirements for Federal development projects.
Sec. 439. Cost-effective technology acceleration program.
Sec. 440. Authorization of appropriations.
Sec. 441. Public building life-cycle costs.

Subtitle D—Industrial Energy Efficiency

- Sec. 451. Industrial energy efficiency.*
Sec. 452. Energy-intensive industries program.
Sec. 453. Energy efficiency for data center buildings.

Subtitle E—Healthy High-Performance Schools

- Sec. 461. Healthy high-performance schools.*
Sec. 462. Study on indoor environmental quality in schools.

Subtitle F—Institutional Entities

- Sec. 471. Energy sustainability and efficiency grants and loans for institutions.*

Subtitle G—Public and Assisted Housing

- Sec. 481. Application of International Energy Conservation Code to public and assisted housing.*

Subtitle H—General Provisions

- Sec. 491. Demonstration project.*
Sec. 492. Research and development.
Sec. 493. Environmental Protection Agency demonstration grant program for local governments.
Sec. 494. Green Building Advisory Committee.
Sec. 495. Advisory Committee on Energy Efficiency Finance.

TITLE V—ENERGY SAVINGS IN GOVERNMENT AND PUBLIC
INSTITUTIONS

Subtitle A—United States Capitol Complex

- Sec. 501. Capitol complex photovoltaic roof feasibility studies.*
- Sec. 502. Capitol complex E-85 refueling station.*
- Sec. 503. Energy and environmental measures in Capitol complex master plan.*
- Sec. 504. Promoting maximum efficiency in operation of Capitol power plant.*
- Sec. 505. Capitol power plant carbon dioxide emissions feasibility study and demonstration projects.*

Subtitle B—Energy Savings Performance Contracting

- Sec. 511. Authority to enter into contracts; reports.*
- Sec. 512. Financing flexibility.*
- Sec. 513. Promoting long-term energy savings performance contracts and verifying savings.*
- Sec. 514. Permanent reauthorization.*
- Sec. 515. Definition of energy savings.*
- Sec. 516. Retention of savings.*
- Sec. 517. Training Federal contracting officers to negotiate energy efficiency contracts.*
- Sec. 518. Study of energy and cost savings in nonbuilding applications.*

Subtitle C—Energy Efficiency in Federal Agencies

- Sec. 521. Installation of photovoltaic system at Department of Energy headquarters building.*
- Sec. 522. Prohibition on incandescent lamps by Coast Guard.*
- Sec. 523. Standard relating to solar hot water heaters.*
- Sec. 524. Federally-procured appliances with standby power.*
- Sec. 525. Federal procurement of energy efficient products.*
- Sec. 526. Procurement and acquisition of alternative fuels.*
- Sec. 527. Government efficiency status reports.*
- Sec. 528. OMB government efficiency reports and scorecards.*
- Sec. 529. Electricity sector demand response.*

Subtitle D—Energy Efficiency of Public Institutions

- Sec. 531. Reauthorization of State energy programs.*
- Sec. 532. Utility energy efficiency programs.*

Subtitle E—Energy Efficiency and Conservation Block Grants

- Sec. 541. Definitions.*
- Sec. 542. Energy Efficiency and Conservation Block Grant Program.*
- Sec. 543. Allocation of funds.*
- Sec. 544. Use of funds.*
- Sec. 545. Requirements for eligible entities.*
- Sec. 546. Competitive grants.*
- Sec. 547. Review and evaluation.*
- Sec. 548. Funding.*

TITLE VI—ACCELERATED RESEARCH AND DEVELOPMENT

Subtitle A—Solar Energy

- Sec. 601. Short title.*
- Sec. 602. Thermal energy storage research and development program.*
- Sec. 603. Concentrating solar power commercial application studies.*
- Sec. 604. Solar energy curriculum development and certification grants.*
- Sec. 605. Daylighting systems and direct solar light pipe technology.*
- Sec. 606. Solar Air Conditioning Research and Development Program.*
- Sec. 607. Photovoltaic demonstration program.*

Subtitle B—Geothermal Energy

- Sec. 611. Short title.*
- Sec. 612. Definitions.*
- Sec. 613. Hydrothermal research and development.*
- Sec. 614. General geothermal systems research and development.*
- Sec. 615. Enhanced geothermal systems research and development.*
- Sec. 616. Geothermal energy production from oil and gas fields and recovery and production of geopressed gas resources.*
- Sec. 617. Cost sharing and proposal evaluation.*
- Sec. 618. Center for geothermal technology transfer.*
- Sec. 619. GeoPowering America.*
- Sec. 620. Educational pilot program.*
- Sec. 621. Reports.*
- Sec. 622. Applicability of other laws.*
- Sec. 623. Authorization of appropriations.*
- Sec. 624. International geothermal energy development.*
- Sec. 625. High cost region geothermal energy grant program.*

Subtitle C—Marine and Hydrokinetic Renewable Energy Technologies

- Sec. 631. Short title.*
- Sec. 632. Definition.*
- Sec. 633. Marine and hydrokinetic renewable energy research and development.*
- Sec. 634. National Marine Renewable Energy Research, Development, and Demonstration Centers.*
- Sec. 635. Applicability of other laws.*
- Sec. 636. Authorization of appropriations.*

Subtitle D—Energy Storage for Transportation and Electric Power

- Sec. 641. Energy storage competitiveness.*

Subtitle E—Miscellaneous Provisions

- Sec. 651. Lightweight materials research and development.*
- Sec. 652. Commercial insulation demonstration program.*
- Sec. 653. Technical criteria for clean coal power Initiative.*
- Sec. 654. H-Prize.*
- Sec. 655. Bright Tomorrow Lighting Prizes.*
- Sec. 656. Renewable Energy innovation manufacturing partnership.*

TITLE VII—CARBON CAPTURE AND SEQUESTRATION

Subtitle A—Carbon Capture and Sequestration Research, Development, and Demonstration

- Sec. 701. Short title.*
Sec. 702. Carbon capture and sequestration research, development, and demonstration program.
Sec. 703. Carbon capture.
Sec. 704. Review of large-scale programs.
Sec. 705. Geologic sequestration training and research.
Sec. 706. Relation to Safe Drinking Water Act.
Sec. 707. Safety research.
Sec. 708. University based research and development grant program.

Subtitle B—Carbon Capture and Sequestration Assessment and Framework

- Sec. 711. Carbon dioxide sequestration capacity assessment.*
Sec. 712. Assessment of carbon sequestration and methane and nitrous oxide emissions from ecosystems.
Sec. 713. Carbon dioxide sequestration inventory.
Sec. 714. Framework for geological carbon sequestration on public land.

TITLE VIII—IMPROVED MANAGEMENT OF ENERGY POLICY

Subtitle A—Management Improvements

- Sec. 801. National media campaign.*
Sec. 802. Alaska Natural Gas Pipeline administration.
Sec. 803. Renewable energy deployment.
Sec. 804. Coordination of planned refinery outages.
Sec. 805. Assessment of resources.
Sec. 806. Sense of Congress relating to the use of renewable resources to generate energy.
Sec. 807. Geothermal assessment, exploration information, and priority activities.

Subtitle B—Prohibitions on Market Manipulation and False Information

- Sec. 811. Prohibition on market manipulation.*
Sec. 812. Prohibition on false information.
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Sec. 814. Penalties.
Sec. 815. Effect on other laws.

TITLE IX—INTERNATIONAL ENERGY PROGRAMS

- Sec. 901. Definitions.*

Subtitle A—Assistance to Promote Clean and Efficient Energy Technologies in Foreign Countries

- Sec. 911. United States assistance for developing countries.*
Sec. 912. United States exports and outreach programs for India, China, and other countries.
Sec. 913. United States trade missions to encourage private sector trade and investment.
Sec. 914. Actions by Overseas Private Investment Corporation.
Sec. 915. Actions by United States Trade and Development Agency.

- Sec. 916. Deployment of international clean and efficient energy technologies and investment in global energy markets.*
Sec. 917. United States-Israel energy cooperation.

Subtitle B—International Clean Energy Foundation

- Sec. 921. Definitions.*
Sec. 922. Establishment and management of Foundation.
Sec. 923. Duties of Foundation.
Sec. 924. Annual report.
Sec. 925. Powers of the Foundation; related provisions.
Sec. 926. General personnel authorities.
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Subtitle C—Miscellaneous Provisions

- Sec. 931. Energy diplomacy and security within the Department of State.*
Sec. 932. National Security Council reorganization.
Sec. 933. Annual national energy security strategy report.
Sec. 934. Convention on Supplementary Compensation for Nuclear Damage contingent cost allocation.
Sec. 935. Transparency in extractive industries resource payments.

TITLE X—GREEN JOBS

- Sec. 1001. Short title.*
Sec. 1002. Energy efficiency and renewable energy worker training program.

TITLE XI—ENERGY TRANSPORTATION AND INFRASTRUCTURE

Subtitle A—Department of Transportation

- Sec. 1101. Office of Climate Change and Environment.*

Subtitle B—Railroads

- Sec. 1111. Advanced technology locomotive grant pilot program.*
Sec. 1112. Capital grants for class II and class III railroads.

Subtitle C—Marine Transportation

- Sec. 1121. Short sea transportation initiative.*
Sec. 1122. Short sea shipping eligibility for capital construction fund.
Sec. 1123. Short sea transportation report.

Subtitle D—Highways

- Sec. 1131. Increased Federal share for CMAQ projects.*
Sec. 1132. Distribution of rescissions.
Sec. 1133. Sense of Congress regarding use of complete streets design techniques.

TITLE XII—SMALL BUSINESS ENERGY PROGRAMS

- Sec. 1201. Express loans for renewable energy and energy efficiency.*
Sec. 1202. Pilot program for reduced 7(a) fees for purchase of energy efficient technologies.
Sec. 1203. Small business energy efficiency.
Sec. 1204. Larger 504 loan limits to help business develop energy efficient technologies and purchases.

- Sec. 1205. Energy saving debentures.*
Sec. 1206. Investments in energy saving small businesses.
Sec. 1207. Renewable fuel capital investment company.
Sec. 1208. Study and report.

TITLE XIII—SMART GRID

- Sec. 1301. Statement of policy on modernization of electricity grid.*
Sec. 1302. Smart grid system report.
Sec. 1303. Smart grid advisory committee and smart grid task force.
Sec. 1304. Smart grid technology research, development, and demonstration.
Sec. 1305. Smart grid interoperability framework.
Sec. 1306. Federal matching fund for smart grid investment costs.
Sec. 1307. State consideration of smart grid.
Sec. 1308. Study of the effect of private wire laws on the development of combined heat and power facilities.
Sec. 1309. DOE study of security attributes of smart grid systems.

TITLE XIV—RENEWABLE ELECTRICITY STANDARD

- Sec. 1401. Renewable electricity standard.*

*TITLE XV—CLEAN RENEWABLE ENERGY AND CONSERVATION TAX
ACT OF 2007*

- Sec. 1500. Short title; amendment of 1986 Code.*

Subtitle A—Clean Renewable Energy Production Incentives

PART I—PROVISIONS RELATING TO RENEWABLE ENERGY

- Sec. 1501. Extension and modification of renewable energy credit.*
Sec. 1502. Production credit for electricity produced from marine renewables.
Sec. 1503. Extension and modification of energy credit.
Sec. 1504. Extension and modification of credit for residential energy efficient property.
Sec. 1505. Extension and modification of special rule to implement FERC and State electric restructuring policy.
Sec. 1506. New clean renewable energy bonds.

PART II—PROVISIONS RELATING TO CARBON MITIGATION AND COAL

- Sec. 1507. Expansion and modification of advanced coal project investment credit.*
Sec. 1508. Expansion and modification of coal gasification investment credit.
Sec. 1509. Seven-year applicable recovery period for depreciation of qualified carbon dioxide pipeline property.
Sec. 1510. Special rules for refund of the coal excise tax to certain coal producers and exporters.
Sec. 1511. Extension of temporary increase in coal excise tax.
Sec. 1512. Carbon audit of the tax code.

Subtitle B—Transportation and Domestic Fuel Security

PART I—BIOFUELS

- Sec. 1521. Credit for production of cellulosic biomass alcohol.*

- Sec. 1522. Expansion of special allowance to cellulosic biomass alcohol fuel plant property.*
- Sec. 1523. Modification of alcohol credit.*
- Sec. 1524. Extension and modification of credits for biodiesel and renewable diesel.*
- Sec. 1525. Clarification of eligibility for renewable diesel credit.*
- Sec. 1526. Provisions clarifying treatment of fuels with no nexus to the United States.*
- Sec. 1527. Comprehensive study of biofuels.*

PART II—ADVANCED TECHNOLOGY MOTOR VEHICLES

- Sec. 1528. Credit for new qualified plug-in electric drive motor vehicles.*
- Sec. 1529. Exclusion from heavy truck tax for idling reduction units and advanced insulation.*

PART III—OTHER TRANSPORTATION PROVISIONS

- Sec. 1530. Restructuring of New York Liberty Zone tax credits.*
- Sec. 1531. Extension of transportation fringe benefit to bicycle commuters.*

Subtitle C—Energy Conservation and Efficiency

PART I—CONSERVATION TAX CREDIT BONDS

- Sec. 1541. Qualified energy conservation bonds.*
- Sec. 1542. Qualified forestry conservation bonds.*

PART II—EFFICIENCY

- Sec. 1543. Extension and modification of energy efficient existing homes credit.*
- Sec. 1544. Extension and modification of energy efficient commercial buildings deduction.*
- Sec. 1545. Modifications of energy efficient appliance credit for appliances produced after 2007.*
- Sec. 1546. Seven-year applicable recovery period for depreciation of qualified energy management devices.*

Subtitle D—Other Provisions

PART I—FORESTRY PROVISIONS

- Sec. 1551. Deduction for qualified timber gain.*
- Sec. 1552. Excise tax not applicable to section 1203 deduction of real estate investment trusts.*
- Sec. 1553. Timber REIT modernization.*
- Sec. 1554. Mineral royalty income qualifying income for timber REITs.*
- Sec. 1555. Modification of taxable REIT subsidiary asset test for timber REITs.*
- Sec. 1556. Safe harbor for timber property.*

PART II—EXXON VALDEZ

- Sec. 1557. Income averaging for amounts received in connection with the Exxon Valdez litigation.*

Subtitle E—Revenue Provisions

- Sec. 1561. Limitation of deduction for income attributable to domestic production of oil, gas, or a primary products thereof.*

Sec. 1562. *Elimination of the different treatment of foreign oil and gas extraction income and foreign oil related income for purposes of the foreign tax credit.*

Sec. 1563. *Seven-year amortization of geological and geophysical expenditures for certain major integrated oil companies.*

Sec. 1564. *Broker reporting of customer's basis in securities transactions.*

Sec. 1565. *Extension of additional 0.2 percent FUTA surtax.*

Sec. 1566. *Termination of treatment of natural gas distribution lines as 15-year property.*

Sec. 1567. *Time for payment of corporate estimated taxes.*

Sec. 1568. *Modification of penalty for failure to file partnership returns.*

Subtitle F—Secure Rural Schools

Sec. 1571. *Secure rural schools and community self-determination program.*

1 **SEC. 2. DEFINITIONS.**

2 *In this Act:*

3 (1) *DEPARTMENT.*—*The term “Department”*
4 *means the Department of Energy.*

5 (2) *INSTITUTION OF HIGHER EDUCATION.*—*The*
6 *term “institution of higher education” has the mean-*
7 *ing given the term in section 101(a) of the Higher*
8 *Education Act of 1965 (20 U.S.C. 1001(a)).*

9 (3) *SECRETARY.*—*The term “Secretary” means*
10 *the Secretary of Energy.*

11 **SEC. 3. RELATIONSHIP TO OTHER LAW.**

12 *Except to the extent expressly provided in this Act or*
13 *an amendment made by this Act, nothing in this Act or*
14 *an amendment made by this Act supersedes, limits the au-*
15 *thority provided or responsibility conferred by, or author-*
16 *izes any violation of any provision of law (including a reg-*
17 *ulation), including any energy or environmental law or*
18 *regulation.*

1 **TITLE I—ENERGY SECURITY**
 2 **THROUGH IMPROVED VEHI-**
 3 **CLE FUEL ECONOMY**

4 **Subtitle A—Increased Corporate**
 5 **Average Fuel Economy Standards**

6 **SEC. 101. SHORT TITLE.**

7 *This subtitle may be cited as the “Ten-in-Ten Fuel*
 8 *Economy Act”.*

9 **SEC. 102. AVERAGE FUEL ECONOMY STANDARDS FOR AUTO-**
 10 **MOBILES AND CERTAIN OTHER VEHICLES.**

11 *(a) INCREASED STANDARDS.—Section 32902 of title*
 12 *49, United States Code, is amended—*

13 *(1) in subsection (a)—*

14 *(A) by striking “NON-PASSENGER AUTO-*
 15 *MOBILES.—” and inserting “PRESCRIPTION OF*
 16 *STANDARDS BY REGULATION.—”;*

17 *(B) by striking “(except passenger auto-*
 18 *mobiles)” in subsection (a); and*

19 *(C) by striking the last sentence;*

20 *(2) by striking subsection (b) and inserting the*
 21 *following:*

22 *“(b) STANDARDS FOR AUTOMOBILES AND CERTAIN*
 23 *OTHER VEHICLES.—*

24 *“(1) IN GENERAL.—The Secretary of Transpor-*
 25 *tation, after consultation with the Secretary of En-*

1 *ergy and the Administrator of the Environmental*
2 *Protection Agency, shall prescribe separate average*
3 *fuel economy standards for—*

4 *“(A) passenger automobiles manufactured*
5 *by manufacturers in each model year beginning*
6 *with model year 2011 in accordance with this*
7 *subsection;*

8 *“(B) non-passenger automobiles manufac-*
9 *tured by manufacturers in each model year be-*
10 *ginning with model year 2011 in accordance*
11 *with this subsection;*

12 *“(C) work trucks in accordance with sub-*
13 *section (k); and*

14 *“(D) commercial medium-duty or heavy-*
15 *duty on-highway vehicles in accordance with*
16 *subsection (l).*

17 *“(2) FUEL ECONOMY STANDARDS FOR AUTO-*
18 *MOBILES.—*

19 *“(A) AUTOMOBILE FUEL ECONOMY AVERAGE*
20 *FOR MODEL YEARS 2011 THROUGH 2020.—The*
21 *Secretary shall prescribe a separate average fuel*
22 *economy standard for passenger automobiles and*
23 *a separate average fuel economy standard for*
24 *non-passenger automobiles for each model year*
25 *beginning with model year 2011 to achieve a*

1 *combined fuel economy average for model year*
2 *2020 of at least 35 miles per gallon for the total*
3 *fleet of passenger and non-passenger automobiles*
4 *manufactured for sale in the United States for*
5 *that model year.*

6 “(B) *AUTOMOBILE FUEL ECONOMY AVERAGE*
7 *FOR MODEL YEARS 2021 THROUGH 2030.—For*
8 *model years 2021 through 2030, the average fuel*
9 *economy required to be attained by each fleet of*
10 *passenger and non-passenger automobiles manu-*
11 *factured for sale in the United States shall be the*
12 *maximum feasible average fuel economy stand-*
13 *ard for each fleet for that model year.*

14 “(C) *PROGRESS TOWARD STANDARD RE-*
15 *QUIRED.—In prescribing average fuel economy*
16 *standards under subparagraph (A), the Sec-*
17 *retary shall prescribe annual fuel economy*
18 *standard increases that increase the applicable*
19 *average fuel economy standard ratably beginning*
20 *with model year 2011 and ending with model*
21 *year 2020.*

22 “(3) *AUTHORITY OF THE SECRETARY.—The Sec-*
23 *retary shall—*

24 “(A) *prescribe by regulation separate aver-*
25 *age fuel economy standards for passenger and*

1 *non-passenger automobiles based on 1 or more*
2 *vehicle attributes related to fuel economy and ex-*
3 *press each standard in the form of a mathe-*
4 *matical function; and*

5 *“(B) issue regulations under this title pre-*
6 *scribing average fuel economy standards for at*
7 *least 1, but not more than 5, model years.*

8 *“(4) MINIMUM STANDARD.—In addition to any*
9 *standard prescribed pursuant to paragraph (3), each*
10 *manufacturer shall also meet the minimum standard*
11 *for domestically manufactured passenger automobiles,*
12 *which shall be the greater of—*

13 *“(A) 27.5 miles per gallon; or*

14 *“(B) 92 percent of the average fuel economy*
15 *projected by the Secretary for the combined do-*
16 *mestic and non-domestic passenger automobile*
17 *fleets manufactured for sale in the United States*
18 *by all manufacturers in the model year, which*
19 *projection shall be published in the Federal Reg-*
20 *ister when the standard for that model year is*
21 *promulgated in accordance with this section.”;*

22 *and*

23 *(3) in subsection (c)—*

1 (A) by striking “(1) Subject to paragraph
2 (2) of this subsection, the” and inserting “The”;
3 and

4 (B) by striking paragraph (2).

5 (b) *FUEL ECONOMY STANDARD FOR WORK TRUCKS.*—
6 Section 32902 of title 49, United States Code, is amended
7 by adding at the end the following:

8 “(k) *WORK TRUCKS.*—

9 “(1) *STUDY.*—Not later than 1 year after the
10 date of the enactment of the Ten-in-Ten Fuel Econ-
11 omy Act, the Secretary of Transportation, in con-
12 sultation with the Secretary of Energy and the Ad-
13 ministrator of the Environmental Protection Agency,
14 shall examine the fuel efficiency of work trucks and
15 determine—

16 “(A) the appropriate test procedures and
17 methodologies for measuring the fuel efficiency of
18 work trucks;

19 “(B) the appropriate metric for measuring
20 and expressing work truck fuel efficiency per-
21 formance, taking into consideration, among other
22 things, the work performed by work trucks and
23 types of operations in which they are used;

24 “(C) the range of factors, including, without
25 limitation, design, functionality, use, duty cycle,

1 *infrastructure, and total overall energy consump-*
2 *tion and operating costs that affect work truck*
3 *fuel efficiency; and*

4 “(D) *such other factors and conditions that*
5 *could have an impact on a program to improve*
6 *work truck fuel efficiency.*”

7 “(2) *RULEMAKING.—Not later than 24 months*
8 *after completion of the study required under para-*
9 *graph (1), the Secretary, in consultation with the Sec-*
10 *retary of Energy and the Administrator of the Envi-*
11 *ronmental Protection Agency, by regulation, shall de-*
12 *termine in a rulemaking proceeding how to imple-*
13 *ment a work truck fuel efficiency improvement pro-*
14 *gram designed to achieve the maximum feasible im-*
15 *provement, and shall adopt and implement appro-*
16 *priate test methods, measurement metrics, fuel econ-*
17 *omy standards, and compliance and enforcement pro-*
18 *ocols that are appropriate, cost-effective, and techno-*
19 *logically feasible for work trucks. Any fuel economy*
20 *standard prescribed under this section shall be pre-*
21 *scribed at least 18 months before the model year to*
22 *which it applies. The Secretary may prescribe sepa-*
23 *rate standards for different classes of vehicles under*
24 *this subsection.”.*

1 (c) *FUEL ECONOMY STANDARD FOR COMMERCIAL ME-*
2 *DIUM-DUTY AND HEAVY-DUTY ON-HIGHWAY VEHICLES.—*
3 *Section 32902 of title 49, United States Code, as amended*
4 *by subsection (b), is further amended by adding at the end*
5 *the following:*

6 “(l) *COMMERCIAL MEDIUM- AND HEAVY-DUTY ON-*
7 *HIGHWAY VEHICLES.—*

8 “(1) *STUDY.—Not later than 1 year after the*
9 *National Academy of Sciences publishes the results of*
10 *its study under section 108 of the Ten-in-Ten Fuel*
11 *Economy Act, the Secretary of Transportation, in*
12 *consultation with the Secretary of Energy and the*
13 *Administrator of the Environmental Protection Agen-*
14 *cy, shall examine the fuel efficiency of commercial*
15 *medium- and heavy-duty on-highway vehicles and de-*
16 *termine—*

17 “(A) *the appropriate test procedures and*
18 *methodologies for measuring the fuel efficiency of*
19 *such vehicles;*

20 “(B) *the appropriate metric for measuring*
21 *and expressing commercial medium- and heavy-*
22 *duty on-highway vehicle fuel efficiency perform-*
23 *ance, taking into consideration, among other*
24 *things, the work performed by such on-highway*

1 *vehicles and types of operations in which they*
2 *are used;*

3 “(C) *the range of factors, including, without*
4 *limitation, design, functionality, use, duty cycle,*
5 *infrastructure, and total overall energy consump-*
6 *tion and operating costs that affect commercial*
7 *medium- and heavy-duty on-highway vehicle fuel*
8 *efficiency; and*

9 “(D) *such other factors and conditions that*
10 *could have an impact on a program to improve*
11 *commercial medium- and heavy-duty on-high-*
12 *way vehicle fuel efficiency.*

13 “(2) *RULEMAKING.—Not later than 24 months*
14 *after completion of the study required under para-*
15 *graph (1), the Secretary, in consultation with the Sec-*
16 *retary of Energy and the Administrator of the Envi-*
17 *ronmental Protection Agency, by regulation, shall de-*
18 *termine in a rulemaking proceeding how to imple-*
19 *ment a commercial medium- and heavy-duty on-high-*
20 *way vehicle fuel efficiency improvement program de-*
21 *signed to achieve the maximum feasible improvement,*
22 *and shall adopt and implement appropriate test*
23 *methods, measurement metrics, fuel economy stand-*
24 *ards, and compliance and enforcement protocols that*
25 *are appropriate, cost-effective, and technologically fea-*

1 sible for commercial medium- and heavy-duty on-
2 highway vehicles. Any fuel economy standard pre-
3 scribed under this section shall be prescribed at least
4 18 months before the model year to which it applies.
5 The Secretary may prescribe separate standards for
6 different classes of vehicles under this subsection.

7 “(3) *LEAD-TIME; REGULATORY STABILITY.*—The
8 first commercial medium- and heavy-duty on-high-
9 way vehicle fuel efficiency regulatory program adopt-
10 ed pursuant to this subsection shall provide not less
11 than—

12 “(A) 4 full model years of regulatory lead-
13 time; and

14 “(B) 3 full model years of regulatory sta-
15 bility.”.

16 **SEC. 103. DEFINITIONS.**

17 (a) *IN GENERAL.*—Section 32901(a) of title 49, United
18 States Code, is amended—

19 (1) by striking paragraph (3) and inserting the
20 following:

21 “(3) except as provided in section 32908 of this
22 title, ‘automobile’ means a 4-wheeled vehicle that is
23 propelled by fuel, or by alternative fuel, manufactured
24 primarily for use on public streets, roads, and high-

1 ways and rated at less than 10,000 pounds gross vehi-
2 cle weight, except—

3 “(A) a vehicle operated only on a rail line;

4 “(B) a vehicle manufactured in different
5 stages by 2 or more manufacturers, if no inter-
6 mediate or final-stage manufacturer of that vehi-
7 cle manufactures more than 10,000 multi-stage
8 vehicles per year; or

9 “(C) a work truck.”;

10 (2) by redesignating paragraphs (7) through (16)
11 as paragraphs (8) through (17), respectively;

12 (3) by inserting after paragraph (6) the fol-
13 lowing:

14 “(7) ‘commercial medium- and heavy-duty on-
15 highway vehicle’ means an on-highway vehicle with a
16 gross vehicle weight rating of 10,000 pounds or
17 more.”;

18 (4) in paragraph (9)(A), as redesignated, by in-
19 serting “or a mixture of biodiesel and diesel fuel meet-
20 ing the standard established by the American Society
21 for Testing and Materials or under section 211(u) of
22 the Clean Air Act (42 U.S.C. 7545(u)) for fuel con-
23 taining 20 percent biodiesel (commonly known as
24 ‘B20’)” after “alternative fuel”;

1 (5) by redesignating paragraph (17), as redesignated, as paragraph (18);

2
3 (6) by inserting after paragraph (16), as redesignated, the following:

4
5 “(17) ‘non-passenger automobile’ means an automobile that is not a passenger automobile or a work truck.”; and

6
7
8 (7) by adding at the end the following:

9 “(19) ‘work truck’ means a vehicle that—

10 “(A) is rated at between 8,500 and 10,000 pounds gross vehicle weight; and

11
12 “(B) is not a medium-duty passenger vehicle (as defined in section 86.1803–01 of title 40, Code of Federal Regulations, as in effect on the date of the enactment of the Ten-in-Ten Fuel Economy Act).”.

13
14
15
16
17 **SEC. 104. CREDIT TRADING PROGRAM.**

18 (a) *IN GENERAL.*—Section 32903 of title 49, United States Code, is amended—

19
20 (1) by striking “section 32902(b)-(d) of this title” each place it appears and inserting “subsections (a) through (d) of section 32902”;

21
22
23 (2) in subsection (a)(2)—

24 (A) by striking “3 consecutive model years” and inserting “5 consecutive model years”;

1 (B) by striking “clause (1) of this sub-
2 section,” and inserting “paragraph (1)”;

3 (3) by redesignating subsection (f) as subsection
4 (h); and

5 (4) by inserting after subsection (e) the following:
6 “(f) CREDIT TRADING AMONG MANUFACTURERS.—

7 “(1) IN GENERAL.—The Secretary of Transpor-
8 tation may establish, by regulation, a fuel economy
9 credit trading program to allow manufacturers whose
10 automobiles exceed the average fuel economy stand-
11 ards prescribed under section 32902 to earn credits to
12 be sold to manufacturers whose automobiles fail to
13 achieve the prescribed standards such that the total
14 oil savings associated with manufacturers that exceed
15 the prescribed standards are preserved when trading
16 credits to manufacturers that fail to achieve the pre-
17 scribed standards.

18 “(2) LIMITATION.—The trading of credits by a
19 manufacturer to the category of passenger automobiles
20 manufactured domestically is limited to the extent
21 that the fuel economy level of such automobiles shall
22 comply with the requirements of section 32902(b)(4),
23 without regard to any trading of credits from other
24 manufacturers.

1 “(g) *CREDIT TRANSFERRING WITHIN A MANUFAC-*
2 *TURER’S FLEET.*—

3 “(1) *IN GENERAL.*—*The Secretary of Transpor-*
4 *tation shall establish by regulation a fuel economy*
5 *credit transferring program to allow any manufac-*
6 *turer whose automobiles exceed any of the average fuel*
7 *economy standards prescribed under section 32902 to*
8 *transfer the credits earned under this section and to*
9 *apply such credits within that manufacturer’s fleet to*
10 *a compliance category of automobiles that fails to*
11 *achieve the prescribed standards.*

12 “(2) *YEARS FOR WHICH USED.*—*Credits trans-*
13 *ferred under this subsection are available to be used*
14 *in the same model years that the manufacturer could*
15 *have applied such credits under subsections (a), (b),*
16 *(d), and (e), as well as for the model year in which*
17 *the manufacturer earned such credits.*

18 “(3) *MAXIMUM INCREASE.*—*The maximum in-*
19 *crease in any compliance category attributable to*
20 *transferred credits is—*

21 “(A) *for model years 2011 through 2013,*
22 *1.0 mile per gallon;*

23 “(B) *for model years 2014 through 2017,*
24 *1.5 miles per gallon; and*

1 “(C) for model year 2018 and subsequent
2 model years, 2.0 miles per gallon.

3 “(4) *LIMITATION.*—The transfer of credits by a
4 manufacturer to the category of passenger automobiles
5 manufactured domestically is limited to the extent
6 that the fuel economy level of such automobiles shall
7 comply with the requirements under section
8 32904(b)(4), without regard to any transfer of credits
9 from other categories of automobiles described in
10 paragraph (6)(B).

11 “(5) *YEARS AVAILABLE.*—A credit may be trans-
12 ferred under this subsection only if it is earned after
13 model year 2010.

14 “(6) *DEFINITIONS.*—In this subsection:

15 “(A) *FLEET.*—The term ‘fleet’ means all
16 automobiles manufactured by a manufacturer in
17 a particular model year.

18 “(B) *COMPLIANCE CATEGORY OF AUTO-*
19 *MOBILES.*—The term ‘compliance category of
20 automobiles’ means any of the following 3 cat-
21 egories of automobiles for which compliance is
22 separately calculated under this chapter:

23 “(i) *Passenger automobiles manufac-*
24 *tured domestically.*

1 “(ii) *Passenger automobiles not manu-*
2 *factured domestically.*”

3 “(iii) *Non-passenger automobiles.*”.

4 (b) *CONFORMING AMENDMENTS.*—

5 (1) *LIMITATIONS.*—*Section 32902(h) of title 49,*
6 *United States Code, is amended—*

7 (A) *in paragraph (1), by striking “and” at*
8 *the end;*

9 (B) *in paragraph (2), by striking the period*
10 *at the end and inserting “; and”; and*

11 (C) *by adding at the end the following:*

12 “(3) *may not consider, when prescribing a fuel*
13 *economy standard, the trading, transferring, or avail-*
14 *ability of credits under section 32903.*”.

15 (2) *SEPARATE CALCULATIONS.*—*Section*
16 *32904(b)(1)(B) is amended by striking “chapter.”*
17 *and inserting “chapter, except for the purposes of sec-*
18 *tion 32903.”.*

19 **SEC. 105. CONSUMER INFORMATION.**

20 *Section 32908 of title 49, United States Code, is*
21 *amended by adding at the end the following:*

22 “(g) *CONSUMER INFORMATION.*—

23 “(1) *PROGRAM.*—*The Secretary of Transpor-*
24 *tation, in consultation with the Secretary of Energy*
25 *and the Administrator of the Environmental Protec-*

1 *tion Agency, shall develop and implement by rule a*
2 *program to require manufacturers—*

3 *“(A) to label new automobiles sold in the*
4 *United States with—*

5 *“(i) information reflecting an auto-*
6 *mobile’s performance on the basis of criteria*
7 *that the Administrator shall develop, not*
8 *later than 18 months after the date of the*
9 *enactment of the Ten-in-Ten Fuel Economy*
10 *Act, to reflect fuel economy and greenhouse*
11 *gas and other emissions over the useful life*
12 *of the automobile;*

13 *“(ii) a rating system that would make*
14 *it easy for consumers to compare the fuel*
15 *economy and greenhouse gas and other*
16 *emissions of automobiles at the point of*
17 *purchase, including a designation of auto-*
18 *mobiles—*

19 *“(I) with the lowest greenhouse*
20 *gas emissions over the useful life of the*
21 *vehicles; and*

22 *“(II) the highest fuel economy;*
23 *and*

1 “(iii) a permanent and prominent dis-
2 play that an automobile is capable of oper-
3 ating on an alternative fuel; and

4 “(B) to include in the owner’s manual for
5 vehicles capable of operating on alternative fuels
6 information that describes that capability and
7 the benefits of using alternative fuels, including
8 the renewable nature and environmental benefits
9 of using alternative fuels.

10 “(2) CONSUMER EDUCATION.—

11 “(A) IN GENERAL.—The Secretary of
12 Transportation, in consultation with the Sec-
13 retary of Energy and the Administrator of the
14 Environmental Protection Agency, shall develop
15 and implement by rule a consumer education
16 program to improve consumer understanding of
17 automobile performance described in paragraph
18 (1)(A)(i) and to inform consumers of the benefits
19 of using alternative fuel in automobiles and the
20 location of stations with alternative fuel capac-
21 ity.

22 “(B) FUEL SAVINGS EDUCATION CAM-
23 PAIGN.—The Secretary of Transportation shall
24 establish a consumer education campaign on the
25 fuel savings that would be recognized from the

1 *purchase of vehicles equipped with thermal man-*
 2 *agement technologies, including energy efficient*
 3 *air conditioning systems and glass.*

4 “(3) *FUEL TANK LABELS FOR ALTERNATIVE*
 5 *FUEL AUTOMOBILES.—The Secretary of Transpor-*
 6 *tation shall by rule require a label to be attached to*
 7 *the fuel compartment of vehicles capable of operating*
 8 *on alternative fuels, with the form of alternative fuel*
 9 *stated on the label. A label attached in compliance*
 10 *with the requirements of section 32905(h) is deemed*
 11 *to meet the requirements of this paragraph.*

12 “(4) *RULEMAKING DEADLINE.—The Secretary of*
 13 *Transportation shall issue a final rule under this sub-*
 14 *section not later than 42 months after the date of the*
 15 *enactment of the Ten-in-Ten Fuel Economy Act.”.*

16 **SEC. 106. CONTINUED APPLICABILITY OF EXISTING STAND-**
 17 **ARDS.**

18 *Nothing in this subtitle, or the amendments made by*
 19 *this subtitle, shall be construed to affect the application of*
 20 *section 32902 of title 49, United States Code, to passenger*
 21 *automobiles or non-passenger automobiles manufactured be-*
 22 *fore model year 2011.*

23 **SEC. 107. NATIONAL ACADEMY OF SCIENCES STUDIES.**

24 “(a) *IN GENERAL.—As soon as practicable after the*
 25 *date of enactment of this Act, the Secretary of Transpor-*

1 *tation shall execute an agreement with the National Acad-*
2 *emy of Sciences to develop a report evaluating vehicle fuel*
3 *economy standards, including—*

4 (1) *an assessment of automotive technologies and*
5 *costs to reflect developments since the Academy’s 2002*
6 *report evaluating the corporate average fuel economy*
7 *standards was conducted;*

8 (2) *an analysis of existing and potential tech-*
9 *nologies that may be used practically to improve*
10 *automobile and medium-duty and heavy-duty truck*
11 *fuel economy;*

12 (3) *an analysis of how such technologies may be*
13 *practically integrated into the automotive and me-*
14 *dium-duty and heavy-duty truck manufacturing*
15 *process; and*

16 (4) *an assessment of how such technologies may*
17 *be used to meet the new fuel economy standards under*
18 *chapter 329 of title 49, United States Code, as*
19 *amended by this subtitle.*

20 (b) *REPORT.—The Academy shall submit the report to*
21 *the Secretary, the Committee on Commerce, Science, and*
22 *Transportation of the Senate, and the Committee on Energy*
23 *and Commerce of the House of Representatives, with its*
24 *findings and recommendations not later than 5 years after*

1 *the date on which the Secretary executes the agreement with*
 2 *the Academy.*

3 (c) *QUINQUENNIAL UPDATES.*—*After submitting the*
 4 *initial report, the Academy shall update the report at 5*
 5 *year intervals thereafter through 2025.*

6 **SEC. 108. NATIONAL ACADEMY OF SCIENCES STUDY OF ME-**
 7 **DIUM-DUTY AND HEAVY-DUTY TRUCK FUEL**
 8 **ECONOMY.**

9 (a) *IN GENERAL.*—*As soon as practicable after the*
 10 *date of enactment of this Act, the Secretary of Transpor-*
 11 *tation shall execute an agreement with the National Acad-*
 12 *emy of Sciences to develop a report evaluating medium-*
 13 *duty and heavy-duty truck fuel economy standards, includ-*
 14 *ing—*

15 (1) *an assessment of technologies and costs to*
 16 *evaluate fuel economy for medium-duty and heavy-*
 17 *duty trucks;*

18 (2) *an analysis of existing and potential tech-*
 19 *nologies that may be used practically to improve me-*
 20 *dium-duty and heavy-duty truck fuel economy;*

21 (3) *an analysis of how such technologies may be*
 22 *practically integrated into the medium-duty and*
 23 *heavy-duty truck manufacturing process;*

24 (4) *an assessment of how such technologies may*
 25 *be used to meet fuel economy standards to be pre-*

1 “(2) 1.0 miles per gallon for model year 2015;

2 “(3) 0.8 miles per gallon for model year 2016;

3 “(4) 0.6 miles per gallon for model year 2017;

4 “(5) 0.4 miles per gallon for model year 2018;

5 “(6) 0.2 miles per gallon for model year 2019;

6 *and*

7 “(7) 0 miles per gallon for model years after

8 2019.

9 “(b) *CALCULATION.*—*In applying subsection (a), the*
10 *Administrator of the Environmental Protection Agency*
11 *shall determine the increase in a manufacturer’s average*
12 *fuel economy attributable to dual fueled automobiles by sub-*
13 *tracting from the manufacturer’s average fuel economy cal-*
14 *culated under section 32905(e) the number equal to what*
15 *the manufacturer’s average fuel economy would be if it were*
16 *calculated by the formula under section 32904(a)(1) by in-*
17 *cluding as the denominator for each model of dual fueled*
18 *automobiles the fuel economy when the automobiles are op-*
19 *erated on gasoline or diesel fuel.”.*

20 (b) *CONFORMING AMENDMENTS.*—*Section 32905 of*
21 *title 49, United States Code, is amended—*

22 (1) *in subsection (b), by striking “1993-2010,”*
23 *and inserting “1993 through 2019,”;*

24 (2) *in subsection (d), by striking “1993-2010,”*
25 *and inserting “1993 through 2019,”;*

1 (3) by striking subsections (f) and (g); and
 2 (4) by redesignating subsection (h) as subsection
 3 (f).

4 (c) *B20 BIODIESEL FLEXIBLE FUEL CREDIT*.—Sec-
 5 tion 32905(b)(2) of title 49, United States Code, is amended
 6 to read as follows:

7 “(2) .5 divided by the fuel economy—

8 “(A) measured under subsection (a) when
 9 operating the model on alternative fuel; or

10 “(B) measured based on the fuel content of
 11 B20 when operating the model on B20, which is
 12 deemed to contain 0.15 gallon of fuel.”.

13 **SEC. 110. PERIODIC REVIEW OF ACCURACY OF FUEL ECON-**
 14 **OMY LABELING PROCEDURES.**

15 Beginning in December, 2009, and not less often than
 16 every 5 years thereafter, the Administrator of the Environ-
 17 mental Protection Agency, in consultation with the Sec-
 18 retary of Transportation, shall—

19 (1) reevaluate the fuel economy labeling proce-
 20 dures described in the final rule published in the Fed-
 21 eral Register on December 27, 2006 (71 Fed. Reg.
 22 77,872; 40 C.F.R. parts 86 and 600) to determine
 23 whether changes in the factors used to establish the la-
 24 beling procedures warrant a revision of that process;
 25 and

1 (2) *submit a report to the Committee on Com-*
 2 *merce, Science, and Transportation of the Senate and*
 3 *the Committee on Energy and Commerce of the House*
 4 *of Representatives that describes the results of the re-*
 5 *evaluation process.*

6 **SEC. 111. CONSUMER TIRE INFORMATION.**

7 (a) *IN GENERAL.*—Chapter 323 of title 49, United
 8 *States Code, is amended by inserting after section 32304*
 9 *the following:*

10 **“§ 32304A. Consumer tire information**

11 “(a) *RULEMAKING.*—

12 “(1) *IN GENERAL.*—Not later than 24 months
 13 *after the date of enactment of the Ten-in-Ten Fuel*
 14 *Economy Act, the Secretary of Transportation shall,*
 15 *after notice and opportunity for comment, promulgate*
 16 *rules establishing a national tire fuel efficiency con-*
 17 *sumer information program for replacement tires de-*
 18 *signed for use on motor vehicles to educate consumers*
 19 *about the effect of tires on automobile fuel efficiency,*
 20 *safety, and durability.*

21 “(2) *ITEMS INCLUDED IN RULE.*—The rule-
 22 *making shall include—*

23 “(A) *a national tire fuel efficiency rating*
 24 *system for motor vehicle replacement tires to as-*

1 *sist consumers in making more educated tire*
2 *purchasing decisions;*

3 “(B) *requirements for providing informa-*
4 *tion to consumers, including information at the*
5 *point of sale and other potential information*
6 *dissemination methods, including the Internet;*

7 “(C) *specifications for test methods for*
8 *manufacturers to use in assessing and rating*
9 *tires to avoid variation among test equipment*
10 *and manufacturers; and*

11 “(D) *a national tire maintenance consumer*
12 *education program including, information on*
13 *tire inflation pressure, alignment, rotation, and*
14 *tread wear to maximize fuel efficiency, safety,*
15 *and durability of replacement tires.*

16 “(3) *APPLICABILITY.—This section shall apply*
17 *only to replacement tires covered under section*
18 *575.104(c) of title 49, Code of Federal Regulations, in*
19 *effect on the date of the enactment of the Ten-in-Ten*
20 *Fuel Economy Act.*

21 “(b) *CONSULTATION.—The Secretary shall consult*
22 *with the Secretary of Energy and the Administrator of the*
23 *Environmental Protection Agency on the means of con-*
24 *veying tire fuel efficiency consumer information.*

1 “(c) *REPORT TO CONGRESS.*—*The Secretary shall con-*
2 *duct periodic assessments of the rules promulgated under*
3 *this section to determine the utility of such rules to con-*
4 *sumers, the level of cooperation by industry, and the con-*
5 *tribution to national goals pertaining to energy consump-*
6 *tion. The Secretary shall transmit periodic reports detail-*
7 *ing the findings of such assessments to the Senate Com-*
8 *mittee on Commerce, Science, and Transportation and the*
9 *House of Representatives Committee on Energy and Com-*
10 *merce.*

11 “(d) *TIRE MARKING.*—*The Secretary shall not require*
12 *permanent labeling of any kind on a tire for the purpose*
13 *of tire fuel efficiency information.*

14 “(e) *APPLICATION WITH STATE AND LOCAL LAWS AND*
15 *REGULATIONS.*—*Nothing in this section prohibits a State*
16 *or political subdivision thereof from enforcing a law or reg-*
17 *ulation on tire fuel efficiency consumer information that*
18 *was in effect on January 1, 2006. After a requirement pro-*
19 *mulgated under this section is in effect, a State or political*
20 *subdivision thereof may adopt or enforce a law or regula-*
21 *tion on tire fuel efficiency consumer information enacted*
22 *or promulgated after January 1, 2006, if the requirements*
23 *of that law or regulation are identical to the requirement*
24 *promulgated under this section. Nothing in this section*
25 *shall be construed to preempt a State or political subdivi-*

1 *sion thereof from regulating the fuel efficiency of tires (in-*
 2 *cluding establishing testing methods for determining com-*
 3 *pliance with such standards) not otherwise preempted*
 4 *under this chapter.”.*

5 *(b) ENFORCEMENT.—Section 32308 of title 49, United*
 6 *States Code, is amended—*

7 *(1) by redesignating subsections (c) and (d) as*
 8 *subsections (d) and (e), respectively; and*

9 *(2) by inserting after subsection (b) the fol-*
 10 *lowing:*

11 *“(c) SECTION 32304A.—Any person who fails to com-*
 12 *ply with the national tire fuel efficiency information pro-*
 13 *gram under section 32304A is liable to the United States*
 14 *Government for a civil penalty of not more than \$50,000*
 15 *for each violation.”.*

16 *(c) CONFORMING AMENDMENT.—The chapter analysis*
 17 *for chapter 323 of title 49, United States Code, is amended*
 18 *by inserting after the item relating to section 32304 the fol-*
 19 *lowing:*

“32304A. Consumer tire information”.

20 **SEC. 112. USE OF CIVIL PENALTIES FOR RESEARCH AND DE-**
 21 **VELOPMENT.**

22 *Section 32912 of title 49, United States Code, is*
 23 *amended by adding at the end the following:*

24 *“(e) USE OF CIVIL PENALTIES.—For fiscal year 2008*
 25 *and each fiscal year thereafter, from the total amount de-*

1 *posited in the general fund of the Treasury during the pre-*
 2 *ceding fiscal year from fines, penalties, and other funds ob-*
 3 *tained through enforcement actions conducted pursuant to*
 4 *this section (including funds obtained under consent de-*
 5 *crees), the Secretary of the Treasury, subject to the avail-*
 6 *ability of appropriations, shall—*

7 “(1) *transfer 50 percent of such total amount to*
 8 *the account providing appropriations to the Secretary*
 9 *of Transportation for the administration of this chap-*
 10 *ter, which shall be used by the Secretary to support*
 11 *rulemaking under this chapter; and*

12 “(2) *transfer 50 percent of such total amount to*
 13 *the account providing appropriations to the Secretary*
 14 *of Transportation for the administration of this chap-*
 15 *ter, which shall be used by the Secretary to carry out*
 16 *a program to make grants to manufacturers for re-*
 17 *tooling, reequipping, or expanding existing manufac-*
 18 *turing facilities in the United States to produce ad-*
 19 *vanced technology vehicles and components.”.*

20 **SEC. 113. EXEMPTION FROM SEPARATE CALCULATION RE-**
 21 **QUIREMENT.**

22 (a) *REPEAL.*—*Paragraphs (6), (7), and (8) of section*
 23 *32904(b) of title 49, United States Code, are repealed.*

24 (b) *EFFECT OF REPEAL ON EXISTING EXEMPTIONS.*—
 25 *Any exemption granted under section 32904(b)(6) of title*

1 49, *United States Code*, prior to the date of the enactment
 2 of this Act shall remain in effect subject to its terms through
 3 model year 2013.

4 (c) *ACCRUAL AND USE OF CREDITS*.—Any manufac-
 5 turer holding an exemption under section 32904(b)(6) of
 6 title 49, *United States Code*, prior to the date of the enact-
 7 ment of this Act may accrue and use credits under sections
 8 32903 and 32905 of such title beginning with model year
 9 2011.

10 ***Subtitle B—Improved Vehicle*** 11 ***Technology***

12 ***SEC. 131. TRANSPORTATION ELECTRIFICATION.***

13 (a) *DEFINITIONS*.—In this section:

14 (1) *ADMINISTRATOR*.—The term “Adminis-
 15 trator” means the Administrator of the Environ-
 16 mental Protection Agency.

17 (2) *BATTERY*.—The term “battery” means an
 18 electrochemical energy storage system powered di-
 19 rectly by electrical current.

20 (3) *ELECTRIC TRANSPORTATION TECHNOLOGY*.—
 21 The term “electric transportation technology”
 22 means—

23 (A) technology used in vehicles that use an
 24 electric motor for all or part of the motive power
 25 of the vehicles, including battery electric, hybrid

1 *electric, plug-in hybrid electric, fuel cell, and*
2 *plug-in fuel cell vehicles, or rail transportation;*
3 *or*

4 *(B) equipment relating to transportation or*
5 *mobile sources of air pollution that use an elec-*
6 *tric motor to replace an internal combustion en-*
7 *gine for all or part of the work of the equipment,*
8 *including—*

9 *(i) corded electric equipment linked to*
10 *transportation or mobile sources of air pol-*
11 *lution; and*

12 *(ii) electrification technologies at air-*
13 *ports, ports, truck stops, and material-han-*
14 *dling facilities.*

15 (4) *NONROAD VEHICLE.—The term “nonroad ve-*
16 *hicle” means a vehicle—*

17 (A) *powered—*

18 (i) *by a nonroad engine, as that term*
19 *is defined in section 216 of the Clean Air*
20 *Act (42 U.S.C. 7550); or*

21 (ii) *fully or partially by an electric*
22 *motor powered by a fuel cell, a battery, or*
23 *an off-board source of electricity; and*

24 (B) *that is not a motor vehicle or a vehicle*
25 *used solely for competition.*

1 (5) *PLUG-IN ELECTRIC DRIVE VEHICLE.*—*The*
2 *term “plug-in electric drive vehicle” means a vehicle*
3 *that—*

4 (A) *draws motive power from a battery*
5 *with a capacity of at least 4 kilowatt-hours;*

6 (B) *can be recharged from an external*
7 *source of electricity for motive power; and*

8 (C) *is a light-, medium-, or heavy-duty*
9 *motor vehicle or nonroad vehicle (as those terms*
10 *are defined in section 216 of the Clean Air Act*
11 *(42 U.S.C. 7550)).*

12 (6) *QUALIFIED ELECTRIC TRANSPORTATION*
13 *PROJECT.*—*The term “qualified electric transpor-*
14 *tation project” means an electric transportation tech-*
15 *nology project that would significantly reduce emis-*
16 *sions of criteria pollutants, greenhouse gas emissions,*
17 *and petroleum, including—*

18 (A) *shipside or shoreside electrification for*
19 *vessels;*

20 (B) *truck-stop electrification;*

21 (C) *electric truck refrigeration units;*

22 (D) *battery powered auxiliary power units*
23 *for trucks;*

24 (E) *electric airport ground support equip-*
25 *ment;*

1 (F) electric material and cargo handling
2 equipment;

3 (G) electric or dual-mode electric rail;

4 (H) any distribution upgrades needed to
5 supply electricity to the project; and

6 (I) any ancillary infrastructure, including
7 panel upgrades, battery chargers, in-situ trans-
8 formers, and trenching.

9 (b) *PLUG-IN ELECTRIC DRIVE VEHICLE PROGRAM.*—

10 (1) *ESTABLISHMENT.*—*The Secretary shall estab-*
11 *lish a competitive program to provide grants on a*
12 *cost-shared basis to State governments, local govern-*
13 *ments, metropolitan transportation authorities, air*
14 *pollution control districts, private or nonprofit enti-*
15 *ties, or combinations of those governments, authori-*
16 *ties, districts, and entities, to carry out 1 or more*
17 *projects to encourage the use of plug-in electric drive*
18 *vehicles or other emerging electric vehicle technologies,*
19 *as determined by the Secretary.*

20 (2) *ADMINISTRATION.*—*The Secretary shall, in*
21 *consultation with the Secretary of Transportation*
22 *and the Administrator, establish requirements for ap-*
23 *plications for grants under this section, including re-*
24 *porting of data to be summarized for dissemination*
25 *to grantees and the public, including safety, vehicle,*

1 *and component performance, and vehicle and compo-*
2 *nent life cycle costs.*

3 (3) *PRIORITY.—In making awards under this*
4 *subsection, the Secretary shall—*

5 (A) *give priority consideration to applica-*
6 *tions that—*

7 (i) *encourage early widespread use of*
8 *vehicles described in paragraph (1); and*

9 (ii) *are likely to make a significant*
10 *contribution to the advancement of the pro-*
11 *duction of the vehicles in the United States;*
12 *and*

13 (B) *ensure, to the maximum extent prac-*
14 *ticable, that the program established under this*
15 *subsection includes a variety of applications,*
16 *manufacturers, and end-uses.*

17 (4) *REPORTING.—The Secretary shall require a*
18 *grant recipient under this subsection to submit to the*
19 *Secretary, on an annual basis, data relating to safety,*
20 *vehicle performance, life cycle costs, and emissions of*
21 *vehicles demonstrated under the grant, including*
22 *emissions of greenhouse gases.*

23 (5) *COST SHARING.—Section 988 of the Energy*
24 *Policy Act of 2005 (42 U.S.C. 16352) shall apply to*
25 *a grant made under this subsection.*

1 (6) *AUTHORIZATION OF APPROPRIATIONS.—*

2 *There is authorized to be appropriated to carry out*
3 *this subsection \$90,000,000 for each of fiscal years*
4 *2008 through 2012, of which not less than $\frac{1}{3}$ of the*
5 *total amount appropriated shall be available each fis-*
6 *cal year to make grants to local and municipal gov-*
7 *ernments.*

8 (c) *NEAR-TERM TRANSPORTATION SECTOR ELEC-*
9 *TRIFICATION PROGRAM.—*

10 (1) *IN GENERAL.—Not later than 1 year after*
11 *the date of enactment of this Act, the Secretary, in*
12 *consultation with the Secretary of Transportation*
13 *and the Administrator, shall establish a program to*
14 *provide grants for the conduct of qualified electric*
15 *transportation projects.*

16 (2) *PRIORITY.—In providing grants under this*
17 *subsection, the Secretary shall give priority to large-*
18 *scale projects and large-scale aggregators of projects.*

19 (3) *COST SHARING.—Section 988 of the Energy*
20 *Policy Act of 2005 (42 U.S.C. 16352) shall apply to*
21 *a grant made under this subsection.*

22 (4) *AUTHORIZATION OF APPROPRIATIONS.—*
23 *There is authorized to be appropriated to carry out*
24 *this subsection \$95,000,000 for each of fiscal years*
25 *2008 through 2013.*

1 (d) *EDUCATION PROGRAM.*—

2 (1) *IN GENERAL.*—*The Secretary shall develop a*
3 *nationwide electric drive transportation technology*
4 *education program under which the Secretary shall*
5 *provide—*

6 (A) *teaching materials to secondary schools*
7 *and high schools; and*

8 (B) *assistance for programs relating to elec-*
9 *tric drive system and component engineering to*
10 *institutions of higher education.*

11 (2) *ELECTRIC VEHICLE COMPETITION.*—*The pro-*
12 *gram established under paragraph (1) shall include a*
13 *plug-in hybrid electric vehicle competition for institu-*
14 *tions of higher education, which shall be known as the*
15 *“Dr. Andrew Frank Plug-In Electric Vehicle Com-*
16 *petition”.*

17 (3) *ENGINEERS.*—*In carrying out the program*
18 *established under paragraph (1), the Secretary shall*
19 *provide financial assistance to institutions of higher*
20 *education to create new, or support existing, degree*
21 *programs to ensure the availability of trained elec-*
22 *trical and mechanical engineers with the skills nec-*
23 *essary for the advancement of—*

24 (A) *plug-in electric drive vehicles; and*

1 (B) other forms of electric drive transpor-
2 tation technology vehicles.

3 (4) AUTHORIZATION OF APPROPRIATIONS.—
4 There are authorized to be appropriated such sums as
5 may be necessary to carry out this subsection.

6 **SEC. 132. DOMESTIC MANUFACTURING CONVERSION GRANT**
7 **PROGRAM.**

8 Section 712 of the Energy Policy Act of 2005 (42
9 U.S.C. 16062) is amended to read as follows:

10 **“SEC. 712. DOMESTIC MANUFACTURING CONVERSION**
11 **GRANT PROGRAM.**

12 “(a) PROGRAM.—

13 “(1) IN GENERAL.—The Secretary shall establish
14 a program to encourage domestic production and
15 sales of efficient hybrid and advanced diesel vehicles
16 and components of those vehicles.

17 “(2) INCLUSIONS.—The program shall include
18 grants to automobile manufacturers and suppliers
19 and hybrid component manufacturers to encourage
20 domestic production of efficient hybrid, plug-in elec-
21 tric hybrid, plug-in electric drive, and advanced die-
22 sel vehicles.

23 “(3) PRIORITY.—Priority shall be given to the
24 refurbishment or retooling of manufacturing facilities

1 *that have recently ceased operation or will cease oper-*
 2 *ation in the near future.*

3 “(b) *COORDINATION WITH STATE AND LOCAL PRO-*
 4 *GRAMS.—The Secretary may coordinate implementation of*
 5 *this section with State and local programs designed to ac-*
 6 *complish similar goals, including the retention and retrain-*
 7 *ing of skilled workers from the manufacturing facilities, in-*
 8 *cluding by establishing matching grant arrangements.*

9 “(c) *AUTHORIZATION OF APPROPRIATIONS.—There are*
 10 *authorized to be appropriated to the Secretary such sums*
 11 *as may be necessary to carry out this section.”.*

12 **SEC. 133. INCLUSION OF ELECTRIC DRIVE IN ENERGY POL-**
 13 **ICY ACT OF 1992.**

14 *Section 508 of the Energy Policy Act of 1992 (42*
 15 *U.S.C. 13258) is amended—*

16 (1) *by redesignating subsections (a) through (d)*
 17 *as subsections (b) through (e), respectively;*

18 (2) *by inserting before subsection (b) the fol-*
 19 *lowing:*

20 “(a) *DEFINITIONS.—In this section:*

21 “(1) *FUEL CELL ELECTRIC VEHICLE.—The term*
 22 *‘fuel cell electric vehicle’ means an on-road or*
 23 *nonroad vehicle that uses a fuel cell (as defined in sec-*
 24 *tion 803 of the Spark M. Matsunaga Hydrogen Act*
 25 *of 2005 (42 U.S.C. 16152)).*

1 “(2) *HYBRID ELECTRIC VEHICLE.*—*The term*
2 *‘hybrid electric vehicle’ means a new qualified hybrid*
3 *motor vehicle (as defined in section 30B(d)(3) of the*
4 *Internal Revenue Code of 1986).*

5 “(3) *MEDIUM- OR HEAVY-DUTY ELECTRIC VEHI-*
6 *CLE.*—*The term ‘medium- or heavy-duty electric vehi-*
7 *cle’ means an electric, hybrid electric, or plug-in hy-*
8 *brid electric vehicle with a gross vehicle weight of*
9 *more than 8,501 pounds.*

10 “(4) *NEIGHBORHOOD ELECTRIC VEHICLE.*—*The*
11 *term ‘neighborhood electric vehicle’ means a 4-wheeled*
12 *on-road or nonroad vehicle that—*

13 “(A) *has a top attainable speed in 1 mile*
14 *of more than 20 mph and not more than 25 mph*
15 *on a paved level surface; and*

16 “(B) *is propelled by an electric motor and*
17 *on-board, rechargeable energy storage system that*
18 *is rechargeable using an off-board source of elec-*
19 *tricity.*

20 “(5) *PLUG-IN ELECTRIC DRIVE VEHICLE.*—*The*
21 *term ‘plug-in electric drive vehicle’ means a vehicle*
22 *that—*

23 “(A) *draws motive power from a battery*
24 *with a capacity of at least 4 kilowatt-hours;*

1 “(B) can be recharged from an external
2 source of electricity for motive power; and

3 “(C) is a light-, medium-, or heavy duty
4 motor vehicle or nonroad vehicle (as those terms
5 are defined in section 216 of the Clean Air Act
6 (42 U.S.C. 7550).”;

7 (3) in subsection (b) (as redesignated by para-
8 graph (1))—

9 (A) by striking “The Secretary” and insert-
10 ing the following:

11 “(1) ALLOCATION.—The Secretary”; and

12 (B) by adding at the end the following:

13 “(2) ELECTRIC VEHICLES.—Not later than Jan-
14 uary 31, 2009, the Secretary shall—

15 (A) allocate credit in an amount to be de-
16 termined by the Secretary for—

17 “(i) acquisition of—

18 “(I) a hybrid electric vehicle;

19 “(II) a plug-in electric drive vehi-
20 cle;

21 “(III) a fuel cell electric vehicle;

22 “(IV) a neighborhood electric vehi-
23 cle; or

24 “(V) a medium- or heavy-duty
25 electric vehicle; and

1 “(ii) investment in qualified alter-
2 native fuel infrastructure or nonroad equip-
3 ment, as determined by the Secretary; and

4 “(B) allocate more than 1, but not to exceed
5 5, credits for investment in an emerging tech-
6 nology relating to any vehicle described in sub-
7 paragraph (A) to encourage—

8 “(i) a reduction in petroleum demand;

9 “(ii) technological advancement; and

10 “(iii) a reduction in vehicle emis-
11 sions.”;

12 (4) in subsection (c) (as redesignated by para-
13 graph (1)), by striking “subsection (a)” and inserting
14 “subsection (b)”;

15 (5) by adding at the end the following:

16 “(f) *AUTHORIZATION OF APPROPRIATIONS.*—There are
17 authorized to be appropriated such sums as are necessary
18 to carry out this section for each of fiscal years 2008
19 through 2013.”.

20 **SEC. 134. LOAN GUARANTEES FOR FUEL-EFFICIENT AUTO-**
21 **MOBILE PARTS MANUFACTURERS.**

22 (a) *IN GENERAL.*—Section 712(a)(2) of the Energy
23 Policy Act of 2005 (42 U.S.C. 16062(a)(2)) (as amended
24 by section 132) is amended by inserting “and loan guaran-
25 tees under section 1703” after “grants”.

1 (b) *CONFORMING AMENDMENT.*—Section 1703(b) of
2 *the Energy Policy Act of 2005 (42 U.S.C. 16513(b)) is*
3 *amended by striking paragraph (8) and inserting the fol-*
4 *lowing:*

5 “(8) *Production facilities for the manufacture of*
6 *fuel efficient vehicles or parts of those vehicles, includ-*
7 *ing electric drive vehicles and advanced diesel vehi-*
8 *cles.*”.

9 **SEC. 135. ADVANCED BATTERY LOAN GUARANTEE PRO-**
10 **GRAM.**

11 (a) *ESTABLISHMENT OF PROGRAM.*—The Secretary
12 *shall establish a program to provide guarantees of loans by*
13 *private institutions for the construction of facilities for the*
14 *manufacture of advanced vehicle batteries and battery sys-*
15 *tems that are developed and produced in the United States,*
16 *including advanced lithium ion batteries and hybrid elec-*
17 *trical system and component manufacturers and software*
18 *designers.*

19 (b) *REQUIREMENTS.*—The Secretary may provide a
20 *loan guarantee under subsection (a) to an applicant if—*

21 (1) *without a loan guarantee, credit is not avail-*
22 *able to the applicant under reasonable terms or condi-*
23 *tions sufficient to finance the construction of a facil-*
24 *ity described in subsection (a);*

1 (2) *the prospective earning power of the appli-*
2 *cant and the character and value of the security*
3 *pledged provide a reasonable assurance of repayment*
4 *of the loan to be guaranteed in accordance with the*
5 *terms of the loan; and*

6 (3) *the loan bears interest at a rate determined*
7 *by the Secretary to be reasonable, taking into account*
8 *the current average yield on outstanding obligations*
9 *of the United States with remaining periods of matu-*
10 *rity comparable to the maturity of the loan.*

11 (c) *CRITERIA.—In selecting recipients of loan guaran-*
12 *tees from among applicants, the Secretary shall give pref-*
13 *erence to proposals that—*

14 (1) *meet all applicable Federal and State per-*
15 *mitting requirements;*

16 (2) *are most likely to be successful; and*

17 (3) *are located in local markets that have the*
18 *greatest need for the facility.*

19 (d) *MATURITY.—A loan guaranteed under subsection*
20 *(a) shall have a maturity of not more than 20 years.*

21 (e) *TERMS AND CONDITIONS.—The loan agreement for*
22 *a loan guaranteed under subsection (a) shall provide that*
23 *no provision of the loan agreement may be amended or*
24 *waived without the consent of the Secretary.*

1 (f) *ASSURANCE OF REPAYMENT.*—*The Secretary shall*
2 *require that an applicant for a loan guarantee under sub-*
3 *section (a) provide an assurance of repayment in the form*
4 *of a performance bond, insurance, collateral, or other means*
5 *acceptable to the Secretary in an amount equal to not less*
6 *than 20 percent of the amount of the loan.*

7 (g) *GUARANTEE FEE.*—*The recipient of a loan guar-*
8 *antee under subsection (a) shall pay the Secretary an*
9 *amount determined by the Secretary to be sufficient to cover*
10 *the administrative costs of the Secretary relating to the loan*
11 *guarantee.*

12 (h) *FULL FAITH AND CREDIT.*—*The full faith and*
13 *credit of the United States is pledged to the payment of*
14 *all guarantees made under this section. Any such guarantee*
15 *made by the Secretary shall be conclusive evidence of the*
16 *eligibility of the loan for the guarantee with respect to prin-*
17 *cipal and interest. The validity of the guarantee shall be*
18 *incontestable in the hands of a holder of the guaranteed*
19 *loan.*

20 (i) *REPORTS.*—*Until each guaranteed loan under this*
21 *section has been repaid in full, the Secretary shall annually*
22 *submit to Congress a report on the activities of the Sec-*
23 *retary under this section.*

1 (j) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
2 *authorized to be appropriated such sums as are necessary*
3 *to carry out this section.*

4 (k) *TERMINATION OF AUTHORITY.*—*The authority of*
5 *the Secretary to issue a loan guarantee under subsection*
6 *(a) terminates on the date that is 10 years after the date*
7 *of enactment of this Act.*

8 **SEC. 136. ADVANCED TECHNOLOGY VEHICLES MANUFAC-**
9 **TURING INCENTIVE PROGRAM.**

10 (a) *DEFINITIONS.*—*In this section:*

11 (1) *ADVANCED TECHNOLOGY VEHICLE.*—*The*
12 *term “advanced technology vehicle” means a light*
13 *duty vehicle that meets—*

14 (A) *the Bin 5 Tier II emission standard es-*
15 *tablished in regulations issued by the Adminis-*
16 *trator of the Environmental Protection Agency*
17 *under section 202(i) of the Clean Air Act (42*
18 *U.S.C. 7521(i)), or a lower-numbered Bin emis-*
19 *sion standard;*

20 (B) *any new emission standard in effect for*
21 *fine particulate matter prescribed by the Admin-*
22 *istrator under that Act (42 U.S.C. 7401 et seq.);*
23 *and*

1 (C) at least 125 percent of the average base
2 year combined fuel economy for vehicles with
3 substantially similar attributes.

4 (2) *COMBINED FUEL ECONOMY.*—The term “com-
5 bined fuel economy” means—

6 (A) the combined city/highway miles per
7 gallon values, as reported in accordance with sec-
8 tion 32904 of title 49, United States Code; and

9 (B) in the case of an electric drive vehicle
10 with the ability to recharge from an off-board
11 source, the reported mileage, as determined in a
12 manner consistent with the Society of Auto-
13 motive Engineers recommended practice for that
14 configuration or a similar practice recommended
15 by the Secretary.

16 (3) *ENGINEERING INTEGRATION COSTS.*—The
17 term “engineering integration costs” includes the cost
18 of engineering tasks relating to—

19 (A) incorporating qualifying components
20 into the design of advanced technology vehicles;
21 and

22 (B) designing tooling and equipment and
23 developing manufacturing processes and mate-
24 rial suppliers for production facilities that

1 *produce qualifying components or advanced tech-*
2 *nology vehicles.*

3 (4) *QUALIFYING COMPONENTS.*—*The term*
4 *“qualifying components” means components that the*
5 *Secretary determines to be—*

6 (A) *designed for advanced technology vehi-*
7 *cles; and*

8 (B) *installed for the purpose of meeting the*
9 *performance requirements of advanced technology*
10 *vehicles.*

11 (b) *ADVANCED VEHICLES MANUFACTURING FACIL-*
12 *ITY.*—*The Secretary shall provide facility funding awards*
13 *under this section to automobile manufacturers and compo-*
14 *nent suppliers to pay not more than 30 percent of the cost*
15 *of—*

16 (1) *reequipping, expanding, or establishing a*
17 *manufacturing facility in the United States to*
18 *produce—*

19 (A) *qualifying advanced technology vehicles;*

20 *or*

21 (B) *qualifying components; and*

22 (2) *engineering integration performed in the*
23 *United States of qualifying vehicles and qualifying*
24 *components.*

1 (c) *PERIOD OF AVAILABILITY.*—An award under sub-
2 section (b) shall apply to—

3 (1) *facilities and equipment placed in service be-*
4 *fore December 30, 2020; and*

5 (2) *engineering integration costs incurred during*
6 *the period beginning on the date of enactment of this*
7 *Act and ending on December 30, 2020.*

8 (d) *DIRECT LOAN PROGRAM.*—

9 (1) *IN GENERAL.*—Not later than 1 year after
10 *the date of enactment of this Act, and subject to the*
11 *availability of appropriated funds, the Secretary shall*
12 *carry out a program to provide a total of not more*
13 *than \$25,000,000,000 in loans to eligible individuals*
14 *and entities (as determined by the Secretary) for the*
15 *costs of activities described in subsection (b).*

16 (2) *APPLICATION.*—An applicant for a loan
17 *under this subsection shall submit to the Secretary an*
18 *application at such time, in such manner, and con-*
19 *taining such information as the Secretary may re-*
20 *quire, including a written assurance that—*

21 (A) *all laborers and mechanics employed by*
22 *contractors or subcontractors during construc-*
23 *tion, alteration, or repair that is financed, in*
24 *whole or in part, by a loan under this section*
25 *shall be paid wages at rates not less than those*

1 *prevailing on similar construction in the local-*
2 *ity, as determined by the Secretary of Labor in*
3 *accordance with sections 3141–3144, 3146, and*
4 *3147 of title 40, United States Code; and*

5 *(B) the Secretary of Labor shall, with re-*
6 *spect to the labor standards described in this*
7 *paragraph, have the authority and functions set*
8 *forth in Reorganization Plan Numbered 14 of*
9 *1950 (5 U.S.C. App.) and section 3145 of title*
10 *40, United States Code.*

11 (3) *SELECTION OF ELIGIBLE PROJECTS.—The*
12 *Secretary shall select eligible projects to receive loans*
13 *under this subsection in cases in which, as determined*
14 *by the Secretary, the award recipient—*

15 *(A) is financially viable without the receipt*
16 *of additional Federal funding associated with the*
17 *proposed project;*

18 *(B) will provide sufficient information to*
19 *the Secretary for the Secretary to ensure that the*
20 *qualified investment is expended efficiently and*
21 *effectively; and*

22 *(C) has met such other criteria as may be*
23 *established and published by the Secretary.*

24 (4) *RATES, TERMS, AND REPAYMENT OF*
25 *LOANS.—A loan provided under this subsection—*

1 (A) shall have an interest rate that, as of
2 the date on which the loan is made, is equal to
3 the cost of funds to the Department of the Treas-
4 ury for obligations of comparable maturity;

5 (B) shall have a term equal to the lesser
6 of—

7 (i) the projected life, in years, of the el-
8 igible project to be carried out using funds
9 from the loan, as determined by the Sec-
10 retary; and

11 (ii) 25 years;

12 (C) may be subject to a deferral in repay-
13 ment for not more than 5 years after the date on
14 which the eligible project carried out using funds
15 from the loan first begins operations, as deter-
16 mined by the Secretary; and

17 (D) shall be made by the Federal Financing
18 Bank.

19 (e) *IMPROVEMENT.*—The Secretary shall issue regula-
20 tions that require that, in order for an automobile manufac-
21 turer to be eligible for an award or loan under this section
22 during a particular year, the adjusted average fuel economy
23 of the manufacturer for light duty vehicles produced by the
24 manufacturer during the most recent year for which data
25 are available shall be not less than the average fuel economy

1 *for all light duty vehicles of the manufacturer for model*
2 *year 2005. In order to determine fuel economy baselines for*
3 *eligibility of a new manufacturer or a manufacturer that*
4 *has not produced previously produced equivalent vehicles,*
5 *the Secretary may substitute industry averages.*

6 (f) *FEES.*—*Administrative costs shall be no more than*
7 *\$100,000 or 10 basis point of the loan.*

8 (g) *PRIORITY.*—*The Secretary shall, in making*
9 *awards or loans to those manufacturers that have existing*
10 *facilities, give priority to those facilities that are oldest or*
11 *have been in existence for at least 20 years. Such facilities*
12 *can currently be sitting idle.*

13 (h) *SET ASIDE FOR SMALL AUTOMOBILE MANUFAC-*
14 *TURERS AND COMPONENT SUPPLIERS.*—

15 (1) *DEFINITION OF COVERED FIRM.*—*In this sub-*
16 *section, the term “covered firm” means a firm that—*

17 (A) *employs less than 500 individuals; and*

18 (B) *manufactures automobiles or compo-*
19 *nents of automobiles.*

20 (2) *SET ASIDE.*—*Of the amount of funds that*
21 *are used to provide awards for each fiscal year under*
22 *subsection (b), the Secretary shall use not less than 10*
23 *percent to provide awards to covered firms or con-*
24 *sortia led by a covered firm.*

1 (i) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
2 *authorized to be appropriated such sums as are necessary*
3 *to carry out this section for each of fiscal years 2008*
4 *through 2012.*

5 ***Subtitle C—Federal Vehicle Fleets***

6 ***SEC. 141. FEDERAL VEHICLE FLEETS.***

7 *Section 303 of the Energy Policy Act of 1992 (42*
8 *U.S.C. 13212) is amended—*

9 (1) *by redesignating subsection (f) as subsection*
10 *(g); and*

11 (2) *by inserting after subsection (e) the following*
12 *new subsection:*

13 “(f) *VEHICLE EMISSION REQUIREMENTS.*—

14 “(1) *DEFINITIONS.*—*In this subsection:*

15 “(A) *FEDERAL AGENCY.*—*The term ‘Federal*
16 *agency’ does not include any office of the legisla-*
17 *tive branch, except that it does include the House*
18 *of Representatives with respect to an acquisition*
19 *described in paragraph (2)(C).*

20 “(B) *MEDIUM DUTY PASSENGER VEHI-*
21 *CLE.*—*The term ‘medium duty passenger vehicle’*
22 *has the meaning given that term section 523.2 of*
23 *title 49 of the Code of Federal Regulations, as in*
24 *effect on the date of enactment of this paragraph.*

1 “(C) *MEMBER’S REPRESENTATIONAL AL-*
2 *LOWANCE.*—*The term ‘Member’s Representa-*
3 *tional Allowance’ means the allowance described*
4 *in section 101(a) of the House of Representatives*
5 *Administrative Reform Technical Corrections*
6 *Act (2 U.S.C. 57b(a)).*

7 “(2) *PROHIBITION.*—

8 “(A) *IN GENERAL.*—*Except as provided in*
9 *subparagraph (B), no Federal agency shall ac-*
10 *quire a light duty motor vehicle or medium duty*
11 *passenger vehicle that is not a low greenhouse*
12 *gas emitting vehicle.*

13 “(B) *EXCEPTION.*—*The prohibition in sub-*
14 *paragraph (A) shall not apply to acquisition of*
15 *a vehicle if the head of the agency certifies in*
16 *writing, in a separate certification for each indi-*
17 *vidual vehicle purchased, either—*

18 “(i) *that no low greenhouse gas emit-*
19 *ting vehicle is available to meet the func-*
20 *tional needs of the agency and details in*
21 *writing the functional needs that could not*
22 *be met with a low greenhouse gas emitting*
23 *vehicle; or*

1 “(ii) that the agency has taken specific
2 alternative more cost-effective measures to
3 reduce petroleum consumption that—

4 “(I) have reduced a measured and
5 verified quantity of greenhouse gas
6 emissions equal to or greater than the
7 quantity of greenhouse gas reductions
8 that would have been achieved through
9 acquisition of a low greenhouse gas
10 emitting vehicle over the lifetime of the
11 vehicle; or

12 “(II) will reduce each year a
13 measured and verified quantity of
14 greenhouse gas emissions equal to or
15 greater than the quantity of greenhouse
16 gas reductions that would have been
17 achieved each year through acquisition
18 of a low greenhouse gas emitting vehi-
19 cle.

20 “(C) SPECIAL RULE FOR VEHICLES PRO-
21 VIDED BY FUNDS CONTAINED IN MEMBERS’ REP-
22 RESENTATIONAL ALLOWANCE.—This paragraph
23 shall apply to the acquisition of a light duty
24 motor vehicle or medium duty passenger vehicle
25 using any portion of a Member’s Representa-

1 *tional Allowance, including an acquisition under*
2 *a long-term lease.*

3 “(3) *GUIDANCE.*—

4 “(A) *IN GENERAL.*—*Each year, the Admin-*
5 *istrator of the Environmental Protection Agency*
6 *shall issue guidance identifying the makes and*
7 *model numbers of vehicles that are low green-*
8 *house gas emitting vehicles.*

9 “(B) *CONSIDERATION.*—*In identifying vehi-*
10 *cles under subparagraph (A), the Administrator*
11 *shall take into account the most stringent stand-*
12 *ards for vehicle greenhouse gas emissions appli-*
13 *cable to and enforceable against motor vehicle*
14 *manufacturers for vehicles sold anywhere in the*
15 *United States.*

16 “(C) *REQUIREMENT.*—*The Administrator*
17 *shall not identify any vehicle as a low green-*
18 *house gas emitting vehicle if the vehicle emits*
19 *greenhouse gases at a higher rate than such*
20 *standards allow for the manufacturer’s fleet aver-*
21 *age grams per mile of carbon dioxide-equivalent*
22 *emissions for that class of vehicle, taking into ac-*
23 *count any emissions allowances and adjustment*
24 *factors such standards provide.”.*

1 **SEC. 142. FEDERAL FLEET CONSERVATION REQUIREMENTS.**

2 *Part J of title III of the Energy Policy and Conserva-*
3 *tion Act (42 U.S.C. 6374 et seq.) is amended by adding*
4 *at the end the following:*

5 **“SEC. 400FF. FEDERAL FLEET CONSERVATION REQUIRE-**
6 **MENTS.**

7 *“(a) MANDATORY REDUCTION IN PETROLEUM CON-*
8 *SUMPTION.—*

9 *“(1) IN GENERAL.—Not later than 18 months*
10 *after the date of enactment of this section, the Sec-*
11 *retary shall issue regulations for Federal fleets subject*
12 *to section 400AA to require that, beginning in fiscal*
13 *year 2010, each Federal agency shall reduce petro-*
14 *leum consumption and increase alternative fuel con-*
15 *sumption each year by an amount necessary to meet*
16 *the goals described in paragraph (2).*

17 *“(2) GOALS.—The goals of the requirements*
18 *under paragraph (1) are that not later than October*
19 *1, 2015, and for each year thereafter, each Federal*
20 *agency shall achieve at least a 20 percent reduction*
21 *in annual petroleum consumption and a 10 percent*
22 *increase in annual alternative fuel consumption, as*
23 *calculated from the baseline established by the Sec-*
24 *retary for fiscal year 2005.*

25 *“(3) MILESTONES.—The Secretary shall include*
26 *in the regulations described in paragraph (1)—*

1 “(A) interim numeric milestones to assess
2 annual agency progress towards accomplishing
3 the goals described in that paragraph; and

4 “(B) a requirement that agencies annually
5 report on progress towards meeting each of the
6 milestones and the 2015 goals.

7 “(b) *PLAN.*—

8 “(1) *REQUIREMENT.*—

9 “(A) *IN GENERAL.*—*The regulations under*
10 *subsection (a) shall require each Federal agency*
11 *to develop a plan, and implement the measures*
12 *specified in the plan by dates specified in the*
13 *plan, to meet the required petroleum reduction*
14 *levels and the alternative fuel consumption in-*
15 *creases, including the milestones specified by the*
16 *Secretary.*

17 “(B) *INCLUSIONS.*—*The plan shall—*

18 “(i) *identify the specific measures the*
19 *agency will use to meet the requirements of*
20 *subsection (a)(2); and*

21 “(ii) *quantify the reductions in petro-*
22 *leum consumption or increases in alter-*
23 *native fuel consumption projected to be*
24 *achieved by each measure each year.*

1 “(2) *MEASURES.*—*The plan may allow an agency*
 2 *to meet the required petroleum reduction level*
 3 *through—*

4 “(A) *the use of alternative fuels;*

5 “(B) *the acquisition of vehicles with higher*
 6 *fuel economy, including hybrid vehicles, neigh-*
 7 *borhood electric vehicles, electric vehicles, and*
 8 *plug-in hybrid vehicles if the vehicles are com-*
 9 *mercially available;*

10 “(C) *the substitution of cars for light trucks;*

11 “(D) *an increase in vehicle load factors;*

12 “(E) *a decrease in vehicle miles traveled;*

13 “(F) *a decrease in fleet size; and*

14 “(G) *other measures.*”.

15 **TITLE II—ENERGY SECURITY**
 16 **THROUGH INCREASED PRO-**
 17 **DUCTION OF BIOFUELS**

18 **Subtitle A—Renewable Fuel**

19 **Standard**

20 **SEC. 201. DEFINITIONS.**

21 *Section 211(o)(1) of the Clean Air Act (42 U.S.C.*
 22 *7545(o)) is amended to read as follows:*

23 “(1) *DEFINITIONS.*—*In this section:*

24 “(A) *ADDITIONAL RENEWABLE FUEL.*—*The*
 25 *term ‘additional renewable fuel’ means fuel that*

1 *is produced from renewable biomass and that is*
2 *used to replace or reduce the quantity of fossil*
3 *fuel present in home heating oil or jet fuel.*

4 “(B) *ADVANCED BIOFUEL.*—

5 “(i) *IN GENERAL.*—*The term ‘advanced*
6 *biofuel’ means renewable fuel, other than*
7 *ethanol derived from corn starch, that has*
8 *lifecycle greenhouse gas emissions, as deter-*
9 *mined by the Administrator, after notice*
10 *and opportunity for comment, that are at*
11 *least 50 percent less than baseline lifecycle*
12 *greenhouse gas emissions.*

13 “(ii) *INCLUSIONS.*—*The types of fuels*
14 *eligible for consideration as ‘advanced*
15 *biofuel’ may include any of the following:*

16 “(I) *Ethanol derived from cel-*
17 *lulose, hemicellulose, or lignin.*

18 “(II) *Ethanol derived from sugar*
19 *or starch (other than corn starch).*

20 “(III) *Ethanol derived from waste*
21 *material, including crop residue, other*
22 *vegetative waste material, animal*
23 *waste, and food waste and yard waste.*

24 “(IV) *Biomass-based diesel.*

1 “(V) *Biogas (including landfill*
2 *gas and sewage waste treatment gas)*
3 *produced through the conversion of or-*
4 *ganic matter from renewable biomass.*

5 “(VI) *Butanol or other alcohols*
6 *produced through the conversion of or-*
7 *ganic matter from renewable biomass.*

8 “(VII) *Other fuel derived from cel-*
9 *lulosic biomass.*

10 “(C) *BASELINE LIFECYCLE GREENHOUSE*
11 *GAS EMISSIONS.—The term ‘baseline lifecycle*
12 *greenhouse gas emissions’ means the average*
13 *lifecycle greenhouse gas emissions, as determined*
14 *by the Administrator, after notice and oppor-*
15 *tunity for comment, for gasoline or diesel*
16 *(whichever is being replaced by the renewable*
17 *fuel) sold or distributed as transportation fuel in*
18 *2005.*

19 “(D) *BIOMASS-BASED DIESEL.—The term*
20 *‘biomass-based diesel’ means renewable fuel that*
21 *is biodiesel as defined in section 312(f) of the*
22 *Energy Policy Act of 1992 (42 U.S.C. 13220(f))*
23 *and that has lifecycle greenhouse gas emissions,*
24 *as determined by the Administrator, after notice*
25 *and opportunity for comment, that are at least*

1 50 percent less than the baseline lifecycle green-
2 house gas emissions. Notwithstanding the pre-
3 ceding sentence, renewable fuel derived from co-
4 processing biomass with a petroleum feedstock
5 shall be advanced biofuel if it meets the require-
6 ments of subparagraph (B), but is not biomass-
7 based diesel.

8 “(E) CELLULOSIC BIOFUEL.—The term ‘cel-
9 lulosic biofuel’ means renewable fuel derived
10 from any cellulose, hemicellulose, or lignin that
11 is derived from renewable biomass and that has
12 lifecycle greenhouse gas emissions, as determined
13 by the Administrator, that are at least 60 per-
14 cent less than the baseline lifecycle greenhouse
15 gas emissions.

16 “(F) CONVENTIONAL BIOFUEL.—The term
17 ‘conventional biofuel’ means renewable fuel that
18 is ethanol derived from corn starch.

19 “(G) GREENHOUSE GAS.—The term ‘green-
20 house gas’ means carbon dioxide,
21 hydrofluorocarbons, methane, nitrous oxide,
22 perfluorocarbons, sulfur hexafluoride. The Ad-
23 ministrator may include any other
24 anthropogenically-emitted gas that is determined

1 *by the Administrator, after notice and comment,*
2 *to contribute to global warming.*

3 “(H) *LIFECYCLE GREENHOUSE GAS EMIS-*
4 *SIONS.—The term ‘lifecycle greenhouse gas emis-*
5 *sions’ means the aggregate quantity of green-*
6 *house gas emissions (including direct emissions*
7 *and significant indirect emissions such as sig-*
8 *nificant emissions from land use changes), as de-*
9 *termined by the Administrator, related to the full*
10 *fuel lifecycle, including all stages of fuel and*
11 *feedstock production and distribution, from feed-*
12 *stock generation or extraction through the dis-*
13 *tribution and delivery and use of the finished*
14 *fuel to the ultimate consumer, where the mass*
15 *values for all greenhouse gases are adjusted to ac-*
16 *count for their relative global warming potential.*

17 “(I) *RENEWABLE BIOMASS.—The term ‘re-*
18 *newable biomass’ means each of the following:*

19 “(i) *Planted crops and crop residue*
20 *harvested from agricultural land cleared or*
21 *cultivated at any time prior to the enact-*
22 *ment of this sentence that is either actively*
23 *managed or fallow, and nonforested.*

24 “(ii) *Planted trees and tree residue*
25 *from actively managed tree plantations on*

1 *non-federal land cleared at any time prior*
2 *to enactment of this sentence, including*
3 *land belonging to an Indian tribe or an In-*
4 *Indian individual, that is held in trust by the*
5 *United States or subject to a restriction*
6 *against alienation imposed by the United*
7 *States.*

8 “(iii) *Animal waste material and ani-*
9 *mal byproducts.*

10 “(iv) *Slash and pre-commercial*
11 *thinnings that are from non-federal*
12 *forestlands, including forestlands belonging*
13 *to an Indian tribe or an Indian individual,*
14 *that are held in trust by the United States*
15 *or subject to a restriction against alienation*
16 *imposed by the United States, but not for-*
17 *ests or forestlands that are ecological com-*
18 *munities with a global or State ranking of*
19 *critically imperiled, imperiled, or rare pur-*
20 *suant to a State Natural Heritage Program,*
21 *old growth forest, or late successional forest.*

22 “(v) *Biomass obtained from the imme-*
23 *diolate vicinity of buildings and other areas*
24 *regularly occupied by people, or of public*
25 *infrastructure, at risk from wildfire.*

1 “(vi) *Algae.*

2 “(vii) *Separated yard waste or food*
3 *waste, including recycled cooking and trap*
4 *grease.*

5 “(J) *RENEWABLE FUEL.*—*The term ‘renew-*
6 *able fuel’ means fuel that is produced from re-*
7 *newable biomass and that is used to replace or*
8 *reduce the quantity of fossil fuel present in a*
9 *transportation fuel.*

10 “(K) *SMALL REFINERY.*—*The term ‘small*
11 *refinery’ means a refinery for which the average*
12 *aggregate daily crude oil throughput for a cal-*
13 *endar year (as determined by dividing the aggre-*
14 *gate throughput for the calendar year by the*
15 *number of days in the calendar year) does not*
16 *exceed 75,000 barrels.*

17 “(L) *TRANSPORTATION FUEL.*—*The term*
18 *‘transportation fuel’ means fuel for use in motor*
19 *vehicles, motor vehicle engines, nonroad vehicles,*
20 *or nonroad engines (except for ocean-going ves-*
21 *sels).’.*

22 **SEC. 202. RENEWABLE FUEL STANDARD.**

23 (a) *RENEWABLE FUEL PROGRAM.*—*Paragraph (2) of*
24 *section 211(o) (42 U.S.C. 7545(o)(2)) of the Clean Air Act*
25 *is amended as follows:*

1 (1) *REGULATIONS.*—Clause (i) of subparagraph
2 (A) is amended by adding the following at the end
3 thereof: “Not later than 1 year after the date of enact-
4 ment of this sentence, the Administrator shall revise
5 the regulations under this paragraph to ensure that
6 transportation fuel sold or introduced into commerce
7 in the United States (except in noncontiguous States
8 or territories), on an annual average basis, contains
9 at least the applicable volume of renewable fuel, ad-
10 vanced biofuel, cellulosic biofuel, and biomass-based
11 diesel, determined in accordance with subparagraph
12 (B) and, in the case of any such renewable fuel pro-
13 duced from new facilities that commence construction
14 after the date of enactment of this sentence, achieves
15 at least a 20 percent reduction in lifecycle greenhouse
16 gas emissions compared to baseline lifecycle green-
17 house gas emissions.”.

18 (2) *APPLICABLE VOLUMES OF RENEWABLE*
19 *FUEL.*—Subparagraph (B) is amended to read as fol-
20 lows:

21 “(B) *APPLICABLE VOLUMES.*—

22 “(i) *CALENDAR YEARS AFTER 2005.*—

23 “(I) *RENEWABLE FUEL.*—For the
24 purpose of subparagraph (A), the ap-
25 plicable volume of renewable fuel for

1 *the calendar years 2006 through 2022*
 2 *shall be determined in accordance with*
 3 *the following table:*

“Calendar year:	Applicable volume of renewable fuel (in billions of gallons):
2006	4.0
2007	4.7
2008	9.0
2009	11.1
2010	12.95
2011	13.95
2012	15.2
2013	16.55
2014	18.15
2015	20.5
2016	22.25
2017	24.0
2018	26.0
2019	28.0
2020	30.0
2021	33.0
2022	36.0

4 *“(II) ADVANCED BIOFUEL.—For*
 5 *the purpose of subparagraph (A), of the*
 6 *volume of renewable fuel required*
 7 *under subclause (I), the applicable vol-*
 8 *ume of advanced biofuel for the cal-*
 9 *endar years 2009 through 2022 shall be*
 10 *determined in accordance with the fol-*
 11 *lowing table:*

“Calendar year:	Applicable volume of advanced biofuel (in billions of gallons):
2009	0.6
2010	0.95
2011	1.35
2012	2.0
2013	2.75
2014	3.75
2015	5.5
2016	7.25
2017	9.0

1 shall be determined in accordance with
 2 the following table:

“Calendar year:	Applicable volume of biomass-based diesel (in billions of gallons):
2009	0.5
2010	0.65
2011	0.80
2012	1.0

3 “(ii) *OTHER CALENDAR YEARS.*—For
 4 the purposes of subparagraph (A), the ap-
 5 plicable volumes of each fuel specified in the
 6 tables in clause (i) for calendar years after
 7 the calendar years specified in the tables
 8 shall be determined by the Administrator,
 9 in coordination with the Secretary of En-
 10 ergy and the Secretary of Agriculture, based
 11 on a review of the implementation of the
 12 program during calendar years specified in
 13 the tables, and an analysis of—

14 “(I) the impact of the production
 15 and use of renewable fuels on the envi-
 16 ronment, including on air quality, cli-
 17 mate change, conversion of wet lands,
 18 eco-systems, wildlife habitat, water
 19 quality, and water supply;

20 “(II) the impact of renewable fuels
 21 on the energy security of the United
 22 States;

1 “(III) the expected annual rate of
2 future commercial production of re-
3 newable fuels, including advanced
4 biofuels in each category (cellulosic
5 biofuel and biomass-based diesel);

6 “(IV) the impact of renewable
7 fuels on the infrastructure of the
8 United States, including deliverability
9 of materials, goods, and products other
10 than renewable fuel, and the suffi-
11 ciency of infrastructure to deliver and
12 use renewable fuel;

13 “(V) the impact of the use of re-
14 newable fuels on the cost to consumers
15 of transportation fuel and on the cost
16 to transport goods; and

17 “(VI) the impact of the use of re-
18 newable fuels on other factors, includ-
19 ing job creation, the price and supply
20 of agricultural commodities, rural eco-
21 nomic development, and food prices.

22 *The Administrator shall promulgate rules*
23 *establishing the applicable volumes under*
24 *this clause no later than 14 months before*

1 *the first year for which such applicable vol-*
2 *ume will apply.*

3 “(iii) *APPLICABLE VOLUME OF AD-*
4 *VANCED BIOFUEL.—For the purpose of mak-*
5 *ing the determinations in clause (ii), for*
6 *each calendar year, the applicable volume of*
7 *advanced biofuel shall be at least the same*
8 *percentage of the applicable volume of re-*
9 *newable fuel as in calendar year 2022.*

10 “(iv) *APPLICABLE VOLUME OF CEL-*
11 *LULOSIC BIOFUEL.—For the purpose of*
12 *making the determinations in clause (ii),*
13 *for each calendar year, the applicable vol-*
14 *ume of cellulosic biofuel established by the*
15 *Administrator shall be based on the as-*
16 *sumption that the Administrator will not*
17 *need to issue a waiver for such years under*
18 *paragraph (7)(D).*

19 “(v) *MINIMUM APPLICABLE VOLUME OF*
20 *BIOMASS-BASED DIESEL.—For the purpose*
21 *of making the determinations in clause (ii),*
22 *the applicable volume of biomass-based die-*
23 *sel shall not be less than the applicable vol-*
24 *ume listed in clause (i)(IV) for calendar*
25 *year 2012.”.*

1 **(b) APPLICABLE PERCENTAGES.**—Paragraph (3) of
2 section 211(o) of the Clean Air Act (42 U.S.C. 7545(o)(3))
3 is amended as follows:

4 (1) In subparagraph (A), by striking “2011”
5 and inserting “2021.”.

6 (2) In subparagraph (A), by striking “gasoline”
7 and inserting “transportation fuel, biomass-based die-
8 sel, and cellulosic biofuel”.

9 (3) In subparagraph (B), by striking “2012”
10 and inserting “2021” in clause (ii)(I).

11 (4) In subparagraph (B), by striking gasoline”
12 and inserting “transportation fuel” in clause (ii)(II).

13 **(c) MODIFICATION OF GREENHOUSE GAS PERCENT-**
14 **AGES.**—Paragraph (4) of section 211(o) of the Clean Air
15 Act (42 U.S.C. 7545(o)(4)) is amended to read as follows:

16 “(4) **MODIFICATION OF GREENHOUSE GAS RE-**
17 **DUCTION PERCENTAGES.**—

18 “(A) **IN GENERAL.**—The Administrator
19 may, in the regulations under the last sentence
20 of paragraph (2)(A)(i), adjust the 20 percent, 50
21 percent, and 60 percent reductions in lifecycle
22 greenhouse gas emissions specified in paragraphs
23 (2)(A)(i)(relating to renewable fuel), (1)(D) (re-
24 lating to biomass-based diesel), (1)(B)(i)(relating
25 to advanced biofuel), and (1)(E) (relating to cel-

1 *lulosic biofuel) to a lower percentage. For the 50*
2 *and 60 percent reductions, the Administrator*
3 *may make such an adjustment only if he deter-*
4 *mines that generally such reduction is not com-*
5 *mercially feasible for fuels made using a variety*
6 *of feedstocks, technologies, and processes to meet*
7 *the applicable reduction.*

8 “(B) *AMOUNT OF ADJUSTMENT.*—*In pro-*
9 *mulgating regulations under this paragraph, the*
10 *specified 50 percent reduction in greenhouse gas*
11 *emissions from advanced biofuel and in biomass-*
12 *based diesel may not be reduced below 40 per-*
13 *cent. The specified 20 percent reduction in green-*
14 *house gas emissions from renewable fuel may not*
15 *be reduced below 10 percent, and the specified 60*
16 *percent reduction in greenhouse gas emissions*
17 *from cellulosic biofuel may not be reduced below*
18 *50 percent.*

19 “(C) *ADJUSTED REDUCTION LEVELS.*—*An*
20 *adjustment under this paragraph to a percent*
21 *less than the specified 20 percent greenhouse gas*
22 *reduction for renewable fuel shall be the min-*
23 *imum possible adjustment, and the adjusted*
24 *greenhouse gas reduction shall be established by*
25 *the Administrator at the maximum achievable*

1 *level, taking cost in consideration, for natural*
2 *gas fired corn-based ethanol plants, allowing for*
3 *the use of a variety of technologies and processes.*
4 *An adjustment in the 50 or 60 percent green-*
5 *house gas levels shall be the minimum possible*
6 *adjustment for the fuel or fuels concerned, and*
7 *the adjusted greenhouse gas reduction shall be es-*
8 *tablished at the maximum achievable level, tak-*
9 *ing cost in consideration, allowing for the use of*
10 *a variety of feedstocks, technologies, and proc-*
11 *esses.*

12 “(D) 5-YEAR REVIEW.—Whenever the Ad-
13 *ministrator makes any adjustment under this*
14 *paragraph, not later than 5 years thereafter he*
15 *shall review and revise (based upon the same cri-*
16 *teria and standards as required for the initial*
17 *adjustment) the regulations establishing the ad-*
18 *justed level.*

19 “(E) SUBSEQUENT ADJUSTMENTS.—After
20 *the Administrator has promulgated a final rule*
21 *under the last sentence of paragraph (2)(A)(i)*
22 *with respect to the method of determining*
23 *lifecycle greenhouse gas emissions, except as pro-*
24 *vided in subparagraph (D), the Administrator*
25 *may not adjust the percent greenhouse gas reduc-*

1 *tion levels unless he determines that there has*
2 *been a significant change in the analytical meth-*
3 *odology used for determining the lifecycle green-*
4 *house gas emissions. If he makes such determina-*
5 *tion, he may adjust the 20, 50, or 60 percent re-*
6 *duction levels through rulemaking using the cri-*
7 *teria and standards set forth in this paragraph.*

8 *“(F) LIMIT ON UPWARD ADJUSTMENTS.—If,*
9 *under subparagraph (D) or (E), the Adminis-*
10 *trator revises a percent level adjusted as provided*
11 *in subparagraph (A), (B), and (C) to a higher*
12 *percent, such higher percent may not exceed the*
13 *applicable percent specified in paragraph*
14 *(2)(A)(i), (1)(D), (1)(B)(i), or (1)(E).*

15 *“(G) APPLICABILITY OF ADJUSTMENTS.—If*
16 *the Administrator adjusts, or revises, a percent*
17 *level referred to in this paragraph or makes a*
18 *change in the analytical methodology used for*
19 *determining the lifecycle greenhouse gas emis-*
20 *sions, such adjustment, revision, or change (or*
21 *any combination thereof) shall only apply to re-*
22 *newable fuel from new facilities that commence*
23 *construction after the effective date of such ad-*
24 *justment, revision, or change.”.*

1 (d) *CREDITS FOR ADDITIONAL RENEWABLE FUEL.*—
2 *Paragraph (5) of section 211(o) of the Clean Air Act (42*
3 *U.S.C. 7545(o)(5)) is amended by adding the following new*
4 *subparagraph at the end thereof:*

5 “(E) *CREDITS FOR ADDITIONAL RENEW-*
6 *ABLE FUEL.*—*The Administrator may issue reg-*
7 *ulations providing (i) for the generation of an*
8 *appropriate amount of credits by any person*
9 *that refines, blends, or imports additional renew-*
10 *able fuels specified by the Administrator and (ii)*
11 *for the use of such credits by the generator, or the*
12 *transfer of all or a portion of the credits to an-*
13 *other person, for the purpose of complying with*
14 *paragraph (2).”.*

15 (e) *WAIVERS.*—

16 (1) *IN GENERAL.*—*Paragraph (7)(A) of section*
17 *211(o) of the Clean Air Act (42 U.S.C. 7545(o)(7)(A))*
18 *is amended by inserting “, by any person subject to*
19 *the requirements of this subsection, or by the Admin-*
20 *istrator on his own motion” after “one or more*
21 *States” in subparagraph (A) and by striking out*
22 *“State” in subparagraph (B).*

23 (2) *CELLULOSIC BIOFUEL.*—*Paragraph (7) of*
24 *section 211(o) of the Clean Air Act (42 U.S.C.*

1 7545(o)(7)) is amended by adding the following at the
2 end thereof:

3 “(D) CELLULOSIC BIOFUEL.—(i) For any
4 calendar year for which the projected volume of
5 cellulosic biofuel production is less than the min-
6 imum applicable volume established under para-
7 graph (2)(B), as determined by the Adminis-
8 trator based on the estimate provided under
9 paragraph (3)(A), not later than November 30 of
10 the preceding calendar year, the Administrator
11 shall reduce the applicable volume of cellulosic
12 biofuel required under paragraph (2)(B) to the
13 projected volume available during that calendar
14 year. For any calendar year in which the Ad-
15 ministrators makes such a reduction, the Admin-
16 istrator may also reduce the applicable volume of
17 renewable fuel and advanced biofuels require-
18 ment established under paragraph (2)(B) by the
19 same or a lesser volume.

20 “(ii) Whenever the Administrator reduces
21 the minimum cellulosic biofuel volume under this
22 subparagraph, the Administrator shall make
23 available for sale cellulosic biofuel credits at the
24 higher of \$0.25 per gallon or the amount by
25 which \$3.00 per gallon exceeds the average

1 *wholesale price of a gallon of gasoline in the*
2 *United States. Such amounts shall be adjusted*
3 *for inflation by the Administrator for years after*
4 *2008.*

5 *“(iii) 18 months after date of enactment of*
6 *this subparagraph, the Administrator shall pro-*
7 *mulgate regulations to govern the issuance of*
8 *credits under this subparagraph. The regulations*
9 *shall set forth the method for determining the*
10 *exact price of credits in the event of a waiver.*
11 *The price of such credits shall not be changed*
12 *more frequently than once each quarter. These*
13 *regulations shall include such provisions, includ-*
14 *ing limiting the credits’ uses and useful life, as*
15 *the Administrator deems appropriate to assist*
16 *market liquidity and transparency, to provide*
17 *appropriate certainty for regulated entities and*
18 *renewable fuel producers, and to limit any po-*
19 *tential misuse of cellulosic biofuel credits to re-*
20 *duce the use of other renewable fuels, and for*
21 *such other purposes as the Administrator deter-*
22 *mines will help achieve the goals of this sub-*
23 *section. The regulations shall limit the number of*
24 *cellulosic biofuel credits for any calendar year to*
25 *the minimum applicable volume (as reduced*

1 *under this subparagraph) of cellulosic biofuel for*
2 *that year.”.*

3 (3) *BIOMASS-BASED DIESEL.—Paragraph (7) of*
4 *section 211(o) of the Clean Air Act (42 U.S.C.*
5 *7545(o)(7)) is amended by adding the following at the*
6 *end thereof:*

7 “(E) *BIOMASS-BASED DIESEL.—*

8 “(i) *MARKET EVALUATION.—The Ad-*
9 *ministrator, in consultation with the Sec-*
10 *retary of Energy and the Secretary of Agri-*
11 *culture, shall periodically evaluate the im-*
12 *pact of the biomass-based diesel require-*
13 *ments established under this paragraph on*
14 *the price of diesel fuel.*

15 “(ii) *WAIVER.—If the Administrator*
16 *determines that there is a significant renew-*
17 *able feedstock disruption or other market*
18 *circumstances that would make the price of*
19 *biomass-based diesel fuel increase signifi-*
20 *cantly, the Administrator, in consultation*
21 *with the Secretary of Energy and the Sec-*
22 *retary of Agriculture, shall issue an order to*
23 *reduce, for up to a 60-day period, the quan-*
24 *tity of biomass-based diesel required under*
25 *subparagraph (A) by an appropriate quan-*

1 *tity that does not exceed 15 percent of the*
2 *applicable annual requirement for biomass-*
3 *based diesel. For any calendar year in*
4 *which the Administrator makes a reduction*
5 *under this subparagraph, the Administrator*
6 *may also reduce the applicable volume of re-*
7 *newable fuel and advanced biofuels require-*
8 *ment established under paragraph (2)(B) by*
9 *the same or a lesser volume.*

10 *“(iii) EXTENSIONS.—If the Adminis-*
11 *trator determines that the feedstock disrup-*
12 *tion or circumstances described in clause*
13 *(ii) is continuing beyond the 60-day period*
14 *described in clause (ii) or this clause, the*
15 *Administrator, in consultation with the*
16 *Secretary of Energy and the Secretary of*
17 *Agriculture, may issue an order to reduce,*
18 *for up to an additional 60-day period, the*
19 *quantity of biomass-based diesel required*
20 *under subparagraph (A) by an appropriate*
21 *quantity that does not exceed an additional*
22 *15 percent of the applicable annual require-*
23 *ment for biomass-based diesel.*

1 “(F) *MODIFICATION OF APPLICABLE VOL-*
2 *UMES.—For any of the tables in paragraph*
3 *(2)(B), if the Administrator waives—*

4 “*(i) at least 20 percent of the applica-*
5 *ble volume requirement set forth in any*
6 *such table for 2 consecutive years; or*

7 “*(ii) at least 50 percent of such volume*
8 *requirement for a single year,*

9 *the Administrator shall promulgate a rule (with-*
10 *in one year after issuing such waiver) that*
11 *modifies the applicable volumes set forth in the*
12 *table concerned for all years following the final*
13 *year to which the waiver applies, except that no*
14 *such modification in applicable volumes shall be*
15 *made for any year before 2016. In promulgating*
16 *such a rule, the Administrator shall comply with*
17 *the processes, criteria, and standards set forth in*
18 *paragraph (2)(B)(ii).”.*

19 **SEC. 203. STUDY OF IMPACT OF RENEWABLE FUEL STAND-**
20 **ARD.**

21 *(a) IN GENERAL.—The Secretary of Energy, in con-*
22 *sultation with the Secretary of Agriculture and the Admin-*
23 *istrator of the Environmental Protection Agency, shall enter*
24 *into an arrangement with the National Academy of*
25 *Sciences under which the Academy shall conduct a study*

1 *to assess the impact of the requirements described in section*
2 *211(o) of the Clean Air Act on each industry relating to*
3 *the production of feed grains, livestock, food, forest products,*
4 *and energy.*

5 *(b) PARTICIPATION.—In conducting the study under*
6 *this section, the National Academy of Sciences shall seek*
7 *the participation, and consider the input, of—*

8 *(1) producers of feed grains;*

9 *(2) producers of livestock, poultry, and pork*
10 *products;*

11 *(3) producers of food and food products;*

12 *(4) producers of energy;*

13 *(5) individuals and entities interested in issues*
14 *relating to conservation, the environment, and nutri-*
15 *tion;*

16 *(6) users and consumer of renewable fuels;*

17 *(7) producers and users of biomass feedstocks;*

18 *and*

19 *(8) land grant universities.*

20 *(c) CONSIDERATIONS.—In conducting the study, the*
21 *National Academy of Sciences shall consider—*

22 *(1) the likely impact on domestic animal agri-*
23 *culture feedstocks that, in any crop year, are signifi-*
24 *cantly below current projections;*

1 (2) *policy options to alleviate the impact on do-*
2 *mestic animal agriculture feedstocks that are signifi-*
3 *cantly below current projections; and*

4 (3) *policy options to maintain regional agricul-*
5 *tural and silvicultural capability.*

6 (d) *COMPONENTS.—The study shall include—*

7 (1) *a description of the conditions under which*
8 *the requirements described in section 211(o) of the*
9 *Clean Air Act should be suspended or reduced to pre-*
10 *vent adverse impacts to domestic animal agriculture*
11 *feedstocks described in subsection (c)(2) or regional*
12 *agricultural and silvicultural capability described in*
13 *subsection (c)(3); and*

14 (2) *recommendations for the means by which the*
15 *Federal Government could prevent or minimize ad-*
16 *verse economic hardships and impacts.*

17 (e) *DEADLINE FOR COMPLETION OF STUDY.—Not later*
18 *than 18 months after the date of enactment of this Act, the*
19 *Secretary shall submit to Congress a report that describes*
20 *the results of the study under this section.*

21 (f) *PERIODIC REVIEWS.—Section 211(o) of the Clean*
22 *Air Act is amended by adding the following at the end*
23 *thereof:*

24 “(12) *PERIODIC REVIEWS.—To allow for the ap-*
25 *propriate adjustment of the requirements described in*

1 *subparagraph (B) of paragraph (2), the Adminis-*
2 *trator shall conduct periodic reviews of—*

3 *“(A) existing technologies;*

4 *“(B) the feasibility of achieving compliance*
5 *with the requirements; and*

6 *“(C) the impacts of the requirements de-*
7 *scribed in subsection (a)(2) on each individual*
8 *and entity described in paragraph (2).”.*

9 **SEC. 204. ENVIRONMENTAL AND RESOURCE CONSERVA-**
10 **TION IMPACTS.**

11 *(a) IN GENERAL.—Not later than 3 years after the en-*
12 *actment of this section and every 3 years thereafter, the Ad-*
13 *ministrator of the Environmental Protection Agency, in*
14 *consultation with the Secretary of Agriculture and the Sec-*
15 *retary of Energy, shall assess and report to Congress on*
16 *the impacts to date and likely future impacts of the require-*
17 *ments of section 211(o) of the Clean Air Act on the fol-*
18 *lowing:*

19 *(1) Environmental issues, including air quality,*
20 *effects on hypoxia, pesticides, sediment, nutrient and*
21 *pathogen levels in waters, acreage and function of wa-*
22 *ters, and soil environmental quality.*

23 *(2) Resource conservation issues, including soil*
24 *conservation, water availability, and ecosystem health*

1 *and biodiversity, including impacts on forests, grass-*
2 *lands, and wetlands.*

3 *(3) The growth and use of cultivated invasive or*
4 *noxious plants and their impacts on the environment*
5 *and agriculture.*

6 *In advance of preparing the report required by this sub-*
7 *section, the Administrator may seek the views of the Na-*
8 *tional Academy of Sciences or another appropriate inde-*
9 *pendent research institute. The report shall include the an-*
10 *ual volume of imported renewable fuels and feedstocks for*
11 *renewable fuels, and the environmental impacts outside the*
12 *United States of producing such fuels and feedstocks. The*
13 *report required by this subsection shall include rec-*
14 *ommendations for actions to address any adverse impacts*
15 *found.*

16 *(b) EFFECT ON AIR QUALITY AND OTHER ENVIRON-*
17 *MENTAL REQUIREMENTS.—Except as provided in section*
18 *211(o)(13) of the Clean Air Act, nothing in the amendments*
19 *made by this title to section 211(o) of the Clean Air Act*
20 *shall be construed as superseding, or limiting, any more*
21 *environmentally protective requirement under the Clean*
22 *Air Act, or under any other provision of State or Federal*
23 *law or regulation, including any environmental law or reg-*
24 *ulation.*

1 **SEC. 205. BIOMASS BASED DIESEL AND BIODIESEL LABEL-**
2 **ING.**

3 (a) *IN GENERAL.*—Each retail diesel fuel pump shall
4 be labeled in a manner that informs consumers of the per-
5 cent of biomass-based diesel or biodiesel that is contained
6 in the biomass-based diesel blend or biodiesel blend that is
7 offered for sale, as determined by the Federal Trade Com-
8 mission.

9 (b) *LABELING REQUIREMENTS.*—Not later than 180
10 days after the date of enactment of this section, the Federal
11 Trade Commission shall promulgate biodiesel labeling re-
12 quirements as follows:

13 (1) *Biomass-based diesel blends or biodiesel*
14 *blends that contain less than or equal to 5 percent*
15 *biomass-based diesel or biodiesel by volume and that*
16 *meet ASTM D975 diesel specifications shall not re-*
17 *quire any additional labels.*

18 (2) *Biomass based diesel blends or biodiesel*
19 *blends that contain more than 5 percent biomass-*
20 *based diesel or biodiesel by volume but not more than*
21 *20 percent by volume shall be labeled “contains bio-*
22 *mass-based diesel or biodiesel in quantities between 5*
23 *percent and 20 percent”.*

24 (3) *Biomass-based diesel or biodiesel blends that*
25 *contain more than 20 percent biomass based or bio-*

1 *diesel by volume shall be labeled “contains more than*
 2 *20 percent biomass-based diesel or biodiesel”.*

3 *(c) DEFINITIONS.—In this section:*

4 *(1) ASTM.—The term “ASTM” means the Amer-*
 5 *ican Society of Testing and Materials.*

6 *(2) BIOMASS-BASED DIESEL.—The term “bio-*
 7 *mass-based diesel” means biodiesel as defined in sec-*
 8 *tion 312(f) of the Energy Policy Act of 1992 (42*
 9 *U.S.C. 13220(f)).*

10 *(3) BIODIESEL.—The term “biodiesel” means the*
 11 *monoalkyl esters of long chain fatty acids derived*
 12 *from plant or animal matter that meet—*

13 *(A) the registration requirements for fuels*
 14 *and fuel additives under this section; and*

15 *(B) the requirements of ASTM standard*
 16 *D6751.*

17 *(4) BIOMASS-BASED DIESEL AND BIODIESEL*
 18 *BLENDS.—The terms “biomass-based diesel blend”*
 19 *and “biodiesel blend” means a blend of “biomass-*
 20 *based diesel” or “biodiesel” fuel that is blended with*
 21 *petroleum based diesel fuel.*

22 **SEC. 206. STUDY OF CREDITS FOR USE OF RENEWABLE**
 23 **ELECTRICITY IN ELECTRIC VEHICLES.**

24 *(a) DEFINITION OF ELECTRIC VEHICLE.—In this sec-*
 25 *tion, the term “electric vehicle” means an electric motor ve-*

1 *hicle (as defined in section 601 of the Energy Policy Act*
2 *of 1992 (42 U.S.C. 13271)) for which the rechargeable stor-*
3 *age battery—*

4 (1) *receives a charge directly from a source of*
5 *electric current that is external to the vehicle; and*

6 (2) *provides a minimum of 80 percent of the mo-*
7 *tive power of the vehicle.*

8 (b) *STUDY.—The Administrator of the Environmental*
9 *Protection Agency shall conduct a study on the feasibility*
10 *of issuing credits under the program established under sec-*
11 *tion 211(o) of the Clean Air Act to electric vehicles powered*
12 *by electricity produced from renewable energy sources.*

13 (c) *REPORT.—Not later than 18 months after the date*
14 *of enactment of this Act, the Administrator shall submit*
15 *to the Committee on Energy and Natural Resources of the*
16 *United States Senate and the Committee on Energy and*
17 *Commerce of the United States House of Representatives a*
18 *report that describes the results of the study, including a*
19 *description of—*

20 (1) *existing programs and studies on the use of*
21 *renewable electricity as a means of powering electric*
22 *vehicles; and*

23 (2) *alternatives for—*

24 (A) *designing a pilot program to determine*
25 *the feasibility of using renewable electricity to*

1 *power electric vehicles as an adjunct to a renew-*
2 *able fuels mandate;*

3 *(B) allowing the use, under the pilot pro-*
4 *gram designed under subparagraph (A), of elec-*
5 *tricity generated from nuclear energy as an ad-*
6 *ditional source of supply;*

7 *(C) identifying the source of electricity used*
8 *to power electric vehicles; and*

9 *(D) equating specific quantities of elec-*
10 *tricity to quantities of renewable fuel under sec-*
11 *tion 211(o) of the Clean Air Act.*

12 **SEC. 207. GRANTS FOR PRODUCTION OF ADVANCED**
13 **BIOFUELS.**

14 *(a) IN GENERAL.—The Secretary of Energy shall es-*
15 *tablish a grant program to encourage the production of ad-*
16 *vanced biofuels.*

17 *(b) REQUIREMENTS AND PRIORITY.—In making*
18 *grants under this section, the Secretary—*

19 *(1) shall make awards to the proposals for ad-*
20 *vanced biofuels with the greatest reduction in lifecycle*
21 *greenhouse gas emissions compared to the comparable*
22 *motor vehicle fuel lifecycle emissions during calendar*
23 *year 2005; and*

1 (2) shall not make an award to a project that
2 does not achieve at least a 80 percent reduction in
3 such lifecycle greenhouse gas emissions.

4 (c) *AUTHORIZATION OF APPROPRIATIONS.*—There is
5 authorized to be appropriated to carry out this section
6 \$500,000,000 for the period of fiscal years 2008 through
7 2015.

8 **SEC. 208. INTEGRATED CONSIDERATION OF WATER QUAL-**
9 **ITY IN DETERMINATIONS ON FUELS AND**
10 **FUEL ADDITIVES.**

11 Section 211(c)(1) of the Clean Air Act (42 U.S.C.
12 7545(c)(1)) is amended as follows:

13 (1) By striking “nonroad vehicle (A) if in the
14 judgment of the Administrator” and inserting
15 “nonroad vehicle if, in the judgment of the Adminis-
16 trator, any fuel or fuel additive or”; and

17 (2) In subparagraph (A), by striking “air pollu-
18 tion which” and inserting “air pollution or water
19 pollution (including any degradation in the quality
20 of groundwater) that”.

21 **SEC. 209. ANTI-BACKSLIDING.**

22 Section 211 of the Clean Air Act (42 U.S.C. 7545) is
23 amended by adding at the end the following:

24 “(v) *PREVENTION OF AIR QUALITY DETERIORA-*
25 *TION.*—

1 “(1) *STUDY.*—

2 “(A) *IN GENERAL.*—*Not later than 18*
3 *months after the date of enactment of this sub-*
4 *section, the Administrator shall complete a study*
5 *to determine whether the renewable fuel volumes*
6 *required by this section will adversely impact air*
7 *quality as a result of changes in vehicle and en-*
8 *gine emissions of air pollutants regulated under*
9 *this Act.*

10 “(B) *CONSIDERATIONS.*—*The study shall*
11 *include consideration of—*

12 “(i) *different blend levels, types of re-*
13 *newable fuels, and available vehicle tech-*
14 *nologies; and*

15 “(ii) *appropriate national, regional,*
16 *and local air quality control measures.*

17 “(2) *REGULATIONS.*—*Not later than 3 years*
18 *after the date of enactment of this subsection, the Ad-*
19 *ministrator shall—*

20 “(A) *promulgate fuel regulations to imple-*
21 *ment appropriate measures to mitigate, to the*
22 *greatest extent achievable, considering the results*
23 *of the study under paragraph (1), any adverse*
24 *impacts on air quality, as the result of the re-*
25 *newable volumes required by this section; or*

1 “(B) make a determination that no such
2 measures are necessary.”.

3 **SEC. 210. EFFECTIVE DATE, SAVINGS PROVISION, AND**
4 **TRANSITION RULES.**

5 (a) *TRANSITION RULES.*—(1) *For calendar year 2008,*
6 *transportation fuel sold or introduced into commerce in the*
7 *United States (except in noncontiguous States or terri-*
8 *ories), that is produced from facilities that commence con-*
9 *struction after the date of enactment of this Act shall be*
10 *treated as renewable fuel within the meaning of section*
11 *211(o) of the Clean Air Act only if it achieves at least a*
12 *20 percent reduction in lifecycle greenhouse gas emissions*
13 *compared to baseline lifecycle greenhouse gas emissions. For*
14 *calendar years 2008 and 2009, any ethanol plant that is*
15 *fired with natural gas, biomass, or any combination thereof*
16 *is deemed to be in compliance with such 20 percent reduc-*
17 *tion requirement and with the 20 percent reduction require-*
18 *ment of section 211(o)(1) of the Clean Air Act. The terms*
19 *used in this subsection shall have the same meaning as pro-*
20 *vided in the amendment made by this Act to section 211(o)*
21 *of the Clean Air Act.*

22 (2) *Until January 1, 2009, the Administrator of the*
23 *Environmental Protection Agency shall implement section*
24 *211(o) of the Clean Air Act and the rules promulgated*
25 *under that section in accordance with the provisions of that*

1 *section as in effect before the enactment of this Act and in*
2 *accordance with the rules promulgated before the enactment*
3 *of this Act, except that for calendar year 2008, the number*
4 *“8.5” shall be substituted for the number “5.4” in the table*
5 *in section 211(o)(2)(B) and in the corresponding rules pro-*
6 *mulgated to carry out those provisions. The Administrator*
7 *is authorized to take such other actions as may be necessary*
8 *to carry out this paragraph notwithstanding any other pro-*
9 *vision of law.*

10 *(b) SAVINGS CLAUSE.—Section 211(o) of the Clean Air*
11 *Act (42 U.S.C. 7545(o)) is amended by adding the following*
12 *new paragraph at the end thereof:*

13 *“(13) EFFECT ON OTHER PROVISIONS.—Nothing*
14 *in this subsection, or regulations issued pursuant to*
15 *this subsection, shall affect or be construed to affect*
16 *the regulatory status of carbon dioxide or any other*
17 *greenhouse gas, or to expand or limit regulatory au-*
18 *thority regarding carbon dioxide or any other green-*
19 *house gas, for purposes of other provisions (including*
20 *section 165) of this Act. The previous sentence shall*
21 *not affect implementation and enforcement of this*
22 *subsection.”.*

23 *(c) EFFECTIVE DATE.—The amendments made by this*
24 *title to section 211(o) of the Clean Air Act shall take effect*
25 *January 1, 2009, except that the Administrator shall pro-*

1 *mulgate regulations to carry out such amendments not later*
2 *than one year after the enactment of this Act.*

3 ***Subtitle B—Biofuels Research and***
4 ***Development***

5 ***SEC. 221. BIODIESEL.***

6 *(a) BIODIESEL STUDY.—Not later than 180 days after*
7 *the date of enactment of this Act, the Secretary, in consulta-*
8 *tion with the Administrator of the Environmental Protec-*
9 *tion Agency, shall submit to Congress a report on any re-*
10 *search and development challenges inherent in increasing*
11 *the proportion of diesel fuel sold in the United States that*
12 *is biodiesel.*

13 *(b) MATERIAL FOR THE ESTABLISHMENT OF STAND-*
14 *ARDS.—The Director of the National Institute of Standards*
15 *and Technology, in consultation with the Secretary, shall*
16 *make publicly available the physical property data and*
17 *characterization of biodiesel and other biofuels as appro-*
18 *priate.*

19 ***SEC. 222. BIOGAS.***

20 *Not later than 180 days after the date of enactment*
21 *of this Act, the Secretary, in consultation with the Adminis-*
22 *trator of the Environmental Protection Agency, shall sub-*
23 *mit to Congress a report on any research and development*
24 *challenges inherent in increasing the amount of transpor-*

1 *tation fuels sold in the United States that are fuel with*
2 *biogas or a blend of biogas and natural gas.*

3 **SEC. 223. GRANTS FOR BIOFUEL PRODUCTION RESEARCH**
4 **AND DEVELOPMENT IN CERTAIN STATES.**

5 *(a) IN GENERAL.—The Secretary shall provide grants*
6 *to eligible entities for research, development, demonstration,*
7 *and commercial application of biofuel production tech-*
8 *nologies in States with low rates of ethanol production, in-*
9 *cluding low rates of production of cellulosic biomass eth-*
10 *anol, as determined by the Secretary.*

11 *(b) ELIGIBILITY.—To be eligible to receive a grant*
12 *under this section, an entity shall—*

13 *(1)(A) be an institution of higher education (as*
14 *defined in section 2 of the Energy Policy Act of 2005*
15 *(42 U.S.C. 15801)), including tribally controlled col-*
16 *leges or universities, located in a State described in*
17 *subsection (a); or*

18 *(B) be a consortium including at least 1 such in-*
19 *stitution of higher education, and industry, State*
20 *agencies, Indian tribal agencies, National Labora-*
21 *tories, or local government agencies located in the*
22 *State; and*

23 *(2) have proven experience and capabilities with*
24 *relevant technologies.*

1 (c) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
2 *authorized to be appropriated to the Secretary to carry out*
3 *this section \$25,000,000 for each of fiscal years 2008*
4 *through 2010.*

5 **SEC. 224. BIOREFINERY ENERGY EFFICIENCY.**

6 Section 932 of Energy Policy Act of 2005 (42 U.S.C.
7 16232) is amended by adding at the end the following new
8 subsections:

9 “(g) *BIOREFINERY ENERGY EFFICIENCY.*—*The Sec-*
10 *retary shall establish a program of research, development,*
11 *demonstration, and commercial application for increasing*
12 *energy efficiency and reducing energy consumption in the*
13 *operation of biorefinery facilities.*

14 “(h) *RETROFIT TECHNOLOGIES FOR THE DEVELOP-*
15 *MENT OF ETHANOL FROM CELLULOSIC MATERIALS.*—*The*
16 *Secretary shall establish a program of research, develop-*
17 *ment, demonstration, and commercial application on tech-*
18 *nologies and processes to enable biorefineries that exclu-*
19 *sively use corn grain or corn starch as a feedstock to*
20 *produce ethanol to be retrofitted to accept a range of bio-*
21 *mass, including lignocellulosic feedstocks.”.*

22 **SEC. 225. STUDY OF OPTIMIZATION OF FLEXIBLE FUELED**
23 **VEHICLES TO USE E-85 FUEL.**

24 (a) *IN GENERAL.*—*The Secretary, in consultation with*
25 *the Secretary of Transportation and the Administrator of*

1 *the Environmental Protection Agency, shall conduct a*
2 *study of whether optimizing flexible fueled vehicles to oper-*
3 *ate using E-85 fuel would increase the fuel efficiency of*
4 *flexible fueled vehicles.*

5 **(b) REPORT.**—*Not later than 180 days after the date*
6 *of enactment of this Act, the Secretary shall submit to the*
7 *Committee on Science and Technology and the Committee*
8 *on Energy and Commerce of the House of Representatives,*
9 *and to the Committee on Energy and Natural Resources,*
10 *the Committee on Environment and Public Works, and the*
11 *Committee on Commerce, Science, and Transportation of*
12 *the Senate, a report that describes the results of the study*
13 *under this section, including any recommendations of the*
14 *Secretary.*

15 **SEC. 226. STUDY OF ENGINE DURABILITY AND PERFORM-**
16 **ANCE ASSOCIATED WITH THE USE OF BIO-**
17 **DIESEL.**

18 **(a) IN GENERAL.**—*Not later than 30 days after the*
19 *date of enactment of this Act, the Secretary, in consultation*
20 *with the Administrator of the Environmental Protection*
21 *Agency, shall initiate a study on the effects of the use of*
22 *biodiesel on the performance and durability of engines and*
23 *engine systems.*

24 **(b) COMPONENTS.**—*The study under this section shall*
25 *include—*

1 (1) *an assessment of whether the use of biodiesel*
2 *lessens the durability and performance of conven-*
3 *tional diesel engines and engine systems; and*

4 (2) *an assessment of the effects referred to in sub-*
5 *section (a) with respect to biodiesel blends at varying*
6 *concentrations, including the following percentage*
7 *concentrations of biodiesel:*

8 (A) *5 percent biodiesel.*

9 (B) *10 percent biodiesel.*

10 (C) *20 percent biodiesel.*

11 (D) *30 percent biodiesel.*

12 (E) *100 percent biodiesel.*

13 (c) *REPORT.—Not later than 24 months after the date*
14 *of enactment of this Act, the Secretary shall submit to the*
15 *Committee on Science and Technology and the Committee*
16 *on Energy and Commerce of the House of Representatives,*
17 *and to the Committee on Energy and Natural Resources*
18 *and the Committee on Environment and Public Works of*
19 *the Senate, a report that describes the results of the study*
20 *under this section, including any recommendations of the*
21 *Secretary.*

22 **SEC. 227. STUDY OF OPTIMIZATION OF BIOGAS USED IN**
23 **NATURAL GAS VEHICLES.**

24 (a) *IN GENERAL.—The Secretary, in consultation with*
25 *the Administrator of the Environmental Protection Agency*

1 *and the Secretary of Transportation, shall conduct a study*
2 *of methods of increasing the fuel efficiency of vehicles using*
3 *biogas by optimizing natural gas vehicle systems that can*
4 *operate on biogas, including the advancement of vehicle fuel*
5 *systems and the combination of hybrid-electric and plug-*
6 *in hybrid electric drive platforms with natural gas vehicle*
7 *systems using biogas.*

8 **(b) REPORT.**—*Not later than 180 days after the date*
9 *of enactment of this Act, the Secretary shall submit to the*
10 *Committee on Energy and Natural Resources, the Com-*
11 *mittee on Environment and Public Works, and the Com-*
12 *mittee on Commerce, Science, and Transportation of the*
13 *Senate, and to the Committee on Science and Technology*
14 *and the Committee on Energy and Commerce of the House*
15 *of Representatives, a report that describes the results of the*
16 *study, including any recommendations of the Secretary.*

17 **SEC. 228. ALGAL BIOMASS.**

18 **(a) IN GENERAL.**—*Not later than 90 days after the*
19 *date of enactment of this Act, the Secretary shall submit*
20 *to the Committee on Science and Technology of the House*
21 *of Representatives and the Committee on Energy and Nat-*
22 *ural Resources of the Senate a report on the progress of*
23 *the research and development that is being conducted on*
24 *the use of algae as a feedstock for the production of biofuels.*

1 (b) *CONTENTS.*—*The report shall identify continuing*
2 *research and development challenges and any regulatory or*
3 *other barriers found by the Secretary that hinder the use*
4 *of this resource, as well as recommendations on how to en-*
5 *courage and further its development as a viable transpor-*
6 *tation fuel.*

7 **SEC. 229. BIOFUELS AND BIOREFINERY INFORMATION CEN-**
8 **TER.**

9 (a) *IN GENERAL.*—*The Secretary, in cooperation with*
10 *the Secretary of Agriculture, shall establish a biofuels and*
11 *biorefinery information center to make available to inter-*
12 *ested parties information on—*

13 (1) *renewable fuel feedstocks, including the vari-*
14 *eties of fuel capable of being produced from various*
15 *feedstocks;*

16 (2) *biorefinery processing techniques related to*
17 *various renewable fuel feedstocks;*

18 (3) *the distribution, blending, storage, and retail*
19 *dispensing infrastructure necessary for the transport*
20 *and use of renewable fuels;*

21 (4) *Federal and State laws and incentives re-*
22 *lated to renewable fuel production and use;*

23 (5) *renewable fuel research and development ad-*
24 *vancements;*

1 (6) *renewable fuel development and biorefinery*
2 *processes and technologies;*

3 (7) *renewable fuel resources, including informa-*
4 *tion on programs and incentives for renewable fuels;*

5 (8) *renewable fuel producers;*

6 (9) *renewable fuel users; and*

7 (10) *potential renewable fuel users.*

8 (b) *ADMINISTRATION.*—*In administering the biofuels*
9 *and biorefinery information center, the Secretary shall—*

10 (1) *continually update information provided by*
11 *the center;*

12 (2) *make information available relating to proc-*
13 *esses and technologies for renewable fuel production;*

14 (3) *make information available to interested par-*
15 *ties on the process for establishing a biorefinery; and*

16 (4) *make information and assistance provided by*
17 *the center available through a toll-free telephone num-*
18 *ber and website.*

19 (c) *COORDINATION AND NONDUPLICATION.*—*To max-*
20 *imum extent practicable, the Secretary shall ensure that the*
21 *activities under this section are coordinated with, and do*
22 *not duplicate the efforts of, centers at other government*
23 *agencies.*

1 (d) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
2 *authorized to be appropriated such sums as are necessary*
3 *to carry out this section.*

4 **SEC. 230. CELLULOSIC ETHANOL AND BIOFUELS RE-**
5 **SEARCH.**

6 (a) *DEFINITION OF ELIGIBLE ENTITY.*—*In this sec-*
7 *tion, the term “eligible entity” means—*

8 (1) *an 1890 Institution (as defined in section 2*
9 *of the Agricultural Research, Extension, and Edu-*
10 *cation Reform Act of 1998 (7 U.S.C. 7061));*

11 (2) *a part B institution (as defined in section*
12 *322 of the Higher Education Act of 1965 (20 U.S.C.*
13 *1061)) (commonly referred to as “Historically Black*
14 *Colleges and Universities”);*

15 (3) *a tribal college or university (as defined in*
16 *section 316(b) of the Higher Education Act of 1965*
17 *(20 U.S.C. 1059c(b)); or*

18 (4) *a Hispanic-serving institution (as defined in*
19 *section 502(a) of the Higher Education Act of 1965*
20 *(20 U.S.C. 1101a(a)).*

21 (b) *GRANTS.*—*The Secretary shall make cellulosic eth-*
22 *anol and biofuels research and development grants to 10*
23 *eligible entities selected by the Secretary to receive a grant*
24 *under this section through a peer-reviewed competitive proc-*
25 *ess.*

1 (i) by striking “\$274,000,000” and in-
2 serting “\$398,000,000”; and

3 (ii) by striking the period at the end
4 and inserting “; and”; and

5 (C) by adding at the end the following:

6 “(4) \$419,000,000 for fiscal year 2010, of which
7 \$150,000,000 shall be for section 932(d).”.

8 **SEC. 232. ENVIRONMENTAL RESEARCH AND DEVELOPMENT.**

9 (a) *IN GENERAL.*—Section 977 of the Energy Policy
10 *Act of 2005 (42 U.S.C. 16317) is amended—*

11 (1) in subsection (a)(1), by striking “and com-
12 putational biology” and inserting “computational bi-
13 ology, and environmental science”; and

14 (2) in subsection (b)—

15 (A) in paragraph (1), by inserting “in sus-
16 tainable production systems that reduce green-
17 house gas emissions” after “hydrogen”;

18 (B) in paragraph (3), by striking “and” at
19 the end;

20 (C) by redesignating paragraph (4) as
21 paragraph (5); and

22 (D) by inserting after paragraph (3) the fol-
23 lowing:

24 “(4) develop cellulosic and other feedstocks that
25 are less resource and land intensive and that promote

1 *sustainable use of resources, including soil, water, en-*
2 *ergy, forests, and land, and ensure protection of air,*
3 *water, and soil quality; and”.*

4 (b) *TOOLS AND EVALUATION.*—Section 307(d) of the
5 *Biomass Research and Development Act of 2000 (7 U.S.C.*
6 *8606(d)) is amended—*

7 (1) *in paragraph (3)(E), by striking “and” at*
8 *the end;*

9 (2) *in paragraph (4), by striking the period at*
10 *the end and inserting a semicolon; and*

11 (3) *by adding at the end the following:*

12 “(5) *the improvement and development of ana-*
13 *lytical tools to facilitate the analysis of life-cycle en-*
14 *ergy and greenhouse gas emissions, including emis-*
15 *sions related to direct and indirect land use changes,*
16 *attributable to all potential biofuel feedstocks and pro-*
17 *duction processes; and*

18 “(6) *the systematic evaluation of the impact of*
19 *expanded biofuel production on the environment, in-*
20 *cluding forest lands, and on the food supply for hu-*
21 *mans and animals.”.*

22 (c) *SMALL-SCALE PRODUCTION AND USE OF*
23 *BIOFUELS.*—Section 307(e) of the *Biomass Research and*
24 *Development Act of 2000 (7 U.S.C. 8606(e)) is amended—*

1 (1) *in paragraph (2), by striking “and” at the*
2 *end;*

3 (2) *in paragraph (3), by striking the period at*
4 *the end and inserting “; and”; and*

5 (3) *by adding at the end the following:*

6 “(4) *to facilitate small-scale production, local,*
7 *and on-farm use of biofuels, including the develop-*
8 *ment of small-scale gasification technologies for pro-*
9 *duction of biofuel from cellulosic feedstocks.”.*

10 **SEC. 233. BIOENERGY RESEARCH CENTERS.**

11 *Section 977 of the Energy Policy Act of 2005 (42*
12 *U.S.C. 16317) is amended by adding at the end the fol-*
13 *lowing:*

14 “(f) **BIOENERGY RESEARCH CENTERS.**—

15 “(1) **ESTABLISHMENT OF CENTERS.**—*In car-*
16 *rying out the program under subsection (a), the Sec-*
17 *retary shall establish at least 7 bioenergy research*
18 *centers, which may be of varying size.*

19 “(2) **GEOGRAPHIC DISTRIBUTION.**—*The Sec-*
20 *retary shall establish at least 1 bioenergy research*
21 *center in each Petroleum Administration for Defense*
22 *District or Subdistrict of a Petroleum Administration*
23 *for Defense District.*

24 “(3) **GOALS.**—*The goals of the centers established*
25 *under this subsection shall be to accelerate basic*

1 *transformational research and development of*
2 *biofuels, including biological processes.*

3 “(4) *SELECTION AND DURATION.*—

4 “(A) *IN GENERAL.*—A center under this
5 subsection shall be selected on a competitive basis
6 for a period of 5 years.

7 “(B) *REAPPLICATION.*—After the end of the
8 period described in subparagraph (A), a grantee
9 may reapply for selection on a competitive basis.

10 “(5) *INCLUSION.*—A center that is in existence
11 on the date of enactment of this subsection—

12 “(A) shall be counted towards the require-
13 ment for establishment of at least 7 bioenergy re-
14 search centers; and

15 “(B) may continue to receive support for a
16 period of 5 years beginning on the date of estab-
17 lishment of the center.”.

18 **SEC. 234. UNIVERSITY BASED RESEARCH AND DEVELOP-**
19 **MENT GRANT PROGRAM.**

20 (a) *ESTABLISHMENT.*—The Secretary shall establish a
21 competitive grant program, in a geographically diverse
22 manner, for projects submitted for consideration by institu-
23 tions of higher education to conduct research and develop-
24 ment of renewable energy technologies. Each grant made
25 shall not exceed \$2,000,000.

1 (b) *ELIGIBILITY.*—*Priority shall be given to institu-*
2 *tions of higher education with—*

3 (1) *established programs of research in renewable*
4 *energy;*

5 (2) *locations that are low income or outside of*
6 *an urbanized area;*

7 (3) *a joint venture with an Indian tribe; and*

8 (4) *proximity to trees dying of disease or insect*
9 *infestation as a source of woody biomass.*

10 (c) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
11 *authorized to be appropriated to the Secretary \$25,000,000*
12 *for carrying out this section.*

13 (d) *DEFINITIONS.*—*In this section:*

14 (1) *INDIAN TRIBE.*—*The term “Indian tribe” has*
15 *the meaning as defined in section 126(c) of the En-*
16 *ergy Policy Act of 2005.*

17 (2) *RENEWABLE ENERGY.*—*The term “renewable*
18 *energy” has the meaning as defined in section 902 of*
19 *the Energy Policy Act of 2005.*

20 (3) *URBANIZED AREA.*—*The term “urbanized*
21 *area” has the mean as defined by the U.S. Bureau of*
22 *the Census.*

1 ***Subtitle C—Biofuels Infrastructure***

2 ***SEC. 241. PROHIBITION ON FRANCHISE AGREEMENT RE-***
 3 ***STRICTIONS RELATED TO RENEWABLE FUEL***
 4 ***INFRASTRUCTURE.***

5 *(a) IN GENERAL.—Title I of the Petroleum Marketing*
 6 *Practices Act (15 U.S.C. 2801 et seq.) is amended by adding*
 7 *at the end the following:*

8 ***“SEC. 107. PROHIBITION ON RESTRICTION OF INSTALLA-***
 9 ***TION OF RENEWABLE FUEL PUMPS.***

10 *“(a) DEFINITION.—In this section:*

11 *“(1) RENEWABLE FUEL.—The term ‘renewable*
 12 *fuel’ means any fuel—*

13 *“(A) at least 85 percent of the volume of*
 14 *which consists of ethanol; or*

15 *“(B) any mixture of biodiesel and diesel or*
 16 *renewable diesel (as defined in regulations adopt-*
 17 *ed pursuant to section 211(o) of the Clean Air*
 18 *Act (40 CFR, Part 80)), determined without re-*
 19 *gard to any use of kerosene and containing at*
 20 *least 20 percent biodiesel or renewable diesel.*

21 *“(2) FRANCHISE-RELATED DOCUMENT.—The*
 22 *term ‘franchise-related document’ means—*

23 *“(A) a franchise under this Act; and*

1 “(B) any other contract or directive of a
2 franchisor relating to terms or conditions of the
3 sale of fuel by a franchisee.

4 “(b) PROHIBITIONS.—

5 “(1) IN GENERAL.—No franchise-related docu-
6 ment entered into or renewed on or after the date of
7 enactment of this section shall contain any provision
8 allowing a franchisor to restrict the franchisee or any
9 affiliate of the franchisee from—

10 “(A) installing on the marketing premises
11 of the franchisee a renewable fuel pump or tank,
12 except that the franchisee’s franchisor may re-
13 strict the installation of a tank on leased mar-
14 keting premises of such franchisor;

15 “(B) converting an existing tank or pump
16 on the marketing premises of the franchisee for
17 renewable fuel use, so long as such tank or pump
18 and the piping connecting them are either war-
19 ranted by the manufacturer or certified by a rec-
20 ognized standards setting organization to be
21 suitable for use with such renewable fuel;

22 “(C) advertising (including through the use
23 of signage) the sale of any renewable fuel;

24 “(D) selling renewable fuel in any specified
25 area on the marketing premises of the franchisee

1 *(including any area in which a name or logo of*
2 *a franchisor or any other entity appears);*

3 *“(E) purchasing renewable fuel from sources*
4 *other than the franchisor if the franchisor does*
5 *not offer its own renewable fuel for sale by the*
6 *franchisee;*

7 *“(F) listing renewable fuel availability or*
8 *prices, including on service station signs, fuel*
9 *dispensers, or light poles; or*

10 *“(G) allowing for payment of renewable fuel*
11 *with a credit card,*

12 *so long as such activities described in subparagraphs*
13 *(A) through (G) do not constitute mislabeling, mis-*
14 *branding, willful adulteration, or other trademark*
15 *violations by the franchisee.*

16 *“(2) EFFECT OF PROVISION.—Nothing in this*
17 *section shall be construed to preclude a franchisor*
18 *from requiring the franchisee to obtain reasonable in-*
19 *demnification and insurance policies.*

20 *“(c) EXCEPTION TO 3-GRADE REQUIREMENT.—No*
21 *franchise-related document that requires that 3 grades of*
22 *gasoline be sold by the applicable franchisee shall prevent*
23 *the franchisee from selling an renewable fuel in lieu of 1,*
24 *and only 1, grade of gasoline.”.*

1 (b) *ENFORCEMENT.*—Section 105 of the Petroleum
 2 *Marketing Practices Act* (15 U.S.C. 2805) is amended by
 3 striking “102 or 103” each place it appears and inserting
 4 “102, 103, or 107”.

5 (c) *CONFORMING AMENDMENTS.*—

6 (1) *IN GENERAL.*—Section 101(13) of the Petro-
 7 *leum Marketing Practices Act* (15 U.S.C. 2801(13)) is
 8 amended by aligning the margin of subparagraph (C)
 9 with subparagraph (B).

10 (2) *TABLE OF CONTENTS.*—The table of contents
 11 of the *Petroleum Marketing Practices Act* (15 U.S.C.
 12 2801 note) is amended—

13 (A) by inserting after the item relating to
 14 section 106 the following:

“Sec. 107. Prohibition on restriction of installation of renewable fuel pumps.”;
 and

15 (B) by striking the item relating to section
 16 202 and inserting the following:

“Sec. 202. Automotive fuel rating testing and disclosure requirements.”.

17 **SEC. 242. RENEWABLE FUEL DISPENSER REQUIREMENTS.**

18 (a) *MARKET PENETRATION REPORTS.*—The Secretary,
 19 in consultation with the Secretary of Transportation, shall
 20 determine and report to Congress annually on the market
 21 penetration for flexible-fuel vehicles in use within geo-
 22 graphic regions to be established by the Secretary.

1 (b) *DISPENSER FEASIBILITY STUDY.*—Not later than
2 24 months after the date of enactment of this Act, the Sec-
3 retary, in consultation with the Department of Transpor-
4 tation, shall report to the Congress on the feasibility of re-
5 quiring motor fuel retailers to install E-85 compatible dis-
6 pensers and related systems at retail fuel facilities in re-
7 gions where flexible-fuel vehicle market penetration has
8 reached 15 percent of motor vehicles. In conducting such
9 study, the Secretary shall consider and report on the fol-
10 lowing factors:

11 (1) *The commercial availability of E-85 fuel*
12 *and the number of competing E-85 wholesale sup-*
13 *pliers in a given region.*

14 (2) *The level of financial assistance provided on*
15 *an annual basis by the Federal Government, State*
16 *governments, and nonprofit entities for the installa-*
17 *tion of E-85 compatible infrastructure.*

18 (3) *The number of retailers whose retail locations*
19 *are unable to support more than 2 underground stor-*
20 *age tank dispensers.*

21 (4) *The expense incurred by retailers in the in-*
22 *stallation and sale of E-85 compatible dispensers and*
23 *related systems and any potential effects on the price*
24 *of motor vehicle fuel.*

1 **SEC. 243. ETHANOL PIPELINE FEASIBILITY STUDY.**

2 (a) *IN GENERAL.*—*The Secretary, in coordination*
3 *with the Secretary of Transportation, shall conduct a study*
4 *of the feasibility of the construction of pipelines dedicated*
5 *to the transportation of ethanol.*

6 (b) *FACTORS FOR CONSIDERATION.*—*In conducting the*
7 *study under subsection (a), the Secretary shall take into*
8 *consideration—*

9 (1) *the quantity of ethanol production that*
10 *would make dedicated pipelines economically viable;*

11 (2) *existing or potential barriers to the construc-*
12 *tion of pipelines dedicated to the transportation of*
13 *ethanol, including technical, siting, financing, and*
14 *regulatory barriers;*

15 (3) *market risk (including throughput risk) and*
16 *means of mitigating the risk;*

17 (4) *regulatory, financing, and siting options that*
18 *would mitigate the risk and help ensure the construc-*
19 *tion of 1 or more pipelines dedicated to the transpor-*
20 *tation of ethanol;*

21 (5) *financial incentives that may be necessary*
22 *for the construction of pipelines dedicated to the*
23 *transportation of ethanol, including the return on eq-*
24 *uity that sponsors of the initial dedicated ethanol*
25 *pipelines will require to invest in the pipelines;*

1 (6) *technical factors that may compromise the*
2 *safe transportation of ethanol in pipelines, including*
3 *identification of remedial and preventive measures to*
4 *ensure pipeline integrity; and*

5 (7) *such other factors as the Secretary considers*
6 *to be appropriate.*

7 (c) *REPORT.—Not later than 15 months after the date*
8 *of enactment of this Act, the Secretary shall submit to Con-*
9 *gress a report describing the results of the study conducted*
10 *under this section.*

11 (d) *AUTHORIZATION OF APPROPRIATIONS.—There is*
12 *authorized to be appropriated to the Secretary to carry out*
13 *this section \$1,000,000 for each of fiscal years 2008 and*
14 *2009, to remain available until expended.*

15 **SEC. 244. RENEWABLE FUEL INFRASTRUCTURE GRANTS.**

16 (a) *DEFINITION OF RENEWABLE FUEL BLEND.—For*
17 *purposes of this section, the term “renewable fuel blend”*
18 *means gasoline blend that contain not less than 11 percent,*
19 *and not more than 85 percent, renewable fuel or diesel fuel*
20 *that contains at least 10 percent renewable fuel.*

21 (b) *INFRASTRUCTURE DEVELOPMENT GRANTS.—*

22 (1) *ESTABLISHMENT.—The Secretary shall estab-*
23 *lish a program for making grants for providing as-*
24 *sistance to retail and wholesale motor fuel dealers or*
25 *other entities for the installation, replacement, or con-*

1 *version of motor fuel storage and dispensing infra-*
2 *structure to be used exclusively to store and dispense*
3 *renewable fuel blends.*

4 (2) *SELECTION CRITERIA.—Not later than 12*
5 *months after the date of enactment of this Act, the*
6 *Secretary shall establish criteria for evaluating appli-*
7 *cations for grants under this subsection that will*
8 *maximize the availability and use of renewable fuel*
9 *blends, and that will ensure that renewable fuel blends*
10 *are available across the country. Such criteria shall*
11 *provide for—*

12 (A) *consideration of the public demand for*
13 *each renewable fuel blend in a particular geo-*
14 *graphic area based on State registration records*
15 *showing the number of flexible-fuel vehicles;*

16 (B) *consideration of the opportunity to cre-*
17 *ate or expand corridors of renewable fuel blend*
18 *stations along interstate or State highways;*

19 (C) *consideration of the experience of each*
20 *applicant with previous, similar projects;*

21 (D) *consideration of population, number of*
22 *flexible-fuel vehicles, number of retail fuel outlets,*
23 *and saturation of flexible-fuel vehicles; and*

24 (E) *priority consideration to applications*
25 *that—*

1 (i) are most likely to maximize dis-
2 placement of petroleum consumption, meas-
3 ured as a total quantity and a percentage;

4 (ii) are best able to incorporate exist-
5 ing infrastructure while maximizing, to the
6 extent practicable, the use of renewable fuel
7 blends; and

8 (iii) demonstrate the greatest commit-
9 ment on the part of the applicant to ensure
10 funding for the proposed project and the
11 greatest likelihood that the project will be
12 maintained or expanded after Federal as-
13 sistance under this subsection is completed.

14 (3) *LIMITATIONS.*—Assistance provided under
15 this subsection shall not exceed—

16 (A) 33 percent of the estimated cost of the
17 installation, replacement, or conversion of motor
18 fuel storage and dispensing infrastructure; or

19 (B) \$180,000 for a combination of equip-
20 ment at any one retail outlet location.

21 (4) *OPERATION OF RENEWABLE FUEL BLEND*
22 *STATIONS.*—The Secretary shall establish rules that
23 set forth requirements for grant recipients under this
24 section that include providing to the public the renew-
25 able fuel blends, establishing a marketing plan that

1 *informs consumers of the price and availability of the*
2 *renewable fuel blends, clearly labeling the dispensers*
3 *and related equipment, and providing periodic re-*
4 *ports on the status of the renewable fuel blend sales,*
5 *the type and amount of the renewable fuel blends dis-*
6 *persed at each location, and the average price of such*
7 *fuel.*

8 (5) *NOTIFICATION REQUIREMENTS.*—*Not later*
9 *than the date on which each renewable fuel blend sta-*
10 *tion begins to offer renewable fuel blends to the public,*
11 *the grant recipient that used grant funds to construct*
12 *or upgrade such station shall notify the Secretary of*
13 *such opening. The Secretary shall add each new re-*
14 *newable fuel blend station to the renewable fuel blend*
15 *station locator on its Website when it receives notifi-*
16 *cation under this subsection.*

17 (6) *DOUBLE COUNTING.*—*No person that receives*
18 *a credit under section 30C of the Internal Revenue*
19 *Code of 1986 may receive assistance under this sec-*
20 *tion.*

21 (7) *RESERVATION OF FUNDS.*—*The Secretary*
22 *shall reserve funds appropriated for the renewable fuel*
23 *blends infrastructure development grant program for*
24 *technical and marketing assistance described in sub-*
25 *section (c).*

1 (c) *RETAIL TECHNICAL AND MARKETING ASSIST-*
2 *ANCE.—The Secretary shall enter into contracts with enti-*
3 *ties with demonstrated experience in assisting retail fueling*
4 *stations in installing refueling systems and marketing re-*
5 *newable fuel blends nationally, for the provision of technical*
6 *and marketing assistance to recipients of grants under this*
7 *section. Such assistance shall include—*

8 (1) *technical advice for compliance with applica-*
9 *ble Federal and State environmental requirements;*

10 (2) *help in identifying supply sources and secur-*
11 *ing long-term contracts; and*

12 (3) *provision of public outreach, education, and*
13 *labeling materials.*

14 (d) *REFUELING INFRASTRUCTURE CORRIDORS.—*

15 (1) *IN GENERAL.—The Secretary shall establish*
16 *a competitive grant pilot program (referred to in this*
17 *subsection as the “pilot program”), to be administered*
18 *through the Vehicle Technology Deployment Program*
19 *of the Department, to provide not more than 10 geo-*
20 *graphically-dispersed project grants to State govern-*
21 *ments, Indian tribal governments, local governments,*
22 *metropolitan transportation authorities, or partner-*
23 *ships of those entities to carry out 1 or more projects*
24 *for the purposes described in paragraph (2).*

1 (2) *GRANT PURPOSES.*—A grant under this sub-
2 section shall be used for the establishment of refueling
3 infrastructure corridors, as designated by the Sec-
4 retary, for renewable fuel blends, including—

5 (A) *installation of infrastructure and equip-*
6 *ment necessary to ensure adequate distribution of*
7 *renewable fuel blends within the corridor;*

8 (B) *installation of infrastructure and*
9 *equipment necessary to directly support vehicles*
10 *powered by renewable fuel blends; and*

11 (C) *operation and maintenance of infra-*
12 *structure and equipment installed as part of a*
13 *project funded by the grant.*

14 (3) *APPLICATIONS.*—

15 (A) *REQUIREMENTS.*—

16 (i) *IN GENERAL.*—Subject to clause
17 (ii), not later than 90 days after the date of
18 enactment of this Act, the Secretary shall
19 issue requirements for use in applying for
20 grants under the pilot program.

21 (ii) *MINIMUM REQUIREMENTS.*—At a
22 minimum, the Secretary shall require that
23 an application for a grant under this sub-
24 section—

25 (I) *be submitted by—*

1 (aa) *the head of a State, trib-*
2 *al, or local government or a met-*
3 *ropolitan transportation author-*
4 *ity, or any combination of those*
5 *entities; and*

6 (bb) *a registered participant*
7 *in the Vehicle Technology Deploy-*
8 *ment Program of the Department;*
9 *and*

10 (II) *include—*

11 (aa) *a description of the*
12 *project proposed in the applica-*
13 *tion, including the ways in which*
14 *the project meets the requirements*
15 *of this subsection;*

16 (bb) *an estimate of the degree*
17 *of use of the project, including the*
18 *estimated size of fleet of vehicles*
19 *operated with renewable fuels*
20 *blend available within the geo-*
21 *graphic region of the corridor,*
22 *measured as a total quantity and*
23 *a percentage;*

24 (cc) *an estimate of the poten-*
25 *tial petroleum displaced as a re-*

1 *sult of the project (measured as a*
2 *total quantity and a percentage),*
3 *and a plan to collect and dissemi-*
4 *nate petroleum displacement and*
5 *other relevant data relating to the*
6 *project to be funded under the*
7 *grant, over the expected life of the*
8 *project;*

9 *(dd) a description of the*
10 *means by which the project will be*
11 *sustainable without Federal as-*
12 *sistance after the completion of*
13 *the term of the grant;*

14 *(ee) a complete description of*
15 *the costs of the project, including*
16 *acquisition, construction, oper-*
17 *ation, and maintenance costs over*
18 *the expected life of the project; and*

19 *(ff) a description of which*
20 *costs of the project will be sup-*
21 *ported by Federal assistance*
22 *under this subsection.*

23 *(B) PARTNERS.—An applicant under sub-*
24 *paragraph (A) may carry out a project under*

1 *the pilot program in partnership with public*
2 *and private entities.*

3 (4) *SELECTION CRITERIA.—In evaluating appli-*
4 *cations under the pilot program, the Secretary*
5 *shall—*

6 (A) *consider the experience of each appli-*
7 *cant with previous, similar projects; and*

8 (B) *give priority consideration to applica-*
9 *tions that—*

10 (i) *are most likely to maximize dis-*
11 *placement of petroleum consumption, meas-*
12 *ured as a total quantity and a percentage;*

13 (ii) *are best able to incorporate exist-*
14 *ing infrastructure while maximizing, to the*
15 *extent practicable, the use of advanced*
16 *biofuels;*

17 (iii) *demonstrate the greatest commit-*
18 *ment on the part of the applicant to ensure*
19 *funding for the proposed project and the*
20 *greatest likelihood that the project will be*
21 *maintained or expanded after Federal as-*
22 *sistance under this subsection is completed;*

23 (iv) *represent a partnership of public*
24 *and private entities; and*

1 (v) exceed the minimum requirements
2 of paragraph (3)(A)(ii).

3 (5) *PILOT PROJECT REQUIREMENTS.*—

4 (A) *MAXIMUM AMOUNT.*—*The Secretary*
5 *shall provide not more than \$20,000,000 in Fed-*
6 *eral assistance under the pilot program to any*
7 *applicant.*

8 (B) *COST SHARING.*—*The non-Federal share*
9 *of the cost of any activity relating to renewable*
10 *fuel blend infrastructure development carried out*
11 *using funds from a grant under this subsection*
12 *shall be not less than 20 percent.*

13 (C) *MAXIMUM PERIOD OF GRANTS.*—*The*
14 *Secretary shall not provide funds to any appli-*
15 *cant under the pilot program for more than 2*
16 *years.*

17 (D) *DEPLOYMENT AND DISTRIBUTION.*—*The*
18 *Secretary shall seek, to the maximum extent*
19 *practicable, to ensure a broad geographic dis-*
20 *tribution of project sites funded by grants under*
21 *this subsection.*

22 (E) *TRANSFER OF INFORMATION AND*
23 *KNOWLEDGE.*—*The Secretary shall establish*
24 *mechanisms to ensure that the information and*
25 *knowledge gained by participants in the pilot*

1 *program are transferred among the pilot pro-*
2 *gram participants and to other interested par-*
3 *ties, including other applicants that submitted*
4 *applications.*

5 (6) *SCHEDULE.—*

6 (A) *INITIAL GRANTS.—*

7 (i) *IN GENERAL.—Not later than 90*
8 *days after the date of enactment of this Act,*
9 *the Secretary shall publish in the Federal*
10 *Register, Commerce Business Daily, and*
11 *such other publications as the Secretary*
12 *considers to be appropriate, a notice and re-*
13 *quest for applications to carry out projects*
14 *under the pilot program.*

15 (ii) *DEADLINE.—An application de-*
16 *scribed in clause (i) shall be submitted to*
17 *the Secretary by not later than 180 days*
18 *after the date of publication of the notice*
19 *under that clause.*

20 (iii) *INITIAL SELECTION.—Not later*
21 *than 90 days after the date by which appli-*
22 *cations for grants are due under clause (ii),*
23 *the Secretary shall select by competitive,*
24 *peer-reviewed proposal up to 5 applications*

1 for projects to be awarded a grant under the
2 pilot program.

3 (B) *ADDITIONAL GRANTS.*—

4 (i) *IN GENERAL.*—Not later than 2
5 years after the date of enactment of this Act,
6 the Secretary shall publish in the *Federal*
7 *Register*, *Commerce Business Daily*, and
8 such other publications as the Secretary
9 considers to be appropriate, a notice and re-
10 quest for additional applications to carry
11 out projects under the pilot program that
12 incorporate the information and knowledge
13 obtained through the implementation of the
14 first round of projects authorized under the
15 pilot program.

16 (ii) *DEADLINE.*—An application de-
17 scribed in clause (i) shall be submitted to
18 the Secretary by not later than 180 days
19 after the date of publication of the notice
20 under that clause.

21 (iii) *INITIAL SELECTION.*—Not later
22 than 90 days after the date by which appli-
23 cations for grants are due under clause (ii),
24 the Secretary shall select by competitive,
25 peer-reviewed proposal such additional ap-

1 *plications for projects to be awarded a*
2 *grant under the pilot program as the Sec-*
3 *retary determines to be appropriate.*

4 (7) *REPORTS TO CONGRESS.—*

5 (A) *INITIAL REPORT.—Not later than 60*
6 *days after the date on which grants are awarded*
7 *under this subsection, the Secretary shall submit*
8 *to Congress a report containing—*

9 (i) *an identification of the grant re-*
10 *cipients and a description of the projects to*
11 *be funded under the pilot program;*

12 (ii) *an identification of other appli-*
13 *cants that submitted applications for the*
14 *pilot program but to which funding was not*
15 *provided; and*

16 (iii) *a description of the mechanisms*
17 *used by the Secretary to ensure that the in-*
18 *formation and knowledge gained by partici-*
19 *pants in the pilot program are transferred*
20 *among the pilot program participants and*
21 *to other interested parties, including other*
22 *applicants that submitted applications.*

23 (B) *EVALUATION.—Not later than 2 years*
24 *after the date of enactment of this Act, and an-*
25 *nually thereafter until the termination of the*

1 (2) *COMPONENTS.*—*In conducting the study*
2 *under paragraph (1), the Secretaries shall—*

3 (A) *consider the adequacy of existing rail-*
4 *road and other transportation and distribution*
5 *infrastructure, equipment, service and capacity*
6 *to move the necessary quantities of domestically-*
7 *produced renewable fuel within the timeframes;*

8 (B)(i) *consider the projected costs of moving*
9 *the domestically-produced renewable fuel by rail-*
10 *road and other modes transportation; and*

11 (ii) *consider the impact of the projected*
12 *costs on the marketability of the domestically-*
13 *produced renewable fuel;*

14 (C) *identify current and potential impedi-*
15 *ments to the reliable transportation and dis-*
16 *tribution of adequate supplies of domestically-*
17 *produced renewable fuel at reasonable prices, in-*
18 *cluding practices currently utilized by domestic*
19 *producers, shippers, and receivers of renewable*
20 *fuels;*

21 (D) *consider whether adequate competition*
22 *exists within and between modes of transpor-*
23 *tation for the transportation and distribution of*
24 *domestically-produced renewable fuel and, wheth-*
25 *er inadequate competition leads to an unfair*

1 *price for the transportation and distribution of*
2 *domestically-produced renewable fuel or unac-*
3 *ceptable service for transportation of domesti-*
4 *cally-produced renewable fuel;*

5 *(E) consider whether Federal agencies have*
6 *adequate legal authority to address instances of*
7 *inadequate competition when inadequate com-*
8 *petition is found to prevent domestic producers*
9 *for renewable fuels from obtaining a fair and*
10 *reasonable transportation price or acceptable*
11 *service for the transportation and distribution of*
12 *domestically-produced renewable fuels;*

13 *(F) consider whether Federal agencies have*
14 *adequate legal authority to address railroad and*
15 *transportation service problems that may be re-*
16 *sulting in inadequate supplies of domestically-*
17 *produced renewable fuel in any area of the*
18 *United States;*

19 *(G) consider what transportation infra-*
20 *structure capital expenditures may be necessary*
21 *to ensure the reliable transportation of adequate*
22 *supplies of domestically-produced renewable fuel*
23 *at reasonable prices within the United States*
24 *and which public and private entities should be*
25 *responsible for making such expenditures; and*

1 (H) provide recommendations on ways to
2 facilitate the reliable transportation of adequate
3 supplies of domestically-produced renewable fuel
4 at reasonable prices.

5 (b) *REPORT.*—Not later than 180 days after the date
6 of enactment of this Act, the Secretaries shall jointly submit
7 to the Committee on Commerce, Science and Transpor-
8 tation, the Committee on Energy and Natural Resources,
9 and the Committee on Environment and Public Works of
10 the Senate and the Committee on Transportation and In-
11 frastructure and the Committee on Energy and Commerce
12 of the House of Representatives a report that describes the
13 results of the study conducted under subsection (a).

14 **SEC. 246. FEDERAL FLEET FUELING CENTERS.**

15 (a) *IN GENERAL.*—Not later than January 1, 2010,
16 the head of each Federal agency shall install at least 1 re-
17 newable fuel pump at each Federal fleet fueling center in
18 the United States under the jurisdiction of the head of the
19 Federal agency.

20 (b) *REPORT.*—Not later than October 31 of the first
21 calendar year beginning after the date of the enactment of
22 this Act, and each October 31 thereafter, the President shall
23 submit to Congress a report that describes the progress to-
24 ward complying with subsection (a), including identi-
25 fying—

1 (1) *the number of Federal fleet fueling centers*
2 *that contain at least 1 renewable fuel pump; and*

3 (2) *the number of Federal fleet fueling centers*
4 *that do not contain any renewable fuel pumps.*

5 (c) *DEPARTMENT OF DEFENSE FACILITY.—This sec-*
6 *tion shall not apply to a Department of Defense fueling cen-*
7 *ter with a fuel turnover rate of less than 100,000 gallons*
8 *of fuel per year.*

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

12 **SEC. 247. STANDARD SPECIFICATIONS FOR BIODIESEL.**

13 *Section 211 of the Clean Air Act (42 U.S.C. 7545) is*
14 *amended by redesignating subsection (s) as subsection (t),*
15 *redesignating subsection (r) (relating to conversion assist-*
16 *ance for cellulosic biomass, waste-derived ethanol, approved*
17 *renewable fuels) as subsection (s) and by adding the fol-*
18 *lowing new subsection at the end thereof:*

19 “(u) *STANDARD SPECIFICATIONS FOR BIODIESEL.—*
20 (1) *Unless the American Society for Testing and Materials*
21 *has adopted a standard for diesel fuel containing 20 percent*
22 *biodiesel (commonly known as ‘B20’) within 1 year after*
23 *the date of enactment of this subsection, the Administrator*
24 *shall initiate a rulemaking to establish a uniform per gal-*
25 *lon fuel standard for such fuel and designate an identifica-*

1 *tion number so that vehicle manufacturers are able to de-*
2 *sign engines to use fuel meeting such standard.*

3 “(2) *Unless the American Society for Testing and Ma-*
4 *terials has adopted a standard for diesel fuel containing*
5 *5 percent biodiesel (commonly known as ‘B5’) within 1 year*
6 *after the date of enactment of this subsection, the Adminis-*
7 *trator shall initiate a rulemaking to establish a uniform*
8 *per gallon fuel standard for such fuel and designate an*
9 *identification so that vehicle manufacturers are able to de-*
10 *sign engines to use fuel meeting such standard.*

11 “(3) *Whenever the Administrator is required to ini-*
12 *tiate a rulemaking under paragraph (1) or (2), the Admin-*
13 *istrator shall promulgate a final rule within 18 months*
14 *after the date of the enactment of this subsection.*

15 “(4) *Not later than 180 days after the enactment of*
16 *this subsection, the Administrator shall establish an annual*
17 *inspection and enforcement program to ensure that diesel*
18 *fuel containing biodiesel sold or distributed in interstate*
19 *commerce meets the standards established under regulations*
20 *under this section, including testing and certification for*
21 *compliance with applicable standards of the American So-*
22 *ciety for Testing and Materials. There are authorized to be*
23 *appropriated to carry out the inspection and enforcement*
24 *program under this paragraph \$3,000,000 for each of fiscal*
25 *years 2008 through 2010.*

1 “(5) For purposes of this subsection, the term ‘bio-
2 diesel’ has the meaning provided by section 312(f) of Energy
3 Policy Act of 1992 (42 U.S.C. 13220(f)).”.

4 **SEC. 248. BIOFUELS DISTRIBUTION AND ADVANCED**
5 **BIOFUELS INFRASTRUCTURE.**

6 (a) *IN GENERAL.*—The Secretary, in coordination
7 with the Secretary of Transportation and in consultation
8 with the Administrator of the Environmental Protection
9 Agency, shall carry out a program of research, development,
10 and demonstration relating to existing transportation fuel
11 distribution infrastructure and new alternative distribution
12 infrastructure.

13 (b) *FOCUS.*—The program described in subsection (a)
14 shall focus on the physical and chemical properties of
15 biofuels and efforts to prevent or mitigate against adverse
16 impacts of those properties in the areas of—

17 (1) corrosion of metal, plastic, rubber, cork, fi-
18 berglass, glues, or any other material used in pipes
19 and storage tanks;

20 (2) dissolving of storage tank sediments;

21 (3) clogging of filters;

22 (4) contamination from water or other
23 adulterants or pollutants;

24 (5) poor flow properties related to low tempera-
25 tures;

- 1 (6) *oxidative and thermal instability in long-*
2 *term storage and uses;*
- 3 (7) *microbial contamination;*
- 4 (8) *problems associated with electrical conduc-*
5 *tivity; and*
- 6 (9) *such other areas as the Secretary considers*
7 *appropriate.*

8 ***Subtitle D—Environmental***
9 ***Safeguards***

10 ***SEC. 251. WAIVER FOR FUEL OR FUEL ADDITIVES.***

11 *Section 211(f)(4) of the Clean Air Act (42 U.S.C.*
12 *7545(f)) is amended to read as follows:*

13 *“(4) The Administrator, upon application of any*
14 *manufacturer of any fuel or fuel additive, may waive the*
15 *prohibitions established under paragraph (1) or (3) of this*
16 *subsection or the limitation specified in paragraph (2) of*
17 *this subsection, if he determines that the applicant has es-*
18 *tablished that such fuel or fuel additive or a specified con-*
19 *centration thereof, and the emission products of such fuel*
20 *or fuel additive or specified concentration thereof, will not*
21 *cause or contribute to a failure of any emission control de-*
22 *vice or system (over the useful life of the motor vehicle,*
23 *motor vehicle engine, nonroad engine or nonroad vehicle in*
24 *which such device or system is used) to achieve compliance*
25 *by the vehicle or engine with the emission standards with*

1 *respect to which it has been certified pursuant to sections*
 2 *206 and 213(a). The Administrator shall take final action*
 3 *to grant or deny an application submitted under this para-*
 4 *graph, after public notice and comment, within 270 days*
 5 *of the receipt of such an application.”.*

6 **TITLE III—ENERGY SAVINGS**
 7 **THROUGH IMPROVED STAND-**
 8 **ARDS FOR APPLIANCE AND**
 9 **LIGHTING**

10 **Subtitle A—Appliance Energy**
 11 **Efficiency**

12 **SEC. 301. EXTERNAL POWER SUPPLY EFFICIENCY STAND-**
 13 **ARDS.**

14 *(a) DEFINITIONS.—Section 321 of the Energy Policy*
 15 *and Conservation Act (42 U.S.C. 6291) is amended—*

16 *(1) in paragraph (36)—*

17 *(A) by striking “(36) The” and inserting*
 18 *the following:*

19 *“(36) EXTERNAL POWER SUPPLY.—*

20 *“(A) IN GENERAL.—The”; and*

21 *(B) by adding at the end the following:*

22 *“(B) ACTIVE MODE.—The term ‘active*
 23 *mode’ means the mode of operation when an ex-*
 24 *ternal power supply is connected to the main*

1 *electricity supply and the output is connected to*
2 *a load.*

3 “(C) *CLASS A EXTERNAL POWER SUPPLY.—*

4 “(i) *IN GENERAL.—The term ‘class A*
5 *external power supply’ means a device*
6 *that—*

7 “(I) *is designed to convert line*
8 *voltage AC input into lower voltage AC*
9 *or DC output;*

10 “(II) *is able to convert to only 1*
11 *AC or DC output voltage at a time;*

12 “(III) *is sold with, or intended to*
13 *be used with, a separate end-use prod-*
14 *uct that constitutes the primary load;*

15 “(IV) *is contained in a separate*
16 *physical enclosure from the end-use*
17 *product;*

18 “(V) *is connected to the end-use*
19 *product via a removable or hard-wired*
20 *male/female electrical connection, cable,*
21 *cord, or other wiring; and*

22 “(VI) *has nameplate output power*
23 *that is less than or equal to 250 watts.*

1 “(ii) *EXCLUSIONS.*—The term ‘class A
2 *external power supply*’ does not include any
3 device that—

4 “(I) requires Federal Food and
5 Drug Administration listing and ap-
6 proval as a medical device in accord-
7 ance with section 513 of the Federal
8 Food, Drug, and Cosmetic Act (21
9 U.S.C. 360c); or

10 “(II) powers the charger of a de-
11 tachable battery pack; or charges the
12 battery of a product that is fully or
13 primarily motor operated.

14 “(D) *NO-LOAD MODE.*—The term ‘no-load
15 mode’ means the mode of operation when an ex-
16 ternal power supply is connected to the main
17 electricity supply and the output is not con-
18 nected to a load.”; and

19 (2) by adding at the end the following:

20 “(52) *DETACHABLE BATTERY.*—The term ‘de-
21 tachable battery’ means a battery that is—

22 “(A) contained in a separate enclosure from
23 the product; and

24 “(B) intended to be removed or disconnected
25 from the product for recharging.”.

1 **(b) TEST PROCEDURES.**—*Section 323(b) of the Energy*
2 *Policy and Conservation Act (42 U.S.C. 6293(b)) is amend-*
3 *ed by adding at the end the following:*

4 **“(17) CLASS A EXTERNAL POWER SUPPLIES.**—
5 *Test procedures for class A external power supplies*
6 *shall be based on the ‘Test Method for Calculating the*
7 *Energy Efficiency of Single-Voltage External AC–DC*
8 *and AC–AC Power Supplies’ published by the Envi-*
9 *ronmental Protection Agency on August 11, 2004, ex-*
10 *cept that the test voltage specified in section 4(d) of*
11 *that test method shall be only 115 volts, 60 Hz.”.*

12 **(c) EFFICIENCY STANDARDS FOR CLASS A EXTERNAL**
13 **POWER SUPPLIES.**—*Section 325(u) of the Energy Policy*
14 *and Conservation Act (42 U.S.C. 6295(u)) is amended by*
15 *adding at the end the following:*

16 **“(6) EFFICIENCY STANDARDS FOR CLASS A EX-**
17 **TERNAL POWER SUPPLIES.**—

18 **“(A) IN GENERAL.**—*Subject to subpara-*
19 *graphs (B) through (D), a class A external power*
20 *supply manufactured on or after the later of*
21 *July 1, 2008, or the date of enactment of this*
22 *paragraph shall meet the following standards:*

“Active Mode	
“Nameplate Output	Required Efficiency (decimal equivalent of a percentage)
<i>Less than 1 watt</i>	<i>0.5 times the Nameplate Output</i>
<i>From 1 watt to not more than 51 watts</i>	<i>The sum of 0.09 times the Natural Logarithm of the Nameplate Output and 0.5</i>
<i>Greater than 51 watts</i>	<i>0.85</i>
“No-Load Mode	
“Nameplate Output	Maximum Consumption
<i>Not more than 250 watts</i>	<i>0.5 watts</i>

1 “(B) *NONCOVERED SUPPLIES.*—*A class A*
2 *external power supply shall not be subject to sub-*
3 *paragraph (A) if the class A external power sup-*
4 *ply is—*

5 “(i) *manufactured during the period*
6 *beginning on July 1, 2008, and ending on*
7 *June 30, 2015; and*

8 “(ii) *made available by the manufac-*
9 *turer as a service part or a spare part for*
10 *an end-use product—*

11 “(I) *that constitutes the primary*
12 *load; and*

13 “(II) *was manufactured before*
14 *July 1, 2008.*

15 “(C) *MARKING.*—*Any class A external*
16 *power supply manufactured on or after the later*
17 *of July 1, 2008 or the date of enactment of this*

1 paragraph shall be clearly and permanently
2 marked in accordance with the External Power
3 Supply International Efficiency Marking Pro-
4 tocol, as referenced in the ‘Energy Star Program
5 Requirements for Single Voltage External AC-
6 DC and AC-AC Power Supplies, version 1.1’
7 published by the Environmental Protection
8 Agency.

9 “(D) AMENDMENT OF STANDARDS.—

10 “(i) FINAL RULE BY JULY 1, 2011.—

11 “(I) IN GENERAL.—Not later than
12 July 1, 2011, the Secretary shall pub-
13 lish a final rule to determine whether
14 the standards established under sub-
15 paragraph (A) should be amended.

16 “(II) ADMINISTRATION.—The
17 final rule shall—

18 “(aa) contain any amended
19 standards; and

20 “(bb) apply to products man-
21 ufactured on or after July 1,
22 2013.

23 “(ii) FINAL RULE BY JULY 1, 2015.—

24 “(I) IN GENERAL.—Not later than
25 July 1, 2015 the Secretary shall pub-

1 *lish a final rule to determine whether*
2 *the standards then in effect should be*
3 *amended.*

4 “(II) *ADMINISTRATION.—The*
5 *final rule shall—*

6 *“(aa) contain any amended*
7 *standards; and*

8 *“(bb) apply to products man-*
9 *ufactured on or after July 1,*
10 *2017.*

11 *“(7) END-USE PRODUCTS.—An energy conserva-*
12 *tion standard for external power supplies shall not*
13 *constitute an energy conservation standard for the*
14 *separate end-use product to which the external power*
15 *supplies is connected.”.*

16 **SEC. 302. UPDATING APPLIANCE TEST PROCEDURES.**

17 *(a) CONSUMER APPLIANCES.—Section 323(b)(1) of the*
18 *Energy Policy and Conservation Act (42 U.S.C. 6293(b)(1))*
19 *is amended by striking “(1)” and all that follows through*
20 *the end of the paragraph and inserting the following:*

21 *“(1) TEST PROCEDURES.—*

22 *“(A) AMENDMENT.—At least once every 7*
23 *years, the Secretary shall review test procedures*
24 *for all covered products and—*

1 “(i) amend test procedures with respect
2 to any covered product, if the Secretary de-
3 termines that amended test procedures
4 would more accurately or fully comply with
5 the requirements of paragraph (3); or

6 “(ii) publish notice in the Federal Reg-
7 ister of any determination not to amend a
8 test procedure.”.

9 (b) *INDUSTRIAL EQUIPMENT*.—Section 343(a) of the
10 *Energy Policy and Conservation Act* (42 U.S.C. 6313(a))
11 is amended by striking “(a)” and all that follows through
12 the end of paragraph (1) and inserting the following:

13 “(a) *PRESCRIPTION BY SECRETARY; REQUIRE-*
14 *MENTS*.—

15 “(1) *TEST PROCEDURES*.—

16 “(A) *AMENDMENT*.—At least once every 7
17 years, the Secretary shall conduct an evaluation
18 of each class of covered equipment and—

19 “(i) if the Secretary determines that
20 amended test procedures would more accu-
21 rately or fully comply with the requirements
22 of paragraphs (2) and (3), shall prescribe
23 test procedures for the class in accordance
24 with this section; or

1 “(ii) shall publish notice in the Federal
 2 Register of any determination not to amend
 3 a test procedure.”.

4 **SEC. 303. RESIDENTIAL BOILERS.**

5 Section 325(f) of the Energy Policy and Conservation
 6 Act (42 U.S.C. 6295(f)) is amended—

7 (1) in the subsection heading, by inserting “AND
 8 BOILERS” after “FURNACES”;

9 (2) by redesignating paragraph (3) as para-
 10 graph (4); and

11 (3) by inserting after paragraph (2) the fol-
 12 lowing:

13 “(3) BOILERS.—

14 “(A) IN GENERAL.—Subject to subpara-
 15 graphs (B) and (C), boilers manufactured on or
 16 after September 1, 2012, shall meet the following
 17 requirements:

<i>Boiler Type</i>	<i>Minimum Annual Fuel Utilization Efficiency</i>	<i>Design Requirements</i>
<i>Gas Hot Water</i>	82%	<i>No Constant Burning Pilot, Automatic Means for Adjusting Water Temperature</i>
<i>Gas Steam</i>	80%	<i>No Constant Burning Pilot</i>
<i>Oil Hot Water</i>	84%	<i>Automatic Means for Adjusting Temperature</i>

<i>Boiler Type</i>	<i>Minimum Annual Fuel Utilization Efficiency</i>	<i>Design Requirements</i>
<i>Oil Steam</i>	<i>82%</i>	<i>None</i>
<i>Electric Hot Water</i>	<i>None</i>	<i>Automatic Means for Adjusting Temperature</i>
<i>Electric Steam</i>	<i>None</i>	<i>None</i>

1 “(B) *AUTOMATIC MEANS FOR ADJUSTING*
2 *WATER TEMPERATURE.—*—

3 “(i) *IN GENERAL.—The manufacturer*
4 *shall equip each gas, oil, and electric hot*
5 *water boiler (other than a boiler equipped*
6 *with a tankless domestic water heating coil)*
7 *with automatic means for adjusting the*
8 *temperature of the water supplied by the*
9 *boiler to ensure that an incremental change*
10 *in inferred heat load produces a cor-*
11 *responding incremental change in the tem-*
12 *perature of water supplied.*

13 “(ii) *SINGLE INPUT RATE.—For a boil-*
14 *er that fires at 1 input rate, the require-*
15 *ments of this subparagraph may be satisfied*
16 *by providing an automatic means that al-*
17 *lows the burner or heating element to fire*
18 *only when the means has determined that*
19 *the inferred heat load cannot be met by the*
20 *residual heat of the water in the system.*

1 “(iii) *NO INFERRED HEAT LOAD.*—
2 When there is no inferred heat load with re-
3 spect to a hot water boiler, the automatic
4 means described in clause (i) and (ii) shall
5 limit the temperature of the water in the
6 boiler to not more than 140 degrees Fahr-
7 enheit.

8 “(iv) *OPERATION.*—A boiler described
9 in clause (i) or (ii) shall be operable only
10 when the automatic means described in
11 clauses (i), (ii), and (iii) is installed.

12 “(C) *EXCEPTION.*—A boiler that is manu-
13 factured to operate without any need for elec-
14 tricity or any electric connection, electric gauges,
15 electric pumps, electric wires, or electric devices
16 shall not be required to meet the requirements of
17 this paragraph.”.

18 **SEC. 304. FURNACE FAN STANDARD PROCESS.**

19 Paragraph (4)(D) of section 325(f) of the *Energy Pol-*
20 *icy and Conservation Act (42 U.S.C. 6295(f)) (as redesi-*
21 *gnated by section 303(4)) is amended by striking “the Sec-*
22 *retary may” and inserting “not later than December 31,*
23 *2013, the Secretary shall”.*

1 **SEC. 305. IMPROVING SCHEDULE FOR STANDARDS UPDAT-**
2 **ING AND CLARIFYING STATE AUTHORITY.**

3 (a) *CONSUMER APPLIANCES.*—Section 325 of the *En-*
4 *ergy Policy and Conservation Act* (42 U.S.C. 6295) is
5 amended by striking subsection (m) and inserting the fol-
6 lowing:

7 “(m) *AMENDMENT OF STANDARDS.*—

8 “(1) *IN GENERAL.*—Not later than 6 years after
9 issuance of any final rule establishing or amending a
10 standard, as required for a product under this part,
11 the Secretary shall publish—

12 “(A) a notice of the determination of the
13 Secretary that standards for the product do not
14 need to be amended, based on the criteria estab-
15 lished under subsection (n)(2); or

16 “(B) a notice of proposed rulemaking in-
17 cluding new proposed standards based on the cri-
18 teria established under subsection (o) and the
19 procedures established under subsection (p).

20 “(2) *NOTICE.*—If the Secretary publishes a no-
21 tice under paragraph (1), the Secretary shall—

22 “(A) publish a notice stating that the anal-
23 ysis of the Department is publicly available; and

24 “(B) provide an opportunity for written
25 comment.

1 “(3) *AMENDMENT OF STANDARD; NEW DETER-*
2 *MINATION.—*

3 “(A) *AMENDMENT OF STANDARD.—Not later*
4 *than 2 years after a notice is issued under para-*
5 *graph (1)(B), the Secretary shall publish a final*
6 *rule amending the standard for the product.*

7 “(B) *NEW DETERMINATION.—Not later than*
8 *3 years after a determination under paragraph*
9 *(1)(A), the Secretary shall make a new deter-*
10 *mination and publication under subparagraph*
11 *(A) or (B) of paragraph (1).*

12 “(4) *APPLICATION TO PRODUCTS.—*

13 “(A) *IN GENERAL.—Except as provided in*
14 *subparagraph (B), an amendment prescribed*
15 *under this subsection shall apply to—*

16 “(i) *with respect to refrigerators, re-*
17 *frigerator-freezers, freezers, room air condi-*
18 *tioners, dishwashers, clothes washers, clothes*
19 *dryers, fluorescent lamp ballasts, and kitch-*
20 *en ranges and ovens, such a product that is*
21 *manufactured after the date that is 3 years*
22 *after publication of the final rule estab-*
23 *lishing an applicable standard; and*

24 “(ii) *with respect to central air condi-*
25 *tioners, heat pumps, water heaters, pool*

1 *heaters, direct heating equipment, and fur-*
2 *naces, such a product that is manufactured*
3 *after the date that is 5 years after publica-*
4 *tion of the final rule establishing an appli-*
5 *cable standard.*

6 “(B) *OTHER NEW STANDARDS.*—*A manu-*
7 *facturer shall not be required to apply new*
8 *standards to a product with respect to which*
9 *other new standards have been required during*
10 *the prior 6-year period.*

11 “(5) *REPORTS.*—*The Secretary shall promptly*
12 *submit to the Committee on Energy and Commerce of*
13 *the House of Representatives and the Committee on*
14 *Energy and Natural Resources of the Senate—*

15 “(A) *a progress report every 180 days on*
16 *compliance with this section, including a specific*
17 *plan to remedy any failures to comply with*
18 *deadlines for action established under this sec-*
19 *tion; and*

20 “(B) *all required reports to the Court or to*
21 *any party to the Consent Decree in State of New*
22 *York v Bodman, Consolidated Civil Actions*
23 *No.05 Civ. 7807 and No.05 Civ. 7808.”.*

1 (b) *INDUSTRIAL EQUIPMENT.*—Section 342(a)(6) of
2 *the Energy Policy and Conservation Act (42 U.S.C.*
3 *6313(a)(6)) is amended—*

4 (1) *by redesignating subparagraph (C) as sub-*
5 *paragraph (D); and*

6 (2) *by striking “(6)(A)(i)” and all that follows*
7 *through the end of subparagraph (B) and inserting*
8 *the following:*

9 “*(6) AMENDED ENERGY EFFICIENCY STAND-*
10 *ARDS.—*

11 “*(A) IN GENERAL.—*

12 “*(i) ANALYSIS OF POTENTIAL ENERGY*
13 *SAVINGS.—If ASHRAE/IES Standard 90.1*
14 *is amended with respect to any small com-*
15 *mmercial package air conditioning and heat-*
16 *ing equipment, large commercial package*
17 *air conditioning and heating equipment,*
18 *very large commercial package air condi-*
19 *tioning and heating equipment, packaged*
20 *terminal air conditioners, packaged ter-*
21 *terminal heat pumps, warm-air furnaces,*
22 *packaged boilers, storage water heaters, in-*
23 *stantaneous water heaters, or unfired hot*
24 *water storage tanks, not later than 180 days*
25 *after the amendment of the standard, the*

1 *Secretary shall publish in the Federal Reg-*
2 *ister for public comment an analysis of the*
3 *energy savings potential of amended energy*
4 *efficiency standards.*

5 *“(i) AMENDED UNIFORM NATIONAL*
6 *STANDARD FOR PRODUCTS.—*

7 *“(I) IN GENERAL.—Except as pro-*
8 *vided in subclause (II), not later than*
9 *18 months after the date of publication*
10 *of the amendment to the ASHRAE/*
11 *IES Standard 90.1 for a product de-*
12 *scribed in clause (i), the Secretary*
13 *shall establish an amended uniform*
14 *national standard for the product at*
15 *the minimum level specified in the*
16 *amended ASHRAE/IES Standard*
17 *90.1.*

18 *“(II) MORE STRINGENT STAND-*
19 *ARD.—Subclause (I) shall not apply if*
20 *the Secretary determines, by rule pub-*
21 *lished in the Federal Register, and*
22 *supported by clear and convincing evi-*
23 *dence, that adoption of a uniform na-*
24 *tional standard more stringent than*
25 *the amended ASHRAE/IES Standard*

1 90.1 for the product would result in
2 significant additional conservation of
3 energy and is technologically feasible
4 and economically justified.

5 “(B) *RULE.*—If the Secretary makes a de-
6 termination described in clause (ii)(II) for a
7 product described in clause (i), not later than 30
8 months after the date of publication of the
9 amendment to the ASHRAE/IES Standard 90.1
10 for the product, the Secretary shall issue the rule
11 establishing the amended standard.

12 “(C) *AMENDMENT OF STANDARD.*—

13 “(i) *IN GENERAL.*—Not later than 6
14 years after issuance of any final rule estab-
15 lishing or amending a standard, as required
16 for a product under this part, the Secretary
17 shall publish—

18 “(I) a notice of the determination
19 of the Secretary that standards for the
20 product do not need to be amended,
21 based on the criteria established under
22 subparagraph (A); or

23 “(II) a notice of proposed rule-
24 making including new proposed stand-
25 ards based on the criteria and proce-

1 *dures established under subparagraph*
2 *(B).*

3 “(ii) *NOTICE.—If the Secretary pub-*
4 *lishes a notice under clause (i), the Sec-*
5 *retary shall—*

6 *“(I) publish a notice stating that*
7 *the analysis of the Department is pub-*
8 *licly available; and*

9 *“(II) provide an opportunity for*
10 *written comment.*

11 “(iii) *AMENDMENT OF STANDARD; NEW*
12 *DETERMINATION.—*

13 *“(I) AMENDMENT OF STAND-*
14 *ARD.—Not later than 2 years after a*
15 *notice is issued under clause (i)(II),*
16 *the Secretary shall publish a final rule*
17 *amending the standard for the product.*

18 *“(II) NEW DETERMINATION.—Not*
19 *later than 3 years after a determina-*
20 *tion under clause (i)(I), the Secretary*
21 *shall make a new determination and*
22 *publication under subclause (I) or (II)*
23 *of clause (i).*

24 “(iv) *APPLICATION TO PRODUCTS.—An*
25 *amendment prescribed under this subsection*

1 shall apply to products manufactured after
2 a date that is the later of—

3 “(I) the date that is 3 years after
4 publication of the final rule estab-
5 lishing a new standard; or

6 “(II) the date that is 6 years after
7 the effective date of the current stand-
8 ard for a covered product.

9 “(v) *REPORTS.*—The Secretary shall
10 promptly submit to the Committee on En-
11 ergy and Commerce of the House of Rep-
12 resentatives and the Committee on Energy
13 and Natural Resources of the Senate a
14 progress report every 180 days on compli-
15 ance with this subparagraph, including a
16 specific plan to remedy any failures to com-
17 ply with deadlines for action established
18 under this subparagraph.”.

19 **SEC. 306. REGIONAL STANDARDS FOR FURNACES, CENTRAL**
20 **AIR CONDITIONERS, AND HEAT PUMPS.**

21 (a) *IN GENERAL.*—Section 325(o) of the Energy Policy
22 and Conservation Act (42 U.S.C. 6295(o)) is amended by
23 adding at the end the following:

24 “(6) *REGIONAL STANDARDS FOR FURNACES, CEN-*
25 *TRAL AIR CONDITIONERS, AND HEAT PUMPS.*—

1 “(A) *IN GENERAL.*—*In any rulemaking to*
2 *establish a new or amended standard, the Sec-*
3 *retary may consider the establishment of sepa-*
4 *rate standards by geographic region for furnaces*
5 *(except boilers), central air conditioners, and*
6 *heat pumps.*

7 “(B) *NATIONAL AND REGIONAL STAND-*
8 *ARDS.*—

9 “(i) *NATIONAL STANDARD.*—*If the Sec-*
10 *retary establishes a regional standard for a*
11 *product, the Secretary shall establish a base*
12 *national standard for the product.*

13 “(ii) *REGIONAL STANDARDS.*—*If the*
14 *Secretary establishes a regional standard*
15 *for a product, the Secretary may establish*
16 *more restrictive standards for the product*
17 *by geographic region as follows:*

18 “(I) *For furnaces, the Secretary*
19 *may establish 1 additional standard*
20 *that is applicable in a geographic re-*
21 *gion defined by the Secretary.*

22 “(II) *For any cooling product, the*
23 *Secretary may establish 1 or 2 addi-*
24 *tional standards that are applicable in*

1 1 or 2 geographic regions as may be
2 defined by the Secretary.

3 “(C) *BOUNDARIES OF GEOGRAPHIC RE-*
4 *GIONS.—*

5 “(i) *IN GENERAL.—Subject to clause*
6 *(ii), the boundaries of additional geographic*
7 *regions established by the Secretary under*
8 *this paragraph shall include only contig-*
9 *uous States.*

10 “(ii) *ALASKA AND HAWAII.—The States*
11 *of Alaska and Hawaii may be included*
12 *under this paragraph in a geographic re-*
13 *gion that the States are not contiguous to.*

14 “(iii) *INDIVIDUAL STATES.—Indi-*
15 *vidual States shall be placed only into a*
16 *single region under this paragraph.*

17 “(D) *PREREQUISITES.—In establishing ad-*
18 *ditional regional standards under this para-*
19 *graph, the Secretary shall—*

20 “(i) *establish additional regional*
21 *standards only if the Secretary determines*
22 *that—*

23 “(I) *the establishment of addi-*
24 *tional regional standards will produce*
25 *significant energy savings in compari-*

1 son to establishing only a single na-
2 tional standard; and

3 “(II) the additional regional
4 standards are economically justified
5 under this paragraph; and

6 “(ii) consider the impact of the addi-
7 tional regional standards on consumers,
8 manufacturers, and other market partici-
9 pants, including product distributors, deal-
10 ers, contractors, and installers.

11 “(E) APPLICATION; EFFECTIVE DATE.—

12 “(i) BASE NATIONAL STANDARD.—Any
13 base national standard established for a
14 product under this paragraph shall—

15 “(I) be the minimum standard for
16 the product; and

17 “(II) apply to all products manu-
18 factured or imported into the United
19 States on and after the effective date
20 for the standard.

21 “(ii) REGIONAL STANDARDS.—Any ad-
22 ditional and more restrictive regional
23 standard established for a product under
24 this paragraph shall apply to any such
25 product installed on or after the effective

1 *date of the standard in States in which the*
2 *Secretary has designated the standard to*
3 *apply.*

4 “(F) *CONTINUATION OF REGIONAL STAND-*
5 *ARDS.—*

6 “(i) *IN GENERAL.—In any subsequent*
7 *rulemaking for any product for which a re-*
8 *gional standard has been previously estab-*
9 *lished, the Secretary shall determine wheth-*
10 *er to continue the establishment of separate*
11 *regional standards for the product.*

12 “(ii) *REGIONAL STANDARD NO LONGER*
13 *APPROPRIATE.—Except as provided in*
14 *clause (iii), if the Secretary determines that*
15 *regional standards are no longer appro-*
16 *priate for a product, beginning on the effec-*
17 *tive date of the amended standard for the*
18 *product—*

19 “(I) *there shall be 1 base national*
20 *standard for the product with Federal*
21 *enforcement; and*

22 “(II) *State authority for enforcing*
23 *a regional standard for the product*
24 *shall terminate.*

1 “(iii) *REGIONAL STANDARD APPRO-*
2 *PRIATE BUT STANDARD OR REGION*
3 *CHANGED.—*

4 “(I) *STATE NO LONGER CON-*
5 *TAINED IN REGION.—Subject to sub-*
6 *clause (III), if a State is no longer*
7 *contained in a region in which a re-*
8 *gional standard that is more stringent*
9 *than the base national standard ap-*
10 *plies, the authority of the State to en-*
11 *force the regional standard shall termi-*
12 *nate.*

13 “(II) *STANDARD OR REGION RE-*
14 *VISIONED SO THAT EXISTING REGIONAL*
15 *STANDARD EQUALS BASE NATIONAL*
16 *STANDARD.—If the Secretary revises a*
17 *base national standard for a product*
18 *or the geographic definition of a region*
19 *so that an existing regional standard*
20 *for a State is equal to the revised base*
21 *national standard—*

22 “(aa) *the authority of the*
23 *State to enforce the regional*
24 *standard shall terminate on the*

1 *effective date of the revised base*
2 *national standard; and*

3 “(bb) *the State shall be sub-*
4 *ject to the revised base national*
5 *standard.*

6 “(III) *STANDARD OR REGION RE-*
7 *REVISED SO THAT EXISTING REGIONAL*
8 *STANDARD EQUALS BASE NATIONAL*
9 *STANDARD.—If the Secretary revises a*
10 *base national standard for a product*
11 *or the geographic definition of a region*
12 *so that the standard for a State is*
13 *lower than the previously approved re-*
14 *gional standard, the State may con-*
15 *tinue to enforce the previously ap-*
16 *proved standard level.*

17 “(iv) *WAIVER OF FEDERAL PREEMP-*
18 *TION.—Nothing in this paragraph dimin-*
19 *ishes the authority of a State to enforce a*
20 *State regulation for which a waiver of Fed-*
21 *eral preemption has been granted under sec-*
22 *tion 327(d).*

23 “(G) *ENFORCEMENT.—*

24 “(i) *BASE NATIONAL STANDARD.—*

1 “(I) *IN GENERAL.*—*The Secretary*
2 *shall enforce any base national stand-*
3 *ard.*

4 “(II) *TRADE ASSOCIATION CER-*
5 *TIFICATION PROGRAMS.*—*In enforcing*
6 *the base national standard, the Sec-*
7 *retary shall use, to the maximum ex-*
8 *tent practicable, national standard na-*
9 *tionally recognized certification pro-*
10 *grams of trade associations.*

11 “(ii) *REGIONAL STANDARDS.*—

12 “(I) *ENFORCEMENT PLAN.*—*Not*
13 *later than 90 days after the date of the*
14 *issuance of a final rule that establishes*
15 *a regional standard, the Secretary*
16 *shall initiate a rulemaking to develop*
17 *and implement an effective enforcement*
18 *plan for regional standards for the*
19 *products that are covered by the final*
20 *rule.*

21 “(II) *RESPONSIBLE ENTITIES.*—
22 *Any rules regarding enforcement of a*
23 *regional standard shall clearly specify*
24 *which entities are legally responsible*
25 *for compliance with the standards and*

1 for making any required information
2 or labeling disclosures.

3 “(III) *FINAL RULE.*—Not later
4 than 15 months after the date of the
5 issuance of a final rule that establishes
6 a regional standard for a product, the
7 Secretary shall promulgate a final rule
8 covering enforcement of regional stand-
9 ards for the product.

10 “(IV) *INCORPORATION BY STATES*
11 *AND LOCALITIES.*—A State or locality
12 may incorporate any Federal regional
13 standard into State or local building
14 codes or State appliance standards.

15 “(V) *STATE ENFORCEMENT.*—A
16 State agency may seek enforcement of
17 a Federal regional standard in a Fed-
18 eral court of competent jurisdiction.

19 “(H) *INFORMATION DISCLOSURE.*—

20 “(i) *IN GENERAL.*—Not later than 90
21 days after the date of the publication of a
22 final rule that establishes a regional stand-
23 ard for a product, the Federal Trade Com-
24 mission shall undertake a rulemaking to de-
25 termine the appropriate 1 or more methods

1 *for disclosing information so that con-*
2 *sumers, distributors, contractors, and in-*
3 *stallers can easily determine whether a spe-*
4 *cific piece of equipment that is installed in*
5 *a specific building is in conformance with*
6 *the regional standard that applies to the*
7 *building.*

8 “(ii) *METHODS.*—*A method of dis-*
9 *closing information under clause (i) may*
10 *include—*

11 “(I) *modifications to the Energy*
12 *Guide label; or*

13 “(II) *other methods that make it*
14 *easy for consumers and installers to*
15 *use and understand at the point of in-*
16 *stallation.*

17 “(iii) *COMPLETION OF RULEMAKING.*—
18 *The rulemaking shall be completed not later*
19 *15 months after the date of the publication*
20 *of a final rule that establishes a regional*
21 *standard for a product.”.*

22 (b) *PROHIBITED ACTS.*—*Section 332(a) of the Energy*
23 *Policy and Conservation Act (42 U.S.C. 6302(a)) is amend-*
24 *ed—*

1 (1) *in paragraph (4), by striking “or” after the*
2 *semicolon at the end;*

3 (2) *in paragraph (5), by striking “part.” and*
4 *inserting “part, except to the extent that the new cov-*
5 *ered product is covered by a regional standard that*
6 *is more stringent than the base national standard;*
7 *or”;* and

8 (3) *by adding at the end the following:*

9 “(6) *for any manufacturer or private labeler to*
10 *knowingly sell a product to a distributor, contractor,*
11 *or dealer with knowledge that the entity routinely vio-*
12 *lates any regional standard applicable to the prod-*
13 *uct.”.*

14 (c) *CONSIDERATION OF PRICES AND OPERATING PAT-*
15 *TERNS.—Section 342(a)(6)(B) of the Energy Policy and*
16 *Conservation Act (42 U.S.C. 6313(a)(6)(B)) is amended by*
17 *adding at the end the following:*

18 “(iii) *CONSIDERATION OF PRICES AND*
19 *OPERATING PATTERNS.—If the Secretary is*
20 *considering revised standards for air-cooled*
21 *3-phase central air conditioners and central*
22 *air conditioning heat pumps with less*
23 *65,000 Btu per hour (cooling capacity), the*
24 *Secretary shall use commercial energy*

1 *prices and operating patterns in all anal-*
2 *yses conducted by the Secretary.”.*

3 **SEC. 307. PROCEDURE FOR PRESCRIBING NEW OR AMEND-**
4 **ED STANDARDS.**

5 *Section 325(p) of the Energy Policy and Conservation*
6 *Act (42 U.S.C. 6925(p)) is amended—*

7 *(1) by striking paragraph (1); and*

8 *(2) by redesignating paragraphs (2) through (4)*
9 *as paragraphs (1) through (3), respectively.*

10 **SEC. 308. EXPEDITED RULEMAKINGS.**

11 *(a) PROCEDURE FOR PRESCRIBING NEW OR AMENDED*
12 *STANDARDS.—Section 325(p) of the Energy Policy and*
13 *Conservation Act (42 U.S.C. 6295(p)) (as amended by sec-*
14 *tion 307) is amended by adding at the end the following:*

15 *“(4) DIRECT FINAL RULES.—*

16 *“(A) IN GENERAL.—On receipt of a state-*
17 *ment that is submitted jointly by interested per-*
18 *sons that are fairly representative of relevant*
19 *points of view (including representatives of man-*
20 *ufacturers of covered products, States, and effi-*
21 *ciency advocates), as determined by the Sec-*
22 *retary, and contains recommendations with re-*
23 *spect to an energy or water conservation stand-*
24 *ard—*

1 “(i) if the Secretary determines that
2 the recommended standard contained in the
3 statement is in accordance with subsection
4 (o) or section 342(a)(6)(B), as applicable,
5 the Secretary may issue a final rule that es-
6 tablishes an energy or water conservation
7 standard and is published simultaneously
8 with a notice of proposed rulemaking that
9 proposes a new or amended energy or water
10 conservation standard that is identical to
11 the standard established in the final rule to
12 establish the recommended standard (re-
13 ferred to in this paragraph as a ‘direct
14 final rule’); or

15 “(ii) if the Secretary determines that a
16 direct final rule cannot be issued based on
17 the statement, the Secretary shall publish a
18 notice of the determination, together with
19 an explanation of the reasons for the deter-
20 mination.

21 “(B) PUBLIC COMMENT.—The Secretary
22 shall solicit public comment for a period of at
23 least 110 days with respect to each direct final
24 rule issued by the Secretary under subparagraph
25 (A)(i).

1 “(C) *WITHDRAWAL OF DIRECT FINAL*
2 *RULES.—*

3 “(i) *IN GENERAL.—Not later than 120*
4 *days after the date on which a direct final*
5 *rule issued under subparagraph (A)(i) is*
6 *published in the Federal Register, the Sec-*
7 *retary shall withdraw the direct final rule*
8 *if—*

9 “(I) *the Secretary receives 1 or*
10 *more adverse public comments relating*
11 *to the direct final rule under subpara-*
12 *graph (B)(i) or any alternative joint*
13 *recommendation; and*

14 “(II) *based on the rulemaking*
15 *record relating to the direct final rule,*
16 *the Secretary determines that such ad-*
17 *verse public comments or alternative*
18 *joint recommendation may provide a*
19 *reasonable basis for withdrawing the*
20 *direct final rule under subsection (o),*
21 *section 342(a)(6)(B), or any other ap-*
22 *plicable law.*

23 “(ii) *ACTION ON WITHDRAWAL.—On*
24 *withdrawal of a direct final rule under*
25 *clause (i), the Secretary shall—*

1 “(I) proceed with the notice of
2 proposed rulemaking published simul-
3 taneously with the direct final rule as
4 described in subparagraph (A)(i); and

5 “(II) publish in the Federal Reg-
6 ister the reasons why the direct final
7 rule was withdrawn.

8 “(iii) *TREATMENT OF WITHDRAWN DI-*
9 *RECT FINAL RULES.*—A direct final rule
10 that is withdrawn under clause (i) shall not
11 be considered to be a final rule for purposes
12 of subsection (o).

13 “(D) *EFFECT OF PARAGRAPH.*—Nothing in
14 this paragraph authorizes the Secretary to issue
15 a direct final rule based solely on receipt of more
16 than 1 statement containing recommended
17 standards relating to the direct final rule.”.

18 (b) *CONFORMING AMENDMENT.*—Section 345(b)(1) of
19 the Energy Policy and Conservation Act (42 U.S.C.
20 6316(b)(1)) is amended in the first sentence by inserting
21 “section 325(p)(5),” after “The provisions of”.

22 **SEC. 309. BATTERY CHARGERS.**

23 Section 325(u)(1)(E) of the Energy Policy and Con-
24 servation Act (42 U.S.C. 6295(u)(1)(E)) is amended—

1 (1) *by striking “(E)(i) Not” and inserting the*
2 *following:*

3 “(E) *EXTERNAL POWER SUPPLIES AND BAT-*
4 *TERY CHARGERS.—*

5 “(i) *ENERGY CONSERVATION STAND-*
6 *ARDS.—*

7 “(I) *EXTERNAL POWER SUP-*
8 *PLIES.—Not”;*

9 (2) *by striking “3 years” and inserting “2*
10 *years”;*

11 (3) *by striking “battery chargers and” each place*
12 *it appears; and*

13 (4) *by adding at the end the following:*

14 “(II) *BATTERY CHARGERS.—Not*
15 *later than July 1, 2011, the Secretary*
16 *shall issue a final rule that prescribes*
17 *energy conservation standards for bat-*
18 *tery chargers or classes of battery char-*
19 *gers or determine that no energy con-*
20 *servation standard is technically fea-*
21 *sible and economically justified.”.*

22 **SEC. 310. STANDBY MODE.**

23 *Section 325 of the Energy Policy and Conservation Act*
24 *(42 U.S.C. 6295) is amended—*

25 (1) *in subsection (u)—*

1 (A) by striking paragraphs (2), (3), and
2 (4); and

3 (B) by redesignating paragraph (5) and (6)
4 as paragraphs (2) and (3), respectively;

5 (2) by redesignating subsection (gg) as subsection
6 (hh);

7 (3) by inserting after subsection (ff) the fol-
8 lowing:

9 “(gg) *STANDBY MODE ENERGY USE.*—

10 “(1) *DEFINITIONS.*—

11 “(A) *IN GENERAL.*—Unless the Secretary
12 determines otherwise pursuant to subparagraph
13 (B), in this subsection:

14 “(i) *ACTIVE MODE.*—The term ‘active
15 mode’ means the condition in which an en-
16 ergy-using product—

17 “(I) is connected to a main power
18 source;

19 “(II) has been activated; and

20 “(III) provides 1 or more main
21 functions.

22 “(ii) *OFF MODE.*—The term ‘off mode’
23 means the condition in which an energy-
24 using product—

1 “(I) is connected to a main power
2 source; and

3 “(II) is not providing any stand-
4 by or active mode function.

5 “(iii) *STANDBY MODE*.—The term
6 ‘standby mode’ means the condition in
7 which an energy-using product—

8 “(I) is connected to a main power
9 source; and

10 “(II) offers 1 or more of the fol-
11 lowing user-oriented or protective func-
12 tions:

13 “(aa) To facilitate the acti-
14 vation or deactivation of other
15 functions (including active mode)
16 by remote switch (including re-
17 mote control), internal sensor, or
18 timer.

19 “(bb) Continuous functions,
20 including information or status
21 displays (including clocks) or sen-
22 sor-based functions.

23 “(B) *AMENDED DEFINITIONS*.—The Sec-
24 retary may, by rule, amend the definitions under
25 subparagraph (A), taking into consideration the

1 *most current versions of Standards 62301 and*
2 *62087 of the International Electrotechnical Com-*
3 *mission.*

4 “(2) *TEST PROCEDURES.*—

5 “(A) *IN GENERAL.*—*Test procedures for all*
6 *covered products shall be amended pursuant to*
7 *section 323 to include standby mode and off*
8 *mode energy consumption, taking into consider-*
9 *ation the most current versions of Standards*
10 *62301 and 62087 of the International Electro-*
11 *technical Commission, with such energy con-*
12 *sumption integrated into the overall energy effi-*
13 *ciency, energy consumption, or other energy*
14 *descriptor for each covered product, unless the*
15 *Secretary determines that—*

16 “(i) *the current test procedures for a*
17 *covered product already fully account for*
18 *and incorporate the standby mode and off*
19 *mode energy consumption of the covered*
20 *product; or*

21 “(ii) *such an integrated test procedure*
22 *is technically infeasible for a particular*
23 *covered product, in which case the Secretary*
24 *shall prescribe a separate standby mode and*

1 *off mode energy use test procedure for the*
2 *covered product, if technically feasible.*

3 “(B) *DEADLINES.*—*The test procedure*
4 *amendments required by subparagraph (A) shall*
5 *be prescribed in a final rule no later than the*
6 *following dates:*

7 “(i) *December 31, 2008, for battery*
8 *chargers and external power supplies.*

9 “(ii) *March 31, 2009, for clothes dry-*
10 *ers, room air conditioners, and fluorescent*
11 *lamp ballasts.*

12 “(iii) *June 30, 2009, for residential*
13 *clothes washers.*

14 “(iv) *September 30, 2009, for residen-*
15 *tial furnaces and boilers.*

16 “(v) *March 31, 2010, for residential*
17 *water heaters, direct heating equipment,*
18 *and pool heaters.*

19 “(vi) *March 31, 2011, for residential*
20 *dishwashers, ranges and ovens, microwave*
21 *ovens, and dehumidifiers.*

22 “(C) *PRIOR PRODUCT STANDARDS.*—*The*
23 *test procedure amendments adopted pursuant to*
24 *subparagraph (B) shall not be used to determine*
25 *compliance with product standards established*

1 *prior to the adoption of the amended test proce-*
2 *dures.*

3 “(3) *INCORPORATION INTO STANDARD.*—

4 “(A) *IN GENERAL.*—*Subject to subpara-*
5 *graph (B), based on the test procedures required*
6 *under paragraph (2), any final rule establishing*
7 *or revising a standard for a covered product,*
8 *adopted after July 1, 2010, shall incorporate*
9 *standby mode and off mode energy use into a*
10 *single amended or new standard, pursuant to*
11 *subsection (o), if feasible.*

12 “(B) *SEPARATE STANDARDS.*—*If not fea-*
13 *sible, the Secretary shall prescribe within the*
14 *final rule a separate standard for standby mode*
15 *and off mode energy consumption, if justified*
16 *under subsection (o).”;* and

17 (4) *in paragraph (2) of subsection (hh) (as redes-*
18 *ignated by paragraph (2)) , by striking “(ff)” each*
19 *place it appears and inserting “(gg)”.*

20 **SEC. 311. ENERGY STANDARDS FOR HOME APPLIANCES.**

21 (a) *APPLIANCES.*—

22 (1) *DEHUMIDIFIERS.*—*Section 325(cc) of the En-*
23 *ergy Policy and Conservation Act (42 U.S.C.*
24 *6295(cc)) is amended by striking paragraph (2) and*
25 *inserting the following:*

1 “(2) *DEHUMIDIFIERS MANUFACTURED ON OR*
 2 *AFTER OCTOBER 1, 2012.—Dehumidifiers manufac-*
 3 *tured on or after October 1, 2012, shall have an En-*
 4 *ergy Factor that meets or exceeds the following values:*

“Product Capacity (pints/day):	Minimum Energy Factor (liters/ KWh)
<i>Up to 35.00</i>	<i>1.35</i>
<i>35.01-45.00</i>	<i>1.50</i>
<i>45.01-54.00</i>	<i>1.60</i>
<i>54.01-75.00</i>	<i>1.70</i>
<i>Greater than 75.00</i>	<i>2.5.”.</i>

5 (2) *RESIDENTIAL CLOTHES WASHERS AND RESI-*
 6 *DENTIAL DISHWASHERS.—Section 325(g) of the En-*
 7 *ergy Policy and Conservation Act (42 U.S.C. 6295(g))*
 8 *is amended by adding at the end the following:*

9 “(9) *RESIDENTIAL CLOTHES WASHERS MANUFAC-*
 10 *TURED ON OR AFTER JANUARY 1, 2011.—*

11 “(A) *IN GENERAL.—A top-loading or front-*
 12 *loading standard-size residential clothes washer*
 13 *manufactured on or after January 1, 2011, shall*
 14 *have—*

15 “(i) *a Modified Energy Factor of at*
 16 *least 1.26; and*

17 “(ii) *a water factor of not more than*
 18 *9.5.*

19 “(B) *AMENDMENT OF STANDARDS.—*

20 “(i) *IN GENERAL.—Not later than De-*
 21 *cember 31, 2011, the Secretary shall publish*

1 *a final rule determining whether to amend*
2 *the standards in effect for clothes washers*
3 *manufactured on or after January 1, 2015.*

4 “(i) *AMENDED STANDARDS.—The*
5 *final rule shall contain any amended stand-*
6 *ards.*”

7 “(10) *RESIDENTIAL DISHWASHERS MANUFAC-*
8 *TURED ON OR AFTER JANUARY 1, 2010.—*

9 “(A) *IN GENERAL.—A dishwasher manufac-*
10 *tured on or after January 1, 2010, shall—*

11 “(i) *for a standard size dishwasher not*
12 *exceed 355 kwh/year and 6.5 gallon per*
13 *cycle; and*

14 “(ii) *for a compact size dishwasher not*
15 *exceed 260 kwh/year and 4.5 gallons per*
16 *cycle.*”

17 “(B) *AMENDMENT OF STANDARDS.—*

18 “(i) *IN GENERAL.—Not later than Jan-*
19 *uary 1, 2015, the Secretary shall publish a*
20 *final rule determining whether to amend the*
21 *standards for dishwashers manufactured on*
22 *or after January 1, 2018.*

23 “(ii) *AMENDED STANDARDS.—The*
24 *final rule shall contain any amended stand-*
25 *ards.”.*

1 (3) *REFRIGERATORS AND FREEZERS.*—Section
2 325(b) of the *Energy Policy and Conservation Act* (42
3 U.S.C. 6295(b)) is amended by adding at the end the
4 following:

5 “(4) *REFRIGERATORS AND FREEZERS MANUFAC-*
6 *TURED ON OR AFTER JANUARY 1, 2014.*—

7 “(A) *IN GENERAL.*—Not later than Decem-
8 ber 31, 2010, the Secretary shall publish a final
9 rule determining whether to amend the stand-
10 ards in effect for refrigerators, refrigerator-freez-
11 ers, and freezers manufactured on or after Janu-
12 ary 1, 2014.

13 “(B) *AMENDED STANDARDS.*—The final
14 rule shall contain any amended standards.”.

15 (b) *ENERGY STAR.*—Section 324A(d)(2) of the *Energy*
16 *Policy and Conservation Act* (42 U.S.C. 6294a(d)(2)) is
17 amended by striking “January 1, 2010” and inserting
18 “July 1, 2009”.

19 **SEC. 312. WALK-IN COOLERS AND WALK-IN FREEZERS.**

20 (a) *DEFINITIONS.*—Section 340 of the *Energy Policy*
21 *and Conservation Act* (42 U.S.C. 6311) is amended—

22 (1) in paragraph (1)—

23 (A) by redesignating subparagraphs (G)
24 through (K) as subparagraphs (H) through (L),
25 respectively; and

1 (B) by inserting after subparagraph (F) the
2 following:

3 “(G) Walk-in coolers and walk-in freezers.”;

4 (2) by redesignating paragraphs (20) and (21)
5 as paragraphs (21) and (22), respectively; and

6 (3) by inserting after paragraph (19) the fol-
7 lowing:

8 “(20) WALK-IN COOLER; WALK-IN FREEZER.—

9 “(A) IN GENERAL.—The terms ‘walk-in
10 cooler’ and ‘walk-in freezer’ mean an enclosed
11 storage space refrigerated to temperatures, re-
12 spectively, above, and at or below 32 degrees
13 Fahrenheit that can be walked into, and has a
14 total chilled storage area of less than 3,000
15 square feet.

16 “(B) EXCLUSION.—The terms ‘walk-in cool-
17 er’ and ‘walk-in freezer’ do not include products
18 designed and marketed exclusively for medical,
19 scientific, or research purposes.”.

20 (b) STANDARDS.—Section 342 of the Energy Policy
21 and Conservation Act (42 U.S.C. 6313) is amended by add-
22 ing at the end the following:

23 “(f) WALK-IN COOLERS AND WALK-IN FREEZERS.—

1 “(1) *IN GENERAL.*—Subject to paragraphs (2)
2 *through (5), each walk-in cooler or walk-in freezer*
3 *manufactured on or after January 1, 2009, shall—*

4 “(A) *have automatic door closers that firm-*
5 *ly close all walk-in doors that have been closed*
6 *to within 1 inch of full closure, except that this*
7 *subparagraph shall not apply to doors wider*
8 *than 3 feet 9 inches or taller than 7 feet;*

9 “(B) *have strip doors, spring hinged doors,*
10 *or other method of minimizing infiltration when*
11 *doors are open;*

12 “(C) *contain wall, ceiling, and door insula-*
13 *tion of at least R–25 for coolers and R–32 for*
14 *freezers, except that this subparagraph shall not*
15 *apply to glazed portions of doors nor to struc-*
16 *tural members;*

17 “(D) *contain floor insulation of at least R–*
18 *28 for freezers;*

19 “(E) *for evaporator fan motors of under 1*
20 *horsepower and less than 460 volts, use—*

21 “(i) *electronically commutated motors*
22 *(brushless direct current motors); or*

23 “(ii) *3-phase motors;*

24 “(F) *for condenser fan motors of under 1*
25 *horsepower, use—*

1 “(i) *electronically commutated motors;*

2 “(ii) *permanent split capacitor-type*

3 *motors; or*

4 “(iii) *3-phase motors; and*

5 “(G) *for all interior lights, use light sources*

6 *with an efficacy of 40 lumens per watt or more,*

7 *including ballast losses (if any), except that light*

8 *sources with an efficacy of 40 lumens per watt*

9 *or less, including ballast losses (if any), may be*

10 *used in conjunction with a timer or device that*

11 *turns off the lights within 15 minutes of when*

12 *the walk-in cooler or walk-in freezer is not occu-*

13 *ped by people.*

14 “(2) *ELECTRONICALLY COMMUTATED MOTORS.—*

15 “(A) *IN GENERAL.—The requirements of*

16 *paragraph (1)(E)(i) for electronically com-*

17 *mutated motors shall take effect January 1,*

18 *2009, unless, prior to that date, the Secretary de-*

19 *termines that such motors are only available*

20 *from 1 manufacturer.*

21 “(B) *OTHER TYPES OF MOTORS.—In car-*

22 *rying out paragraph (1)(E)(i) and subpara-*

23 *graph (A), the Secretary may allow other types*

24 *of motors if the Secretary determines that, on av-*

25 *erage, those other motors use no more energy in*

1 *evaporator fan applications than electronically*
2 *commutated motors.*

3 “(C) *MAXIMUM ENERGY CONSUMPTION*
4 *LEVEL.—The Secretary shall establish the max-*
5 *imum energy consumption level under subpara-*
6 *graph (B) not later than January 1, 2010.*

7 “(3) *ADDITIONAL SPECIFICATIONS.—Each walk-*
8 *in cooler or walk-in freezer with transparent reach-in*
9 *doors manufactured on or after January 1, 2009,*
10 *shall also meet the following specifications:*

11 “(A) *Transparent reach-in doors for walk-*
12 *in freezers and windows in walk-in freezer doors*
13 *shall be of triple-pane glass with either heat-re-*
14 *fective treated glass or gas fill.*

15 “(B) *Transparent reach-in doors for walk-*
16 *in coolers and windows in walk-in cooler doors*
17 *shall be—*

18 “(i) *double-pane glass with heat-reflec-*
19 *tive treated glass and gas fill; or*

20 “(ii) *triple-pane glass with either heat-*
21 *reflective treated glass or gas fill.*

22 “(C) *If the appliance has an antisweat*
23 *heater without antisweat heat controls, the appli-*
24 *ance shall have a total door rail, glass, and*
25 *frame heater power draw of not more than 7.1*

1 watts per square foot of door opening (for freez-
2 ers) and 3.0 watts per square foot of door open-
3 ing (for coolers).

4 “(D) If the appliance has an antisweat
5 heater with antisweat heat controls, and the total
6 door rail, glass, and frame heater power draw is
7 more than 7.1 watts per square foot of door
8 opening (for freezers) and 3.0 watts per square
9 foot of door opening (for coolers), the antisweat
10 heat controls shall reduce the energy use of the
11 antisweat heater in a quantity corresponding to
12 the relative humidity in the air outside the door
13 or to the condensation on the inner glass pane.

14 “(4) PERFORMANCE-BASED STANDARDS.—

15 “(A) IN GENERAL.—Not later than January
16 1, 2012, the Secretary shall publish performance-
17 based standards for walk-in coolers and walk-in
18 freezers that achieve the maximum improvement
19 in energy that the Secretary determines is tech-
20 nologically feasible and economically justified.

21 “(B) APPLICATION.—

22 “(i) IN GENERAL.—Except as provided
23 in clause (ii), the standards shall apply to
24 products described in subparagraph (A)
25 that are manufactured beginning on the

1 *date that is 3 years after the final rule is*
2 *published.*

3 “(ii) *DELAYED EFFECTIVE DATE.—If*
4 *the Secretary determines, by rule, that a 3-*
5 *year period is inadequate, the Secretary*
6 *may establish an effective date for products*
7 *manufactured beginning on the date that is*
8 *not more than 5 years after the date of pub-*
9 *lication of a final rule for the products.*

10 “(5) *AMENDMENT OF STANDARDS.—*

11 “(A) *IN GENERAL.—Not later than January*
12 *1, 2020, the Secretary shall publish a final rule*
13 *to determine if the standards established under*
14 *paragraph (4) should be amended.*

15 “(B) *APPLICATION.—*

16 “(i) *IN GENERAL.—Except as provided*
17 *in clause (ii), the rule shall provide that the*
18 *standards shall apply to products manufac-*
19 *tured beginning on the date that is 3 years*
20 *after the final rule is published.*

21 “(ii) *DELAYED EFFECTIVE DATE.—If*
22 *the Secretary determines, by rule, that a 3-*
23 *year period is inadequate, the Secretary*
24 *may establish an effective date for products*
25 *manufactured beginning on the date that is*

1 *not more than 5 years after the date of pub-*
2 *lication of a final rule for the products.”.*

3 (c) *TEST PROCEDURES.*—*Section 343(a) of the Energy*
4 *Policy and Conservation Act (42 U.S.C. 6314(a)) is amend-*
5 *ed by adding at the end the following:*

6 “(9) *WALK-IN COOLERS AND WALK-IN FREEZ-*
7 *ERS.*—

8 “(A) *IN GENERAL.*—*For the purpose of test*
9 *procedures for walk-in coolers and walk-in freez-*
10 *ers:*

11 “(i) *The R value shall be the 1/K factor*
12 *multiplied by the thickness of the panel.*

13 “(ii) *The K factor shall be based on*
14 *ASTM test procedure C518-2004.*

15 “(iii) *For calculating the R value for*
16 *freezers, the K factor of the foam at 20°F*
17 *(average foam temperature) shall be used.*

18 “(iv) *For calculating the R value for*
19 *coolers, the K factor of the foam at 55°F*
20 *(average foam temperature) shall be used.*

21 “(B) *TEST PROCEDURE.*—

22 “(i) *IN GENERAL.*—*Not later than Jan-*
23 *uary 1, 2010, the Secretary shall establish*
24 *a test procedure to measure the energy-use*
25 *of walk-in coolers and walk-in freezers.*

1 “(ii) *COMPUTER MODELING.*—*The test*
2 *procedure may be based on computer mod-*
3 *eling, if the computer model or models have*
4 *been verified using the results of laboratory*
5 *tests on a significant sample of walk-in*
6 *coolers and walk-in freezers.*”.

7 (d) *LABELING.*—*Section 344(e) of the Energy Policy*
8 *and Conservation Act (42 U.S.C. 6315(e)) is amended by*
9 *inserting “walk-in coolers and walk-in freezers,” after*
10 *“commercial clothes washers,” each place it appears.*

11 (e) *ADMINISTRATION, PENALTIES, ENFORCEMENT, AND*
12 *PREEMPTION.*—*Section 345 of the Energy Policy and Con-*
13 *servation Act (42 U.S.C. 6316) is amended—*

14 (1) *by striking “subparagraphs (B), (C), (D),*
15 *(E), and (F)” each place it appears and inserting*
16 *“subparagraphs (B) through (G)”;* and

17 (2) *by adding at the end the following:*

18 “(h) *WALK-IN COOLERS AND WALK-IN FREEZERS.*—

19 “(1) *COVERED TYPES.*—

20 “(A) *RELATIONSHIP TO OTHER LAW.*—

21 “(i) *IN GENERAL.*—*Except as otherwise*
22 *provided in this subsection, section 327*
23 *shall apply to walk-in coolers and walk-in*
24 *freezers for which standards have been es-*
25 *tablished under paragraphs (1), (2), and (3)*

1 of section 342(f) to the same extent and in
2 the same manner as the section applies
3 under part A on the date of enactment of
4 this subsection.

5 “(ii) *STATE STANDARDS.*—Any State
6 standard prescribed before the date of enact-
7 ment of this subsection shall not be pre-
8 empted until the standards established
9 under paragraphs (1) and (2) of section
10 342(f) take effect.

11 “(B) *ADMINISTRATION.*—In applying sec-
12 tion 327 to equipment under subparagraph (A),
13 paragraphs (1), (2), and (3) of subsection (a)
14 shall apply.

15 “(2) *FINAL RULE NOT TIMELY.*—

16 “(A) *IN GENERAL.*—If the Secretary does
17 not issue a final rule for a specific type of walk-
18 in cooler or walk-in freezer within the time
19 frame established under paragraph (4) or (5) of
20 section 342(f), subsections (b) and (c) of section
21 327 shall no longer apply to the specific type of
22 walk-in cooler or walk-in freezer during the pe-
23 riod—

24 “(i) beginning on the day after the
25 scheduled date for a final rule; and

1 “(ii) ending on the date on which the
2 Secretary publishes a final rule covering the
3 specific type of walk-in cooler or walk-in
4 freezer.

5 “(B) STATE STANDARDS.—Any State stand-
6 ard issued before the publication of the final rule
7 shall not be preempted until the standards estab-
8 lished in the final rule take effect.

9 “(3) CALIFORNIA.—Any standard issued in the
10 State of California before January 1, 2011, under
11 title 20 of the California Code of Regulations, that re-
12 fers to walk-in coolers and walk-in freezers, for which
13 standards have been established under paragraphs
14 (1), (2), and (3) of section 342(f), shall not be pre-
15 empted until the standards established under section
16 342(f)(3) take effect.”

17 **SEC. 313. ELECTRIC MOTOR EFFICIENCY STANDARDS.**

18 (a) DEFINITIONS.—Section 340(13) of the Energy Pol-
19 icy and Conservation Act (42 U.S.C. 6311(13)) is amend-
20 ed—

21 (1) by redesignating subparagraphs (B) through
22 (H) as subparagraphs (C) through (I), respectively;
23 and

1 (2) *by striking “(13)(A)” and all that follows*
2 *through the end of subparagraph (A) and inserting*
3 *the following:*

4 “(13) *ELECTRIC MOTOR.—*

5 “(A) *GENERAL PURPOSE ELECTRIC MOTOR*
6 *(SUBTYPE I).—The term ‘general purpose electric*
7 *motor (subtype I)’ means any motor that meets*
8 *the definition of ‘General Purpose’ as established*
9 *in the final rule issued by the Department of*
10 *Energy entitled ‘Energy Efficiency Program for*
11 *Certain Commercial and Industrial Equipment:*
12 *Test Procedures, Labeling, and Certification Re-*
13 *quirements for Electric Motors’ (10 C.F.R. 431),*
14 *as in effect on the date of enactment of the En-*
15 *ergy Independence and Security Act of 2007.*

16 “(B) *GENERAL PURPOSE ELECTRIC MOTOR*
17 *(SUBTYPE II).—The term ‘general purpose elec-*
18 *tric motor (subtype II)’ means motors incor-*
19 *porating the design elements of a general purpose*
20 *electric motor (subtype I) that are configured as*
21 *1 of the following:*

22 “(i) *A U-Frame Motor.*

23 “(ii) *A Design C Motor.*

24 “(iii) *A close-coupled pump motor.*

25 “(iv) *A Footless motor.*

1 “(v) *A vertical solid shaft normal*
2 *thrust motor (as tested in a horizontal con-*
3 *figuration).*

4 “(vi) *An 8-pole motor (900 rpm).*

5 “(vii) *A poly-phase motor with voltage*
6 *of not more than 600 volts (other than 230*
7 *or 460 volts.*”.

8 **(b) STANDARDS.—**

9 **(1) AMENDMENT.—***Section 342(b) of the Energy*
10 *Policy and Conservation Act (42 U.S.C. 6313(b)) is*
11 *amended—*

12 **(A)** *by redesignating paragraphs (2) and*
13 **(3)** *as paragraphs (3) and (4), respectively; and*

14 **(B)** *by inserting after paragraph (1) the fol-*
15 *lowing:*

16 “(2) **ELECTRIC MOTORS.—**

17 “(A) **GENERAL PURPOSE ELECTRIC MOTORS**
18 **(SUBTYPE I).**—*Except as provided in subpara-*
19 *graph (B), each general purpose electric motor*
20 *(subtype I) with a power rating of 1 horsepower*
21 *or greater, but not greater than 200 horsepower,*
22 *manufactured (alone or as a component of an-*
23 *other piece of equipment) after the 3-year period*
24 *beginning on the date of enactment of the Energy*
25 *Independence and Security Act of 2007, shall*

1 *have a nominal full load efficiency that is not*
2 *less than as defined in NEMA MG-1 (2006)*
3 *Table 12-12.*

4 “(B) *FIRE PUMP MOTORS.*—*Each fire pump*
5 *motor manufactured (alone or as a component of*
6 *another piece of equipment) after the 3-year pe-*
7 *riod beginning on the date of enactment of the*
8 *Energy Independence and Security Act of 2007*
9 *shall have nominal full load efficiency that is not*
10 *less than as defined in NEMA MG-1 (2006)*
11 *Table 12-11.*

12 “(C) *GENERAL PURPOSE ELECTRIC MOTORS*
13 *(SUBTYPE II).*—*Each general purpose electric*
14 *motor (subtype II) with a power rating of 1*
15 *horsepower or greater, but not greater than 200*
16 *horsepower, manufactured (alone or as a compo-*
17 *nent of another piece of equipment) after the 3-*
18 *year period beginning on the date of enactment*
19 *of the Energy Independence and Security Act of*
20 *2007, shall have a nominal full load efficiency*
21 *that is not less than as defined in NEMA MG-*
22 *1 (2006) Table 12-11.*

23 “(D) *NEMA DESIGN B, GENERAL PURPOSE*
24 *ELECTRIC MOTORS.*—*Each NEMA Design B,*
25 *general purpose electric motor with a power rat-*

1 *ing of more than 200 horsepower, but not greater*
 2 *than 500 horsepower, manufactured (alone or as*
 3 *a component of another piece of equipment) after*
 4 *the 3-year period beginning on the date of enact-*
 5 *ment of the Energy Independence and Security*
 6 *Act of 2007, shall have a nominal full load effi-*
 7 *ciency that is not less than as defined in NEMA*
 8 *MG-1 (2006) Table 12-11.”.*

9 (2) *EFFECTIVE DATE.*—*The amendments made*
 10 *by paragraph (1) take effect on the date that is 3*
 11 *years after the date of enactment of this Act.*

12 **SEC. 314. STANDARDS FOR SINGLE PACKAGE VERTICAL AIR**
 13 **CONDITIONERS AND HEAT PUMPS.**

14 (a) *DEFINITIONS.*—*Section 340 of the Energy Policy*
 15 *and Conservation Act (42 U.S.C. 6311) is amended by add-*
 16 *ing at the end the following:*

17 “(22) *SINGLE PACKAGE VERTICAL AIR CONDI-*
 18 *TIONER.*—*The term ‘single package vertical air condi-*
 19 *tioner’ means air-cooled commercial package air con-*
 20 *ditioning and heating equipment that—*

21 “(A) *is factory-assembled as a single pack-*
 22 *age that—*

23 “(i) *has major components that are ar-*
 24 *ranged vertically;*

1 “(ii) is an encased combination of cool-
2 ing and optional heating components; and

3 “(iii) is intended for exterior mounting
4 on, adjacent interior to, or through an out-
5 side wall;

6 “(B) is powered by a single- or 3-phase cur-
7 rent;

8 “(C) may contain 1 or more separate in-
9 door grilles, outdoor louvers, various ventilation
10 options, indoor free air discharges, ductwork,
11 well plenum, or sleeves; and

12 “(D) has heating components that may in-
13 clude electrical resistance, steam, hot water, or
14 gas, but may not include reverse cycle refrigera-
15 tion as a heating means.

16 “(23) SINGLE PACKAGE VERTICAL HEAT PUMP.—
17 The term ‘single package vertical heat pump’ means
18 a single package vertical air conditioner that—

19 “(A) uses reverse cycle refrigeration as its
20 primary heat source; and

21 “(B) may include secondary supplemental
22 heating by means of electrical resistance, steam,
23 hot water, or gas.”.

24 (b) STANDARDS.—Section 342(a) of the Energy Policy
25 and Conservation Act (42 U.S.C. 6313(a)) is amended—

1 (1) *in the first sentence of each of paragraphs (1)*
2 *and (2), by inserting “(including single package*
3 *vertical air conditioners and single package vertical*
4 *heat pumps)” after “heating equipment” each place it*
5 *appears;*

6 (2) *in paragraph (1), by striking “but before*
7 *January 1, 2010,”;*

8 (3) *in the first sentence of each of paragraphs*
9 *(7), (8), and (9), by inserting “(other than single*
10 *package vertical air conditioners and single package*
11 *vertical heat pumps)” after “heating equipment” each*
12 *place it appears;*

13 (4) *in paragraph (7)—*

14 (A) *by striking “manufactured on or after*
15 *January 1, 2010,”;*

16 (B) *in each of subparagraphs (A), (B), and*
17 *(C), by striking “The” and inserting “For equip-*
18 *ment manufactured on or after January 1, 2010,*
19 *the”;* *and*

20 (C) *by adding at the end the following:*

21 “(D) *For equipment manufactured on or after*
22 *the later of January 1, 2008, or the date that is 180*
23 *days after the date of enactment of the Energy Inde-*
24 *pendence and Security Act of 2007—*

1 “(i) the minimum seasonal energy efficiency
2 ratio of air-cooled 3-phase electric central air
3 conditioners and central air conditioning heat
4 pumps less than 65,000 Btu per hour (cooling
5 capacity), split systems, shall be 13.0;

6 “(ii) the minimum seasonal energy effi-
7 ciency ratio of air-cooled 3-phase electric central
8 air conditioners and central air conditioning
9 heat pumps less than 65,000 Btu per hour (cool-
10 ing capacity), single package, shall be 13.0;

11 “(iii) the minimum heating seasonal per-
12 formance factor of air-cooled 3-phase electric cen-
13 tral air conditioning heat pumps less than
14 65,000 Btu per hour (cooling capacity), split
15 systems, shall be 7.7; and

16 “(iv) the minimum heating seasonal per-
17 formance factor of air-cooled three-phase electric
18 central air conditioning heat pumps less than
19 65,000 Btu per hour (cooling capacity), single
20 package, shall be 7.7.”; and

21 (5) by adding at the end the following:

22 “(10) SINGLE PACKAGE VERTICAL AIR CONDI-
23 TIONERS AND SINGLE PACKAGE VERTICAL HEAT
24 PUMPS.—

1 “(A) *IN GENERAL.*—*Single package vertical*
2 *air conditioners and single package vertical heat*
3 *pumps manufactured on or after January 1,*
4 *2010, shall meet the following standards:*

5 “(i) *The minimum energy efficiency*
6 *ratio of single package vertical air condi-*
7 *tioners less than 65,000 Btu per hour (cool-*
8 *ing capacity), single-phase, shall be 9.0.*

9 “(ii) *The minimum energy efficiency*
10 *ratio of single package vertical air condi-*
11 *tioners less than 65,000 Btu per hour (cool-*
12 *ing capacity), three-phase, shall be 9.0.*

13 “(iii) *The minimum energy efficiency*
14 *ratio of single package vertical air condi-*
15 *tioners at or above 65,000 Btu per hour*
16 *(cooling capacity) but less than 135,000 Btu*
17 *per hour (cooling capacity), shall be 8.9.*

18 “(iv) *The minimum energy efficiency*
19 *ratio of single package vertical air condi-*
20 *tioners at or above 135,000 Btu per hour*
21 *(cooling capacity) but less than 240,000 Btu*
22 *per hour (cooling capacity), shall be 8.6.*

23 “(v) *The minimum energy efficiency*
24 *ratio of single package vertical heat pumps*
25 *less than 65,000 Btu per hour (cooling ca-*

1 *capacity), single-phase, shall be 9.0 and the*
2 *minimum coefficient of performance in the*
3 *heating mode shall be 3.0.*

4 “(vi) *The minimum energy efficiency*
5 *ratio of single package vertical heat pumps*
6 *less than 65,000 Btu per hour (cooling ca-*
7 *capacity), three-phase, shall be 9.0 and the*
8 *minimum coefficient of performance in the*
9 *heating mode shall be 3.0.*

10 “(vii) *The minimum energy efficiency*
11 *ratio of single package vertical heat pumps*
12 *at or above 65,000 Btu per hour (cooling*
13 *capacity) but less than 135,000 Btu per*
14 *hour (cooling capacity), shall be 8.9 and the*
15 *minimum coefficient of performance in the*
16 *heating mode shall be 3.0.*

17 “(viii) *The minimum energy efficiency*
18 *ratio of single package vertical heat pumps*
19 *at or above 135,000 Btu per hour (cooling*
20 *capacity) but less than 240,000 Btu per*
21 *hour (cooling capacity), shall be 8.6 and the*
22 *minimum coefficient of performance in the*
23 *heating mode shall be 2.9.*

24 “(B) *REVIEW.—Not later than 3 years after*
25 *the date of enactment of this paragraph, the Sec-*

1 retary shall review the most recently published
2 ASHRAE/IES Standard 90.1 with respect to
3 single package vertical air conditioners and sin-
4 gle package vertical heat pumps in accordance
5 with the procedures established under paragraph
6 (6).”.

7 **SEC. 315. IMPROVED ENERGY EFFICIENCY FOR APPLIANCES**
8 **AND BUILDINGS IN COLD CLIMATES.**

9 (a) *RESEARCH.*—Section 911(a)(2) of the Energy Pol-
10 icy Act of 2005 (42 U.S.C. 16191(a)(2)) is amended—

11 (1) in subparagraph (C), by striking “and” at
12 the end;

13 (2) in subparagraph (D), by striking the period
14 at the end and inserting “; and”; and

15 (3) by adding at the end the following:

16 “(E) technologies to improve the energy effi-
17 ciency of appliances and mechanical systems for
18 buildings in cold climates, including combined
19 heat and power units and increased use of re-
20 newable resources, including fuel.”.

21 (b) *REBATES.*—Section 124 of the Energy Policy Act
22 of 2005 (42 U.S.C. 15821) is amended—

23 (1) in subsection (b)(1), by inserting “, or prod-
24 ucts with improved energy efficiency in cold cli-
25 mates,” after “residential Energy Star products”; and

1 (2) *in subsection (e), by inserting “or product*
2 *with improved energy efficiency in a cold climate”*
3 *after “residential Energy Star product” each place it*
4 *appears.*

5 **SEC. 316. TECHNICAL CORRECTIONS.**

6 (a) *DEFINITION OF F96T12 LAMP.—*

7 (1) *IN GENERAL.—Section 135(a)(1)(A)(ii) of the*
8 *Energy Policy Act of 2005 (Public Law 109–58; 119*
9 *Stat. 624) is amended by striking “C78.1–*
10 *1978(R1984)” and inserting “C78.3–1978(R1984)”.*

11 (2) *EFFECTIVE DATE.—The amendment made by*
12 *paragraph (1) takes effect on August 8, 2005.*

13 (b) *DEFINITION OF FLUORESCENT LAMP.—Section*
14 *321(30)(B)(viii) of the Energy Policy and Conservation Act*
15 *(42 U.S.C. 6291(30)(B)(viii)) is amended by striking “82”*
16 *and inserting “87”.*

17 (c) *MERCURY VAPOR LAMP BALLASTS.—*

18 (1) *DEFINITIONS.—Section 321 of the Energy*
19 *Policy and Conservation Act (42 U.S.C. 6291) (as*
20 *amended by section 301(a)(2)) is amended—*

21 (A) *by striking paragraphs (46) through*
22 *(48) and inserting the following:*

23 “*(46) HIGH INTENSITY DISCHARGE LAMP.—*

1 “(A) *IN GENERAL.*—*The term ‘high inten-*
2 *sity discharge lamp’ means an electric-discharge*
3 *lamp in which—*

4 “(i) *the light-producing arc is sta-*
5 *bilized by the arc tube wall temperature;*
6 *and*

7 “(ii) *the arc tube wall loading is in ex-*
8 *cess of 3 Watts/cm².*

9 “(B) *INCLUSIONS.*—*The term ‘high inten-*
10 *sity discharge lamp’ includes mercury vapor,*
11 *metal halide, and high-pressure sodium lamps*
12 *described in subparagraph (A).*

13 “(47) *MERCURY VAPOR LAMP.*—

14 “(A) *IN GENERAL.*—*The term ‘mercury*
15 *vapor lamp’ means a high intensity discharge*
16 *lamp in which the major portion of the light is*
17 *produced by radiation from mercury typically*
18 *operating at a partial vapor pressure in excess*
19 *of 100,000 Pa (approximately 1 atm).*

20 “(B) *INCLUSIONS.*—*The term ‘mercury*
21 *vapor lamp’ includes clear, phosphor-coated, and*
22 *self-ballasted screw base lamps described in sub-*
23 *paragraph (A).*

24 “(48) *MERCURY VAPOR LAMP BALLAST.*—*The*
25 *term ‘mercury vapor lamp ballast’ means a device*

1 *that is designed and marketed to start and operate*
2 *mercury vapor lamps intended for general illumina-*
3 *tion by providing the necessary voltage and current.”;*
4 *and*

5 *(B) by adding at the end the following:*

6 *“(53) SPECIALTY APPLICATION MERCURY VAPOR*
7 *LAMP BALLAST.—The term ‘specialty application*
8 *mercury vapor lamp ballast’ means a mercury vapor*
9 *lamp ballast that—*

10 *“(A) is designed and marketed for operation*
11 *of mercury vapor lamps used in quality inspec-*
12 *tion, industrial processing, or scientific use, in-*
13 *cluding fluorescent microscopy and ultraviolet*
14 *curing; and*

15 *“(B) in the case of a specialty application*
16 *mercury vapor lamp ballast, the label of which—*

17 *“(i) provides that the specialty appli-*
18 *cation mercury vapor lamp ballast is ‘For*
19 *specialty applications only, not for general*
20 *illumination’; and*

21 *“(ii) specifies the specific applications*
22 *for which the ballast is designed.”.*

23 *(2) STANDARD SETTING AUTHORITY.—Section*
24 *325(ee) of the Energy Policy and Conservation Act*
25 *(42 U.S.C. 6295(ee)) is amended by inserting “(other*

1 *than specialty application mercury vapor lamp bal-*
2 *lasts)” after “ballasts”.*

3 *(d) ENERGY CONSERVATION STANDARDS.—Section*
4 *325 of the Energy Policy and Conservation Act (42 U.S.C.*
5 *6295) is amended—*

6 *(1) in subsection (v)—*

7 *(A) in the subsection heading, by striking*
8 *“CEILING FANS AND”;*

9 *(B) by striking paragraph (1); and*

10 *(C) by redesignating paragraphs (2)*
11 *through (4) as paragraphs (1) through (3), re-*
12 *spectively; and*

13 *(2) in subsection (ff)—*

14 *(A) in paragraph (1)(A)—*

15 *(i) by striking clause (iii);*

16 *(ii) by redesignating clause (iv) as*
17 *clause (iii); and*

18 *(iii) in clause (iii)(II) (as so redesi-*
19 *gnated), by inserting “fans sold for” before*
20 *“outdoor”; and*

21 *(B) in paragraph (4)(C)—*

22 *(i) in the matter preceding clause (i),*
23 *by striking “subparagraph (B)” and insert-*
24 *ing “subparagraph (A)”;* and

1 (ii) by striking clause (ii) and insert-
2 ing the following:

3 “(ii) shall be packaged with lamps to fill all
4 sockets.”;

5 (C) in paragraph (6), by redesignating sub-
6 paragraphs (C) and (D) as clauses (i) and (ii),
7 respectively, of subparagraph (B); and

8 (D) in paragraph (7), by striking “327” the
9 second place it appears and inserting “324”.

10 **Subtitle B—Lighting Energy**
11 **Efficiency**

12 **SEC. 321. EFFICIENT LIGHT BULBS.**

13 (a) *ENERGY EFFICIENCY STANDARDS FOR GENERAL*
14 *SERVICE INCANDESCENT LAMPS.—*

15 (1) *DEFINITION OF GENERAL SERVICE INCAN-*
16 *DESCENT LAMP.—Section 321(30) of the Energy Pol-*
17 *icy and Conservation Act (42 U.S.C. 6291(30)) is*
18 *amended—*

19 (A) by striking subparagraph (D) and in-
20 serting the following:

21 “(D) *GENERAL SERVICE INCANDESCENT*
22 *LAMP.—*

23 “(i) *IN GENERAL.—The term ‘general*
24 *service incandescent lamp’ means a stand-*

1 *ard incandescent or halogen type lamp*
2 *that—*

3 *“(I) is intended for general service*
4 *applications;*

5 *“(II) has a medium screw base;*

6 *“(III) has a lumen range of not*
7 *less than 310 lumens and not more*
8 *than 2,600 lumens; and*

9 *“(IV) is capable of being operated*
10 *at a voltage range at least partially*
11 *within 110 and 130 volts.*

12 *“(ii) EXCLUSIONS.—The term ‘general*
13 *service incandescent lamp’ does not include*
14 *the following incandescent lamps:*

15 *“(I) An appliance lamp.*

16 *“(II) A black light lamp.*

17 *“(III) A bug lamp.*

18 *“(IV) A colored lamp.*

19 *“(V) An infrared lamp.*

20 *“(VI) A left-hand thread lamp.*

21 *“(VII) A marine lamp.*

22 *“(VIII) A marine signal service*
23 *lamp.*

24 *“(IX) A mine service lamp.*

25 *“(X) A plant light lamp.*

1 “(XI) A reflector lamp.

2 “(XII) A rough service lamp.

3 “(XIII) A shatter-resistant lamp
4 (including a shatter-proof lamp and a
5 shatter-protected lamp).

6 “(XIV) A sign service lamp.

7 “(XV) A silver bowl lamp.

8 “(XVI) A showcase lamp.

9 “(XVII) A 3-way incandescent
10 lamp.

11 “(XVIII) A traffic signal lamp.

12 “(XIX) A vibration service lamp.

13 “(XX) A G shape lamp (as de-
14 fined in ANSI C78.20–2003 and
15 C79.1–2002 with a diameter of 5
16 inches or more.

17 “(XXI) A T shape lamp (as de-
18 fined in ANSI C78.20–2003 and
19 C79.1–2002) and that uses not more
20 than 40 watts or has a length of more
21 than 10 inches.

22 “(XXII) A B, BA, CA, F, G16–1/
23 2, G–25, G30, S, or M–14 lamp (as de-
24 fined in ANSI C79.1–2002 and ANSI
25 C78.20–2003) of 40 watts or less.”; and

1 (B) by adding at the end the following:

2 “(T) *APPLIANCE LAMP.*—The term ‘appli-
3 *ance lamp*’ means any lamp that—

4 “(i) is specifically designed to operate
5 *in a household appliance, has a maximum*
6 *wattage of 40 watts, and is sold at retail,*
7 *including an oven lamp, refrigerator lamp,*
8 *and vacuum cleaner lamp; and*

9 “(ii) is designated and marketed for
10 *the intended application, with—*

11 “(I) the designation on the lamp
12 *packaging; and*

13 “(II) marketing materials that
14 *identify the lamp as being for appli-*
15 *ance use.*

16 “(U) *CANDELABRA BASE INCANDESCENT*
17 *LAMP.*—The term ‘*candelabra base incandescent*
18 *lamp*’ means a lamp that uses candelabra screw
19 *base as described in ANSI C81.61–2006, Speci-*
20 *fications for Electric Bases, common designa-*
21 *tions E11 and E12.*

22 “(V) *INTERMEDIATE BASE INCANDESCENT*
23 *LAMP.*—The term ‘*intermediate base incandes-*
24 *cent lamp*’ means a lamp that uses an inter-
25 *mediate screw base as described in ANSI*

1 C81.61–2006, *Specifications for Electric Bases*,
2 *common designation E17.*

3 “(W) *MODIFIED SPECTRUM.*—*The term*
4 ‘*modified spectrum*’ *means, with respect to an*
5 *incandescent lamp, an incandescent lamp that—*

6 “(i) *is not a colored incandescent*
7 *lamp; and*

8 “(ii) *when operated at the rated volt-*
9 *age and wattage of the incandescent lamp—*

10 “(I) *has a color point with (x,y)*
11 *chromaticity coordinates on the Com-*
12 *mission Internationale de l’Eclairage*
13 *(C.I.E.) 1931 chromaticity diagram*
14 *that lies below the black-body locus;*
15 *and*

16 “(II) *has a color point with (x,y)*
17 *chromaticity coordinates on the C.I.E.*
18 *1931 chromaticity diagram that lies at*
19 *least 4 MacAdam steps (as referenced*
20 *in IESNA LM16) distant from the*
21 *color point of a clear lamp with the*
22 *same filament and bulb shape, oper-*
23 *ated at the same rated voltage and*
24 *wattage.*

1 “(X) *ROUGH SERVICE LAMP.*—*The term*
2 *‘rough service lamp’ means a lamp that—*

3 “*(i) has a minimum of 5 supports*
4 *with filament configurations that are C-7A,*
5 *C-11, C-17, and C-22 as listed in Figure*
6 *6-12 of the 9th edition of the IESNA Light-*
7 *ing handbook, or similar configurations*
8 *where lead wires are not counted as sup-*
9 *ports; and*

10 “*(ii) is designated and marketed spe-*
11 *cifically for ‘rough service’ applications,*
12 *with—*

13 “*(I) the designation appearing on*
14 *the lamp packaging; and*

15 “*(II) marketing materials that*
16 *identify the lamp as being for rough*
17 *service.*

18 “(Y) *3-WAY INCANDESCENT LAMP.*—*The*
19 *term ‘3-way incandescent lamp’ includes an in-*
20 *candescent lamp that—*

21 “*(i) employs 2 filaments, operated sep-*
22 *arately and in combination, to provide 3*
23 *light levels; and*

1 “(ii) is designated on the lamp pack-
2 aging and marketing materials as being a
3 3-way incandescent lamp.

4 “(Z) SHATTER-RESISTANT LAMP, SHATTER-
5 PROOF LAMP, OR SHATTER-PROTECTED LAMP.—
6 The terms ‘shatter-resistant lamp’, ‘shatter-proof
7 lamp’, and ‘shatter-protected lamp’ mean a lamp
8 that—

9 “(i) has a coating or equivalent tech-
10 nology that is compliant with NSF/ANSI
11 51 and is designed to contain the glass if
12 the glass envelope of the lamp is broken; and

13 “(ii) is designated and marketed for
14 the intended application, with—

15 “(I) the designation on the lamp
16 packaging; and

17 “(II) marketing materials that
18 identify the lamp as being shatter-re-
19 sistant, shatter-proof, or shatter-pro-
20 tected.

21 “(AA) VIBRATION SERVICE LAMP.—The
22 term ‘vibration service lamp’ means a lamp
23 that—

24 “(i) has filament configurations that
25 are C-5, C-7A, or C-9, as listed in Figure

1 6–12 of the 9th Edition of the IESNA
2 *Lighting Handbook* or similar configura-
3 tions;
4 “*(ii)* has a maximum wattage of 60
5 watts;
6 “*(iii)* is sold at retail in packages of 2
7 lamps or less; and
8 “*(iv)* is designated and marketed spe-
9 cifically for vibration service or vibration-
10 resistant applications, with—
11 “*(I)* the designation appearing on
12 the lamp packaging; and
13 “*(II)* marketing materials that
14 identify the lamp as being vibration
15 service only.
16 “(BB) GENERAL SERVICE LAMP.—
17 “(i) IN GENERAL.—The term ‘general
18 service lamp’ includes—
19 “*(I)* general service incandescent
20 lamps;
21 “*(II)* compact fluorescent lamps;
22 “*(III)* general service light-emit-
23 ting diode (LED or OLED) lamps;
24 and

1 “(IV) any other lamps that the
2 Secretary determines are used to sat-
3 isfy lighting applications traditionally
4 served by general service incandescent
5 lamps.

6 “(ii) EXCLUSIONS.—The term ‘general
7 service lamp’ does not include—

8 “(I) any lighting application or
9 bulb shape described in any of sub-
10 clauses (I) through (XXII) of subpara-
11 graph (D)(i); or

12 “(II) any general service fluores-
13 cent lamp or incandescent reflector
14 lamp.

15 “(CC) LIGHT-EMITTING DIODE; LED.—

16 “(i) IN GENERAL.—The terms ‘light-
17 emitting diode’ and ‘LED’ means a p-n
18 junction solid state device the radiated out-
19 put of which is a function of the physical
20 construction, material used, and exciting
21 current of the device.

22 “(ii) OUTPUT.—The output of a light-
23 emitting diode may be in—

24 “(I) the infrared region;

25 “(II) the visible region; or

1 “(III) the ultraviolet region.

2 “(DD) ORGANIC LIGHT-EMITTING DIODE;
3 OLED.—The terms ‘organic light-emitting diode’
4 and ‘OLED’ mean a thin-film light-emitting de-
5 vice that typically consists of a series of organic
6 layers between 2 electrical contacts (electrodes).

7 “(EE) COLORED INCANDESCENT LAMP.—
8 The term ‘colored incandescent lamp’ means an
9 incandescent lamp designated and marketed as a
10 colored lamp that has—

11 “(i) a color rendering index of less
12 than 50, as determined according to the test
13 method given in C.I.E. publication 13.3–
14 1995; or

15 “(ii) a correlated color temperature of
16 less than 2,500K, or greater than 4,600K,
17 where correlated temperature is computed
18 according to the Journal of Optical Society
19 of America, Vol. 58, pages 1528–1595
20 (1986).”.

21 (2) COVERAGE.—Section 322(a)(14) of the En-
22 ergy Policy and Conservation Act (42 U.S.C.
23 6292(a)(14)) is amended by inserting “, general serv-
24 ice incandescent lamps,” after “fluorescent lamps”.

1 (3) *ENERGY CONSERVATION STANDARDS.*—*Sec-*
2 *tion 325 of the Energy Policy and Conservation Act*
3 *(42 U.S.C. 6295) is amended—*

4 (A) *in subsection (i)—*

5 (i) *in the section heading, by inserting*
6 “, *GENERAL SERVICE INCANDESCENT*
7 *LAMPS, INTERMEDIATE BASE INCANDES-*
8 *CENT LAMPS, CANDELABRA BASE INCAN-*
9 *DESCENT LAMPS,” after “FLUORESCENT*
10 *LAMPS”;*

11 (ii) *in paragraph (1)—*

12 (I) *in subparagraph (A)—*

13 (aa) *by inserting “, general*
14 *service incandescent lamps, inter-*
15 *mediate base incandescent lamps,*
16 *candelabra base incandescent*
17 *lamps,” after “fluorescent lamps”;*

18 (bb) *by inserting “, new*
19 *maximum wattage,” after “lamp*
20 *efficacy”;* and

21 (cc) *by inserting after the*
22 *table entitled “INCANDESCENT RE-*
23 *FLECTOR LAMPS” the following:*

“GENERAL SERVICE INCANDESCENT LAMPS

<i>Rated Lumen Ranges</i>	<i>Maximum Rate Wattage</i>	<i>Minimum Rate Life- time</i>	<i>Effective Date</i>
1490–2600	72	1,000 hrs	1/1/2012
1050–1489	53	1,000 hrs	1/1/2013
750–1049	43	1,000 hrs	1/1/2014
310–749	29	1,000 hrs	1/1/2014

“MODIFIED SPECTRUM GENERAL SERVICE INCANDESCENT LAMPS

<i>Rated Lumen Ranges</i>	<i>Maximum Rate Wattage</i>	<i>Minimum Rate Life- time</i>	<i>Effective Date</i>
1118–1950	72	1,000 hrs	1/1/2012
788–1117	53	1,000 hrs	1/1/2013
563–787	43	1,000 hrs	1/1/2014
232–562	29	1,000 hrs	1/1/2014”;

1

and

2

(II) by striking subparagraph (B)

3

and inserting the following:

4

“(B) APPLICATION.—

5

“(i) APPLICATION CRITERIA.—This

6

subparagraph applies to each lamp that—

7

“(I) is intended for a general

8

service or general illumination appli-

9

cation (whether incandescent or not);

10

“(II) has a medium screw base or

11

any other screw base not defined in

12

ANSI C81.61–2006;

13

“(III) is capable of being operated

14

at a voltage at least partially within

15

the range of 110 to 130 volts; and

1 “(IV) *is manufactured or im-*
2 *ported after December 31, 2011.*

3 “(ii) *REQUIREMENT.—For purposes of*
4 *this paragraph, each lamp described in*
5 *clause (i) shall have a color rendering index*
6 *that is greater than or equal to—*

7 “(I) *80 for nonmodified spectrum*
8 *lamps; or*

9 “(II) *75 for modified spectrum*
10 *lamps.*

11 “(C) *CANDELABRA INCANDESCENT LAMPS*
12 *AND INTERMEDIATE BASE INCANDESCENT*
13 *LAMPS.—*

14 “(i) *CANDELABRA BASE INCANDESCENT*
15 *LAMPS.—A candelabra base incandescent*
16 *lamp shall not exceed 60 rated watts.*

17 “(ii) *INTERMEDIATE BASE INCANDES-*
18 *CENT LAMPS.—An intermediate base incan-*
19 *descent lamp shall not exceed 40 rated*
20 *watts.*

21 “(D) *EXEMPTIONS.—*

22 “(i) *PETITION.—Any person may peti-*
23 *tion the Secretary for an exemption for a*
24 *type of general service lamp from the re-*
25 *quirements of this subsection.*

1 “(ii) *CRITERIA.*—*The Secretary may*
2 *grant an exemption under clause (i) only to*
3 *the extent that the Secretary finds, after a*
4 *hearing and opportunity for public com-*
5 *ment, that it is not technically feasible to*
6 *serve a specialized lighting application*
7 *(such as a military, medical, public safety,*
8 *or certified historic lighting application)*
9 *using a lamp that meets the requirements of*
10 *this subsection.*

11 “(iii) *ADDITIONAL CRITERION.*—*To*
12 *grant an exemption for a product under*
13 *this subparagraph, the Secretary shall in-*
14 *clude, as an additional criterion, that the*
15 *exempted product is unlikely to be used in*
16 *a general service lighting application.*

17 “(E) *EXTENSION OF COVERAGE.*—

18 “(i) *PETITION.*—*Any person may peti-*
19 *tion the Secretary to establish standards for*
20 *lamp shapes or bases that are excluded from*
21 *the definition of general service lamps.*

22 “(ii) *INCREASED SALES OF EXEMPTED*
23 *LAMPS.*—*The petition shall include evidence*
24 *that the availability or sales of exempted in-*
25 *candescent lamps have increased signifi-*

1 *cantly since the date on which the stand-*
2 *ards on general service incandescent lamps*
3 *were established.*

4 “(iii) *CRITERIA.*—*The Secretary shall*
5 *grant a petition under clause (i) if the Sec-*
6 *retary finds that—*

7 “(I) *the petition presents evidence*
8 *that demonstrates that commercial*
9 *availability or sales of exempted incan-*
10 *descent lamp types have increased sig-*
11 *nificantly since the standards on gen-*
12 *eral service lamps were established and*
13 *likely are being widely used in general*
14 *lighting applications; and*

15 “(II) *significant energy savings*
16 *could be achieved by covering exempted*
17 *products, as determined by the Sec-*
18 *retary based on sales data provided to*
19 *the Secretary from manufacturers and*
20 *importers.*

21 “(iv) *NO PRESUMPTION.*—*The grant of*
22 *a petition under this subparagraph shall*
23 *create no presumption with respect to the*
24 *determination of the Secretary with respect*

1 to any criteria under a rulemaking con-
2 ducted under this section.

3 “(v) *EXPEDITED PROCEEDING.*—If the
4 Secretary grants a petition for a lamp
5 shape or base under this subparagraph, the
6 Secretary shall—

7 “(I) conduct a rulemaking to de-
8 termine standards for the exempted
9 lamp shape or base; and

10 “(II) complete the rulemaking not
11 later than 18 months after the date on
12 which notice is provided granting the
13 petition.

14 “(F) *DEFINITION OF EFFECTIVE DATE.*—In
15 this paragraph, except as otherwise provided in
16 a table contained in subparagraph (A), the term
17 ‘effective date’ means the last day of the month
18 specified in the table that follows October 24,
19 1992.”;

20 (iii) in paragraph (5), in the first sen-
21 tence, by striking “and general service in-
22 candescent lamps”;

23 (iv) by redesignating paragraphs (6)
24 and (7) as paragraphs (7) and (8), respec-
25 tively; and

1 (v) by inserting after paragraph (5)
2 the following:

3 “(6) STANDARDS FOR GENERAL SERVICE
4 LAMPS.—

5 “(A) RULEMAKING BEFORE JANUARY 1,
6 2014.—

7 “(i) IN GENERAL.—Not later than Jan-
8 uary 1, 2014, the Secretary shall initiate a
9 rulemaking procedure to determine wheth-
10 er—

11 “(I) standards in effect for general
12 service lamps should be amended to es-
13 tablish more stringent standards than
14 the standards specified in paragraph
15 (1)(A); and

16 “(II) the exemptions for certain
17 incandescent lamps should be main-
18 tained or discontinued based, in part,
19 on exempted lamp sales collected by the
20 Secretary from manufacturers.

21 “(ii) SCOPE.—The rulemaking—

22 “(I) shall not be limited to incan-
23 descent lamp technologies; and

1 “(II) shall include consideration
2 of a minimum standard of 45 lumens
3 per watt for general service lamps.

4 “(iii) AMENDED STANDARDS.—If the
5 Secretary determines that the standards in
6 effect for general service incandescent lamps
7 should be amended, the Secretary shall pub-
8 lish a final rule not later than January 1,
9 2017, with an effective date that is not ear-
10 lier than 3 years after the date on which the
11 final rule is published.

12 “(iv) PHASED-IN EFFECTIVE DATES.—
13 The Secretary shall consider phased-in effec-
14 tive dates under this subparagraph after
15 considering—

16 “(I) the impact of any amend-
17 ment on manufacturers, retiring and
18 repurposing existing equipment,
19 stranded investments, labor contracts,
20 workers, and raw materials; and

21 “(II) the time needed to work with
22 retailers and lighting designers to re-
23 vise sales and marketing strategies.

24 “(v) BACKSTOP REQUIREMENT.—If the
25 Secretary fails to complete a rulemaking in

1 *accordance with clauses (i) through (iv) or*
2 *if the final rule does not produce savings*
3 *that are greater than or equal to the savings*
4 *from a minimum efficacy standard of 45*
5 *lumens per watt, effective beginning Janu-*
6 *ary 1, 2020, the Secretary shall prohibit the*
7 *sale of any general service lamp that does*
8 *not meet a minimum efficacy standard of*
9 *45 lumens per watt.*

10 “(vi) *STATE PREEMPTION.—Neither*
11 *section 327(b) nor any other provision of*
12 *law shall preclude California or Nevada*
13 *from adopting, effective beginning on or*
14 *after January 1, 2018—*

15 “(I) *a final rule adopted by the*
16 *Secretary in accordance with clauses*
17 *(i) through (iv);*

18 “(II) *if a final rule described in*
19 *subclause (I) has not been adopted, the*
20 *backstop requirement under clause (v);*
21 *or*

22 “(III) *in the case of California, if*
23 *a final rule described in subclause (I)*
24 *has not been adopted, any California*
25 *regulations relating to these covered*

1 *products adopted pursuant to State*
2 *statute in effect as of the date of enact-*
3 *ment of the Energy Independence and*
4 *Security Act of 2007.*

5 “(B) *RULEMAKING BEFORE JANUARY 1,*
6 *2020.—*

7 “(i) *IN GENERAL.—Not later than Jan-*
8 *uary 1, 2020, the Secretary shall initiate a*
9 *rulemaking procedure to determine wheth-*
10 *er—*

11 “(I) *standards in effect for general*
12 *service incandescent lamps should be*
13 *amended to reflect lumen ranges with*
14 *more stringent maximum wattage than*
15 *the standards specified in paragraph*
16 *(1)(A); and*

17 “(II) *the exemptions for certain*
18 *incandescent lamps should be main-*
19 *tained or discontinued based, in part,*
20 *on exempted lamp sales data collected*
21 *by the Secretary from manufacturers.*

22 “(ii) *SCOPE.—The rulemaking shall*
23 *not be limited to incandescent lamp tech-*
24 *nologies.*

1 “(iii) *AMENDED STANDARDS.*—If the
2 Secretary determines that the standards in
3 effect for general service incandescent lamps
4 should be amended, the Secretary shall pub-
5 lish a final rule not later than January 1,
6 2022, with an effective date that is not ear-
7 lier than 3 years after the date on which the
8 final rule is published.

9 “(iv) *PHASED-IN EFFECTIVE DATES.*—
10 The Secretary shall consider phased-in effec-
11 tive dates under this subparagraph after
12 considering—

13 “(I) the impact of any amend-
14 ment on manufacturers, retiring and
15 repurposing existing equipment,
16 stranded investments, labor contracts,
17 workers, and raw materials; and

18 “(II) the time needed to work with
19 retailers and lighting designers to re-
20 vise sales and marketing strategies.”;
21 and

22 (B) in subsection (l), by adding at the end
23 the following:

24 “(4) *ENERGY EFFICIENCY STANDARDS FOR CER-*
25 *TAIN LAMPS.*—

1 “(A) *IN GENERAL.*—*The Secretary shall*
2 *prescribe an energy efficiency standard for rough*
3 *service lamps, vibration service lamps, 3-way in-*
4 *candescent lamps, 2,601–3,300 lumen general*
5 *service incandescent lamps, and shatter-resistant*
6 *lamps only in accordance with this paragraph.*

7 “(B) *BENCHMARKS.*—*Not later than 1 year*
8 *after the date of enactment of this paragraph, the*
9 *Secretary, in consultation with the National*
10 *Electrical Manufacturers Association, shall—*

11 “(i) *collect actual data for United*
12 *States unit sales for each of calendar years*
13 *1990 through 2006 for each of the 5 types*
14 *of lamps described in subparagraph (A) to*
15 *determine the historical growth rate of the*
16 *type of lamp; and*

17 “(ii) *construct a model for each type of*
18 *lamp based on coincident economic indica-*
19 *tors that closely match the historical annual*
20 *growth rate of the type of lamp to provide*
21 *a neutral comparison benchmark to model*
22 *future unit sales after calendar year 2006.*

23 “(C) *ACTUAL SALES DATA.*—

24 “(i) *IN GENERAL.*—*Effective for each of*
25 *calendar years 2010 through 2025, the Sec-*

1 retary, in consultation with the National
2 Electrical Manufacturers Association,
3 shall—

4 “(I) collect actual United States
5 unit sales data for each of 5 types of
6 lamps described in subparagraph (A);
7 and

8 “(II) not later than 90 days after
9 the end of each calendar year, compare
10 the lamp sales in that year with the
11 sales predicted by the comparison
12 benchmark for each of the 5 types of
13 lamps described in subparagraph (A).

14 “(ii) CONTINUATION OF TRACKING.—

15 “(I) DETERMINATION.—Not later
16 than January 1, 2023, the Secretary
17 shall determine if actual sales data
18 should be tracked for the lamp types
19 described in subparagraph (A) after
20 calendar year 2025.

21 “(II) CONTINUATION.—If the Sec-
22 retary finds that the market share of a
23 lamp type described in subparagraph
24 (A) could significantly erode the mar-
25 ket share for general service lamps, the

1 *Secretary shall continue to track the*
2 *actual sales data for the lamp type.*

3 *“(D) ROUGH SERVICE LAMPS.—*

4 *“(i) IN GENERAL.—Effective beginning*
5 *with the first year that the reported annual*
6 *sales rate for rough service lamps dem-*
7 *onstrates actual unit sales of rough service*
8 *lamps that achieve levels that are at least*
9 *100 percent higher than modeled unit sales*
10 *for that same year, the Secretary shall—*

11 *“(I) not later than 90 days after*
12 *the end of the previous calendar year,*
13 *issue a finding that the index has been*
14 *exceeded; and*

15 *“(II) not later than the date that*
16 *is 1 year after the end of the previous*
17 *calendar year, complete an accelerated*
18 *rulemaking to establish an energy con-*
19 *servation standard for rough service*
20 *lamps.*

21 *“(ii) BACKSTOP REQUIREMENT.—If the*
22 *Secretary fails to complete an accelerated*
23 *rulemaking in accordance with clause*
24 *(i)(II), effective beginning 1 year after the*
25 *date of the issuance of the finding under*

1 *clause (i)(I), the Secretary shall require*
2 *rough service lamps to—*

3 *“(I) have a shatter-proof coating*
4 *or equivalent technology that is com-*
5 *pliant with NSF/ANSI 51 and is de-*
6 *signed to contain the glass if the glass*
7 *envelope of the lamp is broken and to*
8 *provide effective containment over the*
9 *life of the lamp;*

10 *“(II) have a maximum 40-watt*
11 *limitation; and*

12 *“(III) be sold at retail only in a*
13 *package containing 1 lamp.*

14 *“(E) VIBRATION SERVICE LAMPS.—*

15 *“(i) IN GENERAL.—Effective beginning*
16 *with the first year that the reported annual*
17 *sales rate for vibration service lamps dem-*
18 *onstrates actual unit sales of vibration serv-*
19 *ice lamps that achieve levels that are at*
20 *least 100 percent higher than modeled unit*
21 *sales for that same year, the Secretary*
22 *shall—*

23 *“(I) not later than 90 days after*
24 *the end of the previous calendar year,*

1 *issue a finding that the index has been*
2 *exceeded; and*

3 “(II) *not later than the date that*
4 *is 1 year after the end of the previous*
5 *calendar year, complete an accelerated*
6 *rulemaking to establish an energy con-*
7 *servation standard for vibration service*
8 *lamps.*

9 “(ii) *BACKSTOP REQUIREMENT.—If the*
10 *Secretary fails to complete an accelerated*
11 *rulemaking in accordance with clause*
12 *(i)(II), effective beginning 1 year after the*
13 *date of the issuance of the finding under*
14 *clause (i)(I), the Secretary shall require vi-*
15 *bration service lamps to—*

16 “(I) *have a maximum 40-watt*
17 *limitation; and*

18 “(II) *be sold at retail only in a*
19 *package containing 1 lamp.*

20 “(F) *3-WAY INCANDESCENT LAMPS.—*

21 “(i) *IN GENERAL.—Effective beginning*
22 *with the first year that the reported annual*
23 *sales rate for 3-way incandescent lamps*
24 *demonstrates actual unit sales of 3-way in-*
25 *candescent lamps that achieve levels that*

1 are at least 100 percent higher than mod-
2 eled unit sales for that same year, the Sec-
3 retary shall—

4 “(I) not later than 90 days after
5 the end of the previous calendar year,
6 issue a finding that the index has been
7 exceeded; and

8 “(II) not later than the date that
9 is 1 year after the end of the previous
10 calendar year, complete an accelerated
11 rulemaking to establish an energy con-
12 servation standard for 3-way incandes-
13 cent lamps.

14 “(ii) *BACKSTOP REQUIREMENT.*—If the
15 Secretary fails to complete an accelerated
16 rulemaking in accordance with clause
17 (i)(II), effective beginning 1 year after the
18 date of issuance of the finding under clause
19 (i)(I), the Secretary shall require that—

20 “(I) each filament in a 3-way in-
21 candescent lamp meet the new max-
22 imum wattage requirements for the re-
23 spective lumen range established under
24 subsection (i)(1)(A); and

1 “(II) 3-way lamps be sold at re-
2 tail only in a package containing 1
3 lamp.

4 “(G) 2,601–3,300 LUMEN GENERAL SERVICE
5 INCANDESCENT LAMPS.—Effective beginning
6 with the first year that the reported annual sales
7 rate demonstrates actual unit sales of 2,601–
8 3,300 lumen general service incandescent lamps
9 in the lumen range of 2,601 through 3,300
10 lumens (or, in the case of a modified spectrum,
11 in the lumen range of 1,951 through 2,475
12 lumens) that achieve levels that are at least 100
13 percent higher than modeled unit sales for that
14 same year, the Secretary shall impose—

15 “(i) a maximum 95-watt limitation on
16 general service incandescent lamps in the
17 lumen range of 2,601 through 3,300 lumens;
18 and

19 “(ii) a requirement that those lamps be
20 sold at retail only in a package containing
21 1 lamp.

22 “(H) SHATTER-RESISTANT LAMPS.—

23 “(i) IN GENERAL.—Effective beginning
24 with the first year that the reported annual
25 sales rate for shatter-resistant lamps dem-

1 *onstrates actual unit sales of shatter-resist-*
2 *ant lamps that achieve levels that are at*
3 *least 100 percent higher than modeled unit*
4 *sales for that same year, the Secretary*
5 *shall—*

6 *“(I) not later than 90 days after*
7 *the end of the previous calendar year,*
8 *issue a finding that the index has been*
9 *exceeded; and*

10 *“(II) not later than the date that*
11 *is 1 year after the end of the previous*
12 *calendar year, complete an accelerated*
13 *rulemaking to establish an energy con-*
14 *servation standard for shatter-resistant*
15 *lamps.*

16 *“(i) BACKSTOP REQUIREMENT.—If the*
17 *Secretary fails to complete an accelerated*
18 *rulemaking in accordance with clause*
19 *(i)(II), effective beginning 1 year after the*
20 *date of issuance of the finding under clause*
21 *(i)(I), the Secretary shall impose—*

22 *“(I) a maximum wattage limita-*
23 *tion of 40 watts on shatter resistant*
24 *lamps; and*

1 “(II) a requirement that those
2 lamps be sold at retail only in a pack-
3 age containing 1 lamp.

4 “(I) RULEMAKINGS BEFORE JANUARY 1,
5 2025.—

6 “(i) IN GENERAL.—Except as provided
7 in clause (ii), if the Secretary issues a final
8 rule prior to January 1, 2025, establishing
9 an energy conservation standard for any of
10 the 5 types of lamps for which data collec-
11 tion is required under any of subpara-
12 graphs (D) through (G), the requirement to
13 collect and model data for that type of lamp
14 shall terminate unless, as part of the rule-
15 making, the Secretary determines that con-
16 tinued tracking is necessary.

17 “(ii) BACKSTOP REQUIREMENT.—If the
18 Secretary imposes a backstop requirement
19 as a result of a failure to complete an accel-
20 erated rulemaking in accordance with
21 clause (i)(II) of any of subparagraphs (D)
22 through (G), the requirement to collect and
23 model data for the applicable type of lamp
24 shall continue for an additional 2 years

1 *after the effective date of the backstop re-*
2 *quirement.”.*

3 **(b) CONSUMER EDUCATION AND LAMP LABELING.—**
4 *Section 324(a)(2)(C) of the Energy Policy and Conserva-*
5 *tion Act (42 U.S.C. 6294(a)(2)(C)) is amended by adding*
6 *at the end the following:*

7 **“(iii) RULEMAKING TO CONSIDER EF-**
8 **FECTIVENESS OF LAMP LABELING.—**

9 **“(I) IN GENERAL.—***Not later than*
10 *1 year after the date of enactment of*
11 *this clause, the Commission shall ini-*
12 *tiate a rulemaking to consider—*

13 **“(aa) the effectiveness of cur-**
14 **rent lamp labeling for power lev-**
15 **els or watts, light output or**
16 **lumens, and lamp lifetime; and**

17 **“(bb) alternative labeling ap-**
18 **proaches that will help consumers**
19 **to understand new high-efficiency**
20 **lamp products and to base the**
21 **purchase decisions of the con-**
22 **sumers on the most appropriate**
23 **source that meets the requirements**
24 **of the consumers for lighting level,**

1 *light quality, lamp lifetime, and*
2 *total lifecycle cost.*

3 “(II) *COMPLETION.*—*The Com-*
4 *mission shall—*

5 “*(aa) complete the rule-*
6 *making not later than the date*
7 *that is 30 months after the date of*
8 *enactment of this clause; and*

9 “*(bb) consider reopening the*
10 *rulemaking not later than 180*
11 *days before the effective dates of*
12 *the standards for general service*
13 *incandescent lamps established*
14 *under section 325(i)(1)(A), if the*
15 *Commission determines that fur-*
16 *ther labeling changes are needed*
17 *to help consumers understand*
18 *lamp alternatives.”.*

19 “(c) *MARKET ASSESSMENTS AND CONSUMER AWARE-*
20 *NESS PROGRAM.*—

21 “(1) *IN GENERAL.*—*In cooperation with the Ad-*
22 *ministrator of the Environmental Protection Agency,*
23 *the Secretary of Commerce, the Federal Trade Com-*
24 *mission, lighting and retail industry associations, en-*
25 *ergy efficiency organizations, and any other entities*

1 *that the Secretary of Energy determines to be appro-*
2 *priate, the Secretary of Energy shall—*

3 *(A) conduct an annual assessment of the*
4 *market for general service lamps and compact*
5 *fluorescent lamps—*

6 *(i) to identify trends in the market*
7 *shares of lamp types, efficiencies, and light*
8 *output levels purchased by residential and*
9 *nonresidential consumers; and*

10 *(ii) to better understand the degree to*
11 *which consumer decisionmaking is based on*
12 *lamp power levels or watts, light output or*
13 *lumens, lamp lifetime, and other factors, in-*
14 *cluding information required on labels*
15 *mandated by the Federal Trade Commis-*
16 *sion;*

17 *(B) provide the results of the market assess-*
18 *ment to the Federal Trade Commission for con-*
19 *sideration in the rulemaking described in section*
20 *324(a)(2)(C)(iii) of the Energy Policy and Con-*
21 *servaion Act (42 U.S.C. 6294(a)(2)(C)(iii)); and*

22 *(C) in cooperation with industry trade as-*
23 *sociations, lighting industry members, utilities,*
24 *and other interested parties, carry out a*
25 *proactive national program of consumer aware-*

1 *ness, information, and education that broadly*
2 *uses the media and other effective communica-*
3 *tion techniques over an extended period of time*
4 *to help consumers understand the lamp labels*
5 *and make energy-efficient lighting choices that*
6 *meet the needs of consumers.*

7 (2) *AUTHORIZATION OF APPROPRIATIONS.—*
8 *There is authorized to be appropriated to carry out*
9 *this subsection \$10,000,000 for each of fiscal years*
10 *2009 through 2012.*

11 (d) *GENERAL RULE OF PREEMPTION FOR ENERGY*
12 *CONSERVATION STANDARDS BEFORE FEDERAL STANDARD*
13 *BECOMES EFFECTIVE FOR A PRODUCT.—Section 327(b)(1)*
14 *of the Energy Policy and Conservation Act (42 U.S.C.*
15 *6297(b)(1)) is amended—*

16 (1) *by inserting “(A)” after “(1)”;*

17 (2) *by inserting “or” after the semicolon at the*
18 *end; and*

19 (3) *by adding at the end the following:*

20 *“(B) in the case of any portion of any regulation*
21 *that establishes requirements for general service in-*
22 *candescent lamps, intermediate base incandescent*
23 *lamps, or candelabra base lamps, was enacted or*
24 *adopted by the States of California or Nevada before*
25 *December 4, 2007, except that—*

1 “(i) the regulation adopted by the Cali-
2 fornia Energy Commission with an effective date
3 of January 1, 2008, shall only be effective until
4 the effective date of the Federal standard for the
5 applicable lamp category under subparagraphs
6 (A), (B), and (C) of section 325(i)(1);

7 “(ii) the States of California and Nevada
8 may, at any time, modify or adopt a State
9 standard for general service lamps to conform
10 with Federal standards with effective dates no
11 earlier than 12 months prior to the Federal effec-
12 tive dates prescribed under subparagraphs (A),
13 (B), and (C) of section 325(i)(1), at which time
14 any prior regulations adopted by the States of
15 California or Nevada shall no longer be effective;
16 and

17 “(iii) all other States may, at any time,
18 modify or adopt a State standard for general
19 service lamps to conform with Federal standards
20 and effective dates.”.

21 (e) *PROHIBITED ACTS.*—Section 332(a) of the Energy
22 Policy and Conservation Act (42 U.S.C. 6302(a)) is amend-
23 ed—

24 (1) in paragraph (4), by striking “or” at the
25 end;

1 (2) *in paragraph (5), by striking the period at*
2 *the end and inserting “; or”; and*

3 (3) *by adding at the end the following:*

4 “(6) *for any manufacturer, distributor, retailer,*
5 *or private labeler to distribute in commerce an adapt-*
6 *er that—*

7 “(A) *is designed to allow an incandescent*
8 *lamp that does not have a medium screw base to*
9 *be installed into a fixture or lampholder with a*
10 *medium screw base socket; and*

11 “(B) *is capable of being operated at a volt-*
12 *age range at least partially within 110 and 130*
13 *volts.”.*

14 (f) *ENFORCEMENT.—Section 334 of the Energy Policy*
15 *and Conservation Act (42 U.S.C. 6304) is amended by in-*
16 *serting after the second sentence the following: “Any such*
17 *action to restrain any person from distributing in com-*
18 *merce a general service incandescent lamp that does not*
19 *comply with the applicable standard established under sec-*
20 *tion 325(i) or an adapter prohibited under section*
21 *332(a)(6) may also be brought by the attorney general of*
22 *a State in the name of the State.”.*

23 (g) *RESEARCH AND DEVELOPMENT PROGRAM.—*

1 (1) *IN GENERAL.*—*The Secretary may carry out*
2 *a lighting technology research and development pro-*
3 *gram—*

4 (A) *to support the research, development,*
5 *demonstration, and commercial application of*
6 *lamps and related technologies sold, offered for*
7 *sale, or otherwise made available in the United*
8 *States; and*

9 (B) *to assist manufacturers of general serv-*
10 *ice lamps in the manufacturing of general serv-*
11 *ice lamps that, at a minimum, achieve the watt-*
12 *age requirements imposed as a result of the*
13 *amendments made by subsection (a).*

14 (2) *AUTHORIZATION OF APPROPRIATIONS.*—
15 *There are authorized to be appropriated to carry out*
16 *this subsection \$10,000,000 for each of fiscal years*
17 *2008 through 2013.*

18 (3) *TERMINATION OF AUTHORITY.*—*The program*
19 *under this subsection shall terminate on September*
20 *30, 2015.*

21 (h) *REPORTS TO CONGRESS.*—

22 (1) *REPORT ON MERCURY USE AND RELEASE.*—
23 *Not later than 1 year after the date of enactment of*
24 *this Act, the Secretary , in cooperation with the Ad-*
25 *ministrator of the Environmental Protection Agency,*

1 *shall submit to Congress a report describing rec-*
2 *ommendations relating to the means by which the*
3 *Federal Government may reduce or prevent the re-*
4 *lease of mercury during the manufacture, transpor-*
5 *tation, storage, or disposal of light bulbs.*

6 (2) *REPORT ON RULEMAKING SCHEDULE.—Be-*
7 *ginning on July 1, 2013 and semiannually through*
8 *July 1, 2016, the Secretary shall submit to the Com-*
9 *mittee on Energy and Commerce of the House of Rep-*
10 *resentatives and the Committee on Energy and Nat-*
11 *ural Resources of the Senate a report on—*

12 (A) *whether the Secretary will meet the*
13 *deadlines for the rulemakings required under this*
14 *section;*

15 (B) *a description of any impediments to*
16 *meeting the deadlines; and*

17 (C) *a specific plan to remedy any failures,*
18 *including recommendations for additional legis-*
19 *lation or resources.*

20 (3) *NATIONAL ACADEMY REVIEW.—*

21 (A) *IN GENERAL.—Not later than December*
22 *31, 2009, the Secretary shall enter into an ar-*
23 *rangement with the National Academy of*
24 *Sciences to provide a report by December 31,*

1 2013, and an updated report by July 31, 2015.

2 *The report should include—*

3 *(i) the status of advanced solid state*
4 *lighting research, development, demonstra-*
5 *tion and commercialization;*

6 *(ii) the impact on the types of lighting*
7 *available to consumers of an energy con-*
8 *servation standard requiring a minimum of*
9 *45 lumens per watt for general service light-*
10 *ing effective in 2020; and*

11 *(iii) the time frame for the commer-*
12 *cialization of lighting that could replace*
13 *current incandescent and halogen incandes-*
14 *cent lamp technology and any other new*
15 *technologies developed to meet the minimum*
16 *standards required under subsection (a) (3)*
17 *of this section.*

18 *(B) REPORTS.—The reports shall be trans-*
19 *mitted to the Committee on Energy and Com-*
20 *merce of the House of Representatives and the*
21 *Committee on Energy and Natural Resources of*
22 *the Senate.*

1 **SEC. 322. INCANDESCENT REFLECTOR LAMP EFFICIENCY**
 2 **STANDARDS.**

3 (a) *DEFINITIONS.*—Section 321 of the Energy Policy
 4 and Conservation Act (42 U.S.C. 6291) (as amended by sec-
 5 tion 316(c)(1)(D)) is amended—

6 (1) in paragraph (30)(C)(ii)—

7 (A) in the matter preceding subclause (I)—

8 (i) by striking “or similar bulb shapes
 9 (excluding ER or BR)” and inserting “ER,
 10 BR, BPAR, or similar bulb shapes”; and

11 (ii) by striking “2.75” and inserting
 12 “2.25”; and

13 (B) by striking “is either—” and all that
 14 follows through subclause (II) and inserting “has
 15 a rated wattage that is 40 watts or higher”; and

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

17 “(54) **BPAR INCANDESCENT REFLECTOR**
 18 **LAMP.**—The term ‘BPAR incandescent reflector lamp’
 19 means a reflector lamp as shown in figure C78.21–
 20 278 on page 32 of ANSI C78.21–2003.

21 “(55) **BR INCANDESCENT REFLECTOR LAMP;**
 22 **BR30; BR40.**—

23 “(A) **BR INCANDESCENT REFLECTOR**
 24 **LAMP.**—The term ‘BR incandescent reflector
 25 lamp’ means a reflector lamp that has—

1 “(i) a bulged section below the major
2 diameter of the bulb and above the approxi-
3 mate baseline of the bulb, as shown in fig-
4 ure 1 (RB) on page 7 of ANSI C79.1–1994,
5 incorporated by reference in section 430.22
6 of title 10, Code of Federal Regulations (as
7 in effect on the date of enactment of this
8 paragraph); and

9 “(ii) a finished size and shape shown
10 in ANSI C78.21–1989, including the ref-
11 erenced reflective characteristics in part 7 of
12 ANSI C78.21–1989, incorporated by ref-
13 erence in section 430.22 of title 10, Code of
14 Federal Regulations (as in effect on the date
15 of enactment of this paragraph).

16 “(B) BR₃₀.—The term ‘BR₃₀’ means a BR
17 incandescent reflector lamp with a diameter of
18 30/8ths of an inch.

19 “(C) BR₄₀.—The term ‘BR₄₀’ means a BR
20 incandescent reflector lamp with a diameter of
21 40/8ths of an inch.

22 “(56) ER INCANDESCENT REFLECTOR LAMP;
23 ER₃₀; ER₄₀.—

1 “(A) *ER INCANDESCENT REFLECTOR*
2 *LAMP.*—*The term ‘ER incandescent reflector*
3 *lamp’ means a reflector lamp that has—*

4 “(i) *an elliptical section below the*
5 *major diameter of the bulb and above the*
6 *approximate baseline of the bulb, as shown*
7 *in figure 1 (RE) on page 7 of ANSI C79.1–*
8 *1994, incorporated by reference in section*
9 *430.22 of title 10, Code of Federal Regula-*
10 *tions (as in effect on the date of enactment*
11 *of this paragraph); and*

12 “(ii) *a finished size and shape shown*
13 *in ANSI C78.21–1989, incorporated by ref-*
14 *erence in section 430.22 of title 10, Code of*
15 *Federal Regulations (as in effect on the date*
16 *of enactment of this paragraph).*

17 “(B) *ER₃₀.*—*The term ‘ER₃₀’ means an*
18 *ER incandescent reflector lamp with a diameter*
19 *of 30/8ths of an inch.*

20 “(C) *ER₄₀.*—*The term ‘ER₄₀’ means an*
21 *ER incandescent reflector lamp with a diameter*
22 *of 40/8ths of an inch.*

23 “(57) *R20 INCANDESCENT REFLECTOR LAMP.*—
24 *The term ‘R20 incandescent reflector lamp’ means a*
25 *reflector lamp that has a face diameter of approxi-*

1 *mately 2.5 inches, as shown in figure 1(R) on page*
 2 *7 of ANSI C79.1–1994.”.*

3 *(b) STANDARDS FOR FLUORESCENT LAMPS AND IN-*
 4 *CANDESCENT REFLECTOR LAMPS.—Section 325(i) of the*
 5 *Energy Policy and Conservation Act (42 U.S.C. 6995(i))*
 6 *is amended by striking paragraph (1) and inserting the fol-*
 7 *lowing:*

8 *“(1) STANDARDS.—*

9 *“(A) DEFINITION OF EFFECTIVE DATE.—In*
 10 *this paragraph (other than subparagraph (D)),*
 11 *the term ‘effective date’ means, with respect to*
 12 *each type of lamp specified in a table contained*
 13 *in subparagraph (B), the last day of the period*
 14 *of months corresponding to that type of lamp (as*
 15 *specified in the table) that follows October 24,*
 16 *1992.*

17 *“(B) MINIMUM STANDARDS.—Each of the*
 18 *following general service fluorescent lamps and*
 19 *incandescent reflector lamps manufactured after*
 20 *the effective date specified in the tables contained*
 21 *in this paragraph shall meet or exceed the fol-*
 22 *lowing lamp efficacy and CRI standards:*

“FLUORESCENT LAMPS

<i>Lamp Type</i>	<i>Nominal Lamp Wattage</i>	<i>Minimum CRI</i>	<i>Minimum Average Lamp Efficacy (LPW)</i>	<i>Effective Date (Pe- riod of Months)</i>
<i>4-foot medium bi-pin</i>	<i>>35 W</i>	<i>69</i>	<i>75.0</i>	<i>36</i>
	<i>≤35 W</i>	<i>45</i>	<i>75.0</i>	<i>36</i>
<i>2-foot U-shaped</i>	<i>>35 W</i>	<i>69</i>	<i>68.0</i>	<i>36</i>

“FLUORESCENT LAMPS—Continued

<i>Lamp Type</i>	<i>Nominal Lamp Wattage</i>	<i>Minimum CRI</i>	<i>Minimum Average Lamp Efficacy (LPW)</i>	<i>Effective Date (Period of Months)</i>
	≤35 W	45	64.0	36
8-foot slimline	65 W	69	80.0	18
	≤65 W	45	80.0	18
8-foot high output	>100 W	69	80.0	18
	≤100 W	45	80.0	18

“INCANDESCENT REFLECTOR LAMPS

<i>Nominal Lamp Wattage</i>	<i>Minimum Average Lamp Efficacy (LPW)</i>	<i>Effective Date (Period of Months)</i>
40–50	10.5	36
51–66	11.0	36
67–85	12.5	36
86–115	14.0	36
116–155	14.5	36
156–205	15.0	36

1 “(C) *EXEMPTIONS.*—*The standards speci-*
 2 *fied in subparagraph (B) shall not apply to the*
 3 *following types of incandescent reflector lamps:*

4 “(i) *Lamps rated at 50 watts or less*
 5 *that are ER30, BR30, BR40, or ER40*
 6 *lamps.*

7 “(ii) *Lamps rated at 65 watts that are*
 8 *BR30, BR40, or ER40 lamps.*

9 “(iii) *R20 incandescent reflector lamps*
 10 *rated 45 watts or less.*

11 “(D) *EFFECTIVE DATES.*—

12 “(i) *ER, BR, AND BPAR LAMPS.*—*The*
 13 *standards specified in subparagraph (B)*
 14 *shall apply with respect to ER incandescent*
 15 *reflector lamps, BR incandescent reflector*

1 *lamps, BPAR incandescent reflector lamps,*
2 *and similar bulb shapes on and after Janu-*
3 *ary 1, 2008.*

4 “(ii) *LAMPS BETWEEN 2.25–2.75*
5 *INCHES IN DIAMETER.—The standards spec-*
6 *ified in subparagraph (B) shall apply with*
7 *respect to incandescent reflector lamps with*
8 *a diameter of more than 2.25 inches, but*
9 *not more than 2.75 inches, on and after the*
10 *later of January 1, 2008, or the date that*
11 *is 180 days after the date of enactment of*
12 *the Energy Independence and Security Act*
13 *of 2007.”.*

14 **SEC. 323. PUBLIC BUILDING ENERGY EFFICIENT AND RE-**
15 **NEWABLE ENERGY SYSTEMS.**

16 (a) *ESTIMATE OF ENERGY PERFORMANCE IN PRO-*
17 *SPECTUS.—Section 3307(b) of title 40, United States Code,*
18 *is amended—*

19 (1) *by striking “and” at the end of paragraph*

20 (5);

21 (2) *by striking the period at the end of para-*
22 *graph (6) and inserting “; and”; and*

23 (3) *by inserting after paragraph (6) the fol-*
24 *lowing:*

1 “(7) with respect to any prospectus for the con-
2 struction, alteration, or acquisition of any building or
3 space to be leased, an estimate of the future energy
4 performance of the building or space and a specific
5 description of the use of energy efficient and renew-
6 able energy systems, including photovoltaic systems,
7 in carrying out the project.”.

8 (b) *MINIMUM PERFORMANCE REQUIREMENTS FOR*
9 *LEASED SPACE.*—Section 3307 of such of title is amend-
10 ed—

11 (1) by redesignating subsections (f) and (g) as
12 subsections (g) and (h), respectively; and

13 (2) by inserting after subsection (e) the following:

14 “(f) *MINIMUM PERFORMANCE REQUIREMENTS FOR*
15 *LEASED SPACE.*—With respect to space to be leased, the Ad-
16 ministrators shall include, to the maximum extent prac-
17 ticable, minimum performance requirements requiring en-
18 ergy efficiency and the use of renewable energy.”.

19 (c) *USE OF ENERGY EFFICIENT LIGHTING FIXTURES*
20 *AND BULBS.*—

21 (1) *IN GENERAL.*—Chapter 33 of such title is
22 amended—

23 (A) by redesignating sections 3313, 3314,
24 and 3315 as sections 3314, 3315, and 3316, re-
25 spectively; and

1 (B) by inserting after section 3312 the fol-
2 lowing:

3 **“§ 3313. Use of energy efficient lighting fixtures and**
4 **bulbs**

5 “(a) CONSTRUCTION, ALTERATION, AND ACQUISITION
6 OF PUBLIC BUILDINGS.—Each public building constructed,
7 altered, or acquired by the Administrator of General Serv-
8 ices shall be equipped, to the maximum extent feasible as
9 determined by the Administrator, with lighting fixtures and
10 bulbs that are energy efficient.

11 “(b) MAINTENANCE OF PUBLIC BUILDINGS.—Each
12 lighting fixture or bulb that is replaced by the Adminis-
13 trator in the normal course of maintenance of public build-
14 ings shall be replaced, to the maximum extent feasible, with
15 a lighting fixture or bulb that is energy efficient.

16 “(c) CONSIDERATIONS.—In making a determination
17 under this section concerning the feasibility of installing
18 a lighting fixture or bulb that is energy efficient, the Ad-
19 ministrator shall consider—

20 “(1) the life-cycle cost effectiveness of the fixture
21 or bulb;

22 “(2) the compatibility of the fixture or bulb with
23 existing equipment;

24 “(3) whether use of the fixture or bulb could re-
25 sult in interference with productivity;

1 “(4) *the aesthetics relating to use of the fixture*
2 *or bulb; and*

3 “(5) *such other factors as the Administrator de-*
4 *termines appropriate.*

5 “(d) *ENERGY STAR.—A lighting fixture or bulb shall*
6 *be treated as being energy efficient for purposes of this sec-*
7 *tion if—*

8 “(1) *the fixture or bulb is certified under the En-*
9 *ergy Star program established by section 324A of the*
10 *Energy Policy and Conservation Act (42 U.S.C.*
11 *6294a);*

12 “(2) *in the case of all light-emitting diode*
13 *(LED) luminaires, lamps, and systems whose efficacy*
14 *(lumens per watt) and Color Rendering Index (CRI)*
15 *meet the Department of Energy requirements for min-*
16 *imum luminaire efficacy and CRI for the Energy*
17 *Star certification, as verified by an independent*
18 *third-party testing laboratory that the Administrator*
19 *and the Secretary of Energy determine conducts its*
20 *tests according to the procedures and recommenda-*
21 *tions of the Illuminating Engineering Society of*
22 *North America, even if the luminaires, lamps, and*
23 *systems have not received such certification; or*

1 “(3) *the Administrator and the Secretary of En-*
2 *ergy have otherwise determined that the fixture or*
3 *bulb is energy efficient.*

4 “(e) *ADDITIONAL ENERGY EFFICIENT LIGHTING DES-*
5 *IGNATIONS.—The Administrator of the Environmental Pro-*
6 *tection Agency and the Secretary of Energy shall give pri-*
7 *ority to establishing Energy Star performance criteria or*
8 *Federal Energy Management Program designations for ad-*
9 *ditional lighting product categories that are appropriate for*
10 *use in public buildings.*

11 “(f) *GUIDELINES.—The Administrator shall develop*
12 *guidelines for the use of energy efficient lighting tech-*
13 *nologies that contain mercury in child care centers in pub-*
14 *lic buildings.*

15 “(g) *APPLICABILITY OF BUY AMERICAN ACT.—Acqui-*
16 *sitions carried out pursuant to this section shall be subject*
17 *to the requirements of the Buy American Act (41 U.S.C.*
18 *10c et seq.).*

19 “(h) *EFFECTIVE DATE.—The requirements of sub-*
20 *sections (a) and (b) shall take effect one year after the date*
21 *of enactment of this subsection.”.*

22 (2) *CLERICAL AMENDMENT.—The analysis for*
23 *such chapter is amended by striking the items relat-*
24 *ing to sections 3313, 3314, and 3315 and inserting*
25 *the following:*

“3313. *Use of energy efficient lighting fixtures and bulbs.*

“3314. *Delegation.*

“3315. *Report to Congress.*

“3316. *Certain authority not affected.*”.

1 (d) *EVALUATION FACTOR.*—Section 3310 of such title
2 *is amended—*

3 (1) *by redesignating paragraphs (3), (4), and (5)*
4 *as paragraphs (4), (5), and (6), respectively; and*

5 (2) *by inserting after paragraph (2) the fol-*
6 *lowing:*

7 “(3) *shall include in the solicitation for any*
8 *lease requiring a prospectus under section 3307 an*
9 *evaluation factor considering the extent to which the*
10 *offeror will promote energy efficiency and the use of*
11 *renewable energy;*”.

12 **SEC. 324. METAL HALIDE LAMP FIXTURES.**

13 (a) *DEFINITIONS.*—Section 321 of the Energy Policy
14 *and Conservation Act (42 U.S.C. 6291) (as amended by sec-*
15 *tion 322(a)(2)) is amended by adding at the end the fol-*
16 *lowing:*

17 “(58) *BALLAST.*—The term ‘ballast’ means a de-
18 *vice used with an electric discharge lamp to obtain*
19 *necessary circuit conditions (voltage, current, and*
20 *waveform) for starting and operating.*

21 “(59) *BALLAST EFFICIENCY.*—

22 “(A) *IN GENERAL.*—The term ‘ballast effi-
23 *ciency’ means, in the case of a high intensity*
24 *discharge fixture, the efficiency of a lamp and*

1 *ballast combination, expressed as a percentage,*
2 *and calculated in accordance with the following*
3 *formula: Efficiency = $P_{\text{out}}/P_{\text{in}}$.*

4 “(B) *EFFICIENCY FORMULA.—For the pur-*
5 *pose of subparagraph (A)—*

6 “(i) *P_{out} shall equal the measured op-*
7 *erating lamp wattage;*

8 “(ii) *P_{in} shall equal the measured oper-*
9 *ating input wattage;*

10 “(iii) *the lamp, and the capacitor*
11 *when the capacitor is provided, shall con-*
12 *stitute a nominal system in accordance*
13 *with the ANSI Standard C78.43-2004;*

14 “(iv) *for ballasts with a frequency of*
15 *60 Hz, P_{in} and P_{out} shall be measured after*
16 *lamps have been stabilized according to sec-*
17 *tion 4.4 of ANSI Standard C82.6-2005*
18 *using a wattmeter with accuracy specified*
19 *in section 4.5 of ANSI Standard C82.6-*
20 *2005; and*

21 “(v) *for ballasts with a frequency*
22 *greater than 60 Hz, P_{in} and P_{out} shall have*
23 *a basic accuracy of ± 0.5 percent at the*
24 *higher of—*

1 “(I) 3 times the output operating
2 frequency of the ballast; or

3 “(II) 2 kHz for ballast with a fre-
4 quency greater than 60 Hz.

5 “(C) MODIFICATION.—The Secretary may,
6 by rule, modify the definition of ‘ballast effi-
7 ciency’ if the Secretary determines that the
8 modification is necessary or appropriate to
9 carry out the purposes of this Act.

10 “(60) ELECTRONIC BALLAST.—The term ‘elec-
11 tronic ballast’ means a device that uses semiconduc-
12 tors as the primary means to control lamp starting
13 and operation.

14 “(61) GENERAL LIGHTING APPLICATION.—The
15 term ‘general lighting application’ means lighting
16 that provides an interior or exterior area with overall
17 illumination.

18 “(62) METAL HALIDE BALLAST.—The term
19 ‘metal halide ballast’ means a ballast used to start
20 and operate metal halide lamps.

21 “(63) METAL HALIDE LAMP.—The term ‘metal
22 halide lamp’ means a high intensity discharge lamp
23 in which the major portion of the light is produced
24 by radiation of metal halides and their products of

1 *dissociation, possibly in combination with metallic*
2 *vapors.*

3 “(64) *METAL HALIDE LAMP FIXTURE.*—*The term*
4 *‘metal halide lamp fixture’ means a light fixture for*
5 *general lighting application designed to be operated*
6 *with a metal halide lamp and a ballast for a metal*
7 *halide lamp.*

8 “(65) *PROBE-START METAL HALIDE BALLAST.*—
9 *The term ‘probe-start metal halide ballast’ means a*
10 *ballast that—*

11 “(A) *starts a probe-start metal halide lamp*
12 *that contains a third starting electrode (probe)*
13 *in the arc tube; and*

14 “(B) *does not generally contain an igniter*
15 *but instead starts lamps with high ballast open*
16 *circuit voltage.*

17 “(66) *PULSE-START METAL HALIDE BALLAST.*—

18 “(A) *IN GENERAL.*—*The term ‘pulse-start*
19 *metal halide ballast’ means an electronic or elec-*
20 *tromagnetic ballast that starts a pulse-start*
21 *metal halide lamp with high voltage pulses.*

22 “(B) *STARTING PROCESS.*—*For the purpose*
23 *of subparagraph (A)—*

1 “(i) lamps shall be started by first pro-
2 viding a high voltage pulse for ionization of
3 the gas to produce a glow discharge; and

4 “(ii) to complete the starting process,
5 power shall be provided by the ballast to
6 sustain the discharge through the glow-to-
7 arc transition.”.

8 (b) *COVERAGE*.—Section 322(a) of the Energy Policy
9 and Conservation Act (42 U.S.C. 6292(a)) is amended—

10 (1) by redesignating paragraph (19) as para-
11 graph (20); and

12 (2) by inserting after paragraph (18) the fol-
13 lowing:

14 “(19) Metal halide lamp fixtures.”.

15 (c) *TEST PROCEDURES*.—Section 323(b) of the Energy
16 Policy and Conservation Act (42 U.S.C. 6293(b)) (as
17 amended by section 301(b)) is amended by adding at the
18 end the following:

19 “(18) *METAL HALIDE LAMP BALLASTS*.—Test
20 procedures for metal halide lamp ballasts shall be
21 based on ANSI Standard C82.6-2005, entitled ‘Bal-
22 lasts for High Intensity Discharge Lamps—Method of
23 Measurement’.”.

1 (d) *LABELING.*—Section 324(a)(2) of the *Energy Pol-*
2 *icy and Conservation Act* (42 U.S.C. 6294(a)(2)) is amend-
3 *ed—*

4 (1) *by redesignating subparagraphs (C) through*
5 *(G) as subparagraphs (D) through (H), respectively;*
6 *and*

7 (2) *by inserting after subparagraph (B) the fol-*
8 *lowing:*

9 “(C) *METAL HALIDE LAMP FIXTURES.*—

10 “(i) *IN GENERAL.*—*The Commission*
11 *shall issue labeling rules under this section*
12 *applicable to the covered product specified*
13 *in section 322(a)(19) and to which stand-*
14 *ards are applicable under section 325.*

15 “(ii) *LABELING.*—*The rules shall pro-*
16 *vide that the labeling of any metal halide*
17 *lamp fixture manufactured on or after the*
18 *later of January 1, 2009, or the date that*
19 *is 270 days after the date of enactment of*
20 *this subparagraph, shall indicate conspicu-*
21 *ously, in a manner prescribed by the Com-*
22 *mission under subsection (b) by July 1,*
23 *2008, a capital letter ‘E’ printed within a*
24 *circle on the packaging of the fixture, and*
25 *on the ballast contained in the fixture.”.*

1 (e) *STANDARDS.—Section 325 of the Energy Policy*
2 *and Conservation Act (42 U.S.C. 6295) (as amended by sec-*
3 *tion 310) is amended—*

4 (1) *by redesignating subsection (hh) as sub-*
5 *section (ii);*

6 (2) *by inserting after subsection (gg) the fol-*
7 *lowing:*

8 “(hh) *METAL HALIDE LAMP FIXTURES.—*

9 “(1) *STANDARDS.—*

10 “(A) *IN GENERAL.—Subject to subpara-*
11 *graphs (B) and (C), metal halide lamp fixtures*
12 *designed to be operated with lamps rated greater*
13 *than or equal to 150 watts but less than or equal*
14 *to 500 watts shall contain—*

15 “(i) *a pulse-start metal halide ballast*
16 *with a minimum ballast efficiency of 88*
17 *percent;*

18 “(ii) *a magnetic probe-start ballast*
19 *with a minimum ballast efficiency of 94*
20 *percent; or*

21 “(iii) *a nonpulse-start electronic bal-*
22 *last with—*

23 “(I) *a minimum ballast efficiency*
24 *of 92 percent for wattages greater than*
25 *250 watts; and*

1 “(II) a minimum ballast effi-
2 ciency of 90 percent for wattages less
3 than or equal to 250 watts.

4 “(B) EXCLUSIONS.—The standards estab-
5 lished under subparagraph (A) shall not apply
6 to—

7 “(i) fixtures with regulated lag bal-
8 lasts;

9 “(ii) fixtures that use electronic bal-
10 lasts that operate at 480 volts; or

11 “(iii) fixtures that—

12 “(I) are rated only for 150 watt
13 lamps;

14 “(II) are rated for use in wet lo-
15 cations, as specified by the National
16 Electrical Code 2002, section 410.4(A);
17 and

18 “(III) contain a ballast that is
19 rated to operate at ambient air tem-
20 peratures above 50° C, as specified by
21 UL 1029–2001.

22 “(C) APPLICATION.—The standards estab-
23 lished under subparagraph (A) shall apply to
24 metal halide lamp fixtures manufactured on or
25 after the later of—

1 “(i) *January 1, 2009; or*

2 “(ii) *the date that is 270 days after the*
3 *date of enactment of this subsection.*

4 “(2) *FINAL RULE BY JANUARY 1, 2012.—*

5 “(A) *IN GENERAL.—Not later than January*
6 *1, 2012, the Secretary shall publish a final rule*
7 *to determine whether the standards established*
8 *under paragraph (1) should be amended.*

9 “(B) *ADMINISTRATION.—The final rule*
10 *shall—*

11 “(i) *contain any amended standard;*
12 *and*

13 “(ii) *apply to products manufactured*
14 *on or after January 1, 2015.*

15 “(3) *FINAL RULE BY JANUARY 1, 2019.—*

16 “(A) *IN GENERAL.—Not later than January*
17 *1, 2019, the Secretary shall publish a final rule*
18 *to determine whether the standards then in effect*
19 *should be amended.*

20 “(B) *ADMINISTRATION.—The final rule*
21 *shall—*

22 “(i) *contain any amended standards;*
23 *and*

24 “(ii) *apply to products manufactured*
25 *after January 1, 2022.*

1 “(4) *DESIGN AND PERFORMANCE REQUIRE-*
2 *MENTS.—Notwithstanding any other provision of law,*
3 *any standard established pursuant to this subsection*
4 *may contain both design and performance require-*
5 *ments.”; and*

6 (3) *in paragraph (2) of subsection (ii) (as redes-*
7 *ignated by paragraph (2)), by striking “(gg)” each*
8 *place it appears and inserting “(hh)”.*

9 (f) *EFFECT ON OTHER LAW.—Section 327(c) of the*
10 *Energy Policy and Conservation Act (42 U.S.C. 6297(c))*
11 *is amended—*

12 (1) *in paragraph (8)(B), by striking the period*
13 *at the end and inserting “; and”;* and

14 (2) *by adding at the end the following:*

15 “(9) *is a regulation concerning metal halide*
16 *lamp fixtures adopted by the California Energy Com-*
17 *mission on or before January 1, 2011, except that—*

18 “(A) *if the Secretary fails to issue a final*
19 *rule within 180 days after the deadlines for*
20 *rulemakings in section 325(hh), notwithstanding*
21 *any other provision of this section, preemption*
22 *shall not apply to a regulation concerning metal*
23 *halide lamp fixtures adopted by the California*
24 *Energy Commission—*

1 “(i) on or before July 1, 2015, if the
2 Secretary fails to meet the deadline speci-
3 fied in section 325(hh)(2); or

4 “(ii) on or before July 1, 2022, if the
5 Secretary fails to meet the deadline speci-
6 fied in section 325(hh)(3).”.

7 **SEC. 325. ENERGY EFFICIENCY LABELING FOR CONSUMER**
8 **ELECTRONIC PRODUCTS.**

9 (a) *IN GENERAL.*—Section 324(a) of the Energy Pol-
10 icy and Conservation Act (42 U.S.C. 6294(a)) (as amended
11 by section 324(d)) is amended—

12 (1) in paragraph (2), by adding at the end the
13 following:

14 “(I) *LABELING REQUIREMENTS.*—

15 “(i) *IN GENERAL.*—Subject to clauses
16 (ii) through (iv), not later than 18 months
17 after the date of issuance of applicable De-
18 partment of Energy testing procedures, the
19 Commission, in consultation with the Sec-
20 retary and the Administrator of the Envi-
21 ronmental Protection Agency (acting
22 through the Energy Star program), shall,
23 by regulation, prescribe labeling or other
24 disclosure requirements for the energy use
25 of—

- 1 “(I) televisions;
- 2 “(II) personal computers;
- 3 “(III) cable or satellite set-top
- 4 boxes;
- 5 “(IV) stand-alone digital video re-
- 6 corder boxes; and
- 7 “(V) personal computer monitors.
- 8 “(ii) *ALTERNATE TESTING PROCEDURE*
- 9 *S.—In the absence of applicable test-*
- 10 *ing procedures described in clause (i) for*
- 11 *products described in subclauses (I) through*
- 12 *(V) of that clause, the Commission may, by*
- 13 *regulation, prescribe labeling or other dis-*
- 14 *closure requirements for a consumer product*
- 15 *category described in clause (i) if the Com-*
- 16 *mission—*
- 17 “(I) identifies adequate non-De-
- 18 *partment of Energy testing procedures*
- 19 *for those products; and*
- 20 “(II) determines that labeling of,
- 21 *or other disclosures relating to, those*
- 22 *products is likely to assist consumers*
- 23 *in making purchasing decisions.*
- 24 “(iii) *DEADLINE AND REQUIREMENTS*
- 25 *FOR LABELING.—*

1 “(I) *DEADLINE.*—Not later than
2 18 months after the date of promulga-
3 tion of any requirements under clause
4 (i) or (ii), the Commission shall re-
5 quire labeling of, or other disclosure re-
6 quirements for, electronic products de-
7 scribed in clause (i).

8 “(II) *REQUIREMENTS.*—The re-
9 quirements prescribed under clause (i)
10 or (ii) may include specific require-
11 ments for each electronic product to be
12 labeled with respect to the placement,
13 size, and content of Energy Guide la-
14 bels.

15 “(iv) *DETERMINATION OF FEASI-*
16 *BILITY.*—Clause (i) or (ii) shall not apply
17 in any case in which the Commission deter-
18 mines that labeling in accordance with this
19 subsection—

20 “(I) is not technologically or eco-
21 nomically feasible; or

22 “(II) is not likely to assist con-
23 sumers in making purchasing deci-
24 sions.”; and

25 (2) by adding at the end the following:

1 “(6) *AUTHORITY TO INCLUDE ADDITIONAL PROD-*
 2 *UCT CATEGORIES.*—*The Commission may, by regula-*
 3 *tion, require labeling or other disclosures in accord-*
 4 *ance with this subsection for any consumer product*
 5 *not specified in this subsection or section 322 if the*
 6 *Commission determines that labeling for the product*
 7 *is likely to assist consumers in making purchasing*
 8 *decisions.”.*

9 (b) *CONTENT OF LABEL.*—*Section 324(c) of the En-*
 10 *ergy Policy and Conservation Act (42 U.S.C. 6924(c)) is*
 11 *amended by adding at the end the following:*

12 “(9) *DISCRETIONARY APPLICATION.*—*The Com-*
 13 *mission may apply paragraphs (1), (2), (3), (5), and*
 14 *(6) of this subsection to the labeling of any product*
 15 *covered by paragraph (2)(I) or (6) of subsection (a).”.*

16 ***TITLE IV—ENERGY SAVINGS IN***
 17 ***BUILDINGS AND INDUSTRY***

18 ***SEC. 401. DEFINITIONS.***

19 *In this title:*

20 (1) *ADMINISTRATOR.*—*The term “Adminis-*
 21 *trator” means the Administrator of General Services.*

22 (2) *ADVISORY COMMITTEE.*—*The term “Advisory*
 23 *Committee” means the Green Building Advisory*
 24 *Committee established under section 484.*

1 (3) *COMMERCIAL DIRECTOR.*—*The term “Com-*
2 *mercial Director” means the individual appointed to*
3 *the position established under section 421.*

4 (4) *CONSORTIUM.*—*The term “Consortium”*
5 *means the High-Performance Green Building Part-*
6 *nership Consortium created in response to section*
7 *436(c)(1) to represent the private sector in a public-*
8 *private partnership to promote high-performance*
9 *green buildings and zero-net-energy commercial build-*
10 *ings.*

11 (5) *COST-EFFECTIVE LIGHTING TECHNOLOGY.*—

12 (A) *IN GENERAL.*—*The term “cost-effective*
13 *lighting technology” means a lighting technology*
14 *that—*

15 (i) *will result in substantial oper-*
16 *ational cost savings by ensuring an in-*
17 *stalled consumption of not more than 1*
18 *watt per square foot; or*

19 (ii) *is contained in a list under—*

20 (I) *section 553 of Public Law 95–*
21 *619 (42 U.S.C. 8259b);*

22 (II) *Federal acquisition regula-*
23 *tion 23–203; and*

24 (III) *is at least as energy-con-*
25 *serving as required by other provisions*

1 of this Act, including the requirements
2 of this title and title III which shall be
3 applicable to the extent that they
4 would achieve greater energy savings
5 than provided under clause (i) or this
6 clause.

7 (B) *INCLUSIONS.*—The term “cost-effective
8 lighting technology” includes—

- 9 (i) lamps;
10 (ii) ballasts;
11 (iii) luminaires;
12 (iv) lighting controls;
13 (v) daylighting; and
14 (vi) early use of other highly cost-effec-
15 tive lighting technologies.

16 (6) *COST-EFFECTIVE TECHNOLOGIES AND PRAC-*
17 *TICES.*—The term “cost-effective technologies and
18 practices” means a technology or practice that—

19 (A) will result in substantial operational
20 cost savings by reducing electricity or fossil fuel
21 consumption, water, or other utility costs, in-
22 cluding use of geothermal heat pumps;

23 (B) complies with the provisions of section
24 553 of Public Law 95–619 (42 U.S.C. 8259b)
25 and Federal acquisition regulation 23–203; and

1 (C) is at least as energy and water con-
2 serving as required under this title, including
3 sections 431 through 435, and title V, including
4 section 511 through 525, which shall be applica-
5 ble to the extent that they are more stringent or
6 require greater energy or water savings than re-
7 quired by this section.

8 (7) *FEDERAL DIRECTOR*.—The term “Federal
9 Director” means the individual appointed to the posi-
10 tion established under section 436(a).

11 (8) *FEDERAL FACILITY*.—The term “Federal fa-
12 cility” means any building that is constructed, ren-
13 ovated, leased, or purchased in part or in whole for
14 use by the Federal Government.

15 (9) *OPERATIONAL COST SAVINGS*.—

16 (A) *IN GENERAL*.—The term “operational
17 cost savings” means a reduction in end-use oper-
18 ational costs through the application of cost-effec-
19 tive technologies and practices or geothermal
20 heat pumps, including a reduction in electricity
21 consumption relative to consumption by the
22 same customer or at the same facility in a given
23 year, as defined in guidelines promulgated by
24 the Administrator pursuant to section 329(b) of
25 the Clean Air Act, that achieves cost savings suf-

1 *efficient to pay the incremental additional costs of*
2 *using cost-effective technologies and practices in-*
3 *cluding geothermal heat pumps by not later than*
4 *the later of the date established under sections*
5 *431 through 434, or—*

6 *(i) for cost-effective technologies and*
7 *practices, the date that is 5 years after the*
8 *date of installation; and*

9 *(ii) for geothermal heat pumps, as soon*
10 *as practical after the date of installation of*
11 *the applicable geothermal heat pump.*

12 *(B) INCLUSIONS.—The term “operational*
13 *cost savings” includes savings achieved at a fa-*
14 *cility as a result of—*

15 *(i) the installation or use of cost-effec-*
16 *tive technologies and practices; or*

17 *(ii) the planting of vegetation that*
18 *shades the facility and reduces the heating,*
19 *cooling, or lighting needs of the facility.*

20 *(C) EXCLUSION.—The term “operational*
21 *cost savings” does not include savings from*
22 *measures that would likely be adopted in the ab-*
23 *sence of cost-effective technology and practices*
24 *programs, as determined by the Administrator.*

1 (10) *GEOHERMAL HEAT PUMP.*—*The term “geo-*
2 *thermal heat pump” means any heating or air condi-*
3 *tioning technology that—*

4 (A) *uses the ground or ground water as a*
5 *thermal energy source to heat, or as a thermal*
6 *energy sink to cool, a building; and*

7 (B) *meets the requirements of the Energy*
8 *Star program of the Environmental Protection*
9 *Agency applicable to geothermal heat pumps on*
10 *the date of purchase of the technology.*

11 (11) *GSA FACILITY.*—

12 (A) *IN GENERAL.*—*The term “GSA facility”*
13 *means any building, structure, or facility, in*
14 *whole or in part (including the associated sup-*
15 *port systems of the building, structure, or facil-*
16 *ity) that—*

17 (i) *is constructed (including facilities*
18 *constructed for lease), renovated, or pur-*
19 *chased, in whole or in part, by the Admin-*
20 *istrator for use by the Federal Government;*
21 *or*

22 (ii) *is leased, in whole or in part, by*
23 *the Administrator for use by the Federal*
24 *Government—*

1 (I) *except as provided in sub-*
2 *clause (II), for a term of not less than*
3 *5 years; or*

4 (II) *for a term of less than 5*
5 *years, if the Administrator determines*
6 *that use of cost-effective technologies*
7 *and practices would result in the pay-*
8 *back of expenses.*

9 (B) *INCLUSION.—The term “GSA facility”*
10 *includes any group of buildings, structures, or*
11 *facilities described in subparagraph (A) (includ-*
12 *ing the associated energy-consuming support sys-*
13 *tems of the buildings, structures, and facilities).*

14 (C) *EXEMPTION.—The Administrator may*
15 *exempt from the definition of “GSA facility”*
16 *under this paragraph a building, structure, or*
17 *facility that meets the requirements of section*
18 *543(c) of Public Law 95–619 (42 U.S.C.*
19 *8253(c)).*

20 (12) *HIGH-PERFORMANCE BUILDING.—The term*
21 *“high performance building” means a building that*
22 *integrates and optimizes on a life cycle basis all*
23 *major high performance attributes, including energy*
24 *conservation, environment, safety, security, dura-*

1 *bility, accessibility, cost-benefit, productivity, sustain-*
2 *ability, functionality, and operational considerations.*

3 (13) *HIGH-PERFORMANCE GREEN BUILDING.*—

4 *The term “high-performance green building” means a*
5 *high-performance building that, during its life-cycle,*
6 *as compared with similar buildings (as measured by*
7 *Commercial Buildings Energy Consumption Survey*
8 *or Residential Energy Consumption Survey data*
9 *from the Energy Information Agency)—*

10 (A) *reduces energy, water, and material re-*
11 *source use;*

12 (B) *improves indoor environmental quality,*
13 *including reducing indoor pollution, improving*
14 *thermal comfort, and improving lighting and*
15 *acoustic environments that affect occupant health*
16 *and productivity;*

17 (C) *reduces negative impacts on the envi-*
18 *ronment throughout the life-cycle of the building,*
19 *including air and water pollution and waste*
20 *generation;*

21 (D) *increases the use of environmentally*
22 *preferable products, including biobased, recycled*
23 *content, and nontoxic products with lower life-*
24 *cycle impacts;*

1 (E) increases reuse and recycling opportu-
2 nities;

3 (F) integrates systems in the building;

4 (G) reduces the environmental and energy
5 impacts of transportation through building loca-
6 tion and site design that support a full range of
7 transportation choices for users of the building;
8 and

9 (H) considers indoor and outdoor effects of
10 the building on human health and the environ-
11 ment, including—

12 (i) improvements in worker produc-
13 tivity;

14 (ii) the life-cycle impacts of building
15 materials and operations; and

16 (iii) other factors that the Federal Di-
17 rector or the Commercial Director consider
18 to be appropriate.

19 (14) *LIFE-CYCLE*.—The term “life-cycle”, with
20 respect to a high-performance green building, means
21 all stages of the useful life of the building (including
22 components, equipment, systems, and controls of the
23 building) beginning at conception of a high-perform-
24 ance green building project and continuing through
25 site selection, design, construction, landscaping, com-

1 *missioning, operation, maintenance, renovation,*
2 *deconstruction or demolition, removal, and recycling*
3 *of the high-performance green building.*

4 (15) *LIFE-CYCLE ASSESSMENT.*—*The term “life-*
5 *cycle assessment” means a comprehensive system ap-*
6 *proach for measuring the environmental performance*
7 *of a product or service over the life of the product or*
8 *service, beginning at raw materials acquisition and*
9 *continuing through manufacturing, transportation,*
10 *installation, use, reuse, and end-of-life waste manage-*
11 *ment.*

12 (16) *LIFE-CYCLE COSTING.*—*The term “life-cycle*
13 *costing”, with respect to a high-performance green*
14 *building, means a technique of economic evaluation*
15 *that—*

16 (A) *sums, over a given study period, the*
17 *costs of initial investment (less resale value), re-*
18 *placements, operations (including energy use),*
19 *and maintenance and repair of an investment*
20 *decision; and*

21 (B) *is expressed—*

22 (i) *in present value terms, in the case*
23 *of a study period equivalent to the longest*
24 *useful life of the building, determined by*
25 *taking into consideration the typical life of*

1 *such a building in the area in which the*
2 *building is to be located; or*

3 *(ii) in annual value terms, in the case*
4 *of any other study period.*

5 (17) *OFFICE OF COMMERCIAL HIGH-PERFORM-*
6 *ANCE GREEN BUILDINGS.—The term “Office of Com-*
7 *mercial High-Performance Green Buildings” means*
8 *the Office of Commercial High-Performance Green*
9 *Buildings established under section 421(a).*

10 (18) *OFFICE OF FEDERAL HIGH-PERFORMANCE*
11 *GREEN BUILDINGS.—The term “Office of Federal*
12 *High-Performance Green Buildings” means the Office*
13 *of Federal High-Performance Green Buildings estab-*
14 *lished under section 436(a).*

15 (19) *PRACTICES.—The term “practices” means*
16 *design, financing, permitting, construction, commis-*
17 *sioning, operation and maintenance, and other prac-*
18 *tices that contribute to achieving zero-net-energy*
19 *buildings or facilities.*

20 (20) *ZERO-NET-ENERGY COMMERCIAL BUILD-*
21 *ING.—The term “zero-net-energy commercial build-*
22 *ing” means a commercial building that is designed,*
23 *constructed, and operated to—*

24 (A) *require a greatly reduced quantity of*
25 *energy to operate;*

1 (B) meet the balance of energy needs from
2 sources of energy that do not produce greenhouse
3 gases;

4 (C) therefore result in no net emissions of
5 greenhouse gases; and

6 (D) be economically viable.

7 ***Subtitle A—Residential Building***
8 ***Efficiency***

9 **SEC. 411. REAUTHORIZATION OF WEATHERIZATION ASSIST-**
10 **ANCE PROGRAM.**

11 (a) *IN GENERAL.*—Section 422 of the Energy Con-
12 servation and Production Act (42 U.S.C. 6872) is amended
13 by striking “ appropriated \$500,000,000 for fiscal year
14 2006, \$600,000,000 for fiscal year 2007, and \$700,000,000
15 for fiscal year 2008” and inserting “appropriated—

16 “(1) \$750,000,000 for fiscal year 2008;

17 “(2) \$900,000,000 for fiscal year 2009;

18 “(3) \$1,050,000,000 for fiscal year 2010;

19 “(4) \$1,200,000,000 for fiscal year 2011; and

20 “(5) \$1,400,000,000 for fiscal year 2012.”.

21 (b) *SUSTAINABLE ENERGY RESOURCES FOR CON-*
22 *SUMERS GRANTS.*—

23 (1) *IN GENERAL.*—The Secretary may make
24 funding available to local weatherization agencies
25 from amounts authorized under the amendment made

1 *by subsection (a) to expand the weatherization assist-*
2 *ance program for residential buildings to include ma-*
3 *terials, benefits, and renewable and domestic energy*
4 *technologies not covered by the program (as of the*
5 *date of enactment of this Act), if the State weatheriza-*
6 *tion grantee certifies that the applicant has the ca-*
7 *capacity to carry out the proposed activities and that*
8 *the grantee will include the project in the financial*
9 *oversight of the grantee of the weatherization assist-*
10 *ance program.*

11 (2) *PRIORITY.—In selecting grant recipients*
12 *under this subsection, the Secretary shall give priority*
13 *to—*

14 (A) *the expected effectiveness and benefits of*
15 *the proposed project to low- and moderate-in-*
16 *come energy consumers;*

17 (B) *the potential for replication of success-*
18 *ful results;*

19 (C) *the impact on the health and safety and*
20 *energy costs of consumers served; and*

21 (D) *the extent of partnerships with other*
22 *public and private entities that contribute to the*
23 *resources and implementation of the program,*
24 *including financial partnerships.*

25 (3) *FUNDING.—*

1 (A) *IN GENERAL.*—*Except as provided in*
2 *paragraph (2), the amount of funds used for*
3 *projects described in paragraph (1) may equal*
4 *up to 2 percent of the amount of funds made*
5 *available for any fiscal year under section 422*
6 *of the Energy Conservation and Production Act*
7 *(42 U.S.C. 6872).*

8 (B) *EXCEPTION.*—*No funds may be used for*
9 *sustainable energy resources for consumers*
10 *grants for a fiscal year under this subsection if*
11 *the amount of funds made available for the fiscal*
12 *year to carry out the Weatherization Assistance*
13 *Program for Low-Income Persons established*
14 *under part A of title IV of the Energy Conserva-*
15 *tion and Production Act (42 U.S.C. 6861 et seq.)*
16 *is less than \$275,000,000.*

17 (c) *DEFINITION OF STATE.*—*Section 412 of the Energy*
18 *Conservation and Production Act (42 U.S.C. 6862) is*
19 *amended by striking paragraph (8) and inserting the fol-*
20 *lowing:*

21 “(8) *STATE.*—*The term ‘State’ means—*

22 “(A) *a State;*

23 “(B) *the District of Columbia;*

24 “(C) *the Commonwealth of Puerto Rico; and*

1 “(D) any other territory or possession of the
2 United States.”.

3 **SEC. 412. STUDY OF RENEWABLE ENERGY REBATE PRO-**
4 **GRAMS.**

5 (a) *IN GENERAL.*—Not later than 120 days after the
6 date of enactment of this Act, the Secretary shall conduct,
7 and submit to Congress a report on, a study regarding the
8 rebate programs established under sections 124 and 206(c)
9 of the Energy Policy Act of 2005 (42 U.S.C. 15821, 15853).

10 (b) *COMPONENTS.*—In conducting the study, the Sec-
11 retary shall—

12 (1) develop a plan for how the rebate programs
13 would be carried out if the programs were funded;
14 and

15 (2) determine the minimum amount of funding
16 the program would need to receive in order to accom-
17 plish the goals of the programs.

18 **SEC. 413. ENERGY CODE IMPROVEMENTS APPLICABLE TO**
19 **MANUFACTURED HOUSING.**

20 (a) *ESTABLISHMENT OF STANDARDS.*—

21 (1) *IN GENERAL.*—Not later than 4 years after
22 the date of enactment of this Act, the Secretary shall
23 by regulation establish standards for energy efficiency
24 in manufactured housing.

1 (2) *NOTICE, COMMENT, AND CONSULTATION.*—
2 Standards described in paragraph (1) shall be estab-
3 lished after—

4 (A) *notice and an opportunity for comment*
5 *by manufacturers of manufactured housing and*
6 *other interested parties; and*

7 (B) *consultation with the Secretary of*
8 *Housing and Urban Development, who may seek*
9 *further counsel from the Manufactured Housing*
10 *Consensus Committee.*

11 (b) *REQUIREMENTS.*—

12 (1) *INTERNATIONAL ENERGY CONSERVATION*
13 *CODE.*—*The energy conservation standards established*
14 *under this section shall be based on the most recent*
15 *version of the International Energy Conservation*
16 *Code (including supplements), except in cases in*
17 *which the Secretary finds that the code is not cost-ef-*
18 *fective, or a more stringent standard would be more*
19 *cost-effective, based on the impact of the code on the*
20 *purchase price of manufactured housing and on total*
21 *life-cycle construction and operating costs.*

22 (2) *CONSIDERATIONS.*—*The energy conservation*
23 *standards established under this section may—*

1 (A) take into consideration the design and
2 factory construction techniques of manufactured
3 homes;

4 (B) be based on the climate zones established
5 by the Department of Housing and Urban Devel-
6 opment rather than the climate zones under the
7 International Energy Conservation Code; and

8 (C) provide for alternative practices that re-
9 sult in net estimated energy consumption equal
10 to or less than the specified standards.

11 (3) *UPDATING.*—The energy conservation stand-
12 ards established under this section shall be updated
13 not later than—

14 (A) 1 year after the date of enactment of
15 this Act; and

16 (B) 1 year after any revision to the Inter-
17 national Energy Conservation Code.

18 (c) *ENFORCEMENT.*—Any manufacturer of manufac-
19 tured housing that violates a provision of the regulations
20 under subsection (a) is liable to the United States for a
21 civil penalty in an amount not exceeding 1 percent of the
22 manufacturer's retail list price of the manufactured hous-
23 ing.

1 **Subtitle B—High-Performance**
2 **Commercial Buildings**

3 **SEC. 421. COMMERCIAL HIGH-PERFORMANCE GREEN**
4 **BUILDINGS.**

5 (a) *DIRECTOR OF COMMERCIAL HIGH-PERFORMANCE*
6 *GREEN BUILDINGS.*—*Notwithstanding any other provision*
7 *of law, the Secretary, acting through the Assistant Sec-*
8 *retary of Energy Efficiency and Renewable Energy, shall*
9 *appoint a Director of Commercial High-Performance Green*
10 *Buildings to a position in the career-reserved Senior Execu-*
11 *tive service, with the principal responsibility to—*

12 (1) *establish and manage the Office of Commer-*
13 *cial High-Performance Green Buildings; and*
14 (2) *carry out other duties as required under this*
15 *subtitle.*

16 (b) *QUALIFICATIONS.*—*The Commercial Director shall*
17 *be an individual, who by reason of professional background*
18 *and experience, is specifically qualified to carry out the du-*
19 *ties required under this subtitle.*

20 (c) *DUTIES.*—*The Commercial Director shall, with re-*
21 *spect to development of high-performance green buildings*
22 *and zero-energy commercial buildings nationwide—*

23 (1) *coordinate the activities of the Office of Com-*
24 *mercial High-Performance Green Buildings with the*

1 *activities of the Office of Federal High-Performance*
2 *Green Buildings;*

3 (2) *develop the legal predicates and agreements*
4 *for, negotiate, and establish one or more public-pri-*
5 *uate partnerships with the Consortium, members of*
6 *the Consortium, and other capable parties meeting the*
7 *qualifications of the Consortium, to further such de-*
8 *velopment;*

9 (3) *represent the public and the Department in*
10 *negotiating and performing in accord with such pub-*
11 *lic-private partnerships;*

12 (4) *use appropriated funds in an effective man-*
13 *ner to encourage the maximum investment of private*
14 *funds to achieve such development;*

15 (5) *promote research and development of high*
16 *performance green buildings, consistent with section*
17 *423; and*

18 (6) *jointly establish with the Federal Director a*
19 *national high-performance green building clearing-*
20 *house in accordance with section 423(1), which shall*
21 *provide high-performance green building information*
22 *and disseminate research results through—*

23 (A) *outreach;*

24 (B) *education; and*

25 (C) *the provision of technical assistance.*

1 (d) *REPORTING.*—*The Commercial Director shall re-*
2 *port directly to the Assistant Secretary for Energy Effi-*
3 *ciency and Renewable Energy, or to other senior officials*
4 *in a way that facilitates the integrated program of this sub-*
5 *title for both energy efficiency and renewable energy and*
6 *both technology development and technology deployment.*

7 (e) *COORDINATION.*—*The Commercial Director shall*
8 *ensure full coordination of high-performance green building*
9 *information and activities, including activities under this*
10 *subtitle, within the Federal Government by working with*
11 *the General Services Administration and all relevant agen-*
12 *cies, including, at a minimum—*

13 (1) *the Environmental Protection Agency;*

14 (2) *the Office of the Federal Environmental Ex-*
15 *ecutive;*

16 (3) *the Office of Federal Procurement Policy;*

17 (4) *the Department of Energy, particularly the*
18 *Federal Energy Management Program;*

19 (5) *the Department of Health and Human Serv-*
20 *ices;*

21 (6) *the Department of Housing and Urban De-*
22 *velopment;*

23 (7) *the Department of Defense;*

24 (8) *the National Institute of Standards and*
25 *Technology;*

1 (9) *the Department of Transportation;*
2 (10) *the Office of Science Technology and Policy;*
3 *and*
4 (11) *such nonprofit high-performance green*
5 *building rating and analysis entities as the Commer-*
6 *cial Director determines can offer support, expertise,*
7 *and review services.*

8 (f) *HIGH-PERFORMANCE GREEN BUILDING PARTNER-*
9 *SHIP CONSORTIUM.—*

10 (1) *RECOGNITION.—Not later than 90 days after*
11 *the date of enactment of this Act, the Commercial Di-*
12 *rector shall formally recognize one or more groups*
13 *that qualify as a high-performance green building*
14 *partnership consortium.*

15 (2) *REPRESENTATION TO QUALIFY.—To qualify*
16 *under this section, any consortium shall include rep-*
17 *resentation from—*

18 (A) *the design professions, including na-*
19 *tional associations of architects and of profes-*
20 *sional engineers;*

21 (B) *the development, construction, finan-*
22 *cial, and real estate industries;*

23 (C) *building owners and operators from the*
24 *public and private sectors;*

1 (D) academic and research organizations,
2 including at least one national laboratory with
3 extensive commercial building energy expertise;

4 (E) building code agencies and organiza-
5 tions, including a model energy code-setting or-
6 ganization;

7 (F) independent high-performance green
8 building associations or councils;

9 (G) experts in indoor air quality and envi-
10 ronmental factors;

11 (H) experts in intelligent buildings and in-
12 tegrated building information systems;

13 (I) utility energy efficiency programs;

14 (J) manufacturers and providers of equip-
15 ment and techniques used in high performance
16 green buildings;

17 (K) public transportation industry experts;
18 and

19 (L) nongovernmental energy efficiency orga-
20 nizations.

21 (3) FUNDING.—The Secretary may make pay-
22 ments to the Consortium pursuant to the terms of a
23 public-private partnership for such activities of the
24 Consortium undertaken under such a partnership as

1 *described in this subtitle directly to the Consortium or*
2 *through one or more of its members.*

3 *(g) REPORT.—Not later than 2 years after the date*
4 *of enactment of this Act, and biennially thereafter, the Com-*
5 *mmercial Director, in consultation with the Consortium, shall*
6 *submit to Congress a report that—*

7 *(1) describes the status of the high-performance*
8 *green building initiatives under this subtitle and*
9 *other Federal programs affecting commercial high-*
10 *performance green buildings in effect as of the date of*
11 *the report, including—*

12 *(A) the extent to which the programs are*
13 *being carried out in accordance with this sub-*
14 *title; and*

15 *(B) the status of funding requests and ap-*
16 *propriations for those programs; and*

17 *(2) summarizes and highlights development, at*
18 *the State and local level, of high-performance green*
19 *building initiatives, including executive orders, poli-*
20 *cies, or laws adopted promoting high-performance*
21 *green building (including the status of implementa-*
22 *tion of those initiatives).*

23 **SEC. 422. ZERO NET ENERGY COMMERCIAL BUILDINGS INI-**
24 **TIATIVE.**

25 *(a) DEFINITIONS.—In this section:*

1 (1) *CONSORTIUM.*—The term “consortium”
2 means a *High-Performance Green Building Consor-*
3 *tium selected by the Commercial Director.*

4 (2) *INITIATIVE.*—The term “initiative” means
5 the *Zero-Net-Energy Commercial Buildings Initiative*
6 *established under subsection (b)(1).*

7 (3) *ZERO-NET-ENERGY COMMERCIAL BUILD-*
8 *ING.*—The term “zero-net-energy commercial build-
9 ing” means a *high-performance commercial building*
10 *that is designed, constructed, and operated—*

11 (A) *to require a greatly reduced quantity of*
12 *energy to operate;*

13 (B) *to meet the balance of energy needs*
14 *from sources of energy that do not produce green-*
15 *house gases;*

16 (C) *in a manner that will result in no net*
17 *emissions of greenhouse gases; and*

18 (D) *to be economically viable.*

19 (b) *ESTABLISHMENT.*—

20 (1) *IN GENERAL.*—The *Commercial Director*
21 *shall establish an initiative, to be known as the*
22 *“Zero-Net-Energy Commercial Buildings Initia-*
23 *tive”—*

1 (A) to reduce the quantity of energy con-
2 sumed by commercial buildings located in the
3 United States; and

4 (B) to achieve the development of zero net
5 energy commercial buildings in the United
6 States.

7 (2) CONSORTIUM.—

8 (A) IN GENERAL.—Not later than 180 days
9 after the date of enactment of this Act, the Com-
10 mercial Director shall competitively select, and
11 enter into an agreement with, a consortium to
12 develop and carry out the initiative.

13 (B) AGREEMENTS.—In entering into an
14 agreement with a consortium under subpara-
15 graph (A), the Commercial Director shall use the
16 authority described in section 646(g) of the De-
17 partment of Energy Organization Act (42 U.S.C.
18 7256(g)), to the maximum extent practicable.

19 (c) GOAL OF INITIATIVE.—The goal of the initiative
20 shall be to develop and disseminate technologies, practices,
21 and policies for the development and establishment of zero
22 net energy commercial buildings for—

23 (1) any commercial building newly constructed
24 in the United States by 2030;

1 (2) 50 percent of the commercial building stock
2 of the United States by 2040; and

3 (3) all commercial buildings in the United
4 States by 2050.

5 (d) COMPONENTS.—In carrying out the initiative, the
6 Commercial Director, in consultation with the consortium,
7 may—

8 (1) conduct research and development on build-
9 ing science, design, materials, components, equipment
10 and controls, operation and other practices, integra-
11 tion, energy use measurement, and benchmarking;

12 (2) conduct pilot programs and demonstration
13 projects to evaluate replicable approaches to achieving
14 energy efficient commercial buildings for a variety of
15 building types in a variety of climate zones;

16 (3) conduct deployment, dissemination, and tech-
17 nical assistance activities to encourage widespread
18 adoption of technologies, practices, and policies to
19 achieve energy efficient commercial buildings;

20 (4) conduct other research, development, dem-
21 onstration, and deployment activities necessary to
22 achieve each goal of the initiative, as determined by
23 the Commercial Director, in consultation with the
24 consortium;

1 (5) *develop training materials and courses for*
2 *building professionals and trades on achieving cost-ef-*
3 *fective high-performance energy efficient buildings;*

4 (6) *develop and disseminate public education*
5 *materials to share information on the benefits and*
6 *cost-effectiveness of high-performance energy efficient*
7 *buildings;*

8 (7) *support code-setting organizations and State*
9 *and local governments in developing minimum per-*
10 *formance standards in building codes that recognize*
11 *the ready availability of many technologies utilized in*
12 *high-performance energy efficient buildings;*

13 (8) *develop strategies for overcoming the split in-*
14 *centives between builders and purchasers, and land-*
15 *lords and tenants, to ensure that energy efficiency*
16 *and high-performance investments are made that are*
17 *cost-effective on a lifecycle basis; and*

18 (9) *develop improved means of measurement and*
19 *verification of energy savings and performance for*
20 *public dissemination.*

21 (e) *COST SHARING.*—*In carrying out this section, the*
22 *Commercial Director shall require cost sharing in accord-*
23 *ance with section 988 of the Energy Policy Act of 2005 (42*
24 *U.S.C. 16352).*

1 (f) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
2 *authorized to be appropriated to carry out this section—*

3 (1) *\$20,000,000 for fiscal year 2008;*

4 (2) *\$50,000,000 for each of fiscal years 2009 and*
5 *2010;*

6 (3) *\$100,000,000 for each of fiscal years 2011*
7 *and 2012; and*

8 (4) *\$200,000,000 for each of fiscal years 2013*
9 *through 2018.*

10 **SEC. 423. PUBLIC OUTREACH.**

11 *The Commercial Director and Federal Director, in co-*
12 *ordination with the Consortium, shall carry out public out-*
13 *reach to inform individuals and entities of the information*
14 *and services available Governmentwide by—*

15 (1) *establishing and maintaining a national*
16 *high-performance green building clearinghouse, in-*
17 *cluding on the internet, that—*

18 (A) *identifies existing similar efforts and*
19 *coordinates activities of common interest; and*

20 (B) *provides information relating to high-*
21 *performance green buildings, including*
22 *hyperlinks to internet sites that describe the ac-*
23 *tivities, information, and resources of—*

24 (i) *the Federal Government;*

25 (ii) *State and local governments;*

1 (iii) the private sector (including non-
2 governmental and nonprofit entities and or-
3 ganizations); and

4 (iv) international organizations;
5 (2) identifying and recommending educational
6 resources for implementing high-performance green
7 building practices, including security and emergency
8 benefits and practices;

9 (3) providing access to technical assistance, tools,
10 and resources for constructing high-performance green
11 buildings, particularly tools to conduct life-cycle cost-
12 ing and life-cycle assessment;

13 (4) providing information on application proc-
14 esses for certifying a high-performance green building,
15 including certification and commissioning;

16 (5) providing to the public, through the Commer-
17 cial Director, technical and research information or
18 other forms of assistance or advice that would be use-
19 ful in planning and constructing high-performance
20 green buildings;

21 (6) using such additional methods as are deter-
22 mined by the Commercial Director to be appropriate
23 to conduct public outreach;

24 (7) surveying existing research and studies relat-
25 ing to high-performance green buildings; and

1 (8) coordinating activities of common interest.

2 ***Subtitle C—High-Performance***
 3 ***Federal Buildings***

4 ***SEC. 431. ENERGY REDUCTION GOALS FOR FEDERAL BUILD-***
 5 ***INGS.***

6 *Section 543(a)(1) of the National Energy Conservation*
 7 *Policy Act (42 U.S.C. 8253(a)(1)) is amended by striking*
 8 *the table and inserting the following:*

<i>“Fiscal Year</i>	<i>Percentage reduction</i>
<i>2006</i>	<i>2</i>
<i>2007</i>	<i>4</i>
<i>2008</i>	<i>9</i>
<i>2009</i>	<i>12</i>
<i>2010</i>	<i>15</i>
<i>2011</i>	<i>18</i>
<i>2012</i>	<i>21</i>
<i>2013</i>	<i>24</i>
<i>2014</i>	<i>27</i>
<i>2015</i>	<i>30.”.</i>

9 ***SEC. 432. MANAGEMENT OF ENERGY AND WATER EFFI-***
 10 ***CIENCY IN FEDERAL BUILDINGS.***

11 *Section 543 of the National Energy Conservation Pol-*
 12 *icy Act (42 U.S.C. 8253) is amended by adding at the end*
 13 *the following:*

14 ***“(f) USE OF ENERGY AND WATER EFFICIENCY MEAS-***
 15 ***URES IN FEDERAL BUILDINGS.—***

16 ***“(1) DEFINITIONS.—In this subsection:***

17 ***“(A) COMMISSIONING.—The term ‘commis-***
 18 ***sioning’, with respect to a facility, means a sys-***
 19 ***tematic process—***

1 “(i) of ensuring, using appropriate
2 verification and documentation, during the
3 period beginning on the initial day of the
4 design phase of the facility and ending not
5 earlier than 1 year after the date of comple-
6 tion of construction of the facility, that all
7 facility systems perform interactively in ac-
8 cordance with—

9 “(I) the design documentation
10 and intent of the facility; and

11 “(II) the operational needs of the
12 owner of the facility, including prepa-
13 ration of operation personnel; and

14 “(ii) the primary goal of which is to
15 ensure fully functional systems that can be
16 properly operated and maintained during
17 the useful life of the facility.

18 “(B) ENERGY MANAGER.—

19 “(i) IN GENERAL.—The term ‘energy
20 manager’, with respect to a facility, means
21 the individual who is responsible for—

22 “(I) ensuring compliance with
23 this subsection by the facility; and

24 “(II) reducing energy use at the
25 facility.

1 “(ii) *INCLUSIONS.*—*The term ‘energy*
2 *manager’ may include—*

3 “(I) *a contractor of a facility;*

4 “(II) *a part-time employee of a*
5 *facility; and*

6 “(III) *an individual who is re-*
7 *sponsible for multiple facilities.*

8 “(C) *FACILITY.*—

9 “(i) *IN GENERAL.*—*The term ‘facility’*
10 *means any building, installation, structure,*
11 *or other property (including any applicable*
12 *fixtures) owned or operated by, or con-*
13 *structed or manufactured and leased to, the*
14 *Federal Government.*

15 “(ii) *INCLUSIONS.*—*The term ‘facility’*
16 *includes—*

17 “(I) *a group of facilities at a sin-*
18 *gle location or multiple locations man-*
19 *aged as an integrated operation; and*

20 “(II) *contractor-operated facilities*
21 *owned by the Federal Government.*

22 “(iii) *EXCLUSIONS.*—*The term ‘facil-*
23 *ity’ does not include any land or site for*
24 *which the cost of utilities is not paid by the*
25 *Federal Government.*

1 “(D) *LIFE CYCLE COST-EFFECTIVE*.—The
2 term ‘life cycle cost-effective’, with respect to a
3 measure, means a measure the estimated savings
4 of which exceed the estimated costs over the life-
5 span of the measure, as determined in accord-
6 ance with section 544.

7 “(E) *PAYBACK PERIOD*.—

8 “(i) *IN GENERAL*.—Subject to clause
9 (ii), the term ‘payback period’, with respect
10 to a measure, means a value equal to the
11 quotient obtained by dividing—

12 “(I) the estimated initial imple-
13 mentation cost of the measure (other
14 than financing costs); by

15 “(II) the annual cost savings re-
16 sulting from the measure, including—

17 “(aa) net savings in esti-
18 mated energy and water costs;
19 and

20 “(bb) operations, mainte-
21 nance, repair, replacement, and
22 other direct costs.

23 “(ii) *MODIFICATIONS AND EXCEP-*
24 *TIONS*.—The Secretary, in guidelines issued
25 pursuant to paragraph (6), may make such

1 *modifications and provide such exceptions*
2 *to the calculation of the payback period of*
3 *a measure as the Secretary determines to be*
4 *appropriate to achieve the purposes of this*
5 *Act.*

6 “(F) *RECOMMISSIONING.*—*The term ‘re-*
7 *commissioning’ means a process—*

8 “(i) *of commissioning a facility or sys-*
9 *tem beyond the project development and*
10 *warranty phases of the facility or system;*
11 *and*

12 “(ii) *the primary goal of which is to*
13 *ensure optimum performance of a facility,*
14 *in accordance with design or current oper-*
15 *ating needs, over the useful life of the facil-*
16 *ity, while meeting building occupancy re-*
17 *quirements.*

18 “(G) *RETROCOMMISSIONING.*—*The term*
19 *‘retrocommissioning’ means a process of commis-*
20 *sioning a facility or system that was not com-*
21 *missioned at time of construction of the facility*
22 *or system.*

23 “(2) *FACILITY ENERGY MANAGERS.*—

24 “(A) *IN GENERAL.*—*Each Federal agency*
25 *shall designate an energy manager responsible*

1 *for implementing this subsection and reducing*
2 *energy use at each facility that meets criteria*
3 *under subparagraph (B).*

4 “(B) *COVERED FACILITIES.*—*The Secretary*
5 *shall develop criteria, after consultation with af-*
6 *ected agencies, energy efficiency advocates, and*
7 *energy and utility service providers, that cover,*
8 *at a minimum, Federal facilities, including cen-*
9 *tral utility plants and distribution systems and*
10 *other energy intensive operations, that constitute*
11 *at least 75 percent of facility energy use at each*
12 *agency.*

13 “(3) *ENERGY AND WATER EVALUATIONS.*—

14 “(A) *EVALUATIONS.*—*Effective beginning on*
15 *the date that is 180 days after the date of enact-*
16 *ment of this subsection and annually thereafter,*
17 *energy managers shall complete, for each cal-*
18 *endar year, a comprehensive energy and water*
19 *evaluation for approximately 25 percent of the*
20 *facilities of each agency that meet the criteria*
21 *under paragraph (2)(B) in a manner that en-*
22 *sures that an evaluation of each such facility is*
23 *completed at least once every 4 years.*

24 “(B) *RECOMMISSIONING AND*
25 *RETROCOMMISSIONING.*—*As part of the evalua-*

1 tion under subparagraph (A), the energy man-
2 ager shall identify and assess recommissioning
3 measures (or, if the facility has never been com-
4 missioned, retrocommissioning measures) for
5 each such facility.

6 “(4) *IMPLEMENTATION OF IDENTIFIED ENERGY*
7 *AND WATER EFFICIENCY MEASURES.*—Not later than
8 2 years after the completion of each evaluation under
9 paragraph (3), each energy manager may—

10 “(A) implement any energy- or water-sav-
11 ing measure that the Federal agency identified
12 in the evaluation conducted under paragraph (3)
13 that is life cycle cost-effective; and

14 “(B) bundle individual measures of varying
15 paybacks together into combined projects.

16 “(5) *FOLLOW-UP ON IMPLEMENTED MEAS-*
17 *URES.*—For each measure implemented under para-
18 graph (4), each energy manager shall ensure that—

19 “(A) equipment, including building and
20 equipment controls, is fully commissioned at ac-
21 ceptance to be operating at design specifications;

22 “(B) a plan for appropriate operations,
23 maintenance, and repair of the equipment is in
24 place at acceptance and is followed;

1 “(C) *equipment and system performance is*
2 *measured during its entire life to ensure proper*
3 *operations, maintenance, and repair; and*

4 “(D) *energy and water savings are meas-*
5 *ured and verified.*

6 “(6) *GUIDELINES.—*

7 “(A) *IN GENERAL.—The Secretary shall*
8 *issue guidelines and necessary criteria that each*
9 *Federal agency shall follow for implementation*
10 *of—*

11 “(i) *paragraphs (2) and (3) not later*
12 *than 180 days after the date of enactment*
13 *of this subsection; and*

14 “(ii) *paragraphs (4) and (5) not later*
15 *than 1 year after the date of enactment of*
16 *this subsection.*

17 “(B) *RELATIONSHIP TO FUNDING*
18 *SOURCE.—The guidelines issued by the Secretary*
19 *under subparagraph (A) shall be appropriate*
20 *and uniform for measures funded with each type*
21 *of funding made available under paragraph*
22 *(10), but may distinguish between different types*
23 *of measures project size, and other criteria the*
24 *Secretary determines are relevant.*

25 “(7) *WEB-BASED CERTIFICATION.—*

1 “(A) *IN GENERAL.*—*For each facility that*
2 *meets the criteria established by the Secretary*
3 *under paragraph (2)(B), the energy manager*
4 *shall use the web-based tracking system under*
5 *subparagraph (B) to certify compliance with the*
6 *requirements for—*

7 “(i) *energy and water evaluations*
8 *under paragraph (3);*

9 “(ii) *implementation of identified en-*
10 *ergy and water measures under paragraph*
11 *(4); and*

12 “(iii) *follow-up on implemented meas-*
13 *ures under paragraph (5).*

14 “(B) *DEPLOYMENT.*—

15 “(i) *IN GENERAL.*—*Not later than 1*
16 *year after the date of enactment of this sub-*
17 *section, the Secretary shall develop and de-*
18 *ploy a web-based tracking system required*
19 *under this paragraph in a manner that*
20 *tracks, at a minimum—*

21 “(I) *the covered facilities;*

22 “(II) *the status of meeting the re-*
23 *quirements specified in subparagraph*
24 *(A);*

1 “(III) *the estimated cost and sav-*
2 *ings for measures required to be imple-*
3 *mented in a facility;*

4 “(IV) *the measured savings and*
5 *persistence of savings for implemented*
6 *measures; and*

7 “(V) *the benchmarking informa-*
8 *tion disclosed under paragraph (8)(C).*

9 “(ii) *EASE OF COMPLIANCE.—The Sec-*
10 *retary shall ensure that energy manager*
11 *compliance with the requirements in this*
12 *paragraph, to the maximum extent prac-*
13 *ticable—*

14 “(I) *can be accomplished with the*
15 *use of streamlined procedures and tem-*
16 *plates that minimize the time demands*
17 *on Federal employees; and*

18 “(II) *is coordinated with other*
19 *applicable energy reporting require-*
20 *ments.*

21 “(C) *AVAILABILITY.—*

22 “(i) *IN GENERAL.—Subject to clause*
23 *(ii), the Secretary shall make the web-based*
24 *tracking system required under this para-*
25 *graph available to Congress, other Federal*

1 agencies, and the public through the Inter-
2 net.

3 “(ii) *EXEMPTIONS.*—At the request of
4 a Federal agency, the Secretary may exempt
5 specific data for specific facilities from dis-
6 closure under clause (i) for national secu-
7 rity purposes.

8 “(8) *BENCHMARKING OF FEDERAL FACILITIES.*—

9 “(A) *IN GENERAL.*—The energy manager
10 shall enter energy use data for each metered
11 building that is (or is a part of) a facility that
12 meets the criteria established by the Secretary
13 under paragraph (2)(B) into a building energy
14 use benchmarking system, such as the Energy
15 Star Portfolio Manager.

16 “(B) *SYSTEM AND GUIDANCE.*—Not later
17 than 1 year after the date of enactment of this
18 subsection, the Secretary shall—

19 “(i) select or develop the building en-
20 ergy use benchmarking system required
21 under this paragraph for each type of build-
22 ing; and

23 “(ii) issue guidance for use of the sys-
24 tem.

1 “(C) *PUBLIC DISCLOSURE.*—Each energy
2 manager shall post the information entered into,
3 or generated by, a benchmarking system under
4 this subsections, on the web-based tracking sys-
5 tem under paragraph (7)(B). The energy man-
6 ager shall update such information each year,
7 and shall include in such reporting previous
8 years’ information to allow changes in building
9 performance to be tracked over time.

10 “(9) *FEDERAL AGENCY SCORECARDS.*—

11 “(A) *IN GENERAL.*—The Director of the Of-
12 fice of Management and Budget shall issue semi-
13 annual scorecards for energy management activi-
14 ties carried out by each Federal agency that in-
15 cludes—

16 “(i) summaries of the status of imple-
17 menting the various requirements of the
18 agency and its energy managers under this
19 subsection; and

20 “(ii) any other means of measuring
21 performance that the Director considers ap-
22 propriate.

23 “(B) *AVAILABILITY.*—The Director shall
24 make the scorecards required under this para-

1 *graph available to Congress, other Federal agen-*
2 *cies, and the public through the Internet.*

3 *“(10) FUNDING AND IMPLEMENTATION.—*

4 *“(A) AUTHORIZATION OF APPROPRIA-*
5 *TIONS.—There are authorized to be appropriated*
6 *such sums as are necessary to carry out this sub-*
7 *section.*

8 *“(B) FUNDING OPTIONS.—*

9 *“(i) IN GENERAL.—To carry out this*
10 *subsection, a Federal agency may use any*
11 *combination of—*

12 *“(I) appropriated funds made*
13 *available under subparagraph (A); and*

14 *“(II) private financing otherwise*
15 *authorized under Federal law, includ-*
16 *ing financing available through energy*
17 *savings performance contracts or util-*
18 *ity energy service contracts.*

19 *“(ii) COMBINED FUNDING FOR SAME*
20 *MEASURE.—A Federal agency may use any*
21 *combination of appropriated funds and pri-*
22 *vate financing described in clause (i) to*
23 *carry out the same measure under this sub-*
24 *section.*

1 “(C) *IMPLEMENTATION.*—*Each Federal*
2 *agency may implement the requirements under*
3 *this subsection itself or may contract out per-*
4 *formance of some or all of the requirements.*

5 “(11) *RULE OF CONSTRUCTION.*—*This subsection*
6 *shall not be construed to require or to obviate any*
7 *contractor savings guarantees.”.*

8 **SEC. 433. FEDERAL BUILDING ENERGY EFFICIENCY PER-**
9 **FORMANCE STANDARDS.**

10 (a) *STANDARDS.*—*Section 305(a)(3) of the Energy*
11 *Conservation and Production Act (42 U.S.C. 6834(a)(3))*
12 *is amended by adding at the end the following new subpara-*
13 *graph:*

14 “(D) *Not later than 1 year after the date of enactment*
15 *of the Energy Independence and Security Act of 2007, the*
16 *Secretary shall establish, by rule, revised Federal building*
17 *energy efficiency performance standards that require that:*

18 “(i) *For new Federal buildings and Federal*
19 *buildings undergoing major renovations, with respect*
20 *to which the Administrator of General Services is re-*
21 *quired to transmit a prospectus to Congress under*
22 *section 3307 of title 40, United States Code, in the*
23 *case of public buildings (as defined in section 3301 of*
24 *title 40, United States Code), or of at least \$2,500,000*

1 *in costs adjusted annually for inflation for other*
 2 *buildings:*

3 *“(I) The buildings shall be designed so that*
 4 *the fossil fuel-generated energy consumption of*
 5 *the buildings is reduced, as compared with such*
 6 *energy consumption by a similar building in fis-*
 7 *cal year 2003 (as measured by Commercial*
 8 *Buildings Energy Consumption Survey or Resi-*
 9 *dential Energy Consumption Survey data from*
 10 *the Energy Information Agency), by the percent-*
 11 *age specified in the following table:*

<i>“Fiscal Year</i>	<i>Percentage Reduction</i>
<i>2010</i>	<i>55</i>
<i>2015</i>	<i>65</i>
<i>2020</i>	<i>80</i>
<i>2025</i>	<i>90</i>
<i>2030</i>	<i>100.</i>

12 *“(II) Upon petition by an agency subject to*
 13 *this subparagraph, the Secretary may adjust the*
 14 *applicable numeric requirement under subclause*
 15 *(I) downward with respect to a specific building,*
 16 *if the head of the agency designing the building*
 17 *certifies in writing that meeting such require-*
 18 *ment would be technically impracticable in light*
 19 *of the agency’s specified functional needs for that*
 20 *building and the Secretary concurs with the*
 21 *agency’s conclusion. This subclause shall not*
 22 *apply to the General Services Administration.*

1 “(III) Sustainable design principles shall be
2 applied to the siting, design, and construction of
3 such buildings. Not later than 90 days after the
4 date of enactment of the Energy Independence
5 and Security Act of 2007, the Secretary, after re-
6 viewing the findings of the Federal Director
7 under section 436(h) of that Act, in consultation
8 with the Administrator of General Services, and
9 in consultation with the Secretary of Defense for
10 considerations relating to those facilities under
11 the custody and control of the Department of De-
12 fense, shall identify a certification system and
13 level for green buildings that the Secretary deter-
14 mines to be the most likely to encourage a com-
15 prehensive and environmentally-sound approach
16 to certification of green buildings. The identifica-
17 tion of the certification system and level shall be
18 based on a review of the Federal Director’s find-
19 ings under section 436(h) of the Energy Inde-
20 pendence and Security Act of 2007 and the cri-
21 teria specified in clause (iii), shall identify the
22 highest level the Secretary determines is appro-
23 priate above the minimum level required for cer-
24 tification under the system selected, and shall
25 achieve results at least comparable to the system

1 *used by and highest level referenced by the Gen-*
2 *eral Services Administration as of the date of en-*
3 *actment of the Energy Independence and Secu-*
4 *rity Act of 2007. Within 90 days of the comple-*
5 *tion of each study required by clause (iv), the*
6 *Secretary, in consultation with the Adminis-*
7 *trator of General Services, and in consultation*
8 *with the Secretary of Defense for considerations*
9 *relating to those facilities under the custody and*
10 *control of the Department of Defense, shall re-*
11 *view and update the certification system and*
12 *level, taking into account the conclusions of such*
13 *study.*

14 *“(ii) In establishing criteria for identifying*
15 *major renovations that are subject to the requirements*
16 *of this subparagraph, the Secretary shall take into ac-*
17 *count the scope, degree, and types of renovations that*
18 *are likely to provide significant opportunities for sub-*
19 *stantial improvements in energy efficiency.*

20 *“(iii) In identifying the green building certifi-*
21 *cation system and level, the Secretary shall take into*
22 *consideration—*

23 *“(I) the ability and availability of assessors*
24 *and auditors to independently verify the criteria*

1 *and measurement of metrics at the scale nec-*
2 *essary to implement this subparagraph;*

3 “(II) *the ability of the applicable certifi-*
4 *cation organization to collect and reflect public*
5 *comment;*

6 “(III) *the ability of the standard to be de-*
7 *veloped and revised through a consensus-based*
8 *process;*

9 “(IV) *an evaluation of the robustness of the*
10 *criteria for a high-performance green building,*
11 *which shall give credit for promoting—*

12 “(aa) *efficient and sustainable use of*
13 *water, energy, and other natural resources;*

14 “(bb) *use of renewable energy sources;*

15 “(cc) *improved indoor environmental*
16 *quality through enhanced indoor air qual-*
17 *ity, thermal comfort, acoustics, day light-*
18 *ing, pollutant source control, and use of*
19 *low-emission materials and building system*
20 *controls; and*

21 “(dd) *such other criteria as the Sec-*
22 *retary determines to be appropriate; and*

23 “(V) *national recognition within the build-*
24 *ing industry.*

1 “(iv) *At least once every five years, and in ac-*
2 *cordance with section 436 of the Energy Independence*
3 *and Security Act of 2007, the Administrator of Gen-*
4 *eral Services shall conduct a study to evaluate and*
5 *compare available third-party green building certifi-*
6 *cation systems and levels, taking into account the cri-*
7 *teria listed in clause (iii).*

8 “(v) *The Secretary may by rule allow Federal*
9 *agencies to develop internal certification processes,*
10 *using certified professionals, in lieu of certification by*
11 *the certification entity identified under clause*
12 *(i)(III). The Secretary shall include in any such rule*
13 *guidelines to ensure that the certification process re-*
14 *sults in buildings meeting the applicable certification*
15 *system and level identified under clause (i)(III). An*
16 *agency employing an internal certification process*
17 *must continue to obtain external certification by the*
18 *certification entity identified under clause (i)(III) for*
19 *at least 5 percent of the total number of buildings cer-*
20 *tified annually by the agency.*

21 “(vi) *With respect to privatized military hous-*
22 *ing, the Secretary of Defense, after consultation with*
23 *the Secretary may, through rulemaking, develop alter-*
24 *native criteria to those established by subclauses (I)*
25 *and (III) of clause (i) that achieve an equivalent re-*

1 *sult in terms of energy savings, sustainable design,*
2 *and green building performance.*

3 *“(vii) In addition to any use of water conserva-*
4 *tion technologies otherwise required by this section,*
5 *water conservation technologies shall be applied to the*
6 *extent that the technologies are life-cycle cost-effec-*
7 *tive.”.*

8 *(b) DEFINITIONS.—Section 303(6) of the Energy Con-*
9 *servation and Production Act (42 U.S.C. 6832(6)) is*
10 *amended by striking “which is not legally subject to State*
11 *or local building codes or similar requirements.” and in-*
12 *serting “. Such term shall include buildings built for the*
13 *purpose of being leased by a Federal agency, and privatized*
14 *military housing.”.*

15 *(c) REVISION OF FEDERAL ACQUISITION REGULA-*
16 *TION.—Not later than 2 years after the date of the enact-*
17 *ment of this Act, the Federal Acquisition Regulation shall*
18 *be revised to require Federal officers and employees to com-*
19 *ply with this section and the amendments made by this sec-*
20 *tion in the acquisition, construction, or major renovation*
21 *of any facility. The members of the Federal Acquisition*
22 *Regulatory Council (established under section 25 of the Of-*
23 *fice of Federal Procurement Policy Act (41 U.S.C. 421))*
24 *shall consult with the Federal Director and the Commercial*

1 *Director before promulgating regulations to carry out this*
2 *subsection.*

3 (d) *GUIDANCE.*—*Not later than 90 days after the date*
4 *of promulgation of the revised regulations under subsection*
5 *(c), the Administrator for Federal Procurement Policy shall*
6 *issue guidance to all Federal procurement executives pro-*
7 *viding direction and instructions to renegotiate the design*
8 *of proposed facilities and major renovations for existing fa-*
9 *cilities to incorporate improvements that are consistent*
10 *with this section.*

11 **SEC. 434. MANAGEMENT OF FEDERAL BUILDING EFFI-**
12 **CIENCY.**

13 (a) *LARGE CAPITAL ENERGY INVESTMENTS.*—*Section*
14 *543 of the National Energy Conservation Policy Act (42*
15 *U.S.C. 8253) is amended by adding at the end the following:*

16 “(f) *LARGE CAPITAL ENERGY INVESTMENTS.*—

17 “(1) *IN GENERAL.*—*Each Federal agency shall*
18 *ensure that any large capital energy investment in an*
19 *existing building that is not a major renovation but*
20 *involves replacement of installed equipment (such as*
21 *heating and cooling systems), or involves renovation,*
22 *rehabilitation, expansion, or remodeling of existing*
23 *space, employs the most energy efficient designs, sys-*
24 *tems, equipment, and controls that are life-cycle cost*
25 *effective.*

1 “(2) *PROCESS FOR REVIEW OF INVESTMENT DE-*
2 *CISIONS.—Not later than 180 days after the date of*
3 *enactment of this subsection, each Federal agency*
4 *shall—*

5 “(A) *develop a process for reviewing each*
6 *decision made on a large capital energy invest-*
7 *ment described in paragraph (1) to ensure that*
8 *the requirements of this subsection are met; and*

9 “(B) *report to the Director of the Office of*
10 *Management and Budget on the process estab-*
11 *lished.*

12 “(3) *COMPLIANCE REPORT.—Not later than 1*
13 *year after the date of enactment of this subsection, the*
14 *Director of the Office of Management and Budget*
15 *shall evaluate and report to Congress on the compli-*
16 *ance of each agency with this subsection.”.*

17 “(b) *METERING.—Section 543(e)(1) of the National En-*
18 *ergy Conservation Policy Act (42 U.S.C. 8253(e)(1)) is*
19 *amended by inserting after the second sentence the fol-*
20 *lowing: “Not later than October 1, 2016, each agency shall*
21 *provide for equivalent metering of natural gas and steam,*
22 *in accordance with guidelines established by the Secretary*
23 *under paragraph (2).”.*

1 **SEC. 435. LEASING.**

2 (a) *IN GENERAL.*—*Except as provided in subsection*
3 *(b), effective beginning on the date that is 3 years after the*
4 *date of enactment of this Act, no Federal agency shall enter*
5 *into a contract to lease space in a building that has not*
6 *earned the Energy Star label in the most recent year.*

7 (b) *EXCEPTION.*—

8 (1) *APPLICATION.*—*This subsection applies if—*

9 (A) *no space is available in a building de-*
10 *scribed in subsection (a) that meets the func-*
11 *tional requirements of an agency, including loca-*
12 *tional needs;*

13 (B) *the agency proposes to remain in a*
14 *building that the agency has occupied previously;*

15 (C) *the agency proposes to lease a building*
16 *of historical, architectural, or cultural signifi-*
17 *cance (as defined in section 3306(a)(4) of title*
18 *40, United States Code) or space in such a*
19 *building; or*

20 (D) *the lease is for not more than 10,000*
21 *gross square feet of space.*

22 (2) *BUILDINGS WITHOUT ENERGY STAR*
23 *LABEL.*—*If 1 of the conditions described in paragraph*
24 *(2) is met, the agency may enter into a contract to*
25 *lease space in a building that has not earned the En-*
26 *ergy Star label in the most recent year if the lease*

1 *contract includes provisions requiring that, prior to*
2 *occupancy or, in the case of a contract described in*
3 *paragraph (1)(B), not later than 1 year after signing*
4 *the contract, the space will be renovated for all energy*
5 *efficiency and conservation improvements that would*
6 *be cost effective over the life of the lease, including im-*
7 *provements in lighting, windows, and heating, ven-*
8 *tilation, and air conditioning systems.*

9 *(c) REVISION OF FEDERAL ACQUISITION REGULA-*
10 *TION.—*

11 *(1) IN GENERAL.—Not later than 3 years after*
12 *the date of the enactment of this Act, the Federal Ac-*
13 *quisition Regulation described in section 6(a) of the*
14 *Office of Federal Procurement Policy Act (41 U.S.C.*
15 *405(a)) shall be revised to require Federal officers and*
16 *employees to comply with this section in leasing*
17 *buildings.*

18 *(2) CONSULTATION.—The members of the Federal*
19 *Acquisition Regulatory Council established under sec-*
20 *tion 25 of the Office of Federal Procurement Policy*
21 *Act (41 U.S.C. 421)) shall consult with the Federal*
22 *Director and the Commercial Director before promul-*
23 *gating regulations to carry out this subsection.*

1 **SEC. 436. HIGH-PERFORMANCE GREEN FEDERAL BUILD-**
2 **INGS.**

3 (a) *ESTABLISHMENT OF OFFICE.*—Not later than 60
4 days after the date of enactment of this Act, the Adminis-
5 trator shall establish within the General Services Adminis-
6 tration an Office of Federal High-Performance Green
7 Buildings, and appoint an individual to serve as Federal
8 Director in, a position in the career-reserved Senior Execu-
9 tive service, to—

10 (1) *establish and manage the Office of Federal*
11 *High-Performance Green Buildings; and*

12 (2) *carry out other duties as required under this*
13 *subtitle.*

14 (b) *COMPENSATION.*—*The compensation of the Federal*
15 *Director shall not exceed the maximum rate of basic pay*
16 *for the Senior Executive Service under section 5382 of title*
17 *5, United States Code, including any applicable locality-*
18 *based comparability payment that may be authorized under*
19 *section 5304(h)(2)(C) of that title.*

20 (c) *DUTIES.*—*The Federal Director shall—*

21 (1) *coordinate the activities of the Office of Fed-*
22 *eral High-Performance Green Buildings with the ac-*
23 *tivities of the Office of Commercial High-Performance*
24 *Green Buildings, and the Secretary, in accordance*
25 *with section 305(a)(3)(D) of the Energy Conservation*
26 *and Production Act (42 U.S.C. 6834(a)(3)(D));*

1 (2) *ensure full coordination of high-performance*
2 *green building information and activities within the*
3 *General Services Administration and all relevant*
4 *agencies, including, at a minimum—*

5 (A) *the Environmental Protection Agency;*

6 (B) *the Office of the Federal Environmental*
7 *Executive;*

8 (C) *the Office of Federal Procurement Pol-*
9 *icy;*

10 (D) *the Department of Energy;*

11 (E) *the Department of Health and Human*
12 *Services;*

13 (F) *the Department of Defense;*

14 (G) *the Department of Transportation;*

15 (H) *the National Institute of Standards*
16 *and Technology; and*

17 (I) *the Office of Science and Technology*
18 *Policy;*

19 (3) *establish a senior-level Federal Green Build-*
20 *ing Advisory Committee under section 474, which*
21 *shall provide advice and recommendations in accord-*
22 *ance with that section and subsection (d);*

23 (4) *identify and every 5 years reassess improved*
24 *or higher rating standards recommended by the Advi-*
25 *sory Committee;*

1 (5) *ensure full coordination, dissemination of in-*
2 *formation regarding, and promotion of the results of*
3 *research and development information relating to*
4 *Federal high-performance green building initiatives;*

5 (6) *identify and develop Federal high-perform-*
6 *ance green building standards for all types of Federal*
7 *facilities, consistent with the requirements of this sub-*
8 *title and section 305(a)(3)(D) of the Energy Con-*
9 *servation and Production Act (42 U.S.C.*
10 *6834(a)(3)(D));*

11 (7) *establish green practices that can be used*
12 *throughout the life of a Federal facility;*

13 (8) *review and analyze current Federal budget*
14 *practices and life-cycle costing issues, and make rec-*
15 *ommendations to Congress, in accordance with sub-*
16 *section (d); and*

17 (9) *identify opportunities to demonstrate innova-*
18 *tive and emerging green building technologies and*
19 *concepts.*

20 (d) *ADDITIONAL DUTIES.*—*The Federal Director, in*
21 *consultation with the Commercial Director and the Advi-*
22 *sory Committee, and consistent with the requirements of*
23 *section 305(a)(3)(D) of the Energy Conservation and Pro-*
24 *duction Act (42 U.S.C. 6834(a)(3)(D)) shall—*

1 (1) identify, review, and analyze current budget
2 and contracting practices that affect achievement of
3 high-performance green buildings, including the iden-
4 tification of barriers to high-performance green build-
5 ing life-cycle costing and budgetary issues;

6 (2) develop guidance and conduct training ses-
7 sions with budget specialists and contracting per-
8 sonnel from Federal agencies and budget examiners to
9 apply life-cycle cost criteria to actual projects;

10 (3) identify tools to aid life-cycle cost decision-
11 making; and

12 (4) explore the feasibility of incorporating the
13 benefits of high-performance green buildings, such as
14 security benefits, into a cost-budget analysis to aid in
15 life-cycle costing for budget and decisionmaking proc-
16 esses.

17 (e) *INCENTIVES*.—Within 90 days after the date of en-
18 actment of this Act, the Federal Director shall identify in-
19 centives to encourage the expedited use of high-performance
20 green buildings and related technology in the operations of
21 the Federal Government, in accordance with the require-
22 ments of section 305(a)(3)(D) of the Energy Conservation
23 and Production Act (42 U.S.C. 6834(a)(3)(D)), including
24 through—

25 (1) the provision of recognition awards; and

1 (2) *the maximum feasible retention of financial*
2 *savings in the annual budgets of Federal agencies for*
3 *use in reinvesting in future high-performance green*
4 *building initiatives.*

5 (f) *REPORT.*—*Not later than 2 years after the date of*
6 *enactment of this Act, and biennially thereafter, the Federal*
7 *Director, in consultation with the Secretary, shall submit*
8 *to Congress a report that—*

9 (1) *describes the status of compliance with this*
10 *subtitle, the requirements of section 305(a)(3)(D) of*
11 *the Energy Conservation and Production Act (42*
12 *U.S.C. 6834(a)(3)(D)), and other Federal high-per-*
13 *formance green building initiatives in effect as of the*
14 *date of the report, including—*

15 (A) *the extent to which the programs are*
16 *being carried out in accordance with this subtitle*
17 *and the requirements of section 305(a)(3)(D) of*
18 *that Act; and*

19 (B) *the status of funding requests and ap-*
20 *propriations for those programs;*

21 (2) *identifies within the planning, budgeting,*
22 *and construction process all types of Federal facility*
23 *procedures that may affect the certification of new*
24 *and existing Federal facilities as high-performance*
25 *green buildings under the provisions of section*

1 305(a)(3)(D) of that Act and the criteria established
2 in subsection (h);

3 (3) identifies inconsistencies, as reported to the
4 Advisory Committee, in Federal law with respect to
5 product acquisition guidelines and high-performance
6 product guidelines;

7 (4) recommends language for uniform standards
8 for use by Federal agencies in environmentally re-
9 sponsible acquisition;

10 (5) in coordination with the Office of Manage-
11 ment and Budget, reviews the budget process for cap-
12 ital programs with respect to alternatives for—

13 (A) restructuring of budgets to require the
14 use of complete energy and environmental cost
15 accounting;

16 (B) using operations expenditures in budg-
17 et-related decisions while simultaneously incor-
18 porating productivity and health measures (as
19 those measures can be quantified by the Office of
20 Federal High-Performance Green Buildings,
21 with the assistance of universities and national
22 laboratories);

23 (C) streamlining measures for permitting
24 Federal agencies to retain all identified savings
25 accrued as a result of the use of life-cycle costing

1 *for future high-performance green building ini-*
2 *tiatives; and*

3 *(D) identifying short-term and long-term*
4 *cost savings that accrue from high-performance*
5 *green buildings, including those relating to*
6 *health and productivity;*

7 *(6) identifies green, self-sustaining technologies*
8 *to address the operational needs of Federal facilities*
9 *in times of national security emergencies, natural dis-*
10 *asters, or other dire emergencies;*

11 *(7) summarizes and highlights development, at*
12 *the State and local level, of high-performance green*
13 *building initiatives, including executive orders, poli-*
14 *cies, or laws adopted promoting high-performance*
15 *green building (including the status of implementa-*
16 *tion of those initiatives); and*

17 *(8) includes, for the 2-year period covered by the*
18 *report, recommendations to address each of the mat-*
19 *ters, and a plan for implementation of each rec-*
20 *ommendation, described in paragraphs (1) through*
21 *(7).*

22 *(g) IMPLEMENTATION.—The Office of Federal High-*
23 *Performance Green Buildings shall carry out each plan for*
24 *implementation of recommendations under subsection*
25 *(f)(8).*

1 *(h) IDENTIFICATION OF CERTIFICATION SYSTEM.—*

2 *(1) IN GENERAL.—For the purpose of this sec-*
3 *tion, not later than 60 days after the date of enact-*
4 *ment of this Act, the Federal Director shall identify*
5 *and shall provide to the Secretary pursuant to section*
6 *305(a)(3)(D) of the Energy Conservation and Produc-*
7 *tion Act (42 U.S.C. 6834(a)(3)(D)), a certification*
8 *system that the Director determines to be the most*
9 *likely to encourage a comprehensive and environ-*
10 *mentally-sound approach to certification of green*
11 *buildings.*

12 *(2) BASIS.—The system identified under para-*
13 *graph (1) shall be based on—*

14 *(A) a study completed every 5 years and*
15 *provided to the Secretary pursuant to section*
16 *305(a)(3)(D) of that Act, which shall be carried*
17 *out by the Federal Director to compare and*
18 *evaluate standards;*

19 *(B) the ability and availability of assessors*
20 *and auditors to independently verify the criteria*
21 *and measurement of metrics at the scale nec-*
22 *essary to implement this subtitle;*

23 *(C) the ability of the applicable standard-*
24 *setting organization to collect and reflect public*
25 *comment;*

1 (D) the ability of the standard to be devel-
2 oped and revised through a consensus-based proc-
3 ess;

4 (E) an evaluation of the robustness of the
5 criteria for a high performance green building,
6 which shall give credit for promoting—

7 (i) efficient and sustainable use of
8 water, energy, and other natural resources;

9 (ii) use of renewable energy sources;

10 (iii) improved indoor environmental
11 quality through enhanced indoor air qual-
12 ity, thermal comfort, acoustics, day light-
13 ing, pollutant source control, and use of
14 low-emission materials and building system
15 controls;

16 (iv) reduced impacts from transpor-
17 tation through building location and site
18 design that promote access by public trans-
19 portation; and

20 (v) such other criteria as the Federal
21 Director determines to be appropriate; and

22 (F) national recognition within the build-
23 ing industry.

1 **SEC. 437. FEDERAL GREEN BUILDING PERFORMANCE.**

2 (a) *IN GENERAL.*—Not later than October 31 of each
3 of the 2 fiscal years following the fiscal year in which this
4 Act is enacted, and at such times thereafter as the Comptroller
5 General of the United States determines to be appropriate,
6 the Comptroller General of the United States shall,
7 with respect to the fiscal years that have passed since the
8 preceding report—

9 (1) *conduct an audit of the implementation of*
10 *this subtitle, section 305(a)(3)(D) of the Energy Con-*
11 *servation and Production Act (42 U.S.C.*
12 *6834(a)(3)(D)), and section 435; and*

13 (2) *submit to the Federal Director, the Advisory*
14 *Committee, the Administrator, and Congress a report*
15 *describing the results of the audit.*

16 (b) *CONTENTS.*—An audit under subsection (a) shall
17 include a review, with respect to the period covered by the
18 report under subsection (a)(2), of—

19 (1) *budget, life-cycle costing, and contracting*
20 *issues, using best practices identified by the Comptroller*
21 *General of the United States and heads of other*
22 *agencies in accordance with section 436(d);*

23 (2) *the level of coordination among the Federal*
24 *Director, the Office of Management and Budget, the*
25 *Department of Energy, and relevant agencies;*

1 *to maintain or restore, to the maximum extent technically*
2 *feasible, the predevelopment hydrology of the property with*
3 *regard to the temperature, rate, volume, and duration of*
4 *flow.*

5 **SEC. 439. COST-EFFECTIVE TECHNOLOGY ACCELERATION**
6 **PROGRAM.**

7 (a) *DEFINITION OF ADMINISTRATOR.*—*In this section,*
8 *the term “Administrator” means the Administrator of Gen-*
9 *eral Services.*

10 (b) *ESTABLISHMENT.*—

11 (1) *IN GENERAL.*—*The Administrator shall es-*
12 *tablish a program to accelerate the use of more cost-*
13 *effective technologies and practices at GSA facilities.*

14 (2) *REQUIREMENTS.*—*The program established*
15 *under this subsection shall—*

16 (A) *ensure centralized responsibility for the*
17 *coordination of cost reduction-related rec-*
18 *ommendations, practices, and activities of all*
19 *relevant Federal agencies;*

20 (B) *provide technical assistance and oper-*
21 *ational guidance to applicable tenants to achieve*
22 *the goal identified in subsection (c)(2)(B)(ii);*

23 (C) *establish methods to track the success of*
24 *Federal departments and agencies with respect to*
25 *that goal; and*

1 (D) be fully coordinated with and no less
2 stringent nor less energy-conserving or water-
3 conserving than required by other provisions of
4 this Act and other applicable law, including sec-
5 tions 321 through 324, 431 through 438, 461,
6 511 through 518, and 523 through 525 and
7 amendments made by those sections.

8 (c) *ACCELERATED USE OF TECHNOLOGIES.*—

9 (1) *REVIEW.*—

10 (A) *IN GENERAL.*—As part of the program
11 under this section, not later than 90 days after
12 the date of enactment of this Act, the Adminis-
13 trator shall conduct a review of—

14 (i) current use of cost-effective lighting
15 technologies and geothermal heat pumps in
16 GSA facilities; and

17 (ii) the availability to managers of
18 GSA facilities of cost-effective lighting tech-
19 nologies and geothermal heat pumps.

20 (B) *REQUIREMENTS.*—The review under
21 subparagraph (A) shall—

22 (i) examine the use of cost-effective
23 lighting technologies, geothermal heat
24 pumps, and other cost-effective technologies

1 *and practices by Federal agencies in GSA*
2 *facilities; and*

3 *(ii) as prepared in consultation with*
4 *the Administrator of the Environmental*
5 *Protection Agency, identify cost-effective*
6 *lighting technology and geothermal heat*
7 *pump technology standards that could be*
8 *used for all types of GSA facilities.*

9 (2) *REPLACEMENT.*—

10 (A) *IN GENERAL.*—*As part of the program*
11 *under this section, not later than 180 days after*
12 *the date of enactment of this Act, the Adminis-*
13 *trator shall establish, using available appropria-*
14 *tions and programs implementing sections 432*
15 *and 525 (and amendments made by those sec-*
16 *tions), a cost-effective lighting technology and*
17 *geothermal heat pump technology acceleration*
18 *program to achieve maximum feasible replace-*
19 *ment of existing lighting, heating, cooling tech-*
20 *nologies with cost-effective lighting technologies*
21 *and geothermal heat pump technologies in each*
22 *GSA facility. Such program shall fully comply*
23 *with the requirements of sections 321 through*
24 *324, 431 through 438, 461, 511 through 518, and*
25 *523 through 525 and amendments made by those*

1 *sections and any other provisions of law, which*
2 *shall be applicable to the extent that they are*
3 *more stringent or would achieve greater energy*
4 *savings than required by this section.*

5 *(B) ACCELERATION PLAN TIMETABLE.—*

6 *(i) IN GENERAL.—To implement the*
7 *program established under subparagraph*
8 *(A), not later than 1 year after the date of*
9 *enactment of this Act, the Administrator*
10 *shall establish a timetable of actions to com-*
11 *ply with the requirements of this section*
12 *and sections 431 through 435, whichever*
13 *achieves greater energy savings most expedi-*
14 *tiously, including milestones for specific ac-*
15 *tivities needed to replace existing lighting,*
16 *heating, cooling technologies with cost-effec-*
17 *tive lighting technologies and geothermal*
18 *heat pump technologies, to the maximum*
19 *extent feasible (including at the maximum*
20 *rate feasible), at each GSA facility.*

21 *(ii) GOAL.—The goal of the timetable*
22 *under clause (i) shall be to complete, using*
23 *available appropriations and programs im-*
24 *plementing sections 431 through 435 (and*
25 *amendments made by those sections), max-*

1 *imum feasible replacement of existing light-*
2 *ing, heating, and cooling technologies with*
3 *cost-effective lighting technologies and geo-*
4 *thermal heat pump technologies consistent*
5 *with the requirements of this section and*
6 *sections 431 through 435, whichever*
7 *achieves greater energy savings most expedi-*
8 *tiously. Notwithstanding any provision of*
9 *this section, such program shall fully com-*
10 *ply with the requirements of the Act includ-*
11 *ing sections 321 through 324, 431 through*
12 *438, 461, 511 through 518, and 523 through*
13 *525 and amendments made by those sec-*
14 *tions and other provisions of law, which*
15 *shall be applicable to the extent that they*
16 *are more stringent or would achieve greater*
17 *energy or water savings than required by*
18 *this section.*

19 *(d) GSA FACILITY TECHNOLOGIES AND PRACTICES.—*

20 *(1) IN GENERAL.—Not later than 180 days after*
21 *the date of enactment of this Act, and annually there-*
22 *after, the Administrator shall—*

23 *(A) ensure that a manager responsible for*
24 *implementing section 432 and for accelerating*

1 *the use of cost-effective technologies and practices*
2 *is designated for each GSA facility; and*

3 *(B) submit to Congress a plan to comply*
4 *with section 432, this section, and other applica-*
5 *ble provisions of this Act and applicable law*
6 *with respect to energy and water conservation at*
7 *GSA facilities.*

8 (2) *MEASURES.*—*The plan shall implement*
9 *measures required by such other provisions of law in*
10 *accordance with those provisions, and shall imple-*
11 *ment the measures required by this section to the*
12 *maximum extent feasible (including at the maximum*
13 *rate feasible) using available appropriations and pro-*
14 *grams implementing sections 431 through 435 and*
15 *525 (and amendments made by those sections), by not*
16 *later than the date that is 5 years after the date of*
17 *enactment of this Act.*

18 (3) *CONTENTS OF PLAN.*—*The plan shall—*

19 (A) *with respect to cost-effective technologies*
20 *and practices—*

21 (i) *identify the specific activities need-*
22 *ed to comply with sections 431 through 435;*

23 (ii) *identify the specific activities need-*
24 *ed to achieve at least a 20-percent reduction*
25 *in operational costs through the application*

1 *of cost-effective technologies and practices*
2 *from 2003 levels at GSA facilities by not*
3 *later than 5 years after the date of enact-*
4 *ment of this Act;*

5 *(iii) describe activities required and*
6 *carried out to estimate the funds necessary*
7 *to achieve the reduction described in clauses*
8 *(i) and (ii);*

9 *(B) include an estimate of the funds nec-*
10 *essary to carry out this section;*

11 *(C) describe the status of the implementa-*
12 *tion of cost-effective technologies and practices at*
13 *GSA facilities, including—*

14 *(i) the extent to which programs, in-*
15 *cluding the program established under sub-*
16 *section (b), are being carried out in accord-*
17 *ance with this subtitle; and*

18 *(ii) the status of funding requests and*
19 *appropriations for those programs;*

20 *(D) identify within the planning, budg-*
21 *eting, and construction processes, all types of*
22 *GSA facility-related procedures that inhibit new*
23 *and existing GSA facilities from implementing*
24 *cost-effective technologies;*

1 (E) recommend language for uniform stand-
2 ards for use by Federal agencies in imple-
3 menting cost-effective technologies and practices;

4 (F) in coordination with the Office of Man-
5 agement and Budget, review the budget process
6 for capital programs with respect to alternatives
7 for—

8 (i) implementing measures that will
9 assure that Federal agencies retain all iden-
10 tified savings accrued as a result of the use
11 of cost-effective technologies, consistent with
12 section 543(a)(1) of the National Energy
13 Conservation Policy Act (42 U.S.C.
14 8253(a)(1), and other applicable law; and

15 (ii) identifying short- and long-term
16 cost savings that accrue from the use of cost-
17 effective technologies and practices;

18 (G) with respect to cost-effective technologies
19 and practices, achieve substantial operational
20 cost savings through the application of the tech-
21 nologies; and

22 (H) include recommendations to address
23 each of the matters, and a plan for implementa-
24 tion of each recommendation, described in sub-
25 paragraphs (A) through (G).

1 (4) *ADMINISTRATION.*—*Notwithstanding any*
2 *provision of this section, the program required under*
3 *this section shall fully comply with the requirements*
4 *of sections 321 through 324, 431 through 438, 461,*
5 *511 through 518, and 523 through 525 and amend-*
6 *ments made by those sections, which shall be applica-*
7 *ble to the extent that they are more stringent or would*
8 *achieve greater energy or water savings than required*
9 *by this section.*

10 (e) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
11 *authorized to be appropriated such sums as are necessary*
12 *to carry out this section, to remain available until ex-*
13 *pended.*

14 **SEC. 440. AUTHORIZATION OF APPROPRIATIONS.**

15 *There is authorized to be appropriated to carry out*
16 *sections 434 through 439 and 482 \$4,000,000 for each of*
17 *fiscal years 2008 through 2012, to remain available until*
18 *expended.*

19 **SEC. 441. PUBLIC BUILDING LIFE-CYCLE COSTS.**

20 *Section 544(a)(1) of the National Energy Conservation*
21 *Policy Act (42 U.S.C. 8254(a)(1)) is amended by striking*
22 *“25” and inserting “40”.*

1 **Subtitle D—Industrial Energy**
 2 **Efficiency**

3 **SEC. 451. INDUSTRIAL ENERGY EFFICIENCY.**

4 (a) *IN GENERAL.*—Title III of the Energy Policy and
 5 Conservation Act (42 U.S.C. 6291 et seq.) is amended by
 6 inserting after part D the following:

7 **“PART E—INDUSTRIAL ENERGY EFFICIENCY**

8 **“SEC. 371. DEFINITIONS.**

9 *“In this part:*

10 “(1) *ADMINISTRATOR.*—The term ‘Adminis-
 11 trator’ means the Administrator of the Environ-
 12 mental Protection Agency.

13 “(2) *COMBINED HEAT AND POWER.*—The term
 14 ‘combined heat and power system’ means a facility
 15 that—

16 “(A) *simultaneously and efficiently pro-*
 17 *duces useful thermal energy and electricity; and*

18 “(B) *recovers not less than 60 percent of the*
 19 *energy value in the fuel (on a higher-heating-*
 20 *value basis) in the form of useful thermal energy*
 21 *and electricity.*

22 “(3) *NET EXCESS POWER.*—The term ‘net excess
 23 power’ means, for any facility, recoverable waste en-
 24 ergy recovered in the form of electricity in quantities
 25 exceeding the total consumption of electricity at the

1 *specific time of generation on the site at which the fa-*
2 *cility is located.*

3 “(4) *PROJECT.*—*The term ‘project’ means a re-*
4 *coverable waste energy project or a combined heat and*
5 *power system project.*

6 “(5) *RECOVERABLE WASTE ENERGY.*—*The term*
7 *‘recoverable waste energy’ means waste energy from*
8 *which electricity or useful thermal energy may be re-*
9 *covered through modification of an existing facility or*
10 *addition of a new facility.*

11 “(6) *REGISTRY.*—*The term ‘Registry’ means the*
12 *Registry of Recoverable Waste Energy Sources estab-*
13 *lished under section 372(d).*

14 “(7) *USEFUL THERMAL ENERGY.*—*The term*
15 *‘useful thermal energy’ means energy—*

16 “(A) *in the form of direct heat, steam, hot*
17 *water, or other thermal form that is used in pro-*
18 *duction and beneficial measures for heating,*
19 *cooling, humidity control, process use, or other*
20 *valid thermal end-use energy requirements; and*

21 “(B) *for which fuel or electricity would oth-*
22 *erwise be consumed.*

23 “(8) *WASTE ENERGY.*—*The term ‘waste energy’*
24 *means—*

1 “(A) exhaust heat or flared gas from any
2 industrial process;

3 “(B) waste gas or industrial tail gas that
4 would otherwise be flared, incinerated, or vented;

5 “(C) a pressure drop in any gas, excluding
6 any pressure drop to a condenser that subse-
7 quently vents the resulting heat; and

8 “(D) such other forms of waste energy as the
9 Administrator may determine.

10 “(9) OTHER TERMS.—The terms ‘electric utility’,
11 ‘nonregulated electric utility’, ‘State regulated electric
12 utility’, and other terms have the meanings given
13 those terms in title I of the Public Utility Regulatory
14 Policies Act of 1978 (16 U.S.C. 2611 et seq.).

15 **“SEC. 372. SURVEY AND REGISTRY.**

16 “(a) RECOVERABLE WASTE ENERGY INVENTORY PRO-
17 GRAM.—

18 “(1) IN GENERAL.—The Administrator, in co-
19 operation with the Secretary and State energy offices,
20 shall establish a recoverable waste energy inventory
21 program.

22 “(2) SURVEY.—The program shall include—

23 “(A) an ongoing survey of all major indus-
24 trial and large commercial combustion sources
25 in the United States (as defined by the Adminis-

1 *trator) and the sites at which the sources are lo-*
2 *cated; and*

3 *“(B) a review of each source for the quan-*
4 *tity and quality of waste energy produced at the*
5 *source.*

6 “(b) *CRITERIA.—*

7 *“(1) IN GENERAL.—Not later than 270 days*
8 *after the date of enactment of the Energy Independ-*
9 *ence and Security Act of 2007, the Administrator*
10 *shall publish a rule for establishing criteria for in-*
11 *cluding sites in the Registry.*

12 “(2) *INCLUSIONS.—The criteria shall include—*

13 *“(A) a requirement that, to be included in*
14 *the Registry, a project at the site shall be deter-*
15 *mined to be economically feasible by virtue of of-*
16 *fering a payback of invested costs not later than*
17 *5 years after the date of first full project oper-*
18 *ation (including incentives offered under this*
19 *part);*

20 *“(B) standards to ensure that projects pro-*
21 *posed for inclusion in the Registry are not devel-*
22 *oped or used for the primary purpose of making*
23 *sales of excess electric power under the regulatory*
24 *provisions of this part; and*

1 “(C) procedures for contesting the listing of
2 any source or site on the Registry by any State,
3 utility, or other interested person.

4 “(c) TECHNICAL SUPPORT.—On the request of the
5 owner or operator of a source or site included in the Reg-
6 istry, the Secretary shall—

7 “(1) provide to owners or operators of combus-
8 tion sources technical support; and

9 “(2) offer partial funding (in an amount equal
10 to not more than $\frac{1}{2}$ of total costs) for feasibility stud-
11 ies to confirm whether or not investment in recovery
12 of waste energy or combined heat and power at a
13 source would offer a payback period of 5 years or less.

14 “(d) REGISTRY.—

15 “(1) ESTABLISHMENT.—

16 “(A) IN GENERAL.—Not later than 1 year
17 after the date of enactment of the Energy Inde-
18 pendence and Security Act of 2007, the Adminis-
19 trator shall establish a Registry of Recoverable
20 Waste Energy Sources, and sites on which the
21 sources are located, that meet the criteria estab-
22 lished under subsection (b).

23 “(B) UPDATES; AVAILABILITY.—The Ad-
24 ministrators shall—

1 “(i) update the Registry on a regular
2 basis; and

3 “(ii) make the Registry available to the
4 public on the website of the Environmental
5 Protection Agency.

6 “(C) CONTESTING LISTING.—Any State,
7 electric utility, or other interested person may
8 contest the listing of any source or site by sub-
9 mitting a petition to the Administrator.

10 “(2) CONTENTS.—

11 “(A) IN GENERAL.—The Administrator
12 shall register and include on the Registry all
13 sites meeting the criteria established under sub-
14 section (b).

15 “(B) QUANTITY OF RECOVERABLE WASTE
16 ENERGY.—The Administrator shall—

17 “(i) calculate the total quantities of po-
18 tentially recoverable waste energy from
19 sources at the sites, nationally and by
20 State; and

21 “(ii) make public—

22 “(I) the total quantities described
23 in clause (i); and

24 “(II) information on the criteria
25 pollutant and greenhouse gas emissions

1 *savings that might be achieved with re-*
2 *covery of the waste energy from all*
3 *sources and sites listed on the Registry.*

4 “(3) *AVAILABILITY OF INFORMATION.—*

5 “(A) *IN GENERAL.—The Administrator*
6 *shall notify owners or operators of recoverable*
7 *waste energy sources and sites listed on the Reg-*
8 *istry prior to publishing the listing.*

9 “(B) *DETAILED QUANTITATIVE INFORMA-*
10 *TION.—*

11 “(i) *IN GENERAL.—Except as provided*
12 *in clause (ii), the owner or operator of a*
13 *source at a site may elect to have detailed*
14 *quantitative information concerning the site*
15 *not made public by notifying the Adminis-*
16 *trator of the election.*

17 “(ii) *LIMITED AVAILABILITY.—The in-*
18 *formation shall be made available to—*

19 “(I) *the applicable State energy*
20 *office; and*

21 “(II) *any utility requested to sup-*
22 *port recovery of waste energy from the*
23 *source pursuant to the incentives pro-*
24 *vided under section 374.*

1 “(iii) *STATE TOTALS.*—*Information*
2 *concerning the site shall be included in the*
3 *total quantity of recoverable waste energy*
4 *for a State unless there are fewer than 3*
5 *sites in the State.*

6 “(4) *REMOVAL OF PROJECTS FROM REGISTRY.*—

7 “(A) *IN GENERAL.*—*Subject to subpara-*
8 *graph (B), as a project achieves successful recov-*
9 *ery of waste energy, the Administrator shall—*

10 “(i) *remove the related sites or sources*
11 *from the Registry; and*

12 “(ii) *designate the removed projects as*
13 *eligible for incentives under section 374.*

14 “(B) *LIMITATION.*—*No project shall be re-*
15 *moved from the Registry without the consent of*
16 *the owner or operator of the project if—*

17 “(i) *the owner or operator has sub-*
18 *mitted a petition under section 374; and*

19 “(ii) *the petition has not been acted on*
20 *or denied.*

21 “(5) *INELIGIBILITY OF CERTAIN SOURCES.*—*The*
22 *Administrator shall not list any source constructed*
23 *after the date of the enactment of the Energy Inde-*
24 *pendence and Security Act of 2007 on the Registry if*
25 *the Administrator determines that the source—*

1 “(A) was developed for the primary purpose
2 of making sales of excess electric power under the
3 regulatory provisions of this part; or

4 “(B) does not capture at least 60 percent of
5 the total energy value of the fuels used (on a
6 higher-heating-value basis) in the form of useful
7 thermal energy, electricity, mechanical energy,
8 chemical output, or any combination thereof.

9 “(e) *SELF-CERTIFICATION*.—

10 “(1) *IN GENERAL*.—Subject to any procedures
11 that are established by the Administrator, an owner,
12 operator, or third-party developer of a recoverable
13 waste energy project that qualifies under standards
14 established by the Administrator may self-certify the
15 sites or sources of the owner, operator, or developer to
16 the Administrator for inclusion in the Registry.

17 “(2) *REVIEW AND APPROVAL*.—To prevent a
18 fraudulent listing, a site or source shall be included
19 on the Registry only if the Administrator reviews and
20 approves the self-certification.

21 “(f) *NEW FACILITIES*.—As a new energy-consuming
22 industrial facility is developed after the date of enactment
23 of the Energy Independence and Security Act of 2007, to
24 the extent the facility may constitute a site with recoverable
25 waste energy that may qualify for inclusion on the Reg-

1 *istry, the Administrator may elect to include the facility*
2 *on the Registry, at the request of the owner, operator, or*
3 *developer of the facility, on a conditional basis with the*
4 *site to be removed from the Registry if the development*
5 *ceases or the site fails to qualify for listing under this part.*

6 “(g) *OPTIMUM MEANS OF RECOVERY.*—*For each site*
7 *listed in the Registry, at the request of the owner or operator*
8 *of the site, the Administrator shall offer, in cooperation with*
9 *Clean Energy Application Centers operated by the Sec-*
10 *retary of Energy, suggestions for optimum means of recov-*
11 *ery of value from waste energy stream in the form of elec-*
12 *tricity, useful thermal energy, or other energy-related prod-*
13 *ucts.*

14 “(h) *REVISION.*—*Each annual report of a State under*
15 *section 548(a) of the National Energy Conservation Policy*
16 *Act (42 U.S.C. 8258(a)) shall include the results of the sur-*
17 *vey for the State under this section.*

18 “(i) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
19 *authorized to be appropriated to—*

20 “(1) *the Administrator to create and maintain*
21 *the Registry and services authorized by this section,*
22 *\$1,000,000 for each of fiscal years 2008 through 2012;*
23 *and*

24 “(2) *the Secretary—*

1 “(A) to assist site or source owners and op-
2 erators in determining the feasibility of projects
3 authorized by this section, \$2,000,000 for each of
4 fiscal years 2008 through 2012; and

5 “(B) to provide funding for State energy of-
6 fice functions under this section, \$5,000,000.

7 **“SEC. 373. WASTE ENERGY RECOVERY INCENTIVE GRANT**
8 **PROGRAM.**

9 “(a) *ESTABLISHMENT.*—The Secretary shall establish
10 in the Department of Energy a waste energy recovery incen-
11 tive grant program to provide incentive grants to—

12 “(1) owners and operators of projects that suc-
13 cessfully produce electricity or incremental useful
14 thermal energy from waste energy recovery;

15 “(2) utilities purchasing or distributing the elec-
16 tricity; and

17 “(3) States that have achieved 80 percent or
18 more of recoverable waste heat recovery opportunities.

19 “(b) *GRANTS TO PROJECTS AND UTILITIES.*—

20 “(1) *IN GENERAL.*—The Secretary shall make
21 grants under this section—

22 “(A) to the owners or operators of waste en-
23 ergy recovery projects; and

24 “(B) in the case of excess power purchased
25 or transmitted by a electric utility, to the utility.

1 “(2) *PROOF.*—Grants may only be made under
2 this section on receipt of proof of waste energy recov-
3 ery or excess electricity generation, or both, from the
4 project in a form prescribed by the Secretary.

5 “(3) *EXCESS ELECTRIC ENERGY.*—

6 “(A) *IN GENERAL.*—In the case of waste en-
7 ergy recovery, a grant under this section shall be
8 made at the rate of \$10 per megawatt hour of
9 documented electricity produced from recoverable
10 waste energy (or by prevention of waste energy
11 in the case of a new facility) by the project dur-
12 ing the first 3 calendar years of production, be-
13 ginning on or after the date of enactment of the
14 Energy Independence and Security Act of 2007.

15 “(B) *UTILITIES.*—If the project produces
16 net excess power and an electric utility pur-
17 chases or transmits the excess power, 50 percent
18 of so much of the grant as is attributable to the
19 net excess power shall be paid to the electric util-
20 ity purchasing or transporting the net excess
21 power.

22 “(4) *USEFUL THERMAL ENERGY.*—In the case of
23 waste energy recovery that produces useful thermal
24 energy that is used for a purpose different from that
25 for which the project is principally designed, a grant

1 *under this section shall be made to the owner or oper-*
2 *ator of the waste energy recovery project at the rate*
3 *of \$10 for each 3,412,000 Btus of the excess thermal*
4 *energy used for the different purpose.*

5 *“(c) GRANTS TO STATES.—In the case of any State*
6 *that has achieved 80 percent or more of waste heat recovery*
7 *opportunities identified by the Secretary under this part,*
8 *the Administrator shall make a 1-time grant to the State*
9 *in an amount of not more than \$1,000 per megawatt of*
10 *waste-heat capacity recovered (or a thermal equivalent) to*
11 *support State-level programs to identify and achieve addi-*
12 *tional energy efficiency.*

13 *“(d) ELIGIBILITY.—The Secretary shall—*

14 *“(1) establish rules and guidelines to establish*
15 *eligibility for grants under subsection (b);*

16 *“(2) publicize the availability of the grant pro-*
17 *gram known to owners or operators of recoverable*
18 *waste energy sources and sites listed on the Registry;*
19 *and*

20 *“(3) award grants under the program on the*
21 *basis of the merits of each project in recovering or*
22 *preventing waste energy throughout the United States*
23 *on an impartial, objective, and not unduly discrimi-*
24 *natory basis.*

1 “(e) *LIMITATION.*—*The Secretary shall not award*
2 *grants to any person for a combined heat and power project*
3 *or a waste heat recovery project that qualifies for specific*
4 *Federal tax incentives for combined heat and power or for*
5 *waste heat recovery.*

6 “(f) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
7 *authorized to be appropriated to the Secretary—*

8 “(1) *to make grants to projects and utilities*
9 *under subsection (b)—*

10 “(A) *\$100,000,000 for fiscal year 2008 and*
11 *\$200,000,000 for each of fiscal years 2009*
12 *through 2012; and*

13 “(B) *such additional amounts for fiscal*
14 *year 2008 and each fiscal year thereafter as may*
15 *be necessary for administration of the waste en-*
16 *ergy recovery incentive grant program; and*

17 “(2) *to make grants to States under subsection*
18 *(b), \$10,000,000 for each of fiscal years 2008 through*
19 *2012, to remain available until expended.*

20 **“SEC. 374. ADDITIONAL INCENTIVES FOR RECOVERY, USE,**
21 **AND PREVENTION OF INDUSTRIAL WASTE EN-**
22 **ERGY.**

23 “(a) *CONSIDERATION OF STANDARD.*—

24 “(1) *IN GENERAL.*—*Not later than 180 days*
25 *after the receipt by a State regulatory authority (with*

1 *respect to each electric utility for which the authority*
2 *has ratemaking authority), or nonregulated electric*
3 *utility, of a request from a project sponsor or owner*
4 *or operator, the State regulatory authority or non-*
5 *regulated electric utility shall—*

6 “(A) *provide public notice and conduct a*
7 *hearing respecting the standard established by*
8 *subsection (b); and*

9 “(B) *on the basis of the hearing, consider*
10 *and make a determination whether or not it is*
11 *appropriate to implement the standard to carry*
12 *out the purposes of this part.*

13 “(2) *RELATIONSHIP TO STATE LAW.—For pur-*
14 *poses of any determination under paragraph (1) and*
15 *any review of the determination in any court, the*
16 *purposes of this section supplement otherwise applica-*
17 *ble State law.*

18 “(3) *NONADOPTION OF STANDARD.—Nothing in*
19 *this part prohibits any State regulatory authority or*
20 *nonregulated electric utility from making any deter-*
21 *mination that it is not appropriate to adopt any*
22 *standard described in paragraph (1), pursuant to au-*
23 *thority under otherwise applicable State law.*

24 “(b) *STANDARD FOR SALES OF EXCESS POWER.—For*
25 *purposes of this section, the standard referred to in sub-*

1 *section (a) shall provide that an owner or operator of a*
2 *waste energy recovery project identified on the Registry that*
3 *generates net excess power shall be eligible to benefit from*
4 *at least 1 of the options described in subsection (c) for dis-*
5 *posal of the net excess power in accordance with the rate*
6 *conditions and limitations described in subsection (d).*

7 “(c) *OPTIONS.—The options referred to in subsection*
8 *(b) are as follows:*

9 “(1) *SALE OF NET EXCESS POWER TO UTILITY.—*
10 *The electric utility shall purchase the net excess power*
11 *from the owner or operator of the eligible waste en-*
12 *ergy recovery project during the operation of the*
13 *project under a contract entered into for that purpose.*

14 “(2) *TRANSPORT BY UTILITY FOR DIRECT SALE*
15 *TO THIRD PARTY.—The electric utility shall transmit*
16 *the net excess power on behalf of the project owner or*
17 *operator to up to 3 separate locations on the system*
18 *of the utility for direct sale by the owner or operator*
19 *to third parties at those locations.*

20 “(3) *TRANSPORT OVER PRIVATE TRANSMISSION*
21 *LINES.—The State and the electric utility shall per-*
22 *mit, and shall waive or modify such laws as would*
23 *otherwise prohibit, the construction and operation of*
24 *private electric wires constructed, owned, and oper-*
25 *ated by the project owner or operator, to transport the*

1 *power to up to 3 purchasers within a 3-mile radius*
2 *of the project, allowing the wires to use or cross public*
3 *rights-of-way, without subjecting the project to regula-*
4 *tion as a public utility, and according the wires the*
5 *same treatment for safety, zoning, land use, and other*
6 *legal privileges as apply or would apply to the wires*
7 *of the utility, except that—*

8 *“(A) there shall be no grant of any power*
9 *of eminent domain to take or cross private prop-*
10 *erty for the wires; and*

11 *“(B) the wires shall be physically segregated*
12 *and not interconnected with any portion of the*
13 *system of the utility, except on the customer side*
14 *of the revenue meter of the utility and in a man-*
15 *ner that precludes any possible export of the elec-*
16 *tricity onto the utility system, or disruption of*
17 *the system.*

18 *“(4) AGREED ON ALTERNATIVES.—The utility*
19 *and the owner or operator of the project may reach*
20 *agreement on any alternate arrangement and pay-*
21 *ments or rates associated with the arrangement that*
22 *is mutually satisfactory and in accord with State*
23 *law.*

24 *“(d) RATE CONDITIONS AND CRITERIA.—*

25 *“(1) DEFINITIONS.—In this subsection:*

1 “(A) *PER UNIT DISTRIBUTION COSTS.*—*The*
2 *term ‘per unit distribution costs’ means (in kilo-*
3 *watt hours) the quotient obtained by dividing—*

4 “(i) *the depreciated book-value dis-*
5 *tribution system costs of a utility; by*

6 “(ii) *the volume of utility electricity*
7 *sales or transmission during the previous*
8 *year at the distribution level.*

9 “(B) *PER UNIT DISTRIBUTION MARGIN.*—
10 *The term ‘per unit distribution margin’*
11 *means—*

12 “(i) *in the case of a State-regulated*
13 *electric utility, a per-unit gross pretax prof-*
14 *it equal to the product obtained by multi-*
15 *plying—*

16 “(I) *the State-approved percentage*
17 *rate of return for the utility for dis-*
18 *tribution system assets; by*

19 “(II) *the per unit distribution*
20 *costs; and*

21 “(ii) *in the case of a nonregulated util-*
22 *ity, a per unit contribution to net revenues*
23 *determined multiplying—*

1 “(I) the percentage (but not less
2 than 10 percent) obtained by divid-
3 ing—

4 “(aa) the amount of any net
5 revenue payment or contribution
6 to the owners or subscribers of the
7 nonregulated utility during the
8 prior year; by

9 “(bb) the gross revenues of
10 the utility during the prior year
11 to obtain a percentage; by

12 “(II) the per unit distribution
13 costs.

14 “(C) *PER UNIT TRANSMISSION COSTS.*—The
15 term ‘per unit transmission costs’ means the
16 total cost of those transmission services pur-
17 chased or provided by a utility on a per-kilo-
18 watt-hour basis as included in the retail rate of
19 the utility.

20 “(2) *OPTIONS.*—The options described in para-
21 graphs (1) and (2) in subsection (c) shall be offered
22 under purchase and transport rate conditions that re-
23 flect the rate components defined under paragraph (1)
24 as applicable under the circumstances described in
25 paragraph (3).

1 “(3) *APPLICABLE RATES.*—

2 “(A) *RATES APPLICABLE TO SALE OF NET*
3 *EXCESS POWER.*—

4 “(i) *IN GENERAL.*—*Sales made by a*
5 *project owner or operator of a facility under*
6 *the option described in subsection (c)(1)*
7 *shall be paid for on a per kilowatt hour*
8 *basis that shall equal the full undiscounted*
9 *retail rate paid to the utility for power pur-*
10 *chased by the facility minus per unit dis-*
11 *tribution costs, that applies to the type of*
12 *utility purchasing the power.*

13 “(ii) *VOLTAGES EXCEEDING 25 KILO-*
14 *VOLTS.*—*If the net excess power is made*
15 *available for purchase at voltages that must*
16 *be transformed to or from voltages exceeding*
17 *25 kilovolts to be available for resale by the*
18 *utility, the purchase price shall further be*
19 *reduced by per unit transmission costs.*

20 “(B) *RATES APPLICABLE TO TRANSPORT BY*
21 *UTILITY FOR DIRECT SALE TO THIRD PARTIES.*—

22 “(i) *IN GENERAL.*—*Transportation by*
23 *utilities of power on behalf of the owner or*
24 *operator of a project under the option de-*
25 *scribed in subsection (c)(2) shall incur a*

1 *transportation rate that shall equal the per*
2 *unit distribution costs and per unit dis-*
3 *tribution margin, that applies to the type of*
4 *utility transporting the power.*

5 “(ii) *VOLTAGES EXCEEDING 25 KILO-*
6 *VOLTS.—If the net excess power is made*
7 *available for transportation at voltages that*
8 *must be transformed to or from voltages ex-*
9 *ceeding 25 kilovolts to be transported to the*
10 *designated third-party purchasers, the*
11 *transport rate shall further be increased by*
12 *per unit transmission costs.*

13 “(iii) *STATES WITH COMPETITIVE RE-*
14 *TAIL MARKETS FOR ELECTRICITY.—In a*
15 *State with a competitive retail market for*
16 *electricity, the applicable transportation*
17 *rate for similar transportation shall be ap-*
18 *plied in lieu of any rate calculated under*
19 *this paragraph.*

20 “(4) *LIMITATIONS.—*

21 “(A) *IN GENERAL.—Any rate established for*
22 *sale or transportation under this section shall—*

23 “(i) *be modified over time with*
24 *changes in the underlying costs or rates of*
25 *the electric utility; and*

1 “(ii) reflect the same time-sensitivity
2 and billing periods as are established in the
3 retail sales or transportation rates offered
4 by the utility.

5 “(B) *LIMITATION.*—No utility shall be re-
6 quired to purchase or transport a quantity of net
7 excess power under this section that exceeds the
8 available capacity of the wires, meter, or other
9 equipment of the electric utility serving the site
10 unless the owner or operator of the project agrees
11 to pay necessary and reasonable upgrade costs.

12 “(e) *PROCEDURAL REQUIREMENTS FOR CONSIDER-*
13 *ATION AND DETERMINATION.*—

14 “(1) *PUBLIC NOTICE AND HEARING.*—

15 “(A) *IN GENERAL.*—The consideration re-
16 ferred to in subsection (a) shall be made after
17 public notice and hearing.

18 “(B) *ADMINISTRATION.*—The determination
19 referred to in subsection (a) shall be—

20 “(i) in writing;

21 “(ii) based on findings included in the
22 determination and on the evidence presented
23 at the hearing; and

24 “(iii) available to the public.

1 “(2) *INTERVENTION BY ADMINISTRATOR.*—*The*
2 *Administrator may intervene as a matter of right in*
3 *a proceeding conducted under this section—*

4 “(A) *to calculate—*

5 “(i) *the energy and emissions likely to*
6 *be saved by electing to adopt 1 or more of*
7 *the options; and*

8 “(ii) *the costs and benefits to rate-*
9 *payers and the utility; and*

10 “(B) *to advocate for the waste-energy recov-*
11 *ery opportunity.*

12 “(3) *PROCEDURES.*—

13 “(A) *IN GENERAL.*—*Except as otherwise*
14 *provided in paragraphs (1) and (2), the proce-*
15 *dures for the consideration and determination*
16 *referred to in subsection (a) shall be the proce-*
17 *dures established by the State regulatory author-*
18 *ity or the nonregulated electric utility.*

19 “(B) *MULTIPLE PROJECTS.*—*If there is*
20 *more than 1 project seeking consideration simul-*
21 *taneously in connection with the same utility,*
22 *the proceeding may encompass all such projects,*
23 *if full attention is paid to individual cir-*
24 *cumstances and merits and an individual judg-*
25 *ment is reached with respect to each project.*

1 “(f) *IMPLEMENTATION.*—

2 “(1) *IN GENERAL.*—*The State regulatory author-*
3 *ity (with respect to each electric utility for which the*
4 *authority has ratemaking authority) or nonregulated*
5 *electric utility may, to the extent consistent with oth-*
6 *erwise applicable State law—*

7 “(A) *implement the standard determined*
8 *under this section; or*

9 “(B) *decline to implement any such stand-*
10 *ard.*

11 “(2) *NONIMPLEMENTATION OF STANDARD.*—

12 “(A) *IN GENERAL.*—*If a State regulatory*
13 *authority (with respect to each electric utility for*
14 *which the authority has ratemaking authority)*
15 *or nonregulated electric utility declines to imple-*
16 *ment any standard established by this section,*
17 *the authority or nonregulated electric utility*
18 *shall state in writing the reasons for declining to*
19 *implement the standard.*

20 “(B) *AVAILABILITY TO PUBLIC.*—*The state-*
21 *ment of reasons shall be available to the public.*

22 “(C) *ANNUAL REPORT.*—*The Administrator*
23 *shall include in an annual report submitted to*
24 *Congress a description of the lost opportunities*
25 *for waste-heat recovery from the project described*

1 *in subparagraph (A), specifically identifying the*
2 *utility and stating the quantity of lost energy*
3 *and emissions savings calculated.*

4 “(D) *NEW PETITION.*—*If a State regulatory*
5 *authority (with respect to each electric utility for*
6 *which the authority has ratemaking authority)*
7 *or nonregulated electric utility declines to imple-*
8 *ment the standard established by this section, the*
9 *project sponsor may submit a new petition*
10 *under this section with respect to the project at*
11 *any time after the date that is 2 years after the*
12 *date on which the State regulatory authority or*
13 *nonregulated utility declined to implement the*
14 *standard.*

15 **“SEC. 375. CLEAN ENERGY APPLICATION CENTERS.**

16 “(a) *RENAMING.*—

17 “(1) *IN GENERAL.*—*The Combined Heat and*
18 *Power Application Centers of the Department of En-*
19 *ergy are redesignated as Clean Energy Application*
20 *Centers.*

21 “(2) *REFERENCES.*—*Any reference in any law,*
22 *rule, regulation, or publication to a Combined Heat*
23 *and Power Application Center shall be treated as a*
24 *reference to a Clean Energy Application Center.*

25 “(b) *RELOCATION.*—

1 “(1) *IN GENERAL.*—*In order to better coordinate*
2 *efforts with the separate Industrial Assessment Cen-*
3 *ters and to ensure that the energy efficiency and,*
4 *when applicable, the renewable nature of deploying*
5 *mature clean energy technology is fully accounted for,*
6 *the Secretary shall relocate the administration of the*
7 *Clean Energy Application Centers to the Office of En-*
8 *ergy Efficiency and Renewable Energy within the De-*
9 *partment of Energy.*

10 “(2) *OFFICE OF ELECTRICITY DELIVERY AND EN-*
11 *ERGY RELIABILITY.*—*The Office of Electricity Deliv-*
12 *ery and Energy Reliability shall—*

13 “(A) *continue to perform work on the role*
14 *of technology described in paragraph (1) in sup-*
15 *port of the grid and the reliability and security*
16 *of the technology; and*

17 “(B) *shall assist the Clean Energy Applica-*
18 *tion Centers in the work of the Centers with re-*
19 *gard to the grid and with electric utilities.*

20 “(c) *GRANTS.*—

21 “(1) *IN GENERAL.*—*The Secretary shall make*
22 *grants to universities, research centers, and other ap-*
23 *propriate institutions to ensure the continued oper-*
24 *ations and effectiveness of 8 Regional Clean Energy*
25 *Application Centers in each of the following regions*

1 *(as designated for such purposes as of the date of the*
2 *enactment of the Energy Independence and Security*
3 *Act of 2007):*

4 “(A) *Gulf Coast.*

5 “(B) *Intermountain.*

6 “(C) *Mid-Atlantic.*

7 “(D) *Midwest.*

8 “(E) *Northeast.*

9 “(F) *Northwest.*

10 “(G) *Pacific.*

11 “(H) *Southeast.*

12 “(2) *ESTABLISHMENT OF GOALS AND COMPLI-*
13 *ANCE.—In making grants under this subsection, the*
14 *Secretary shall ensure that sufficient goals are estab-*
15 *lished and met by each Center throughout the pro-*
16 *gram duration concerning outreach and technology*
17 *deployment.*

18 “(d) *ACTIVITIES.—*

19 “(1) *IN GENERAL.—Each Clean Energy Applica-*
20 *tion Center shall—*

21 “(A) *operate a program to encourage de-*
22 *ployment of clean energy technologies through*
23 *education and outreach to building and indus-*
24 *trial professionals; and other individuals and or-*

1 *ganizations with an interest in efficient energy*
2 *use; and*

3 *“(B) provide project specific support to*
4 *building and industrial professionals through as-*
5 *sessments and advisory activities.*

6 *“(2) TYPES OF ACTIVITIES.—Funds made avail-*
7 *able under this section may be used—*

8 *“(A) to develop and distribute informa-*
9 *tional materials on clean energy technologies, in-*
10 *cluding continuation of the 8 websites in exist-*
11 *ence on the date of enactment of the Energy*
12 *Independence and Security Act of 2007;*

13 *“(B) to develop and conduct target market*
14 *workshops, seminars, internet programs, and*
15 *other activities to educate end users, regulators,*
16 *and stakeholders in a manner that leads to the*
17 *deployment of clean energy technologies;*

18 *“(C) to provide or coordinate onsite assess-*
19 *ments for sites and enterprises that may consider*
20 *deployment of clean energy technology;*

21 *“(D) to perform market research to identify*
22 *high profile candidates for clean energy deploy-*
23 *ment;*

1 “(E) to provide consulting support to sites
2 considering deployment of clean energy tech-
3 nologies;

4 “(F) to assist organizations developing
5 clean energy technologies to overcome barriers to
6 deployment; and

7 “(G) to assist companies and organizations
8 with performance evaluations of any clean en-
9 ergy technology implemented.

10 “(e) DURATION.—

11 “(1) IN GENERAL.—A grant awarded under this
12 section shall be for a period of 5 years

13 “(2) ANNUAL EVALUATIONS.—Each grant shall
14 be evaluated annually for the continuation of the
15 grant based on the activities and results of the grant.

16 “(f) AUTHORIZATION.—There is authorized to be ap-
17 propriated to carry out this section \$10,000,000 for each
18 of fiscal years 2008 through 2012.”.

19 “(b) TABLE OF CONTENTS.—The table of contents of the
20 Energy Policy and Conservation Act (42 U.S.C. prec. 6201)
21 is amended by inserting after the items relating to part D
22 of title III the following:

“PART E—INDUSTRIAL ENERGY EFFICIENCY

“Sec. 371. Definitions.

“Sec. 372. Survey and Registry.

“Sec. 373. Waste energy recovery incentive grant program.

“Sec. 374. Additional incentives for recovery, utilization and prevention of indus-
trial waste energy.

“Sec. 375. Clean Energy Application Centers.”.

1 **SEC. 452. ENERGY-INTENSIVE INDUSTRIES PROGRAM.**

2 (a) *DEFINITIONS.—In this section:*

3 (1) *ELIGIBLE ENTITY.—The term “eligible enti-*
4 *ty” means—*

5 (A) *an energy-intensive industry;*

6 (B) *a national trade association rep-*
7 *resenting an energy-intensive industry; or*

8 (C) *a person acting on behalf of 1 or more*
9 *energy-intensive industries or sectors, as deter-*
10 *mined by the Secretary.*

11 (2) *ENERGY-INTENSIVE INDUSTRY.—The term*
12 *“energy-intensive industry” means an industry that*
13 *uses significant quantities of energy as part of its*
14 *primary economic activities, including—*

15 (A) *information technology, including data*
16 *centers containing electrical equipment used in*
17 *processing, storing, and transmitting digital in-*
18 *formation;*

19 (B) *consumer product manufacturing;*

20 (C) *food processing;*

21 (D) *materials manufacturers, including—*

22 (i) *aluminum;*

23 (ii) *chemicals;*

24 (iii) *forest and paper products;*

25 (iv) *metal casting;*

26 (v) *glass;*

1 (vi) petroleum refining;

2 (vii) mining; and

3 (viii) steel;

4 (E) other energy-intensive industries, as de-
5 termined by the Secretary.

6 (3) *FEEDSTOCK*.—The term “feedstock” means
7 the raw material supplied for use in manufacturing,
8 chemical, and biological processes.

9 (4) *PARTNERSHIP*.—The term “partnership”
10 means an energy efficiency partnership established
11 under subsection (c)(1)(A).

12 (5) *PROGRAM*.—The term “program” means the
13 energy-intensive industries program established under
14 subsection (b).

15 (b) *ESTABLISHMENT OF PROGRAM*.—The Secretary
16 shall establish a program under which the Secretary, in co-
17 operation with energy-intensive industries and national in-
18 dustry trade associations representing the energy-intensive
19 industries, shall support, research, develop, and promote the
20 use of new materials processes, technologies, and techniques
21 to optimize energy efficiency and the economic competitive-
22 ness of the United States’ industrial and commercial sec-
23 tors.

24 (c) *PARTNERSHIPS*.—

1 (1) *IN GENERAL.*—As part of the program, the
2 Secretary shall establish energy efficiency partner-
3 ships between the Secretary and eligible entities to
4 conduct research on, develop, and demonstrate new
5 processes, technologies, and operating practices and
6 techniques to significantly improve the energy effi-
7 ciency of equipment and processes used by energy-in-
8 tensive industries, including the conduct of activities
9 to—

10 (A) increase the energy efficiency of indus-
11 trial processes and facilities;

12 (B) research, develop, and demonstrate ad-
13 vanced technologies capable of energy intensity
14 reductions and increased environmental perform-
15 ance; and

16 (C) promote the use of the processes, tech-
17 nologies, and techniques described in subpara-
18 graphs (A) and (B).

19 (2) *ELIGIBLE ACTIVITIES.*—Partnership activi-
20 ties eligible for funding under this subsection in-
21 clude—

22 (A) feedstock and recycling research, devel-
23 opment, and demonstration activities to identify
24 and promote—

1 (i) opportunities for meeting industry
2 feedstock requirements with more energy ef-
3 ficient and flexible sources of feedstock or
4 energy supply;

5 (ii) strategies to develop and deploy
6 technologies that improve the quality and
7 quantity of feedstocks recovered from process
8 and waste streams; and

9 (iii) other methods using recycling,
10 reuse, and improved industrial materials;

11 (B) research to develop and demonstrate
12 technologies and processes that utilize alternative
13 energy sources to supply heat, power, and new
14 feedstocks for energy-intensive industries;

15 (C) research to achieve energy efficiency in
16 steam, power, control system, and process heat
17 technologies, and in other manufacturing proc-
18 esses; and

19 (D) industrial and commercial energy effi-
20 ciency and sustainability assessments to—

21 (i) assist individual industrial and
22 commercial sectors in developing tools, tech-
23 niques, and methodologies to assess—

24 (I) the unique processes and fa-
25 cilities of the sectors;

1 (II) the energy utilization require-
2 ments of the sectors; and

3 (III) the application of new, more
4 energy efficient technologies; and

5 (ii) conduct energy savings assess-
6 ments;

7 (E) the incorporation of technologies and
8 innovations that would significantly improve the
9 energy efficiency and utilization of energy-inten-
10 sive commercial applications; and

11 (F) any other activities that the Secretary
12 determines to be appropriate.

13 (3) PROPOSALS.—

14 (A) IN GENERAL.—To be eligible for fund-
15 ing under this subsection, a partnership shall
16 submit to the Secretary a proposal that describes
17 the proposed research, development, or dem-
18 onstration activity to be conducted by the part-
19 nership.

20 (B) REVIEW.—After reviewing the scientific,
21 technical, and commercial merit of a proposals
22 submitted under subparagraph (A), the Secretary
23 shall approve or disapprove the proposal.

1 (C) *COMPETITIVE AWARDS.*—*The provision*
2 *of funding under this subsection shall be on a*
3 *competitive basis.*

4 (4) *COST-SHARING REQUIREMENT.*—*In carrying*
5 *out this section, the Secretary shall require cost shar-*
6 *ing in accordance with section 988 of the Energy Pol-*
7 *icy Act of 2005 (42 U.S.C. 16352).*

8 (d) *GRANTS.*—*The Secretary may award competitive*
9 *grants for innovative technology research, development and*
10 *demonstrations to universities, individual inventors, and*
11 *small companies, based on energy savings potential, com-*
12 *mmercial viability, and technical merit.*

13 (e) *INSTITUTION OF HIGHER EDUCATION-BASED IN-*
14 *DUSTRIAL RESEARCH AND ASSESSMENT CENTERS.*—*The*
15 *Secretary shall provide funding to institution of higher edu-*
16 *cation-based industrial research and assessment centers,*
17 *whose purpose shall be—*

18 (1) *to identify opportunities for optimizing en-*
19 *ergy efficiency and environmental performance;*

20 (2) *to promote applications of emerging concepts*
21 *and technologies in small and medium-sized manufac-*
22 *turers;*

23 (3) *to promote research and development for the*
24 *use of alternative energy sources to supply heat,*

1 *power, and new feedstocks for energy-intensive indus-*
2 *tries;*

3 *(4) to coordinate with appropriate Federal and*
4 *State research offices, and provide a clearinghouse for*
5 *industrial process and energy efficiency technical as-*
6 *sistance resources; and*

7 *(5) to coordinate with State-accredited technical*
8 *training centers and community colleges, while ensur-*
9 *ing appropriate services to all regions of the United*
10 *States.*

11 *(f) AUTHORIZATION OF APPROPRIATIONS.—*

12 *(1) IN GENERAL.—There are authorized to be ap-*
13 *propriated to the Secretary to carry out this section—*

14 *(A) \$184,000,000 for fiscal year 2008;*

15 *(B) \$190,000,000 for fiscal year 2009;*

16 *(C) \$196,000,000 for fiscal year 2010;*

17 *(D) \$202,000,000 for fiscal year 2011;*

18 *(E) \$208,000,000 for fiscal year 2012; and*

19 *(F) such sums as are necessary for fiscal*
20 *year 2013 and each fiscal year thereafter.*

21 *(2) PARTNERSHIP ACTIVITIES.—Of the amounts*
22 *made available under paragraph (1), not less than 50*
23 *percent shall be used to pay the Federal share of part-*
24 *nership activities under subsection (c).*

1 *nology industry and other interested parties, initiate*
2 *a voluntary national information program for those*
3 *types of data centers and data center equipment and*
4 *facilities that are widely used and for which there is*
5 *a potential for significant data center energy savings*
6 *as a result of the program.*

7 (2) *REQUIREMENTS.—The program described in*
8 *paragraph (1) shall—*

9 (A) *address data center efficiency holis-*
10 *tically, reflecting the total energy consumption of*
11 *data centers as whole systems, including both*
12 *equipment and facilities;*

13 (B) *consider prior work and studies under-*
14 *taken in this area, including by the Environ-*
15 *mental Protection Agency and the Department of*
16 *Energy;*

17 (C) *consistent with the objectives described*
18 *in paragraph (1), determine the type of data*
19 *center and data center equipment and facilities*
20 *to be covered under the program;*

21 (D) *produce specifications, measurements,*
22 *best practices, and benchmarks that will enable*
23 *data center operators to make more informed de-*
24 *isions about the energy efficiency and costs of*
25 *data centers, and that take into account—*

1 (i) the performance and use of servers,
2 data storage devices, and other information
3 technology equipment;

4 (ii) the efficiency of heating, ventila-
5 tion, and air conditioning, cooling, and
6 power conditioning systems, provided that
7 no modification shall be required of a
8 standard then in effect under the Energy
9 Policy and Conservation Act (42 U.S.C.
10 6201 et seq.) for any covered heating, ven-
11 tilation, air-conditioning, cooling or power-
12 conditioning product;

13 (iii) energy savings from the adoption
14 of software and data management tech-
15 niques; and

16 (iv) other factors determined by the or-
17 ganization described in subsection (c);

18 (E) allow for creation of separate specifica-
19 tions, measurements, and benchmarks based on
20 data center size and function, as well as other
21 appropriate characteristics;

22 (F) advance the design and implementation
23 of efficiency technologies to the maximum extent
24 economically practical;

1 (G) provide to data center operators in the
2 private sector and the Federal Government infor-
3 mation about best practices and purchasing deci-
4 sions that reduce the energy consumption of data
5 centers; and

6 (H) publish the information described in
7 subparagraph (G), which may be disseminated
8 through catalogs, trade publications, the Inter-
9 net, or other mechanisms, that will allow data
10 center operators to assess the energy consumption
11 and potential cost savings of alternative data
12 centers and data center equipment and facilities.

13 (3) *PROCEDURES.*—The program described in
14 paragraph (1) shall be developed in consultation with
15 and coordinated by the organization described in sub-
16 section (c) according to commonly accepted proce-
17 dures for the development of specifications, measure-
18 ments, and benchmarks.

19 (c) *DATA CENTER EFFICIENCY ORGANIZATION.*—

20 (1) *IN GENERAL.*—After the establishment of the
21 program described in subsection (b), the Secretary
22 and the Administrator shall jointly designate an in-
23 formation technology industry organization to consult
24 with and to coordinate the program.

1 (2) *REQUIREMENTS.*—*The organization des-*
2 *ignated under paragraph (1), whether preexisting or*
3 *formed specifically for the purposes of subsection (b),*
4 *shall—*

5 (A) *consist of interested parties that have*
6 *expertise in energy efficiency and in the develop-*
7 *ment, operation, and functionality of computer*
8 *data centers, information technology equipment,*
9 *and software, as well as representatives of hard-*
10 *ware manufacturers, data center operators, and*
11 *facility managers;*

12 (B) *obtain and address input from Depart-*
13 *ment of Energy National Laboratories or any*
14 *college, university, research institution, industry*
15 *association, company, or public interest group*
16 *with applicable expertise in any of the areas list-*
17 *ed in paragraph (1);*

18 (C) *follow commonly accepted procedures*
19 *for the development of specifications and accred-*
20 *ited standards development processes;*

21 (D) *have a mission to develop and promote*
22 *energy efficiency for data centers and informa-*
23 *tion technology; and*

24 (E) *have the primary responsibility to con-*
25 *sult in the development and publishing of the in-*

1 *formation, measurements, and benchmarks de-*
2 *scribed in subsection (b) and transmission of the*
3 *information to the Secretary and the Adminis-*
4 *trator for consideration under subsection (d).*

5 *(d) MEASUREMENTS AND SPECIFICATIONS.—*

6 *(1) IN GENERAL.—The Secretary and the Ad-*
7 *ministrator shall consider the specifications, measure-*
8 *ments, and benchmarks described in subsection (b) for*
9 *use by the Federal Energy Management Program, the*
10 *Energy Star Program, and other efficiency programs*
11 *of the Department of Energy and Environmental Pro-*
12 *tection Agency, respectively.*

13 *(2) REJECTIONS.—If the Secretary or the Ad-*
14 *ministrator rejects 1 or more specifications, measure-*
15 *ments, or benchmarks described in subsection (b), the*
16 *rejection shall be made consistent with section 12(d)*
17 *of the National Technology Transfer and Advance-*
18 *ment Act of 1995 (15 U.S.C. 272 note; Public Law*
19 *104–113).*

20 *(3) DETERMINATION OF IMPRACTICABILITY.—A*
21 *determination that a specification, measurement, or*
22 *benchmark described in subsection (b) is impractical*
23 *may include consideration of the maximum efficiency*
24 *that is technologically feasible and economically justi-*
25 *fied.*

1 (e) *MONITORING.*—*The Secretary and the Adminis-*
2 *trator shall—*

3 (1) *monitor and evaluate the efforts to develop*
4 *the program described in subsection (b); and*

5 (2) *not later than 3 years after the date of enact-*
6 *ment of this Act, make a determination as to whether*
7 *the program is consistent with the objectives of sub-*
8 *section (b).*

9 (f) *ALTERNATIVE SYSTEM.*—*If the Secretary and the*
10 *Administrator make a determination under subsection (e)*
11 *that a voluntary national information program for data*
12 *centers consistent with the objectives of subsection (b) has*
13 *not been developed, the Secretary and the Administrator*
14 *shall, after consultation with the National Institute of*
15 *Standards and Technology and not later than 2 years after*
16 *the determination, develop and implement the program*
17 *under subsection (b).*

18 (g) *PROTECTION OF PROPRIETARY INFORMATION.*—
19 *The Secretary, the Administrator, or the data center effi-*
20 *ciency organization shall not disclose any proprietary in-*
21 *formation or trade secrets provided by any individual or*
22 *company for the purposes of carrying out this section or*
23 *the program established under this section.*

1 ***Subtitle E—Healthy High-***
 2 ***Performance Schools***

3 ***SEC. 461. HEALTHY HIGH-PERFORMANCE SCHOOLS.***

4 (a) *AMENDMENT.*—*The Toxic Substances Control Act*
 5 *(15 U.S.C. 2601 et seq.) is amended by adding at the end*
 6 *the following new title:*

7 ***“TITLE V—HEALTHY HIGH-***
 8 ***PERFORMANCE SCHOOLS***

9 ***“SEC. 501. GRANTS FOR HEALTHY SCHOOL ENVIRONMENTS.***

10 (a) *IN GENERAL.*—*The Administrator, in consulta-*
 11 *tion with the Secretary of Education, may provide grants*
 12 *to States for use in—*

13 “(1) *providing technical assistance for programs*
 14 *of the Environmental Protection Agency (including*
 15 *the Tools for Schools Program and the Healthy School*
 16 *Environmental Assessment Tool) to schools for use in*
 17 *addressing environmental issues; and*

18 “(2) *development and implementation of State*
 19 *school environmental health programs that include—*

20 “(A) *standards for school building design,*
 21 *construction, and renovation; and*

22 “(B) *identification of ongoing school build-*
 23 *ing environmental problems, including contami-*
 24 *nants, hazardous substances, and pollutant emis-*
 25 *sions, in the State and recommended solutions to*

1 ried out under this title, until the expiration of authority
2 described in section 501(b).

3 “(b) *PUBLIC OUTREACH.*—The Federal Director ap-
4 pointed under section 436(a) of the Energy Independence
5 and Security Act of 2007 (in this title referred to as the
6 ‘Federal Director’) shall ensure, to the maximum extent
7 practicable, that the public clearinghouse established under
8 section 423(1) of the Energy Independence and Security Act
9 of 2007 receives and makes available information on the
10 exposure of children to environmental hazards in school fa-
11 cilities, as provided by the Administrator.

12 **“SEC. 504. ENVIRONMENTAL HEALTH PROGRAM.**

13 “(a) *IN GENERAL.*—Not later than 2 years after the
14 date of enactment of this section, the Administrator, in con-
15 sultation with the Secretary of Education, the Secretary of
16 Health and Human Services, and other relevant agencies,
17 shall issue voluntary guidelines for use by the State in de-
18 veloping and implementing an environmental health pro-
19 gram for schools that—

20 “(1) takes into account the status and findings
21 of Federal initiatives established under this title or
22 subtitle C of title IV of the Energy Independence and
23 Security Act of 2007 and other relevant Federal law
24 with respect to school facilities, including relevant up-

1 *dates on trends in the field, such as the impact of*
2 *school facility environments on student and staff—*

3 *“(A) health, safety, and productivity; and*

4 *“(B) disabilities or special needs;*

5 *“(2) takes into account studies using relevant*
6 *tools identified or developed in accordance with sec-*
7 *tion 492 of the Energy Independence and Security*
8 *Act of 2007;*

9 *“(3) takes into account, with respect to school fa-*
10 *cilities, each of—*

11 *“(A) environmental problems, contami-*
12 *nants, hazardous substances, and pollutant emis-*
13 *sions, including—*

14 *“(i) lead from drinking water;*

15 *“(ii) lead from materials and products;*

16 *“(iii) asbestos;*

17 *“(iv) radon;*

18 *“(v) the presence of elemental mercury*
19 *releases from products and containers;*

20 *“(vi) pollutant emissions from mate-*
21 *rials and products; and*

22 *“(vii) any other environmental prob-*
23 *lem, contaminant, hazardous substance, or*
24 *pollutant emission that present or may*

1 *present a risk to the health of occupants of*
2 *the school facilities or environment;*
3 *“(B) natural day lighting;*
4 *“(C) ventilation choices and technologies;*
5 *“(D) heating and cooling choices and tech-*
6 *nologies;*
7 *“(E) moisture control and mold;*
8 *“(F) maintenance, cleaning, and pest con-*
9 *trol activities;*
10 *“(G) acoustics; and*
11 *“(H) other issues relating to the health,*
12 *comfort, productivity, and performance of occu-*
13 *pants of the school facilities;*
14 *“(4) provides technical assistance on siting, de-*
15 *sign, management, and operation of school facilities,*
16 *including facilities used by students with disabilities*
17 *or special needs;*
18 *“(5) collaborates with federally funded pediatric*
19 *environmental health centers to assist in on-site school*
20 *environmental investigations;*
21 *“(6) assists States and the public in better un-*
22 *derstanding and improving the environmental health*
23 *of children; and*
24 *“(7) takes into account the special vulnerability*
25 *of children in low-income and minority communities*

1 to exposures from contaminants, hazardous sub-
2 stances, and pollutant emissions.

3 “(b) *PUBLIC OUTREACH.*—*The Federal Director and*
4 *Commercial Director shall ensure, to the maximum extent*
5 *practicable, that the public clearinghouse established under*
6 *section 423 of the Energy Independence and Security Act*
7 *of 2007 receives and makes available—*

8 “(1) *information from the Administrator that is*
9 *contained in the report described in section 503(a);*
10 *and*

11 “(2) *information on the exposure of children to*
12 *environmental hazards in school facilities, as pro-*
13 *vided by the Administrator.*

14 **“SEC. 505. AUTHORIZATION OF APPROPRIATIONS.**

15 *“There are authorized to be appropriated to carry out*
16 *this title \$1,000,000 for fiscal year 2009, and \$1,500,000*
17 *for each of fiscal years 2010 through 2013, to remain avail-*
18 *able until expended.”.*

19 “(b) *TABLE OF CONTENTS AMENDMENT.*—*The table of*
20 *contents for the Toxic Substances Control Act (15 U.S.C.*
21 *2601 et seq.) is amended by adding at the end the following:*

 “*TITLE V—HEALTHY HIGH-PERFORMANCE SCHOOLS*

 “*Sec. 501. Grants for healthy school environments.*

 “*Sec. 502. Model guidelines for siting of school facilities.*

 “*Sec. 503. Public outreach.*

 “*Sec. 504. Environmental health program.*

 “*Sec. 505. Authorization of appropriations.”.*

1 **SEC. 462. STUDY ON INDOOR ENVIRONMENTAL QUALITY IN**
2 **SCHOOLS.**

3 (a) *IN GENERAL.*—*The Administrator of the Environ-*
4 *mental Protection Agency shall enter into an arrangement*
5 *with the Secretary of Education and the Secretary of En-*
6 *ergy to conduct a detailed study of how sustainable building*
7 *features such as energy efficiency affect multiple perceived*
8 *indoor environmental quality stressors on students in K–*
9 *12 schools.*

10 (b) *CONTENTS.*—*The study shall—*

11 (1) *investigate the combined effect building*
12 *stressors such as heating, cooling, humidity, lighting,*
13 *and acoustics have on building occupants' health, pro-*
14 *ductivity, and overall well-being;*

15 (2) *identify how sustainable building features,*
16 *such as energy efficiency, are influencing these human*
17 *outcomes singly and in concert; and*

18 (3) *ensure that the impacts of the indoor envi-*
19 *ronmental quality are evaluated as a whole.*

20 (c) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
21 *authorized to be appropriated for carrying out this section*
22 *\$200,000 for each of the fiscal years 2008 through 2012.*

1 ***Subtitle F—Institutional Entities***

2 ***SEC. 471. ENERGY SUSTAINABILITY AND EFFICIENCY***

3 ***GRANTS AND LOANS FOR INSTITUTIONS.***

4 *Part G of title III of the Energy Policy and Conserva-*
 5 *tion Act is amended by inserting after section 399 (42*
 6 *U.S.C. 6371h) the following:*

7 ***“SEC. 399A. ENERGY SUSTAINABILITY AND EFFICIENCY***

8 ***GRANTS AND LOANS FOR INSTITUTIONS.***

9 ***“(a) DEFINITIONS.—In this section:***

10 ***“(1) COMBINED HEAT AND POWER.—The term***
 11 *‘combined heat and power’ means the generation of*
 12 *electric energy and heat in a single, integrated sys-*
 13 *tem, with an overall thermal efficiency of 60 percent*
 14 *or greater on a higher-heating-value basis.*

15 ***“(2) DISTRICT ENERGY SYSTEMS.—The term***
 16 *‘district energy systems’ means systems providing*
 17 *thermal energy from a renewable energy source, ther-*
 18 *mal energy source, or highly efficient technology to*
 19 *more than 1 building or fixed energy-consuming use*
 20 *from 1 or more thermal-energy production facilities*
 21 *through pipes or other means to provide space heat-*
 22 *ing, space conditioning, hot water, steam, compres-*
 23 *sion, process energy, or other end uses for that energy.*

24 ***“(3) ENERGY SUSTAINABILITY.—The term ‘en-***
 25 *ergy sustainability’ includes using a renewable energy*

1 source, thermal energy source, or a highly efficient
2 technology for transportation, electricity generation,
3 heating, cooling, lighting, or other energy services in
4 fixed installations.

5 “(4) *INSTITUTION OF HIGHER EDUCATION*.—The
6 term ‘institution of higher education’ has the meaning
7 given the term in section 2 of the Energy Policy Act
8 of 2005 (42 U.S.C. 15801).

9 “(5) *INSTITUTIONAL ENTITY*.—The term ‘institu-
10 tional entity’ means an institution of higher edu-
11 cation, a public school district, a local government, a
12 municipal utility, or a designee of 1 of those entities.

13 “(6) *RENEWABLE ENERGY SOURCE*.—The term
14 ‘renewable energy source’ has the meaning given the
15 term in section 609 of the Public Utility Regulatory
16 Policies Act of 1978 (7 U.S.C. 918c).

17 “(7) *SUSTAINABLE ENERGY INFRASTRUCTURE*.—
18 The term ‘sustainable energy infrastructure’ means—

19 “(A) facilities for production of energy from
20 renewable energy sources, thermal energy sources,
21 or highly efficient technologies, including com-
22 bined heat and power or other waste heat use;
23 and

24 “(B) district energy systems.

1 “(8) *THERMAL ENERGY SOURCE.*—*The term*
2 *‘thermal energy source’ means—*

3 “(A) *a natural source of cooling or heating*
4 *from lake or ocean water; and*

5 “(B) *recovery of useful energy that would*
6 *otherwise be wasted from ongoing energy uses.*

7 “(b) *TECHNICAL ASSISTANCE GRANTS.*—

8 “(1) *IN GENERAL.*—*Subject to the availability of*
9 *appropriated funds, the Secretary shall implement a*
10 *program of information dissemination and technical*
11 *assistance to institutional entities to assist the insti-*
12 *tutional entities in identifying, evaluating, designing,*
13 *and implementing sustainable energy infrastructure*
14 *projects in energy sustainability.*

15 “(2) *ASSISTANCE.*—*The Secretary shall support*
16 *institutional entities in—*

17 “(A) *identification of opportunities for sus-*
18 *tainable energy infrastructure;*

19 “(B) *understanding the technical and eco-*
20 *nomie characteristics of sustainable energy infra-*
21 *structure;*

22 “(C) *utility interconnection and negotiation*
23 *of power and fuel contracts;*

24 “(D) *understanding financing alternatives;*

25 “(E) *permitting and siting issues;*

1 “(F) obtaining case studies of similar and
2 successful sustainable energy infrastructure sys-
3 tems; and

4 “(G) reviewing and obtaining computer
5 software for assessment, design, and operation
6 and maintenance of sustainable energy infra-
7 structure systems.

8 “(3) *ELIGIBLE COSTS FOR TECHNICAL ASSIST-*
9 *ANCE GRANTS.*—On receipt of an application of an
10 institutional entity, the Secretary may make grants
11 to the institutional entity to fund a portion of the
12 cost of—

13 “(A) feasibility studies to assess the poten-
14 tial for implementation or improvement of sus-
15 tainable energy infrastructure;

16 “(B) analysis and implementation of strate-
17 gies to overcome barriers to project implementa-
18 tion, including financial, contracting, siting,
19 and permitting barriers; and

20 “(C) detailed engineering of sustainable en-
21 ergy infrastructure.

22 “(c) *GRANTS FOR ENERGY EFFICIENCY IMPROVEMENT*
23 *AND ENERGY SUSTAINABILITY.*—

24 “(1) *GRANTS.*—

1 “(A) *IN GENERAL.*—*The Secretary shall*
2 *award grants to institutional entities to carry*
3 *out projects to improve energy efficiency on the*
4 *grounds and facilities of the institutional entity.*

5 “(B) *REQUIREMENT.*—*To the extent that*
6 *applications have been submitted, grants under*
7 *subparagraph (A) shall include not less than 1*
8 *grant each year to an institution of higher edu-*
9 *cation in each State.*

10 “(C) *MINIMUM FUNDING.*—*Not less than 50*
11 *percent of the total funding for all grants under*
12 *this subsection shall be awarded in grants to in-*
13 *stitutions of higher education.*

14 “(2) *CRITERIA.*—*Evaluation of projects for grant*
15 *funding shall be based on criteria established by the*
16 *Secretary, including criteria relating to—*

17 “(A) *improvement in energy efficiency;*

18 “(B) *reduction in greenhouse gas emissions*
19 *and other air emissions, including criteria air*
20 *pollutants and ozone-depleting refrigerants;*

21 “(C) *increased use of renewable energy*
22 *sources or thermal energy sources;*

23 “(D) *reduction in consumption of fossil*
24 *fuels;*

25 “(E) *active student participation; and*

1 “(F) need for funding assistance.

2 “(3) *CONDITION.*—As a condition of receiving a
3 grant under this subsection, an institutional entity
4 shall agree—

5 “(A) to implement a public awareness cam-
6 paign concerning the project in the community
7 in which the institutional entity is located; and

8 “(B) to submit to the Secretary, and make
9 available to the public, reports on any efficiency
10 improvements, energy cost savings, and environ-
11 mental benefits achieved as part of a project car-
12 ried out under paragraph (1), including quan-
13 tification of the results relative to the criteria de-
14 scribed under paragraph (2).

15 “(d) *GRANTS FOR INNOVATION IN ENERGY SUSTAIN-*
16 *ABILITY.*—

17 “(1) *GRANTS.*—

18 “(A) *IN GENERAL.*—The Secretary shall
19 award grants to institutional entities to engage
20 in innovative energy sustainability projects.

21 “(B) *REQUIREMENT.*—To the extent that
22 applications have been submitted, grants under
23 subparagraph (A) shall include not less than 2
24 grants each year to institutions of higher edu-
25 cation in each State.

1 “(C) *MINIMUM FUNDING.*—Not less than 50
2 percent of the total funding for all grants under
3 this subsection shall be awarded in grants to in-
4 stitutions of higher education.

5 “(2) *INNOVATION PROJECTS.*—An innovation
6 project carried out with a grant under this subsection
7 shall—

8 “(A) involve—

9 “(i) an innovative technology that is
10 not yet commercially available; or

11 “(ii) available technology in an inno-
12 vative application that maximizes energy
13 efficiency and sustainability;

14 “(B) have the greatest potential for testing
15 or demonstrating new technologies or processes;
16 and

17 “(C) to the extent undertaken by an institu-
18 tion of higher education, ensure active student
19 participation in the project, including the plan-
20 ning, implementation, evaluation, and other
21 phases of projects.

22 “(3) *CONDITION.*—As a condition of receiving a
23 grant under this subsection, an institutional entity
24 shall agree to submit to the Secretary, and make

1 available to the public, reports that describe the re-
2 sults of the projects carried out using grant funds.

3 “(e) *ALLOCATION TO INSTITUTIONS OF HIGHER EDU-
4 CATION WITH SMALL ENDOWMENTS.*—

5 “(1) *IN GENERAL.*—Of the total amount of
6 grants provided to institutions of higher education for
7 a fiscal year under this section, the Secretary shall
8 provide not less than 50 percent of the amount to in-
9 stitutions of higher education that have an endow-
10 ment of not more than \$100,000,000.

11 “(2) *REQUIREMENT.*—To the extent that appli-
12 cations have been submitted, at least 50 percent of the
13 amount described in paragraph (1) shall be provided
14 to institutions of higher education that have an en-
15 dowment of not more than \$50,000,000.

16 “(f) *GRANT AMOUNTS.*—

17 “(1) *IN GENERAL.*—If the Secretary determines
18 that cost sharing is appropriate, the amounts of
19 grants provided under this section shall be limited as
20 provided in this subsection.

21 “(2) *TECHNICAL ASSISTANCE GRANTS.*—In the
22 case of grants for technical assistance under sub-
23 section (b), grant funds shall be available for not
24 more than—

25 “(A) an amount equal to the lesser of—

1 “(i) \$50,000; or

2 “(ii) 75 percent of the cost of feasi-
3 bility studies to assess the potential for im-
4 plementation or improvement of sustainable
5 energy infrastructure;

6 “(B) an amount equal to the lesser of—

7 “(i) \$90,000; or

8 “(ii) 60 percent of the cost of guidance
9 on overcoming barriers to project implemen-
10 tation, including financial, contracting,
11 siting, and permitting barriers; and

12 “(C) an amount equal to the lesser of—

13 “(i) \$250,000; or

14 “(ii) 40 percent of the cost of detailed
15 engineering and design of sustainable en-
16 ergy infrastructure.

17 “(3) *GRANTS FOR EFFICIENCY IMPROVEMENT*
18 *AND ENERGY SUSTAINABILITY.*—*In the case of grants*
19 *for efficiency improvement and energy sustainability*
20 *under subsection (c), grant funds shall be available*
21 *for not more than an amount equal to the lesser of—*

22 “(A) \$1,000,000; or

23 “(B) 60 percent of the total cost.

24 “(4) *GRANTS FOR INNOVATION IN ENERGY SUS-*
25 *TAINABILITY.*—*In the case of grants for innovation in*

1 *energy sustainability under subsection (d), grant*
2 *funds shall be available for not more than an amount*
3 *equal to the lesser of—*

4 *“(A) \$500,000; or*

5 *“(B) 75 percent of the total cost.*

6 *“(g) LOANS FOR ENERGY EFFICIENCY IMPROVEMENT*
7 *AND ENERGY SUSTAINABILITY.—*

8 *“(1) IN GENERAL.—Subject to the availability of*
9 *appropriated funds, the Secretary shall provide loans*
10 *to institutional entities for the purpose of imple-*
11 *menting energy efficiency improvements and sustain-*
12 *able energy infrastructure.*

13 *“(2) TERMS AND CONDITIONS.—*

14 *“(A) IN GENERAL.—Except as otherwise*
15 *provided in this paragraph, loans made under*
16 *this subsection shall be on such terms and condi-*
17 *tions as the Secretary may prescribe.*

18 *“(B) MATURITY.—The final maturity of*
19 *loans made within a period shall be the lesser of,*
20 *as determined by the Secretary—*

21 *“(i) 20 years; or*

22 *“(ii) 90 percent of the useful life of the*
23 *principal physical asset to be financed by*
24 *the loan.*

1 “(C) *DEFAULT.*—No loan made under this
2 subsection may be subordinated to another debt
3 contracted by the institutional entity or to any
4 other claims against the institutional entity in
5 the case of default.

6 “(D) *BENCHMARK INTEREST RATE.*—

7 “(i) *IN GENERAL.*—Loans under this
8 subsection shall be at an interest rate that
9 is set by reference to a benchmark interest
10 rate (yield) on marketable Treasury securi-
11 ties with a similar maturity to the direct
12 loans being made.

13 “(ii) *MINIMUM.*—The minimum inter-
14 est rate of loans under this subsection shall
15 be at the interest rate of the benchmark fi-
16 nancial instrument.

17 “(iii) *NEW LOANS.*—The minimum in-
18 terest rate of new loans shall be adjusted
19 each quarter to take account of changes in
20 the interest rate of the benchmark financial
21 instrument.

22 “(E) *CREDIT RISK.*—The Secretary shall—

23 “(i) prescribe explicit standards for use
24 in periodically assessing the credit risk of

1 *making direct loans under this subsection;*
2 *and*

3 “(ii) *find that there is a reasonable as-*
4 *urance of repayment before making a loan.*

5 “(F) *ADVANCE BUDGET AUTHORITY RE-*
6 *QUIRED.—New direct loans may not be obligated*
7 *under this subsection except to the extent that*
8 *appropriations of budget authority to cover the*
9 *costs of the new direct loans are made in ad-*
10 *vance, as required by section 504 of the Federal*
11 *Credit Reform Act of 1990 (2 U.S.C. 661c).*

12 “(3) *CRITERIA.—Evaluation of projects for po-*
13 *tential loan funding shall be based on criteria estab-*
14 *lished by the Secretary, including criteria relating*
15 *to—*

16 “(A) *improvement in energy efficiency;*

17 “(B) *reduction in greenhouse gas emissions*
18 *and other air emissions, including criteria air*
19 *pollutants and ozone-depleting refrigerants;*

20 “(C) *increased use of renewable electric en-*
21 *ergy sources or renewable thermal energy sources;*

22 “(D) *reduction in consumption of fossil*
23 *fuels; and*

24 “(E) *need for funding assistance, including*
25 *consideration of the size of endowment or other*

1 *financial resources available to the institutional*
2 *entity.*

3 “(4) *LABOR STANDARDS.*—

4 “(A) *IN GENERAL.*—*All laborers and me-*
5 *chanics employed by contractors or subcontrac-*
6 *tors in the performance of construction, repair,*
7 *or alteration work funded in whole or in part*
8 *under this section shall be paid wages at rates*
9 *not less than those prevailing on projects of a*
10 *character similar in the locality as determined*
11 *by the Secretary of Labor in accordance with*
12 *sections 3141 through 3144, 3146, and 3147 of*
13 *title 40, United States Code. The Secretary shall*
14 *not approve any such funding without first ob-*
15 *taining adequate assurance that required labor*
16 *standards will be maintained upon the construc-*
17 *tion work.*

18 “(B) *AUTHORITY AND FUNCTIONS.*—*The*
19 *Secretary of Labor shall have, with respect to the*
20 *labor standards specified in paragraph (1), the*
21 *authority and functions set forth in Reorganiza-*
22 *tion Plan Number 14 of 1950 (15 Fed. Reg.*
23 *3176; 64 Stat. 1267) and section 3145 of title 40,*
24 *United States Code.*

1 (A) in paragraph (1)(C), by striking, “,
2 where such standards are determined to be cost
3 effective by the Secretary of Housing and Urban
4 Development”; and

5 (B) in the first sentence of paragraph (2)—

6 (i) by striking “Council of American
7 Building Officials Model Energy Code,
8 1992” and inserting “2006 International
9 Energy Conservation Code”; and

10 (ii) by striking “, and, with respect to
11 rehabilitation and new construction of pub-
12 lic and assisted housing funded by HOPE
13 VI revitalization grants under section 24 of
14 the United States Housing Act of 1937 (42
15 U.S.C. 1437v), the 2003 International En-
16 ergy Conservation Code”;

17 (2) in subsection (b)—

18 (A) in the heading, by striking “MODEL
19 ENERGY CODE.—” and inserting “INTER-
20 NATIONAL ENERGY CONSERVATION CODE.—”;

21 (B) by inserting “and rehabilitation” after
22 “all new construction”; and

23 (C) by striking “, and, with respect to reha-
24 bilitation and new construction of public and as-
25 sisted housing funded by HOPE VI revitaliza-

1 *tion grants under section 24 of the United States*
2 *Housing Act of 1937 (42 U.S.C. 1437v), the 2003*
3 *International Energy Conservation Code”;*

4 *(3) in subsection (c)—*

5 *(A) in the heading, by striking “MODEL*
6 *ENERGY CODE AND”;* and

7 *(B) by striking “, or, with respect to reha-*
8 *bilitation and new construction of public and as-*
9 *sisted housing funded by HOPE VI revitaliza-*
10 *tion grants under section 24 of the United States*
11 *Housing Act of 1937 (42 U.S.C. 1437v), the 2003*
12 *International Energy Conservation Code”;*

13 *(4) by adding at the end the following:*

14 *“(d) FAILURE TO AMEND THE STANDARDS.—If the*
15 *Secretary of Housing and Urban Development and the Sec-*
16 *retary of Agriculture have not, within 1 year after the re-*
17 *quirements of the 2006 IECC or the ASHRAE Standard*
18 *90.1–2004 are revised, amended the standards or made a*
19 *determination under subsection (c), all new construction*
20 *and rehabilitation of housing specified in subsection (a)*
21 *shall meet the requirements of the revised code or standard*
22 *if—*

23 *“(1) the Secretary of Housing and Urban Devel-*
24 *opment or the Secretary of Agriculture make a deter-*
25 *mination that the revised codes do not negatively af-*

1 *fect the availability or affordability of new construc-*
2 *tion of assisted housing and single family and multi-*
3 *family residential housing (other than manufactured*
4 *homes) subject to mortgages insured under the Na-*
5 *tional Housing Act (12 U.S.C. 1701 et seq.) or in-*
6 *sured, guaranteed, or made by the Secretary of Agri-*
7 *culture under title V of the Housing Act of 1949 (42*
8 *U.S.C. 1471 et seq.), respectively; and*

9 *“(2) the Secretary of Energy has made a deter-*
10 *mination under section 304 of the Energy Conserva-*
11 *tion and Production Act (42 U.S.C. 6833) that the re-*
12 *vised code or standard would improve energy effi-*
13 *ciency.”;*

14 *(5) by striking “CABO Model Energy Code,*
15 *1992” each place it appears and inserting “the 2006*
16 *IECC”;* and

17 *(6) by striking “1989” each place it appears and*
18 *inserting “2004”.*

19 ***Subtitle H—General Provisions***

20 ***SEC. 491. DEMONSTRATION PROJECT.***

21 *(a) IN GENERAL.—The Federal Director and the Com-*
22 *mercial Director shall establish guidelines to implement a*
23 *demonstration project to contribute to the research goals of*
24 *the Office of Commercial High-Performance Green Build-*

1 *ings and the Office of Federal High-Performance Green*
2 *Buildings.*

3 **(b) PROJECTS.**—*In accordance with guidelines estab-*
4 *lished by the Federal Director and the Commercial Director*
5 *under subsection (a) and the duties of the Federal Director*
6 *and the Commercial Director described in this title, the*
7 *Federal Director or the Commercial Director shall carry*
8 *out—*

9 **(1)** *for each of fiscal years 2009 through 2014,*
10 *1 demonstration project per year of green features in*
11 *a Federal building selected by the Federal Director in*
12 *accordance with relevant agencies and described in*
13 *subsection (c)(1), that—*

14 **(A)** *provides for instrumentation, moni-*
15 *toring, and data collection related to the green*
16 *features, for study of the impact of the features*
17 *on overall enrgy use and operational costs, and*
18 *for the evaluation of the information obtained*
19 *through the conduct of projects and activities*
20 *under this title; and*

21 **(B)** *achieves the highest rating offered by*
22 *the high performance green building system iden-*
23 *tified pursuant to section 436(h);*

24 **(2)** *no fewer than 4 demonstration projects at 4*
25 *universities, that, as competitively selected by the*

1 *Commercial Director in accordance with subsection*
2 *(c)(2), have—*

3 *(A) appropriate research resources and rel-*
4 *evant projects to meet the goals of the demonstra-*
5 *tion project established by the Office of Commer-*
6 *cial High-Performance Green Buildings; and*

7 *(B) the ability—*

8 *(i) to serve as a model for high-per-*
9 *formance green building initiatives, includ-*
10 *ing research and education by achieving the*
11 *highest rating offered by the high perform-*
12 *ance green building system identified pur-*
13 *suant to section 436(h);*

14 *(ii) to identify the most effective ways*
15 *o use high-performance green building and*
16 *landscape technologies to engage and edu-*
17 *cate undergraduate and graduate students;*

18 *(iii) to effectively implement a high-*
19 *performance green building education pro-*
20 *gram for students and occupants;*

21 *(iv) to demonstrate the effectiveness of*
22 *various high-performance technologies, in-*
23 *cluding their impacts on energy use and*
24 *operational costs, in each of the 4 climatic*

1 *regions of the United States described in*
2 *subsection (c)(2)(B); and*

3 *(v) to explore quantifiable and non-*
4 *quantifiable beneficial impacts on public*
5 *health and employee and student perform-*
6 *ance;*

7 *(3) demonstration projects to evaluate replicable*
8 *approaches of achieving high performance in actual*
9 *building operation in various types of commercial*
10 *buildings in various climates; and*

11 *(4) deployment activities to disseminate infor-*
12 *mation on and encourage widespread adoption of*
13 *technologies, practices, and policies to achieve zero-*
14 *net-energy commercial buildings or low energy use*
15 *and effective monitoring of energy use in commercial*
16 *buildings.*

17 *(c) CRITERIA.—*

18 *(1) FEDERAL FACILITIES.—With respect to the*
19 *existing or proposed Federal facility at which a dem-*
20 *onstration project under this section is conducted, the*
21 *Federal facility shall—*

22 *(A) be an appropriate model for a project*
23 *relating to—*

24 *(i) the effectiveness of high-performance*
25 *technologies;*

1 (ii) analysis of materials, components,
2 systems, and emergency operations in the
3 building, and the impact of those materials,
4 components, and systems, including the im-
5 pact on the health of building occupants;

6 (iii) life-cycle costing and life-cycle as-
7 sessment of building materials and systems;
8 and

9 (iv) location and design that promote
10 access to the Federal facility through walk-
11 ing, biking, and mass transit; and

12 (B) possess sufficient technological and or-
13 ganizational adaptability.

14 (2) UNIVERSITIES.—With respect to the 4 uni-
15 versities at which a demonstration project under this
16 section is conducted—

17 (A) the universities should be selected, after
18 careful review of all applications received con-
19 taining the required information, as determined
20 by the Commercial Director, based on—

21 (i) successful and established public-
22 private research and development partner-
23 ships;

- 1 (ii) demonstrated capabilities to con-
2 struct or renovate buildings that meet high
3 indoor environmental quality standards;
- 4 (iii) organizational flexibility;
- 5 (iv) technological adaptability;
- 6 (v) the demonstrated capacity of at
7 least 1 university to replicate lessons
8 learned among nearby or sister universities,
9 preferably by participation in groups or
10 consortia that promote sustainability;
- 11 (vi) the demonstrated capacity of at
12 least 1 university to have officially-adopted,
13 institution-wide “high-performance green
14 building” guidelines for all campus build-
15 ing projects; and
- 16 (vii) the demonstrated capacity of at
17 least 1 university to have been recognized by
18 similar institutions as a national leader in
19 sustainability education and curriculum for
20 students of the university; and
- 21 (B) each university shall be located in a dif-
22 ferent climatic region of the United States, each
23 of which regions shall have, as determined by the
24 Office of Commercial High-Performance Green
25 Buildings—

- 1 (i) a hot, dry climate;
2 (ii) a hot, humid climate;
3 (iii) a cold climate; or
4 (iv) a temperate climate (including a
5 climate with cold winters and humid sum-
6 mers).

7 (d) *APPLICATIONS.*—To receive a grant under sub-
8 section (b), an eligible applicant shall submit to the Federal
9 Director or the Commercial Director an application at such
10 time, in such manner, and containing such information as
11 the Director may require, including a written assurance
12 that all laborers and mechanics employed by contractors or
13 subcontractors during construction, alteration, or repair
14 that is financed, in whole or in part, by a grant under
15 this section shall be paid wages at rates not less than those
16 prevailing on similar construction in the locality, as deter-
17 mined by the Secretary of Labor in accordance with sec-
18 tions 3141 through 3144, 3146, and 3147 of title 40, United
19 States Code. The Secretary of Labor shall, with respect to
20 the labor standards described in this subsection, have the
21 authority and functions set forth in Reorganization Plan
22 Numbered 14 of 1950 (5 U.S.C. App.) and section 3145 of
23 title 40, United States Code.

1 (e) *REPORT.*—Not later than 1 year after the date of
2 enactment of this Act, and annually thereafter through Sep-
3 tember 30, 2014—

4 (1) *the Federal Director and the Commercial Di-*
5 *rector shall submit to the Secretary a report that de-*
6 *scribes the status of the demonstration projects; and*

7 (2) *each University at which a demonstration*
8 *project under this section is conducted shall submit to*
9 *the Secretary a report that describes the status of the*
10 *demonstration projects under this section.*

11 (f) *AUTHORIZATION OF APPROPRIATIONS.*—*There is*
12 *authorized to be appropriated to carry out the demonstra-*
13 *tion project described in section (b)(1) \$10,000,000 for the*
14 *period of fiscal years 2008 through 2012, and to carry out*
15 *the demonstration project described in section (b)(2),*
16 *\$10,000,000 for the period of fiscal years 2008 through*
17 *2012, to remain available until expended.*

18 **SEC. 492. RESEARCH AND DEVELOPMENT.**

19 (a) *ESTABLISHMENT.*—*The Federal Director and the*
20 *Commercial Director, jointly and in coordination with the*
21 *Advisory Committee, shall—*

22 (1)(A) *survey existing research and studies relat-*
23 *ing to high-performance green buildings; and*

24 (B) *coordinate activities of common interest;*

1 (2) *develop and recommend a high-performance*
2 *green building research plan that—*

3 (A) *identifies information and research*
4 *needs, including the relationships between*
5 *human health, occupant productivity, safety, se-*
6 *curity, and accessibility and each of—*

7 (i) *emissions from materials and prod-*
8 *ucts in the building;*

9 (ii) *natural day lighting;*

10 (iii) *ventilation choices and tech-*
11 *nologies;*

12 (iv) *heating, cooling, and system con-*
13 *trol choices and technologies;*

14 (v) *moisture control and mold;*

15 (vi) *maintenance, cleaning, and pest*
16 *control activities;*

17 (vii) *acoustics;*

18 (viii) *access to public transportation;*

19 *and*

20 (ix) *other issues relating to the health,*
21 *comfort, productivity, and performance of*
22 *occupants of the building;*

23 (B) *promotes the development and dissemi-*
24 *nation of high-performance green building meas-*

1 *urement tools that, at a minimum, may be*
2 *used—*

3 *(i) to monitor and assess the life-cycle*
4 *performance of facilities (including dem-*
5 *onstration projects) built as high-perform-*
6 *ance green buildings; and*

7 *(ii) to perform life-cycle assessments;*
8 *and*

9 *(C) identifies and tests new and emerging*
10 *technologies for high performance green build-*
11 *ings;*

12 *(3) assist the budget and life-cycle costing func-*
13 *tions of the Directors' Offices under section 436(d);*

14 *(4) study and identify potential benefits of green*
15 *buildings relating to security, natural disaster, and*
16 *emergency needs of the Federal Government; and*

17 *(5) support other research initiatives determined*
18 *by the Directors' Offices.*

19 *(b) INDOOR AIR QUALITY.—The Federal Director, in*
20 *consultation with the Administrator of the Environmental*
21 *Protection Agency and the Advisory Committee, shall de-*
22 *velop and carry out a comprehensive indoor air quality*
23 *program for all Federal facilities to ensure the safety of*
24 *Federal workers and facility occupants—*

1 (1) *during new construction and renovation of*
2 *facilities; and*

3 (2) *in existing facilities.*

4 **SEC. 493. ENVIRONMENTAL PROTECTION AGENCY DEM-**
5 **ONSTRATION GRANT PROGRAM FOR LOCAL**
6 **GOVERNMENTS.**

7 *Title III of the Clean Air Act (42 U.S.C. 7601 et seq.)*
8 *is amended by adding at the end the following:*

9 **“SEC. 329. DEMONSTRATION GRANT PROGRAM FOR LOCAL**
10 **GOVERNMENTS.**

11 “(a) *GRANT PROGRAM.—*

12 “(1) *IN GENERAL.—The Administrator shall es-*
13 *tablish a demonstration program under which the Ad-*
14 *ministrator shall provide competitive grants to assist*
15 *local governments (such as municipalities and coun-*
16 *ties), with respect to local government buildings—*

17 “(A) *to deploy cost-effective technologies and*
18 *practices; and*

19 “(B) *to achieve operational cost savings,*
20 *through the application of cost-effective tech-*
21 *nologies and practices, as verified by the Admin-*
22 *istrator.*

23 “(2) *COST SHARING.—*

1 “(A) *IN GENERAL.*—*The Federal share of*
2 *the cost of an activity carried out using a grant*
3 *provided under this section shall be 40 percent.*

4 “(B) *WAIVER OF NON-FEDERAL SHARE.*—
5 *The Administrator may waive up to 100 percent*
6 *of the local share of the cost of any grant under*
7 *this section should the Administrator determine*
8 *that the community is economically distressed,*
9 *pursuant to objective economic criteria estab-*
10 *lished by the Administrator in published guide-*
11 *lines.*

12 “(3) *MAXIMUM AMOUNT.*—*The amount of a*
13 *grant provided under this subsection shall not exceed*
14 *\$1,000,000.*

15 “(b) *GUIDELINES.*—

16 “(1) *IN GENERAL.*—*Not later than 1 year after*
17 *the date of enactment of this section, the Adminis-*
18 *trator shall issue guidelines to implement the grant*
19 *program established under subsection (a).*

20 “(2) *REQUIREMENTS.*—*The guidelines under*
21 *paragraph (1) shall establish—*

22 “(A) *standards for monitoring and*
23 *verification of operational cost savings through*
24 *the application of cost-effective technologies and*
25 *practices reported by grantees under this section;*

1 “(B) standards for grantees to implement
2 training programs, and to provide technical as-
3 sistance and education, relating to the retrofit of
4 buildings using cost-effective technologies and
5 practices; and

6 “(C) a requirement that each local govern-
7 ment that receives a grant under this section
8 shall achieve facility-wide cost savings, through
9 renovation of existing local government buildings
10 using cost-effective technologies and practices, of
11 at least 40 percent as compared to the baseline
12 operational costs of the buildings before the ren-
13 ovation (as calculated assuming a 3-year, weath-
14 er-normalized average).

15 “(c) COMPLIANCE WITH STATE AND LOCAL LAW.—
16 Nothing in this section or any program carried out using
17 a grant provided under this section supersedes or otherwise
18 affects any State or local law, to the extent that the State
19 or local law contains a requirement that is more stringent
20 than the relevant requirement of this section.

21 “(d) AUTHORIZATION OF APPROPRIATIONS.—There is
22 authorized to be appropriated to carry out this section
23 \$20,000,000 for each of fiscal years 2007 through 2012.

24 “(e) REPORTS.—

1 “(1) *IN GENERAL.*—*The Administrator shall pro-*
2 *vide annual reports to Congress on cost savings*
3 *achieved and actions taken and recommendations*
4 *made under this section, and any recommendations*
5 *for further action.*

6 “(2) *FINAL REPORT.*—*The Administrator shall*
7 *issue a final report at the conclusion of the program,*
8 *including findings, a summary of total cost savings*
9 *achieved, and recommendations for further action.*

10 “(f) *TERMINATION.*—*The program under this section*
11 *shall terminate on September 30, 2012.*

12 “(g) *DEFINITIONS.*—*In this section, the terms ‘cost ef-*
13 *fective technologies and practices’ and ‘operating cost sav-*
14 *ings’ shall have the meanings defined in section 401 of the*
15 *Energy Independence and Security Act of 2007.’”.*

16 **SEC. 494. GREEN BUILDING ADVISORY COMMITTEE.**

17 (a) *ESTABLISHMENT.*—*Not later than 180 days after*
18 *the date of enactment of this Act, the Federal Director, in*
19 *coordination with the Commercial Director, shall establish*
20 *an advisory committee, to be known as the “Green Building*
21 *Advisory Committee”.*

22 (b) *MEMBERSHIP.*—

23 (1) *IN GENERAL.*—*The Committee shall be com-*
24 *posed of representatives of, at a minimum—*

1 (A) each agency referred to in section
2 421(e); and

3 (B) other relevant agencies and entities, as
4 determined by the Federal Director, including at
5 least 1 representative of each of—

6 (i) State and local governmental green
7 building programs;

8 (ii) independent green building asso-
9 ciations or councils;

10 (iii) building experts, including archi-
11 tects, material suppliers, and construction
12 contractors;

13 (iv) security advisors focusing on na-
14 tional security needs, natural disasters, and
15 other dire emergency situations;

16 (v) public transportation industry ex-
17 perts; and

18 (vi) environmental health experts, in-
19 cluding those with experience in children's
20 health.

21 (2) *NON-FEDERAL MEMBERS.*—The total number
22 of non-Federal members on the Committee at any
23 time shall not exceed 15.

24 (c) *MEETINGS.*—The Federal Director shall establish
25 a regular schedule of meetings for the Committee.

1 (3) *availability of other sources of private equity;*

2 (4) *investment banking with respect to corporate*
3 *finance;*

4 (5) *investment banking with respect to mergers*
5 *and acquisitions;*

6 (6) *equity capital markets;*

7 (7) *debt capital markets;*

8 (8) *research analysis;*

9 (9) *sales and trading;*

10 (10) *commercial lending; and*

11 (11) *residential lending.*

12 (c) *TERMINATION.—The Advisory Committee on En-*
13 *ergy Efficiency Finance shall terminate on the date that*
14 *is 10 years after the date of enactment of this Act.*

15 (d) *AUTHORIZATION OF APPROPRIATIONS.—There are*
16 *authorized to be appropriated such sums as are necessary*
17 *to the Secretary for carrying out this section.*

1 **TITLE V—ENERGY SAVINGS IN**
2 **GOVERNMENT AND PUBLIC**
3 **INSTITUTIONS**

4 **Subtitle A—United States Capitol**
5 **Complex**

6 **SEC. 501. CAPITOL COMPLEX PHOTOVOLTAIC ROOF FEASI-**
7 **BILITY STUDIES.**

8 (a) *STUDIES.*—The Architect of the Capitol may con-
9 duct feasibility studies regarding construction of photo-
10 voltaic roofs for the Rayburn House Office Building and
11 the Hart Senate Office Building.

12 (b) *REPORT.*—Not later than 6 months after the date
13 of enactment of this Act, the Architect of the Capitol shall
14 transmit to the Committee on Transportation and Infra-
15 structure of the House of Representatives and the Committee
16 on Rules and Administration of the Senate a report on the
17 results of the feasibility studies and recommendations re-
18 garding construction of photovoltaic roofs for the buildings
19 referred to in subsection (a).

20 (c) *AUTHORIZATION OF APPROPRIATIONS.*—There is
21 authorized to be appropriated to carry out this section
22 \$500,000.

23 **SEC. 502. CAPITOL COMPLEX E-85 REFUELING STATION.**

24 (a) *CONSTRUCTION.*—The Architect of the Capitol may
25 construct a fuel tank and pumping system for E-85 fuel

1 *at or within close proximity to the Capitol Grounds Fuel*
2 *Station.*

3 (b) *USE.—The E–85 fuel tank and pumping system*
4 *shall be available for use by all legislative branch vehicles*
5 *capable of operating with E–85 fuel, subject to such other*
6 *legislative branch agencies reimbursing the Architect of the*
7 *Capitol for the costs of E–85 fuel used by such other legisla-*
8 *tive branch vehicles.*

9 (c) *AUTHORIZATION OF APPROPRIATIONS.—There is*
10 *authorized to be appropriated to carry out this section*
11 *\$640,000 for fiscal year 2008.*

12 **SEC. 503. ENERGY AND ENVIRONMENTAL MEASURES IN**
13 **CAPITOL COMPLEX MASTER PLAN.**

14 (a) *IN GENERAL.—To the maximum extent prac-*
15 *ticable, the Architect of the Capitol shall include energy effi-*
16 *ciency and conservation measures, greenhouse gas emission*
17 *reduction measures, and other appropriate environmental*
18 *measures in the Capitol Complex Master Plan.*

19 (b) *REPORT.—Not later than 6 months after the date*
20 *of enactment of this Act, the Architect of the Capitol shall*
21 *submit to the Committee on Transportation and Infrastruc-*
22 *ture of the House of Representatives and the Committee on*
23 *Rules and Administration of the Senate a report on the*
24 *energy efficiency and conservation measures, greenhouse gas*
25 *emission reduction measures, and other appropriate envi-*

1 *ronmental measures included in the Capitol Complex Mas-*
2 *ter Plan pursuant to subsection (a).*

3 **SEC. 504. PROMOTING MAXIMUM EFFICIENCY IN OPER-**
4 **ATION OF CAPITOL POWER PLANT.**

5 *(a) STEAM BOILERS.—*

6 *(1) IN GENERAL.—The Architect of the Capitol*
7 *shall take such steps as may be necessary to operate*
8 *the steam boilers at the Capitol Power Plant in the*
9 *most energy efficient manner possible to minimize*
10 *carbon emissions and operating costs, including ad-*
11 *justing steam pressures and adjusting the operation of*
12 *the boilers to take into account variations in demand,*
13 *including seasonality, for the use of the system.*

14 *(2) EFFECTIVE DATE.—The Architect shall im-*
15 *plement the steps required under paragraph (1) not*
16 *later than 30 days after the date of the enactment of*
17 *this Act.*

18 *(b) CHILLER PLANT.—*

19 *(1) IN GENERAL.—The Architect of the Capitol*
20 *shall take such steps as may be necessary to operate*
21 *the chiller plant at the Capitol Power Plant in the*
22 *most energy efficient manner possible to minimize*
23 *carbon emissions and operating costs, including ad-*
24 *justing water temperatures and adjusting the oper-*
25 *ation of the chillers to take into account variations in*

1 *demand, including seasonality, for the use of the sys-*
2 *tem.*

3 (2) *EFFECTIVE DATE.*—*The Architect shall im-*
4 *plement the steps required under paragraph (1) not*
5 *later than 30 days after the date of the enactment of*
6 *this Act.*

7 (c) *METERS.*—*Not later than 90 days after the date*
8 *of the enactment of this Act, the Architect of the Capitol*
9 *shall evaluate the accuracy of the meters in use at the Cap-*
10 *itol Power Plant and correct them as necessary.*

11 (d) *REPORT ON IMPLEMENTATION.*—*Not later than*
12 *180 days after the date of the enactment of this Act, the*
13 *Architect of the Capitol shall complete the implementation*
14 *of the requirements of this section and submit a report de-*
15 *scribing the actions taken and the energy efficiencies*
16 *achieved to the Committee on Transportation and Infra-*
17 *structure of the House of Representatives, the Committee on*
18 *Commerce, Science, and Transportation of the Senate, the*
19 *Committee on House Administration of the House of Rep-*
20 *resentatives, and the Committee on Rules and Administra-*
21 *tion of the Senate.*

1 **SEC. 505. CAPITOL POWER PLANT CARBON DIOXIDE EMIS-**
2 **SIONS FEASIBILITY STUDY AND DEMONSTRA-**
3 **TION PROJECTS.**

4 *The first section of the Act of March 4, 1911 (2 U.S.C.*
5 *2162; 36 Stat. 1414, chapter 285) is amended in the seventh*
6 *undesignated paragraph (relating to the Capitol power*
7 *plant) under the heading “Public Buildings”, under the*
8 *heading “Under the Department of Interior”—*

9 *(1) by striking “ninety thousand dollars:” and*
10 *inserting “\$90,000.”; and*

11 *(2) by striking “Provided, That hereafter the”*
12 *and all that follows through the end of the proviso*
13 *and inserting the following:*

14 *“(a) DESIGNATION.—The heating, lighting, and power*
15 *plant constructed under the terms of the Act approved April*
16 *28, 1904 (33 Stat. 479, chapter 1762) shall be known as*
17 *the ‘Capitol Power Plant’.*

18 *“(b) DEFINITION.—In this section, the term ‘carbon di-*
19 *oxide energy efficiency’ means the quantity of electricity*
20 *used to power equipment for carbon dioxide capture and*
21 *storage or use.*

22 *“(c) FEASIBILITY STUDY.—The Architect of the Cap-*
23 *itol shall conduct a feasibility study evaluating the avail-*
24 *able methods to capture, store, and use carbon dioxide emit-*
25 *ted from the Capitol Power Plant as a result of burning*
26 *fossil fuels. In carrying out the feasibility study, the Archi-*

1 *Architect of the Capitol is encouraged to consult with individuals*
2 *with expertise in carbon capture and storage or use, includ-*
3 *ing experts with the Environmental Protection Agency, De-*
4 *partment of Energy, academic institutions, non-profit orga-*
5 *nizations, and industry, as appropriate. The study shall*
6 *consider—*

7 “(1) *the availability of technologies to capture*
8 *and store or use Capitol Power Plant carbon dioxide*
9 *emissions;*

10 “(2) *strategies to conserve energy and reduce car-*
11 *bon dioxide emissions at the Capitol Power Plant;*
12 *and*

13 “(3) *other factors as determined by the Architect*
14 *of the Capitol.*

15 “(d) *DEMONSTRATION PROJECTS.—*

16 “(1) *IN GENERAL.—If the feasibility study deter-*
17 *mines that a demonstration project to capture and*
18 *store or use Capitol Power Plant carbon dioxide emis-*
19 *sions is technologically feasible and economically jus-*
20 *tified (including direct and indirect economic and en-*
21 *vironmental benefits), the Architect of the Capitol*
22 *may conduct one or more demonstration projects to*
23 *capture and store or use carbon dioxide emitted from*
24 *the Capitol Power Plant as a result of burning fossil*
25 *fuels.*

1 “(2) *FACTORS FOR CONSIDERATION.*—*In carrying out such demonstration projects, the Architect of the Capitol shall consider—*

2 “(A) *the amount of Capitol Power Plant*
3 *carbon dioxide emissions to be captured and*
4 *stored or used;*

5 “(B) *whether the proposed project is able to*
6 *reduce air pollutants other than carbon dioxide;*

7 “(C) *the carbon dioxide energy efficiency of*
8 *the proposed project;*

9 “(D) *whether the proposed project is able to*
10 *use carbon dioxide emissions;*

11 “(E) *whether the proposed project could be*
12 *expanded to significantly increase the amount of*
13 *Capitol Power Plant carbon dioxide emissions to*
14 *be captured and stored or used;*

15 “(F) *the potential environmental, energy,*
16 *and educational benefits of demonstrating the*
17 *capture and storage or use of carbon dioxide at*
18 *the U.S. Capitol; and*

19 “(G) *other factors as determined by the Ar-*
20 *chitect of the Capitol.*

21 “(3) *TERMS AND CONDITIONS.*—*A demonstration*
22 *project funded under this section shall be subject to*
23
24

1 *such terms and conditions as the Architect of the Cap-*
 2 *itol may prescribe.*

3 “(e) *AUTHORIZATION OF APPROPRIATIONS.—There is*
 4 *authorized to be appropriated to carry out the feasibility*
 5 *study and demonstration project \$3,000,000. Such sums*
 6 *shall remain available until expended.”.*

7 ***Subtitle B—Energy Savings***
 8 ***Performance Contracting***

9 ***SEC. 511. AUTHORITY TO ENTER INTO CONTRACTS; RE-***
 10 ***PORTS.***

11 (a) *IN GENERAL.—Section 801(a)(2)(D) of the Na-*
 12 *tional Energy Conservation Policy Act (42 U.S.C.*
 13 *8287(a)(2)(D)) is amended—*

14 (1) *in clause (ii), by inserting “and” after the*
 15 *semicolon at the end;*

16 (2) *by striking clause (iii); and*

17 (3) *by redesignating clause (iv) as clause (iii).*

18 (b) *REPORTS.—Section 548(a)(2) of the National En-*
 19 *ergy Conservation Policy Act (42 U.S.C. 8258(a)(2)) is*
 20 *amended by inserting “and any termination penalty expo-*
 21 *sure” after “the energy and cost savings that have resulted*
 22 *from such contracts”.*

23 (c) *CONFORMING AMENDMENT.—Section 2913 of title*
 24 *10, United States Code, is amended by striking subsection*
 25 *(e).*

1 **SEC. 512. FINANCING FLEXIBILITY.**

2 *Section 801(a)(2) of the National Energy Conservation*
3 *Policy Act (42 U.S.C. 8287(a)(2)) is amended by adding*
4 *at the end the following:*

5 *“(E) FUNDING OPTIONS.—In carrying out a*
6 *contract under this title, a Federal agency may*
7 *use any combination of—*

8 *“(i) appropriated funds; and*

9 *“(ii) private financing under an en-*
10 *ergy savings performance contract.”.*

11 **SEC. 513. PROMOTING LONG-TERM ENERGY SAVINGS PER-**
12 **FORMANCE CONTRACTS AND VERIFYING SAV-**
13 **INGS.**

14 *Section 801(a)(2) of the National Energy Conservation*
15 *Policy Act (42 U.S.C. 8287(a)(2)) (as amended by section*
16 *512) is amended—*

17 *(1) in subparagraph (D), by inserting “begin-*
18 *ning on the date of the delivery order” after “25*
19 *years”; and*

20 *(2) by adding at the end the following:*

21 *“(F) PROMOTION OF CONTRACTS.—In car-*
22 *rying out this section, a Federal agency shall*
23 *not—*

24 *“(i) establish a Federal agency policy*
25 *that limits the maximum contract term*

1 under subparagraph (D) to a period shorter
2 than 25 years; or

3 “(ii) limit the total amount of obliga-
4 tions under energy savings performance
5 contracts or other private financing of en-
6 ergy savings measures.

7 “(G) MEASUREMENT AND VERIFICATION RE-
8 QUIREMENTS FOR PRIVATE FINANCING.—

9 “(i) IN GENERAL.—In the case of en-
10 ergy savings performance contracts, the
11 evaluations and savings measurement and
12 verification required under paragraphs (2)
13 and (4) of section 543(f) shall be used by a
14 Federal agency to meet the requirements for
15 the need for energy audits, calculation of
16 energy savings, and any other evaluation of
17 costs and savings needed to implement the
18 guarantee of savings under this section.

19 “(ii) MODIFICATION OF EXISTING CON-
20 TRACTS.—Not later than 18 months after
21 the date of enactment of this subparagraph,
22 each Federal agency shall, to the maximum
23 extent practicable, modify any indefinite
24 delivery and indefinite quantity energy sav-
25 ings performance contracts, and other in-

1 *definite delivery and indefinite quantity*
2 *contracts using private financing, to con-*
3 *form to the amendments made by subtitle B*
4 *of title V of the Energy Independence and*
5 *Security Act of 2007.”.*

6 **SEC. 514. PERMANENT REAUTHORIZATION.**

7 *Section 801 of the National Energy Conservation Pol-*
8 *icy Act (42 U.S.C. 8287) is amended by striking subsection*
9 *(c).*

10 **SEC. 515. DEFINITION OF ENERGY SAVINGS.**

11 *Section 804(2) of the National Energy Conservation*
12 *Policy Act (42 U.S.C. 8287c(2)) is amended—*

13 (1) *by redesignating subparagraphs (A), (B),*
14 *and (C) as clauses (i), (ii), and (iii), respectively,*
15 *and indenting appropriately;*

16 (2) *by striking “means a reduction” and insert-*
17 *ing “means—*

18 *“(A) a reduction”;*

19 (3) *by striking the period at the end and insert-*
20 *ing a semicolon; and*

21 (4) *by adding at the end the following:*

22 *“(B) the increased efficient use of an exist-*
23 *ing energy source by cogeneration or heat recov-*
24 *ery;*

1 “(C) if otherwise authorized by Federal or
2 State law (including regulations), the sale or
3 transfer of electrical or thermal energy generated
4 on-site from renewable energy sources or cogen-
5 eration, but in excess of Federal needs, to utili-
6 ties or non-Federal energy users; and

7 “(D) the increased efficient use of existing
8 water sources in interior or exterior applica-
9 tions.”.

10 **SEC. 516. RETENTION OF SAVINGS.**

11 Section 546(c) of the National Energy Conservation
12 Policy Act (42 U.S.C. 8256(c)) is amended by striking
13 paragraph (5).

14 **SEC. 517. TRAINING FEDERAL CONTRACTING OFFICERS TO**
15 **NEGOTIATE ENERGY EFFICIENCY CON-**
16 **TRACTS.**

17 (a) PROGRAM.—The Secretary shall create and admin-
18 ister in the Federal Energy Management Program a train-
19 ing program to educate Federal contract negotiation and
20 contract management personnel so that the contract officers
21 are prepared to—

22 (1) negotiate energy savings performance con-
23 tracts;

1 (2) *conclude effective and timely contracts for en-*
2 *ergy efficiency services with all companies offering en-*
3 *ergy efficiency services; and*

4 (3) *review Federal contracts for all products and*
5 *services for the potential energy efficiency opportuni-*
6 *ties and implications of the contracts.*

7 (b) *SCHEDULE.—Not later than 1 year after the date*
8 *of enactment of this Act, the Secretary shall plan, staff, an-*
9 *nounce, and begin training under the Federal Energy Man-*
10 *agement Program.*

11 (c) *PERSONNEL TO BE TRAINED.—Personnel appro-*
12 *priate to receive training under the Federal Energy Man-*
13 *agement Program shall be selected by and sent for the train-*
14 *ing from—*

15 (1) *the Department of Defense;*

16 (2) *the Department of Veterans Affairs;*

17 (3) *the Department;*

18 (4) *the General Services Administration;*

19 (5) *the Department of Housing and Urban De-*
20 *velopment;*

21 (6) *the United States Postal Service; and*

22 (7) *all other Federal agencies and departments*
23 *that enter contracts for buildings, building services,*
24 *electricity and electricity services, natural gas and*
25 *natural gas services, heating and air conditioning*

1 *services, building fuel purchases, and other types of*
2 *procurement or service contracts determined by the*
3 *Secretary, in carrying out the Federal Energy Man-*
4 *agement Program, to offer the potential for energy*
5 *savings and greenhouse gas emission reductions if ne-*
6 *gotiated with taking into account those goals.*

7 *(d) TRAINERS.—Training under the Federal Energy*
8 *Management Program may be conducted by—*

9 *(1) attorneys or contract officers with experience*
10 *in negotiating and managing contracts described in*
11 *subsection (c)(7) from any agency, except that the*
12 *Secretary shall reimburse the related salaries and ex-*
13 *penses of the attorneys or contract officers from*
14 *amounts made available for carrying out this section*
15 *to the extent the attorneys or contract officers are not*
16 *employees of the Department; and*

17 *(2) private experts hired by the Secretary for the*
18 *purposes of this section, except that the Secretary may*
19 *not hire experts who are simultaneously employed by*
20 *any company under contract to provide energy effi-*
21 *ciency services to the Federal Government.*

22 *(e) AUTHORIZATION OF APPROPRIATIONS.—There are*
23 *authorized to be appropriated to the Secretary to carry out*
24 *this section \$750,000 for each of fiscal years 2008 through*
25 *2012.*

1 **SEC. 518. STUDY OF ENERGY AND COST SAVINGS IN NON-**
2 **BUILDING APPLICATIONS.**

3 (a) *DEFINITIONS.—In this section:*

4 (1) *NONBUILDING APPLICATION.—The term*
5 *“nonbuilding application” means—*

6 (A) *any class of vehicles, devices, or equip-*
7 *ment that is transportable under the power of the*
8 *applicable vehicle, device, or equipment by land,*
9 *sea, or air and that consumes energy from any*
10 *fuel source for the purpose of—*

11 (i) *that transportation; or*

12 (ii) *maintaining a controlled environ-*
13 *ment within the vehicle, device, or equip-*
14 *ment; and*

15 (B) *any federally-owned equipment used to*
16 *generate electricity or transport water.*

17 (2) *SECONDARY SAVINGS.—*

18 (A) *IN GENERAL.—The term “secondary*
19 *savings” means additional energy or cost savings*
20 *that are a direct consequence of the energy sav-*
21 *ings that result from the energy efficiency im-*
22 *provements that were financed and implemented*
23 *pursuant to an energy savings performance con-*
24 *tract.*

25 (B) *INCLUSIONS.—The term “secondary*
26 *savings” includes—*

1 (i) *energy and cost savings that result*
2 *from a reduction in the need for fuel deliv-*
3 *ery and logistical support;*

4 (ii) *personnel cost savings and envi-*
5 *ronmental benefits; and*

6 (iii) *in the case of electric generation*
7 *equipment, the benefits of increased effi-*
8 *ciency in the production of electricity, in-*
9 *cluding revenues received by the Federal*
10 *Government from the sale of electricity so*
11 *produced.*

12 (b) *STUDY.—*

13 (1) *IN GENERAL.—As soon as practicable after*
14 *the date of enactment of this Act, the Secretary and*
15 *the Secretary of Defense shall jointly conduct, and*
16 *submit to Congress and the President a report of, a*
17 *study of the potential for the use of energy savings*
18 *performance contracts to reduce energy consumption*
19 *and provide energy and cost savings in nonbuilding*
20 *applications.*

21 (2) *REQUIREMENTS.—The study under this sub-*
22 *section shall include—*

23 (A) *an estimate of the potential energy and*
24 *cost savings to the Federal Government, includ-*

1 *ing secondary savings and benefits, from in-*
 2 *creased efficiency in nonbuilding applications;*

3 *(B) an assessment of the feasibility of ex-*
 4 *tending the use of energy savings performance*
 5 *contracts to nonbuilding applications, including*
 6 *an identification of any regulatory or statutory*
 7 *barriers to that use; and*

8 *(C) such recommendations as the Secretary*
 9 *and Secretary of Defense determine to be appro-*
 10 *priate.*

11 ***Subtitle C—Energy Efficiency in***
 12 ***Federal Agencies***

13 ***SEC. 521. INSTALLATION OF PHOTOVOLTAIC SYSTEM AT DE-***
 14 ***PARTMENT OF ENERGY HEADQUARTERS***
 15 ***BUILDING.***

16 *(a) IN GENERAL.—The Administrator of General*
 17 *Services shall install a photovoltaic system, as set forth in*
 18 *the Sun Wall Design Project, for the headquarters building*
 19 *of the Department located at 1000 Independence Avenue,*
 20 *SW., Washington, DC, commonly known as the Forrestal*
 21 *Building.*

22 *(b) FUNDING.—There shall be available from the Fed-*
 23 *eral Buildings Fund established by section 592 of title 40,*
 24 *United States Code, \$30,000,000 to carry out this section.*
 25 *Such sums shall be derived from the unobligated balance*

1 of amounts made available from the Fund for fiscal year
2 2007, and prior fiscal years, for repairs and alternations
3 and other activities (excluding amounts made available for
4 the energy program). Such sums shall remain available
5 until expended.

6 **SEC. 522. PROHIBITION ON INCANDESCENT LAMPS BY**
7 **COAST GUARD.**

8 (a) *PROHIBITION.*—Except as provided by subsection
9 (b), on and after January 1, 2009, a general service incan-
10 descent lamp shall not be purchased or installed in a Coast
11 Guard facility by or on behalf of the Coast Guard.

12 (b) *EXCEPTION.*—A general service incandescent lamp
13 may be purchased, installed, and used in a Coast Guard
14 facility whenever the application of a general service incan-
15 descent lamp is—

16 (1) necessary due to purpose or design, including
17 medical, security, and industrial applications;

18 (2) reasonable due to the architectural or histor-
19 ical value of a light fixture installed before January
20 1, 2009; or

21 (3) the Commandant of the Coast Guard deter-
22 mines that operational requirements necessitate the
23 use of a general service incandescent lamp.

24 (c) *LIMITATION.*—In this section, the term “facility”
25 does not include a vessel or aircraft of the Coast Guard.

1 **SEC. 523. STANDARD RELATING TO SOLAR HOT WATER**
2 **HEATERS.**

3 *Section 305(a)(3)(A) of the Energy Conservation and*
4 *Production Act (42 U.S.C. 6834(a)(3)(A)) is amended—*

5 *(1) in clause (i)(II), by striking “and” at the*
6 *end;*

7 *(2) in clause (ii), by striking the period at the*
8 *end and inserting “; and”; and*

9 *(3) by adding at the end the following:*

10 *“(iii) if lifecycle cost-effective, as com-*
11 *pared to other reasonably available tech-*
12 *nologies, not less than 30 percent of the hot*
13 *water demand for each new Federal build-*
14 *ing or Federal building undergoing a major*
15 *renovation be met through the installation*
16 *and use of solar hot water heaters.”.*

17 **SEC. 524. FEDERALLY-PROCURED APPLIANCES WITH**
18 **STANDBY POWER.**

19 *Section 553 of the National Energy Conservation Pol-*
20 *icy Act (42 U.S.C. 8259b) is amended—*

21 *(1) by redesignating subsection (e) as subsection*
22 *(f); and*

23 *(2) by inserting after subsection (d) the fol-*
24 *lowing:*

25 *“(e) FEDERALLY-PROCURED APPLIANCES WITH*
26 *STANDBY POWER.—*

1 “(1) *DEFINITION OF ELIGIBLE PRODUCT.*—*In*
2 *this subsection, the term ‘eligible product’ means a*
3 *commercially available, off-the-shelf product that—*

4 “(A)(i) *uses external standby power devices;*

5 *or*

6 “(ii) *contains an internal standby power*
7 *function; and*

8 “(B) *is included on the list compiled under*
9 *paragraph (4).*

10 “(2) *FEDERAL PURCHASING REQUIREMENT.*—
11 *Subject to paragraph (3), if an agency purchases an*
12 *eligible product, the agency shall purchase—*

13 “(A) *an eligible product that uses not more*
14 *than 1 watt in the standby power consuming*
15 *mode of the eligible product; or*

16 “(B) *if an eligible product described in sub-*
17 *paragraph (A) is not available, the eligible prod-*
18 *uct with the lowest available standby power*
19 *wattage in the standby power consuming mode of*
20 *the eligible product.*

21 “(3) *LIMITATION.*—*The requirements of para-*
22 *graph (2) shall apply to a purchase by an agency*
23 *only if—*

24 “(A) *the lower-wattage eligible product is—*

25 “(i) *lifecycle cost-effective; and*

1 “(ii) practicable; and

2 “(B) the utility and performance of the eli-
3 gible product is not compromised by the lower
4 wattage requirement.

5 “(4) *ELIGIBLE PRODUCTS.*—The Secretary, in
6 consultation with the Secretary of Defense, the Ad-
7 ministrator of the Environmental Protection Agency,
8 and the Administrator of General Services, shall com-
9 pile a publicly accessible list of cost-effective eligible
10 products that shall be subject to the purchasing re-
11 quirements of paragraph (2).”.

12 **SEC. 525. FEDERAL PROCUREMENT OF ENERGY EFFICIENT**
13 **PRODUCTS.**

14 (a) *AMENDMENTS.*—Section 553 of the National En-
15 *ergy Conservation Policy Act (42 U.S.C. 8259b) is amend-*
16 *ed—*

17 (1) in subsection (b)(1), by inserting “in a prod-
18 uct category covered by the Energy Star program or
19 the Federal Energy Management Program for des-
20 ignated products” after “energy consuming product”;
21 and

22 (2) in the second sentence of subsection (c)—

23 (A) by inserting “list in their catalogues,
24 represent as available, and” after “Logistics
25 Agency shall”; and

1 (B) by striking “where the agency” and in-
2 serting “in which the head of the agency”.

3 (b) *CATALOGUE LISTING DEADLINE.*—Not later than
4 9 months after the date of enactment of this Act, the General
5 Services Administration and the Defense Logistics Agency
6 shall ensure that the requirement established by the amend-
7 ment made by subsection (a)(2)(A) has been fully complied
8 with.

9 **SEC. 526. PROCUREMENT AND ACQUISITION OF ALTER-**
10 **NATIVE FUELS.**

11 No Federal agency shall enter into a contract for pro-
12 curement of an alternative or synthetic fuel, including a
13 fuel produced from nonconventional petroleum sources, for
14 any mobility-related use, other than for research or testing,
15 unless the contract specifies that the lifecycle greenhouse gas
16 emissions associated with the production and combustion
17 of the fuel supplied under the contract must, on an ongoing
18 basis, be less than or equal to such emissions from the equiv-
19 alent conventional fuel produced from conventional petro-
20 leum sources.

21 **SEC. 527. GOVERNMENT EFFICIENCY STATUS REPORTS.**

22 (a) *IN GENERAL.*—Each Federal agency subject to any
23 of the requirements of this title or the amendments made
24 by this title shall compile and submit to the Director of

1 *the Office of Management and Budget an annual Govern-*
2 *ment efficiency status report on—*

3 (1) *compliance by the agency with each of the re-*
4 *quirements of this title and the amendments made by*
5 *this title;*

6 (2) *the status of the implementation by the agen-*
7 *cy of initiatives to improve energy efficiency, reduce*
8 *energy costs, and reduce emissions of greenhouse*
9 *gases; and*

10 (3) *savings to the taxpayers of the United States*
11 *resulting from mandated improvements under this*
12 *title and the amendments made by this title*

13 (b) *SUBMISSION.—The report shall be submitted—*

14 (1) *to the Director at such time as the Director*
15 *requires;*

16 (2) *in electronic, not paper, format; and*

17 (3) *consistent with related reporting require-*
18 *ments.*

19 **SEC. 528. OMB GOVERNMENT EFFICIENCY REPORTS AND**
20 **SCORECARDS.**

21 (a) *REPORTS.—Not later than April 1 of each year,*
22 *the Director of the Office of Management and Budget shall*
23 *submit an annual Government efficiency report to the Com-*
24 *mittee on Oversight and Government Reform of the House*

1 *of Representatives and the Committee on Governmental Af-*
2 *fairs of the Senate, which shall contain—*

3 (1) *a summary of the information reported by*
4 *agencies under section 527;*

5 (2) *an evaluation of the overall progress of the*
6 *Federal Government toward achieving the goals of*
7 *this title and the amendments made by this title; and*

8 (3) *recommendations for additional actions nec-*
9 *essary to meet the goals of this title and the amend-*
10 *ments made by this title.*

11 (b) *SCORECARDS.—The Director of the Office of Man-*
12 *agement and Budget shall include in any annual energy*
13 *scorecard the Director is otherwise required to submit a de-*
14 *scription of the compliance of each agency with the require-*
15 *ments of this title and the amendments made by this title.*

16 **SEC. 529. ELECTRICITY SECTOR DEMAND RESPONSE.**

17 (a) *IN GENERAL.—Title V of the National Energy*
18 *Conservation Policy Act (42 U.S.C. 8241 et seq.) is amend-*
19 *ed by adding at the end the following:*

20 **“PART 5—PEAK DEMAND REDUCTION**

21 **“SEC. 571. NATIONAL ACTION PLAN FOR DEMAND RE-**
22 **SPONSE.**

23 “(a) *NATIONAL ASSESSMENT AND REPORT.—The Fed-*
24 *eral Energy Regulatory Commission (‘Commission’) shall*
25 *conduct a National Assessment of Demand Response. The*

1 *Commission shall, within 18 months of the date of enact-*
2 *ment of this part, submit a report to Congress that includes*
3 *each of the following:*

4 “(1) *Estimation of nationwide demand response*
5 *potential in 5 and 10 year horizons, including data*
6 *on a State-by-State basis, and a methodology for up-*
7 *dates of such estimates on an annual basis.*

8 “(2) *Estimation of how much of this potential*
9 *can be achieved within 5 and 10 years after the en-*
10 *actment of this part accompanied by specific policy*
11 *recommendations that if implemented can achieve the*
12 *estimated potential. Such recommendations shall in-*
13 *clude options for funding and/or incentives for the de-*
14 *velopment of demand response resources.*

15 “(3) *The Commission shall further note any bar-*
16 *riers to demand response programs offering flexible,*
17 *non-discriminatory, and fairly compensatory terms*
18 *for the services and benefits made available, and shall*
19 *provide recommendations for overcoming such bar-*
20 *riers.*

21 “(4) *The Commission shall seek to take advan-*
22 *tage of preexisting research and ongoing work, and*
23 *shall insure that there is no duplication of effort.*

24 “(b) *NATIONAL ACTION PLAN ON DEMAND RE-*
25 *SPONSE.—The Commission shall further develop a National*

1 *Action Plan on Demand Response, soliciting and accepting*
2 *input and participation from a broad range of industry*
3 *stakeholders, State regulatory utility commissioners, and*
4 *non-governmental groups. The Commission shall seek con-*
5 *sensus where possible, and decide on optimum solutions to*
6 *issues that defy consensus. Such Plan shall be completed*
7 *within one year after the completion of the National Assess-*
8 *ment of Demand Response, and shall meet each of the fol-*
9 *lowing objectives:*

10 “(1) *Identification of requirements for technical*
11 *assistance to States to allow them to maximize the*
12 *amount of demand response resources that can be de-*
13 *veloped and deployed.*

14 “(2) *Design and identification of requirements*
15 *for implementation of a national communications*
16 *program that includes broad-based customer edu-*
17 *cation and support.*

18 “(3) *Development or identification of analytical*
19 *tools, information, model regulatory provisions, model*
20 *contracts, and other support materials for use by cus-*
21 *tomers, states, utilities and demand response pro-*
22 *viders.*

23 “(c) *Upon completion, the National Action Plan on*
24 *Demand Response shall be published, together with any fa-*
25 *vorable and dissenting comments submitted by participants*

1 *in its preparation. Six months after publication, the Com-*
 2 *mission, together with the Secretary of Energy, shall submit*
 3 *to Congress a proposal to implement the Action Plan, in-*
 4 *cluding specific proposed assignments of responsibility, pro-*
 5 *posed budget amounts, and any agreements secured for par-*
 6 *ticipation from State and other participants.*

7 “(d) *AUTHORIZATION.—There are authorized to be ap-*
 8 *propriated to the Commission to carry out this section not*
 9 *more than \$10,000,000 for each of the fiscal years 2008,*
 10 *2009, and 2010.”.*

11 “(b) *TABLE OF CONTENTS.—The table of contents for*
 12 *the National Energy Conservation Policy Act (42 U.S.C.*
 13 *8201 note) is amended by adding after the items relating*
 14 *to part 4 of title V the following:*

“PART 5—PEAK DEMAND REDUCTION

“Sec. 571. *National Action Plan for Demand Response.*”.

15 ***Subtitle D—Energy Efficiency of***
 16 ***Public Institutions***

17 ***SEC. 531. REAUTHORIZATION OF STATE ENERGY PRO-***
 18 ***GRAMS.***

19 *Section 365(f) of the Energy Policy and Conservation*
 20 *Act (42 U.S.C. 6325(f)) is amended by striking*
 21 *“\$100,000,000 for each of the fiscal years 2006 and 2007*
 22 *and \$125,000,000 for fiscal year 2008” and inserting*
 23 *“\$125,000,000 for each of fiscal years 2007 through 2012”.*

1 **SEC. 532. UTILITY ENERGY EFFICIENCY PROGRAMS.**

2 (a) *ELECTRIC UTILITIES.*—Section 111(d) of the Pub-
3 *lic Utility Regulatory Policies Act of 1978 (16 U.S.C.*
4 *2621(d)) is amended by adding at the end the following:*

5 “(16) *INTEGRATED RESOURCE PLANNING.*—Each
6 *electric utility shall—*

7 “(A) *integrate energy efficiency resources*
8 *into utility, State, and regional plans; and*

9 “(B) *adopt policies establishing cost-effective*
10 *energy efficiency as a priority resource.*

11 “(17) *RATE DESIGN MODIFICATIONS TO PRO-*
12 *MOTE ENERGY EFFICIENCY INVESTMENTS.*—

13 “(A) *IN GENERAL.*—The rates allowed to be
14 *charged by any electric utility shall—*

15 “(i) *align utility incentives with the*
16 *delivery of cost-effective energy efficiency;*
17 *and*

18 “(ii) *promote energy efficiency invest-*
19 *ments.*

20 “(B) *POLICY OPTIONS.*—In complying with
21 *subparagraph (A), each State regulatory author-*
22 *ity and each nonregulated utility shall con-*
23 *sider—*

24 “(i) *removing the throughput incentive*
25 *and other regulatory and management dis-*
26 *incentives to energy efficiency;*

1 “(ii) providing utility incentives for
2 the successful management of energy effi-
3 ciency programs;

4 “(iii) including the impact on adop-
5 tion of energy efficiency as 1 of the goals of
6 retail rate design, recognizing that energy
7 efficiency must be balanced with other objec-
8 tives;

9 “(iv) adopting rate designs that en-
10 courage energy efficiency for each customer
11 class;

12 “(v) allowing timely recovery of energy
13 efficiency-related costs; and

14 “(vi) offering home energy audits, of-
15 fering demand response programs, publi-
16 cizing the financial and environmental ben-
17 efits associated with making home energy
18 efficiency improvements, and educating
19 homeowners about all existing Federal and
20 State incentives, including the availability
21 of low-cost loans, that make energy effi-
22 ciency improvements more affordable.”.

23 (b) *NATURAL GAS UTILITIES*.—Section 303(b) of the
24 *Public Utility Regulatory Policies Act of 1978 (15 U.S.C.*
25 *3203(b))* is amended by adding at the end the following:

1 “(5) *ENERGY EFFICIENCY.*—*Each natural gas*
2 *utility shall—*

3 “(A) *integrate energy efficiency resources*
4 *into the plans and planning processes of the nat-*
5 *ural gas utility; and*

6 “(B) *adopt policies that establish energy ef-*
7 *iciency as a priority resource in the plans and*
8 *planning processes of the natural gas utility.*

9 “(6) *RATE DESIGN MODIFICATIONS TO PROMOTE*
10 *ENERGY EFFICIENCY INVESTMENTS.*—

11 “(A) *IN GENERAL.*—*The rates allowed to be*
12 *charged by a natural gas utility shall align util-*
13 *ity incentives with the deployment of cost-effec-*
14 *tive energy efficiency.*

15 “(B) *POLICY OPTIONS.*—*In complying with*
16 *subparagraph (A), each State regulatory author-*
17 *ity and each nonregulated utility shall con-*
18 *sider—*

19 “(i) *separating fixed-cost revenue re-*
20 *covery from the volume of transportation or*
21 *sales service provided to the customer;*

22 “(ii) *providing to utilities incentives*
23 *for the successful management of energy effi-*
24 *ciency programs, such as allowing utilities*

1 to retain a portion of the cost-reducing ben-
2 efits accruing from the programs;

3 “(iii) promoting the impact on adop-
4 tion of energy efficiency as 1 of the goals of
5 retail rate design, recognizing that energy
6 efficiency must be balanced with other objec-
7 tives; and

8 “(iv) adopting rate designs that en-
9 courage energy efficiency for each customer
10 class.

11 For purposes of applying the provisions of this
12 subtitle to this paragraph, any reference in this
13 subtitle to the date of enactment of this Act shall
14 be treated as a reference to the date of enactment
15 of this paragraph.”.

16 (c) *CONFORMING AMENDMENT.*—Section 303(a) of the
17 Public Utility Regulatory Policies Act of 1978 U.S.C.
18 3203(a) is amended by striking “and (4)” inserting “(4),
19 (5), and (6)”.

20 ***Subtitle E—Energy Efficiency and***
21 ***Conservation Block Grants***

22 ***SEC. 541. DEFINITIONS.***

23 *In this subtitle:*

24 (1) *ELIGIBLE ENTITY.*—The term “eligible enti-
25 ty” means—

- 1 (A) a State;
- 2 (B) an eligible unit of local government;
- 3 and
- 4 (C) an Indian tribe.

5 (2) *ELIGIBLE UNIT OF LOCAL GOVERNMENT.*—

6 The term “eligible unit of local government” means—

- 7 (A) an eligible unit of local government—al-
- 8 ternative 1; and
- 9 (B) an eligible unit of local government—al-
- 10 ternative 2.

11 (3)(A) *ELIGIBLE UNIT OF LOCAL GOVERNMENT—*

12 *ALTERNATIVE 1.*—The term “eligible unit of local gov-

13 ernment—alternative 1” means—

- 14 (i) a city with a population—
- 15 (I) of at least 35,000; or
- 16 (II) that causes the city to be 1 of the
- 17 10 highest-populated cities of the State in
- 18 which the city is located; and
- 19 (ii) a county with a population—
- 20 (I) of at least 200,000; or
- 21 (II) that causes the county to be 1 of
- 22 the 10 highest-populated counties of the
- 23 State in which the county is located.

1 (B) *ELIGIBLE UNIT OF LOCAL GOVERNMENT—AL-*
 2 *TERNATIVE 2.*—*The term “eligible unit of local gov-*
 3 *ernment—alternative 2” means—*

4 (i) *a city with a population of at least*
 5 *50,000; or*

6 (ii) *a county with a population of at least*
 7 *200,000.*

8 (4) *INDIAN TRIBE.*—*The term “Indian tribe” has*
 9 *the meaning given the term in section 4 of the Indian*
 10 *Self- Determination and Education Assistance Act*
 11 *(25 U.S.C. 450b).*

12 (5) *PROGRAM.*—*The term “program” means the*
 13 *Energy Efficiency and Conservation Block Grant*
 14 *Program established under section 542(a).*

15 (6) *STATE.*—*The term “State” means—*

16 (A) *a State;*

17 (B) *the District of Columbia;*

18 (C) *the Commonwealth of Puerto Rico; and*

19 (D) *any other territory or possession of the*
 20 *United States.*

21 **SEC. 542. ENERGY EFFICIENCY AND CONSERVATION BLOCK**
 22 **GRANT PROGRAM.**

23 (a) *ESTABLISHMENT.*—*The Secretary shall establish a*
 24 *program, to be known as the “Energy Efficiency and Con-*
 25 *servation Block Grant Program”, under which the Sec-*

1 *retary shall provide grants to eligible entities in accordance*
2 *with this subtitle.*

3 (b) *PURPOSE.—The purpose of the program shall be*
4 *to assist eligible entities in implementing strategies—*

5 (1) *to reduce fossil fuel emissions created as a re-*
6 *sult of activities within the jurisdictions of eligible*
7 *entities in manner that—*

8 (A) *is environmentally sustainable; and*

9 (B) *to the maximum extent practicable,*
10 *maximizes benefits for local and regional com-*
11 *munities;*

12 (2) *to reduce the total energy use of the eligible*
13 *entities; and*

14 (3) *to improve energy efficiency in—*

15 (A) *the transportation sector;*

16 (B) *the building sector; and*

17 (C) *other appropriate sectors.*

18 **SEC. 543. ALLOCATION OF FUNDS.**

19 (a) *IN GENERAL.—Of amounts made available to pro-*
20 *vide grants under this subtitle for each fiscal year, the Sec-*
21 *retary shall allocate—*

22 (1) *68 percent to eligible units of local govern-*
23 *ment in accordance with subsection (b);*

24 (2) *28 percent to States in accordance with sub-*
25 *section (c);*

1 (3) 2 percent to Indian tribes in accordance with
2 subsection (d); and

3 (4) 2 percent for competitive grants under sec-
4 tion 546.

5 (b) *ELIGIBLE UNITS OF LOCAL GOVERNMENT.*—Of
6 amounts available for distribution to eligible units of local
7 government under subsection (a)(1), the Secretary shall pro-
8 vide grants to eligible units of local government under this
9 section based on a formula established by the Secretary ac-
10 cording to—

11 (1) the populations served by the eligible units of
12 local government, according to the latest available de-
13 cennial census; and

14 (2) the daytime populations of the eligible units
15 of local government and other similar factors (such as
16 square footage of commercial, office, and industrial
17 space), as determined by the Secretary.

18 (c) *STATES.*—Of amounts available for distribution to
19 States under subsection (a)(2), the Secretary shall pro-
20 vide—

21 (1) not less than 1.25 percent to each State; and

22 (2) the remainder among the States, based on a
23 formula to be established by the Secretary that takes
24 into account—

25 (A) the population of each State; and

1 (B) any other criteria that the Secretary de-
2 termines to be appropriate.

3 (d) *INDIAN TRIBES.*—Of amounts available for dis-
4 tribution to Indian tribes under subsection (a)(3), the Sec-
5 retary shall establish a formula for allocation of the
6 amounts to Indian tribes, taking into account any factors
7 that the Secretary determines to be appropriate.

8 (e) *PUBLICATION OF ALLOCATION FORMULAS.*—Not
9 later than 90 days before the beginning of each fiscal year
10 for which grants are provided under this subtitle, the Sec-
11 retary shall publish in the Federal Register the formulas
12 for allocation established under this section.

13 (f) *STATE AND LOCAL ADVISORY COMMITTEE.*—The
14 Secretary shall establish a State and local advisory com-
15 mittee to advise the Secretary regarding administration,
16 implementation, and evaluation of the program.

17 **SEC. 544. USE OF FUNDS.**

18 An eligible entity may use a grant received under this
19 subtitle to carry out activities to achieve the purposes of
20 the program, including—

21 (1) development and implementation of an en-
22 ergy efficiency and conservation strategy under sec-
23 tion 545(b);

1 (2) *retaining technical consultant services to as-*
2 *ist the eligible entity in the development of such a*
3 *strategy, including—*

4 (A) *formulation of energy efficiency, energy*
5 *conservation, and energy usage goals;*

6 (B) *identification of strategies to achieve*
7 *those goals—*

8 (i) *through efforts to increase energy ef-*
9 *iciency and reduce energy consumption;*

10 *and*

11 (ii) *by encouraging behavioral changes*
12 *among the population served by the eligible*
13 *entity;*

14 (C) *development of methods to measure*
15 *progress in achieving the goals;*

16 (D) *development and publication of annual*
17 *reports to the population served by the eligible*
18 *entity describing—*

19 (i) *the strategies and goals; and*

20 (ii) *the progress made in achieving the*
21 *strategies and goals during the preceding*
22 *calendar year; and*

23 (E) *other services to assist in the implemen-*
24 *tation of the energy efficiency and conservation*
25 *strategy;*

1 (3) *conducting residential and commercial build-*
2 *ing energy audits;*

3 (4) *establishment of financial incentive programs*
4 *for energy efficiency improvements;*

5 (5) *the provision of grants to nonprofit organiza-*
6 *tions and governmental agencies for the purpose of*
7 *performing energy efficiency retrofits;*

8 (6) *development and implementation of energy*
9 *efficiency and conservation programs for buildings*
10 *and facilities within the jurisdiction of the eligible en-*
11 *tity, including—*

12 (A) *design and operation of the programs;*

13 (B) *identifying the most effective methods*
14 *for achieving maximum participation and effi-*
15 *ciency rates;*

16 (C) *public education;*

17 (D) *measurement and verification protocols;*

18 *and*

19 (E) *identification of energy efficient tech-*
20 *nologies;*

21 (7) *development and implementation of pro-*
22 *grams to conserve energy used in transportation, in-*
23 *cluding—*

24 (A) *use of flex time by employers;*

25 (B) *satellite work centers;*

1 (C) development and promotion of zoning
2 guidelines or requirements that promote energy
3 efficient development;

4 (D) development of infrastructure, such as
5 bike lanes and pathways and pedestrian walk-
6 ways;

7 (E) synchronization of traffic signals; and

8 (F) other measures that increase energy effi-
9 ciency and decrease energy consumption;

10 (8) development and implementation of building
11 codes and inspection services to promote building en-
12 ergy efficiency;

13 (9) application and implementation of energy
14 distribution technologies that significantly increase
15 energy efficiency, including—

16 (A) distributed resources; and

17 (B) district heating and cooling systems;

18 (10) activities to increase participation and effi-
19 ciency rates for material conservation programs, in-
20 cluding source reduction, recycling, and recycled con-
21 tent procurement programs that lead to increases in
22 energy efficiency;

23 (11) the purchase and implementation of tech-
24 nologies to reduce, capture, and, to the maximum ex-

1 *tent practicable, use methane and other greenhouse*
2 *gases generated by landfills or similar sources;*

3 *(12) replacement of traffic signals and street*
4 *lighting with energy efficient lighting technologies, in-*
5 *cluding—*

6 *(A) light emitting diodes; and*

7 *(B) any other technology of equal or greater*
8 *energy efficiency;*

9 *(13) development, implementation, and installa-*
10 *tion on or in any government building of the eligible*
11 *entity of onsite renewable energy technology that gen-*
12 *erates electricity from renewable resources, includ-*
13 *ing—*

14 *(A) solar energy;*

15 *(B) wind energy;*

16 *(C) fuel cells; and*

17 *(D) biomass; and*

18 *(14) any other appropriate activity, as deter-*
19 *mined by the Secretary, in consultation with—*

20 *(A) the Administrator of the Environmental*
21 *Protection Agency;*

22 *(B) the Secretary of Transportation; and*

23 *(C) the Secretary of Housing and Urban*
24 *Development.*

1 **SEC. 545. REQUIREMENTS FOR ELIGIBLE ENTITIES.**

2 (a) *CONSTRUCTION REQUIREMENT.*—

3 (1) *IN GENERAL.*—*To be eligible to receive a*
4 *grant under the program, each eligible applicant shall*
5 *submit to the Secretary a written assurance that all*
6 *laborers and mechanics employed by any contractor*
7 *or subcontractor of the eligible entity during any con-*
8 *struction, alteration, or repair activity funded, in*
9 *whole or in part, by the grant shall be paid wages at*
10 *rates not less than the prevailing wages for similar*
11 *construction activities in the locality, as determined*
12 *by the Secretary of Labor, in accordance with sections*
13 *3141 through 3144, 3146, and 3147 of title 40,*
14 *United States Code.*

15 (2) *SECRETARY OF LABOR.*—*With respect to the*
16 *labor standards referred to in paragraph (1), the Sec-*
17 *retary of Labor shall have the authority and functions*
18 *described in—*

19 (A) *Reorganization Plan Numbered 14 of*
20 *1950 (5 U.S.C. 903 note); and*

21 (B) *section 3145 of title 40, United States*
22 *Code.*

23 (b) *ELIGIBLE UNITS OF LOCAL GOVERNMENT AND IN-*
24 *DIAN TRIBES.*—

25 (1) *PROPOSED STRATEGY.*—

1 (A) *IN GENERAL.*—Not later than 1 year
2 after the date on which an eligible unit of local
3 government or Indian tribe receives a grant
4 under this subtitle, the eligible unit of local gov-
5 ernment or Indian tribe shall submit to the Sec-
6 retary a proposed energy efficiency and con-
7 servation strategy in accordance with this para-
8 graph.

9 (B) *INCLUSIONS.*—The proposed strategy
10 under subparagraph (A) shall include—

11 (i) a description of the goals of the eli-
12 gible unit of local government or Indian
13 tribe, in accordance with the purposes of
14 this subtitle, for increased energy efficiency
15 and conservation in the jurisdiction of the
16 eligible unit of local government or Indian
17 tribe; and

18 (ii) a plan for the use of the grant to
19 assist the eligible unit of local government
20 or Indian tribe in achieving those goals, in
21 accordance with section 544.

22 (C) *REQUIREMENTS FOR ELIGIBLE UNITS*
23 *OF LOCAL GOVERNMENT.*—In developing the
24 strategy under subparagraph (A), an eligible
25 unit of local government shall—

1 (i) take into account any plans for the
2 use of funds by adjacent eligible units of
3 local governments that receive grants under
4 the program; and

5 (ii) coordinate and share information
6 with the State in which the eligible unit of
7 local government is located regarding ac-
8 tivities carried out using the grant to maxi-
9 mize the energy efficiency and conservation
10 benefits under this subtitle.

11 (2) *APPROVAL BY SECRETARY.*—

12 (A) *IN GENERAL.*—The Secretary shall ap-
13 prove or disapprove a proposed strategy under
14 paragraph (1) by not later than 120 days after
15 the date of submission of the proposed strategy.

16 (B) *DISAPPROVAL.*—If the Secretary dis-
17 approves a proposed strategy under subpara-
18 graph (A)—

19 (i) the Secretary shall provide to the
20 eligible unit of local government or Indian
21 tribe the reasons for the disapproval; and

22 (ii) the eligible unit of local govern-
23 ment or Indian tribe may revise and resub-
24 mit the proposed strategy as many times as

1 *necessary until the Secretary approves a*
2 *proposed strategy.*

3 (C) *REQUIREMENT.*—*The Secretary shall*
4 *not provide to an eligible unit of local govern-*
5 *ment or Indian tribe any grant under the pro-*
6 *gram until a proposed strategy of the eligible*
7 *unit of local government or Indian tribe is ap-*
8 *proved by the Secretary under this paragraph.*

9 (3) *LIMITATIONS ON USE OF FUNDS.*—*Of*
10 *amounts provided to an eligible unit of local govern-*
11 *ment or Indian tribe under the program, an eligible*
12 *unit of local government or Indian tribe may use—*

13 (A) *for administrative expenses, excluding*
14 *the cost of meeting the reporting requirements of*
15 *this subtitle, an amount equal to the greater of—*

16 (i) *10 percent; and*

17 (ii) *\$75,000;*

18 (B) *for the establishment of revolving loan*
19 *funds, an amount equal to the greater of—*

20 (i) *20 percent; and*

21 (ii) *\$250,000; and*

22 (C) *for the provision of subgrants to non-*
23 *governmental organizations for the purpose of*
24 *assisting in the implementation of the energy ef-*
25 *iciency and conservation strategy of the eligible*

1 *unit of local government or Indian tribe, an*
2 *amount equal to the greater of—*

3 *(i) 20 percent; and*

4 *(ii) \$250,000.*

5 (4) *ANNUAL REPORT.—Not later than 2 years*
6 *after the date on which funds are initially provided*
7 *to an eligible unit of local government or Indian tribe*
8 *under the program, and annually thereafter, the eligi-*
9 *ble unit of local government or Indian tribe shall sub-*
10 *mit to the Secretary a report describing—*

11 *(A) the status of development and imple-*
12 *mentation of the energy efficiency and conserva-*
13 *tion strategy of the eligible unit of local govern-*
14 *ment or Indian tribe; and*

15 *(B) as practicable, an assessment of energy*
16 *efficiency gains within the jurisdiction of the eli-*
17 *gible unit of local government or Indian tribe.*

18 (c) *STATES.—*

19 (1) *DISTRIBUTION OF FUNDS.—*

20 (A) *IN GENERAL.—A State that receives a*
21 *grant under the program shall use not less than*
22 *60 percent of the amount received to provide sub-*
23 *grants to units of local government in the State*
24 *that are not eligible units of local government.*

1 (B) *DEADLINE.*—*The State shall provide*
2 *the subgrants required under subparagraph (A)*
3 *by not later than 180 days after the date on*
4 *which the Secretary approves a proposed energy*
5 *efficiency and conservation strategy of the State*
6 *under paragraph (3).*

7 (2) *REVISION OF CONSERVATION PLAN; PRO-*
8 *POSED STRATEGY.*—*Not later than 120 days after the*
9 *date of enactment of this Act, each State shall—*

10 (A) *modify the State energy conservation*
11 *plan of the State under section 362 of the En-*
12 *ergy Policy and Conservation Act (42 U.S.C.*
13 *6322) to establish additional goals for increased*
14 *energy efficiency and conservation in the State;*
15 *and*

16 (B) *submit to the Secretary a proposed en-*
17 *ergy efficiency and conservation strategy that—*

18 (i) *establishes a process for providing*
19 *subgrants as required under paragraph (1);*
20 *and*

21 (ii) *includes a plan of the State for the*
22 *use of funds received under a the program*
23 *to assist the State in achieving the goals es-*
24 *tablished under subparagraph (A), in ac-*
25 *cordance with sections 542(b) and 544.*

1 (3) *APPROVAL BY SECRETARY.*—

2 (A) *IN GENERAL.*—*The Secretary shall ap-*
3 *prove or disapprove a proposed strategy under*
4 *paragraph (2)(B) by not later than 120 days*
5 *after the date of submission of the proposed strat-*
6 *egy.*

7 (B) *DISAPPROVAL.*—*If the Secretary dis-*
8 *approves a proposed strategy under subpara-*
9 *graph (A)—*

10 (i) *the Secretary shall provide to the*
11 *State the reasons for the disapproval; and*

12 (ii) *the State may revise and resubmit*
13 *the proposed strategy as many times as nec-*
14 *essary until the Secretary approves a pro-*
15 *posed strategy.*

16 (C) *REQUIREMENT.*—*The Secretary shall*
17 *not provide to a State any grant under the pro-*
18 *gram until a proposed strategy of the State is*
19 *approved the Secretary under this paragraph.*

20 (4) *LIMITATIONS ON USE OF FUNDS.*—*A State*
21 *may use not more than 10 percent of amounts pro-*
22 *vided under the program for administrative expenses.*

23 (5) *ANNUAL REPORTS.*—*Each State that receives*
24 *a grant under the program shall submit to the Sec-*
25 *retary an annual report that describes—*

1 (A) *the status of development and imple-*
2 *mentation of the energy efficiency and conserva-*
3 *tion strategy of the State during the preceding*
4 *calendar year;*

5 (B) *the status of the subgrant program of*
6 *the State under paragraph (1);*

7 (C) *the energy efficiency gains achieved*
8 *through the energy efficiency and conservation*
9 *strategy of the State during the preceding cal-*
10 *endar year; and*

11 (D) *specific energy efficiency and conserva-*
12 *tion goals of the State for subsequent calendar*
13 *years.*

14 **SEC. 546. COMPETITIVE GRANTS.**

15 (a) *IN GENERAL.*—*Of the total amount made available*
16 *for each fiscal year to carry out this subtitle, the Secretary*
17 *shall use not less than 2 percent to provide grants under*
18 *this section, on a competitive basis, to—*

19 (1) *units of local government (including Indian*
20 *tribes) that are not eligible entities; and*

21 (2) *consortia of units of local government de-*
22 *scribed in paragraph (1).*

23 (b) *APPLICATIONS.*—*To be eligible to receive a grant*
24 *under this section, a unit of local government or consortia*
25 *shall submit to the Secretary an application at such time,*

1 *in such manner, and containing such information as the*
2 *Secretary may require, including a plan of the unit of local*
3 *government to carry out an activity described in section*
4 *544.*

5 *(c) PRIORITY.—In providing grants under this section,*
6 *the Secretary shall give priority to units of local govern-*
7 *ment—*

8 *(1) located in States with populations of less*
9 *than 2,000,000; or*

10 *(2) that plan to carry out projects that would re-*
11 *sult in significant energy efficiency improvements or*
12 *reductions in fossil fuel use.*

13 **SEC. 547. REVIEW AND EVALUATION.**

14 *(a) IN GENERAL.—The Secretary may review and*
15 *evaluate the performance of any eligible entity that receives*
16 *a grant under the program, including by conducting an*
17 *audit, as the Secretary determines to be appropriate.*

18 *(b) WITHHOLDING OF FUNDS.—The Secretary may*
19 *withhold from an eligible entity any portion of a grant to*
20 *be provided to the eligible entity under the program if the*
21 *Secretary determines that the eligible entity has failed to*
22 *achieve compliance with—*

23 *(1) any applicable guideline or regulation of the*
24 *Secretary relating to the program, including the mis-*

1 *use or misappropriation of funds provided under the*
2 *program; or*

3 *(2) the energy efficiency and conservation strat-*
4 *egy of the eligible entity.*

5 **SEC. 548. FUNDING.**

6 *(a) AUTHORIZATION OF APPROPRIATIONS.—*

7 *(1) GRANTS.—There is authorized to be appro-*
8 *priated to the Secretary for the provision of grants*
9 *under the program \$2,000,000,000 for each of fiscal*
10 *years 2008 through 2012; provided that 49 percent of*
11 *the appropriated funds shall be distributed using the*
12 *definition of eligible unit of local government—alter-*
13 *native 1 in section 541(3)(A) and 49 percent of the*
14 *appropriated funds shall be distributed using the defi-*
15 *inition of eligible unit of local government—alternative*
16 *2 in section 541(3)(B).*

17 *(2) ADMINISTRATIVE COSTS.—There are author-*
18 *ized to be appropriated to the Secretary for adminis-*
19 *trative expenses of the program—*

20 *(A) \$20,000,000 for each of fiscal years*
21 *2008 and 2009;*

22 *(B) \$25,000,000 for each of fiscal years*
23 *2010 and 2011; and*

24 *(C) \$30,000,000 for fiscal year 2012.*

1 (b) *MAINTENANCE OF FUNDING.*—The funding pro-
 2 vided under this section shall supplement (and not sup-
 3 plant) other Federal funding provided under—

4 (1) a State energy conservation plan established
 5 under part D of title III of the Energy Policy and
 6 Conservation Act (42 U.S.C. 6321 et seq.); or

7 (2) the Weatherization Assistance Program for
 8 Low-Income Persons established under part A of title
 9 IV of the Energy Conservation and Production Act
 10 (42 U.S.C. 6861 et seq.).

11 **TITLE VI—ACCELERATED**
 12 **RESEARCH AND DEVELOPMENT**
 13 **Subtitle A—Solar Energy**

14 **SEC. 601. SHORT TITLE.**

15 This subtitle may be cited as the “Solar Energy Re-
 16 search and Advancement Act of 2007”.

17 **SEC. 602. THERMAL ENERGY STORAGE RESEARCH AND DE-**
 18 **VELOPMENT PROGRAM.**

19 (a) *ESTABLISHMENT.*—The Secretary shall establish a
 20 program of research and development to provide lower cost
 21 and more viable thermal energy storage technologies to en-
 22 able the shifting of electric power loads on demand and ex-
 23 tend the operating time of concentrating solar power electric
 24 generating plants.

1 (b) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
2 *authorized to be appropriated to the Secretary for carrying*
3 *out this section \$5,000,000 for fiscal year 2008, \$7,000,000*
4 *for fiscal year 2009, \$9,000,000 for fiscal year 2010,*
5 *\$10,000,000 for fiscal year 2011, and \$12,000,000 for fiscal*
6 *year 2012.*

7 **SEC. 603. CONCENTRATING SOLAR POWER COMMERCIAL**
8 **APPLICATION STUDIES.**

9 (a) *INTEGRATION.*—*The Secretary shall conduct a*
10 *study on methods to integrate concentrating solar power*
11 *and utility-scale photovoltaic systems into regional elec-*
12 *tricity transmission systems, and to identify new trans-*
13 *mission or transmission upgrades needed to bring elec-*
14 *tricity from high concentrating solar power resource areas*
15 *to growing electric power load centers throughout the*
16 *United States. The study shall analyze and assess cost-effec-*
17 *tive approaches for management and large-scale integration*
18 *of concentrating solar power and utility-scale photovoltaic*
19 *systems into regional electric transmission grids to improve*
20 *electric reliability, to efficiently manage load, and to reduce*
21 *demand on the natural gas transmission system for electric*
22 *power. The Secretary shall submit a report to Congress on*
23 *the results of this study not later than 12 months after the*
24 *date of enactment of this Act.*

1 (3) *Internship programs that provide hands-on*
2 *participation by students in commercial applications.*

3 (4) *Activities required to obtain certification of*
4 *training programs and facilities by an industry-ac-*
5 *cepted quality-control certification program.*

6 (5) *Incorporation of solar-specific learning mod-*
7 *ules into traditional occupational training and in-*
8 *ternship programs for construction-related trades.*

9 (6) *The purchase of equipment necessary to*
10 *carry out activities under this section.*

11 (7) *Support of programs that provide guidance*
12 *and updates to solar energy curriculum instructors.*

13 (c) *ADMINISTRATION OF GRANTS.—Grants may be*
14 *awarded under this section for up to 3 years. The Secretary*
15 *shall award grants to ensure sufficient geographic distribu-*
16 *tion of training programs nationally. Grants shall only be*
17 *awarded for programs certified by an industry-accepted*
18 *quality-control certification institution, or for new and*
19 *growing programs with a credible path to certification. Due*
20 *consideration shall be given to women, underrepresented*
21 *minorities, and persons with disabilities.*

22 (d) *REPORT.—The Secretary shall make public, on the*
23 *website of the Department or upon request, information on*
24 *the name and institution for all grants awarded under this*

1 *section, including a brief description of the project as well*
2 *as the grant award amount.*

3 *(e) AUTHORIZATION OF APPROPRIATIONS.—There are*
4 *authorized to be appropriated to the Secretary for carrying*
5 *out this section \$10,000,000 for each of the fiscal years 2008*
6 *through 2012.*

7 **SEC. 605. DAYLIGHTING SYSTEMS AND DIRECT SOLAR**
8 **LIGHT PIPE TECHNOLOGY.**

9 *(a) ESTABLISHMENT.—The Secretary shall establish a*
10 *program of research and development to provide assistance*
11 *in the demonstration and commercial application of direct*
12 *solar renewable energy sources to provide alternatives to*
13 *traditional power generation for lighting and illumination,*
14 *including light pipe technology, and to promote greater en-*
15 *ergy conservation and improved efficiency. All direct solar*
16 *renewable energy devices supported under this program*
17 *shall have the capability to provide measurable data on the*
18 *amount of kilowatt-hours saved over the traditionally pow-*
19 *ered light sources they have replaced.*

20 *(b) REPORTING.—The Secretary shall transmit to Con-*
21 *gress an annual report assessing the measurable data de-*
22 *rived from each project in the direct solar renewable energy*
23 *sources program and the energy savings resulting from its*
24 *use.*

25 *(c) DEFINITIONS.—For purposes of this section—*

1 (1) *Advancing solar thermal collectors, including*
2 *concentrating solar thermal and electric systems, flat*
3 *plate and evacuated tube collector performance.*

4 (2) *Achieving technical and economic integration*
5 *of solar-powered distributed air-conditioning systems*
6 *with existing hot water and storage systems for resi-*
7 *dential applications.*

8 (3) *Designing and demonstrating mass manufac-*
9 *turing capability to reduce costs of modular standard-*
10 *ized solar-powered distributed air conditioning sys-*
11 *tems and components.*

12 (4) *Improving the efficiency of solar-powered dis-*
13 *tributed air-conditioning to increase the effectiveness*
14 *of solar-powered absorption chillers, solar-driven com-*
15 *pressors and condensers, and cost-effective precooling*
16 *approaches.*

17 (5) *Researching and comparing performance of*
18 *solar-powered distributed air conditioning systems in*
19 *different regions of the country, including potential*
20 *integration with other onsite systems, such as solar,*
21 *biogas, geothermal heat pumps, and propane assist or*
22 *combined propane fuel cells, with a goal to develop*
23 *site-specific energy production and management sys-*
24 *tems that ease fuel and peak utility loading.*

1 (c) *COST SHARING.*—Section 988 of the *Energy Policy*
2 *Act of 2005* (42 U.S.C. 16352) shall apply to a project car-
3 ried out under this section.

4 (d) *AUTHORIZATION OF APPROPRIATIONS.*—There are
5 authorized to be appropriated to the Secretary for carrying
6 out this section \$2,500,000 for each of the fiscal years 2008
7 through 2012.

8 **SEC. 607. PHOTOVOLTAIC DEMONSTRATION PROGRAM.**

9 (a) *IN GENERAL.*—The Secretary shall establish a pro-
10 gram of grants to States to demonstrate advanced photo-
11 voltaic technology.

12 (b) *REQUIREMENTS.*—

13 (1) *ABILITY TO MEET REQUIREMENTS.*—To re-
14 ceive funding under the program under this section,
15 a State must submit a proposal that demonstrates, to
16 the satisfaction of the Secretary, that the State will
17 meet the requirements of subsection (f).

18 (2) *COMPLIANCE WITH REQUIREMENTS.*—If a
19 State has received funding under this section for the
20 preceding year, the State must demonstrate, to the
21 satisfaction of the Secretary, that it complied with the
22 requirements of subsection (f) in carrying out the pro-
23 gram during that preceding year, and that it will do
24 so in the future, before it can receive further funding
25 under this section.

1 (c) *COMPETITION.*—*The Secretary shall award grants*
2 *on a competitive basis to the States with the proposals the*
3 *Secretary considers most likely to encourage the widespread*
4 *adoption of photovoltaic technologies. The Secretary shall*
5 *take into consideration the geographic distribution of*
6 *awards.*

7 (d) *PROPOSALS.*—*Not later than 6 months after the*
8 *date of enactment of this Act, and in each subsequent fiscal*
9 *year for the life of the program, the Secretary shall solicit*
10 *proposals from the States to participate in the program*
11 *under this section.*

12 (e) *COMPETITIVE CRITERIA.*—*In awarding funds in a*
13 *competitive allocation under subsection (c), the Secretary*
14 *shall consider—*

15 (1) *the likelihood of a proposal to encourage the*
16 *demonstration of, or lower the costs of, advanced pho-*
17 *tovoltaic technologies; and*

18 (2) *the extent to which a proposal is likely to—*

19 (A) *maximize the amount of photovoltaics*
20 *demonstrated;*

21 (B) *maximize the proportion of non-Federal*
22 *cost share; and*

23 (C) *limit State administrative costs.*

24 (f) *STATE PROGRAM.*—*A program operated by a State*
25 *with funding under this section shall provide competitive*

1 *awards for the demonstration of advanced photo-voltaic*
2 *technologies. Each State program shall—*

3 (1) *require a contribution of at least 60 percent*
4 *per award from non-Federal sources, which may in-*
5 *clude any combination of State, local, and private*
6 *funds, except that at least 10 percent of the funding*
7 *must be supplied by the State;*

8 (2) *endeavor to fund recipients in the commer-*
9 *cial, industrial, institutional, governmental, and resi-*
10 *dential sectors;*

11 (3) *limit State administrative costs to no more*
12 *than 10 percent of the grant;*

13 (4) *report annually to the Secretary on—*

14 (A) *the amount of funds disbursed;*

15 (B) *the amount of photovoltaics purchased;*

16 *and*

17 (C) *the results of the monitoring under*
18 *paragraph (5);*

19 (5) *provide for measurement and verification of*
20 *the output of a representative sample of the*
21 *photovoltaics systems demonstrated throughout the av-*
22 *erage working life of the systems, or at least 20 years;*
23 *and*

24 (6) *require that applicant buildings must have*
25 *received an independent energy efficiency audit dur-*

1 *ing the 6-month period preceding the filing of the ap-*
2 *plication.*

3 *(g) UNEXPENDED FUNDS.—If a State fails to expend*
4 *any funds received under this section within 3 years of re-*
5 *ceipt, such remaining funds shall be returned to the Treas-*
6 *ury.*

7 *(h) REPORTS.—The Secretary shall report to Congress*
8 *5 years after funds are first distributed to the States under*
9 *this section—*

10 *(1) the amount of photovoltaics demonstrated;*

11 *(2) the number of projects undertaken;*

12 *(3) the administrative costs of the program;*

13 *(4) the results of the monitoring under subsection*

14 *(f)(5); and*

15 *(5) the total amount of funds distributed, includ-*
16 *ing a breakdown by State.*

17 *(i) AUTHORIZATION OF APPROPRIATIONS.—There are*
18 *authorized to be appropriated to the Secretary for the pur-*
19 *poses of carrying out this section—*

20 *(1) \$15,000,000 for fiscal year 2008;*

21 *(2) \$30,000,000 for fiscal year 2009;*

22 *(3) \$45,000,000 for fiscal year 2010;*

23 *(4) \$60,000,000 for fiscal year 2011; and*

24 *(5) \$70,000,000 for fiscal year 2012.*

1 **Subtitle B—Geothermal Energy**

2 **SEC. 611. SHORT TITLE.**

3 *This subtitle may be cited as the “Advanced Geo-*
4 *thermal Energy Research and Development Act of 2007”.*

5 **SEC. 612. DEFINITIONS.**

6 *For purposes of this subtitle:*

7 (1) *ENGINEERED.*—*When referring to enhanced*
8 *geothermal systems, the term “engineered” means sub-*
9 *jected to intervention, including intervention to ad-*
10 *dress one or more of the following issues:*

11 (A) *Lack of effective permeability or poros-*
12 *ity or open fracture connectivity within the res-*
13 *ervoir.*

14 (B) *Insufficient contained geofluid in the*
15 *reservoir.*

16 (C) *A low average geothermal gradient,*
17 *which necessitates deeper drilling.*

18 (2) *ENHANCED GEOTHERMAL SYSTEMS.*—*The*
19 *term “enhanced geothermal systems” means geo-*
20 *thermal reservoir systems that are engineered, as op-*
21 *posed to occurring naturally.*

22 (3) *GEOFLUID.*—*The term “geofluid” means any*
23 *fluid used to extract thermal energy from the Earth*
24 *which is transported to the surface for direct use or*

1 *electric power generation, except that such term shall*
2 *not include oil or natural gas.*

3 (4) *GEOPRESSURED RESOURCES.*—*The term*
4 *“geopressured resources” mean geothermal deposits*
5 *found in sedimentary rocks under higher than normal*
6 *pressure and saturated with gas or methane.*

7 (5) *GEOHERMAL.*—*The term “geothermal” re-*
8 *fers to heat energy stored in the Earth’s crust that*
9 *can be accessed for direct use or electric power genera-*
10 *tion.*

11 (6) *HYDROTHERMAL.*—*The term “hydrothermal”*
12 *refers to naturally occurring subsurface reservoirs of*
13 *hot water or steam.*

14 (7) *SYSTEMS APPROACH.*—*The term “systems*
15 *approach” means an approach to solving problems or*
16 *designing systems that attempts to optimize the per-*
17 *formance of the overall system, rather than a par-*
18 *ticular component of the system.*

19 **SEC. 613. HYDROTHERMAL RESEARCH AND DEVELOPMENT.**

20 (a) *IN GENERAL.*—*The Secretary shall support pro-*
21 *grams of research, development, demonstration, and com-*
22 *mercial application to expand the use of geothermal energy*
23 *production from hydrothermal systems, including the pro-*
24 *grams described in subsection (b).*

25 (b) *PROGRAMS.*—

1 (1) *ADVANCED HYDROTHERMAL RESOURCE*
2 *TOOLS.—The Secretary, in consultation with other*
3 *appropriate agencies, shall support a program to de-*
4 *velop advanced geophysical, geochemical, and geologic*
5 *tools to assist in locating hidden hydrothermal re-*
6 *sources, and to increase the reliability of site charac-*
7 *terization before, during, and after initial drilling.*
8 *The program shall develop new prospecting techniques*
9 *to assist in prioritization of targets for characteriza-*
10 *tion. The program shall include a field component.*

11 (2) *INDUSTRY COUPLED EXPLORATORY DRILL-*
12 *ING.—The Secretary shall support a program of cost-*
13 *shared field demonstration programs, to be pursued,*
14 *simultaneously and independently, in collaboration*
15 *with industry partners, for the demonstration of ad-*
16 *vanced technologies and techniques of siting and ex-*
17 *ploratory drilling for undiscovered resources in a va-*
18 *riety of geologic settings. The program shall include*
19 *incentives to encourage the use of advanced tech-*
20 *nologies and techniques.*

21 **SEC. 614. GENERAL GEOTHERMAL SYSTEMS RESEARCH AND**
22 **DEVELOPMENT.**

23 (a) *SUBSURFACE COMPONENTS AND SYSTEMS.—The*
24 *Secretary shall support a program of research, development,*
25 *demonstration, and commercial application of components*

1 *and systems capable of withstanding extreme geothermal*
2 *environments and necessary to cost-effectively develop,*
3 *produce, and monitor geothermal reservoirs and produce*
4 *geothermal energy. These components and systems shall in-*
5 *clude advanced casing systems (expandable tubular casing,*
6 *low-clearance casing designs, and others), high-temperature*
7 *cements, high-temperature submersible pumps, and high-*
8 *temperature packers, as well as technologies for under-ream-*
9 *ing, multilateral completions, high-temperature and high-*
10 *pressure logging, logging while drilling, deep fracture stim-*
11 *ulation, and reservoir system diagnostics.*

12 **(b) RESERVOIR PERFORMANCE MODELING.**—*The Sec-*
13 *retary shall support a program of research, development,*
14 *demonstration, and commercial application of models of*
15 *geothermal reservoir performance, with an emphasis on ac-*
16 *curately modeling performance over time. Models shall be*
17 *developed to assist both in the development of geothermal*
18 *reservoirs and to more accurately account for stress-related*
19 *effects in stimulated hydrothermal and enhanced geothermal*
20 *systems production environments.*

21 **(c) ENVIRONMENTAL IMPACTS.**—*The Secretary shall—*
22 **(1)** *support a program of research, development,*
23 *demonstration, and commercial application of tech-*
24 *nologies and practices designed to mitigate or pre-*
25 *clude potential adverse environmental impacts of geo-*

1 *thermal energy development, production or use, and*
2 *seek to ensure that geothermal energy development is*
3 *consistent with the highest practicable standards of*
4 *environmental stewardship;*

5 *(2) in conjunction with the Assistant Adminis-*
6 *trator for Research and Development at the Environ-*
7 *mental Protection Agency, support a research pro-*
8 *gram to identify potential environmental impacts of*
9 *geothermal energy development, production, and use,*
10 *and ensure that the program described in paragraph*
11 *(1) addresses such impacts, including effects on*
12 *groundwater and local hydrology; and*

13 *(3) support a program of research to compare*
14 *the potential environmental impacts identified as*
15 *part of the development, production, and use of geo-*
16 *thermal energy with the potential emission reductions*
17 *of greenhouse gases gained by geothermal energy de-*
18 *velopment, production, and use.*

19 **SEC. 615. ENHANCED GEOTHERMAL SYSTEMS RESEARCH**
20 **AND DEVELOPMENT.**

21 *(a) IN GENERAL.—The Secretary shall support a pro-*
22 *gram of research, development, demonstration, and commer-*
23 *cial application for enhanced geothermal systems, including*
24 *the programs described in subsection (b).*

25 *(b) PROGRAMS.—*

1 (1) *ENHANCED GEOTHERMAL SYSTEMS TECH-*
2 *NOLOGIES.*—*The Secretary shall support a program*
3 *of research, development, demonstration, and commer-*
4 *cial application of the technologies and knowledge*
5 *necessary for enhanced geothermal systems to advance*
6 *to a state of commercial readiness, including advances*
7 *in—*

8 (A) *reservoir stimulation;*

9 (B) *reservoir characterization, monitoring,*
10 *and modeling;*

11 (C) *stress mapping;*

12 (D) *tracer development;*

13 (E) *three-dimensional tomography; and*

14 (F) *understanding seismic effects of res-*
15 *ervoir engineering and stimulation.*

16 (2) *ENHANCED GEOTHERMAL SYSTEMS RES-*
17 *ERVOIR STIMULATION.*—

18 (A) *PROGRAM.*—*In collaboration with in-*
19 *dustry partners, the Secretary shall support a*
20 *program of research, development, and dem-*
21 *onstration of enhanced geothermal systems res-*
22 *ervoir stimulation technologies and techniques. A*
23 *minimum of 4 sites shall be selected in locations*
24 *that show particular promise for enhanced geo-*
25 *thermal systems development. Each site shall—*

1 (i) represent a different class of sub-
2 surface geologic environments; and

3 (ii) take advantage of an existing site
4 where subsurface characterization has been
5 conducted or existing drill holes can be uti-
6 lized, if possible.

7 (B) *CONSIDERATION OF EXISTING SITE.*—
8 *The Desert Peak, Nevada, site, where a Depart-*
9 *ment of Energy and industry cooperative en-*
10 *hanced geothermal systems project is already un-*
11 *derway, may be considered for inclusion among*
12 *the sites selected under subparagraph (A).*

13 **SEC. 616. GEOTHERMAL ENERGY PRODUCTION FROM OIL**
14 **AND GAS FIELDS AND RECOVERY AND PRO-**
15 **DUCTION OF GEOPRESSURED GAS RE-**
16 **SOURCES.**

17 (a) *IN GENERAL.*—*The Secretary shall establish a pro-*
18 *gram of research, development, demonstration, and commer-*
19 *cial application to support development of geothermal en-*
20 *ergy production from oil and gas fields and production and*
21 *recovery of energy, including electricity, from geopressured*
22 *resources. In addition, the Secretary shall conduct such sup-*
23 *porting activities including research, resource characteriza-*
24 *tion, and technology development as necessary.*

1 (b) *GEOTHERMAL ENERGY PRODUCTION FROM OIL*
2 *AND GAS FIELDS.*—*The Secretary shall implement a grant*
3 *program in support of geothermal energy production from*
4 *oil and gas fields. The program shall include grants for a*
5 *total of not less than three demonstration projects of the*
6 *use of geothermal techniques such as advanced organic*
7 *rankine cycle systems at marginal, unproductive, and pro-*
8 *ductive oil and gas wells. The Secretary shall, to the extent*
9 *practicable and in the public interest, make awards that—*

10 (1) *include not less than five oil or gas well sites*
11 *per project award;*

12 (2) *use a range of oil or gas well hot water*
13 *source temperatures from 150 degrees Fahrenheit to*
14 *300 degrees Fahrenheit;*

15 (3) *cover a range of sizes up to one megawatt;*

16 (4) *are located at a range of sites;*

17 (5) *can be replicated at a wide range of sites;*

18 (6) *facilitate identification of optimum tech-*
19 *niques among competing alternatives;*

20 (7) *include business commercialization plans*
21 *that have the potential for production of equipment at*
22 *high volumes and operation and support at a large*
23 *number of sites; and*

1 (8) *satisfy other criteria that the Secretary deter-*
2 *mines are necessary to carry out the program and*
3 *collect necessary data and information.*

4 *The Secretary shall give preference to assessments that ad-*
5 *dress multiple elements contained in paragraphs (1)*
6 *through (8).*

7 (c) *GRANT AWARDS.—Each grant award for dem-*
8 *onstration of geothermal technology such as advanced or-*
9 *ganic rankine cycle systems at oil and gas wells made by*
10 *the Secretary under subsection (b) shall include—*

11 (1) *necessary and appropriate site engineering*
12 *study;*

13 (2) *detailed economic assessment of site specific*
14 *conditions;*

15 (3) *appropriate feasibility studies to determine*
16 *whether the demonstration can be replicated;*

17 (4) *design or adaptation of existing technology*
18 *for site specific circumstances or conditions;*

19 (5) *installation of equipment, service, and sup-*
20 *port;*

21 (6) *operation for a minimum of one year and*
22 *monitoring for the duration of the demonstration; and*

23 (7) *validation of technical and economic assump-*
24 *tions and documentation of lessons learned.*

1 (d) *GEOPRESSURED GAS RESOURCE RECOVERY AND*
2 *PRODUCTION.*—(1) *The Secretary shall implement a pro-*
3 *gram to support the research, development, demonstration,*
4 *and commercial application of cost-effective techniques to*
5 *produce energy from geopressured resources.*

6 (2) *The Secretary shall solicit preliminary engineering*
7 *designs for geopressured resources production and recovery*
8 *facilities.*

9 (3) *Based upon a review of the preliminary designs,*
10 *the Secretary shall award grants, which may be cost-shared,*
11 *to support the detailed development and completion of engi-*
12 *neering, architectural and technical plans needed to support*
13 *construction of new designs.*

14 (4) *Based upon a review of the final design plans*
15 *above, the Secretary shall award cost-shared development*
16 *and construction grants for demonstration geopressured*
17 *production facilities that show potential for economic recov-*
18 *ery of the heat, kinetic energy and gas resources from*
19 *geopressured resources.*

20 (e) *COMPETITIVE GRANT SELECTION.*—*Not less than*
21 *90 days after the date of the enactment of this Act, the Sec-*
22 *retary shall conduct a national solicitation for applications*
23 *for grants under the programs outlined in subsections (b)*
24 *and (d). Grant recipients shall be selected on a competitive*
25 *basis based on criteria in the respective subsection.*

1 (f) *WELL DRILLING.*—No funds may be used under
2 *this section for the purpose of drilling new wells.*

3 **SEC. 617. COST SHARING AND PROPOSAL EVALUATION.**

4 (a) *FEDERAL SHARE.*—The Federal share of costs of
5 *projects funded under this subtitle shall be in accordance*
6 *with section 988 of the Energy Policy Act of 2005.*

7 (b) *ORGANIZATION AND ADMINISTRATION OF PRO-*
8 *GRAMS.*—Programs under this subtitle shall incorporate the
9 *following elements:*

10 (1) *The Secretary shall coordinate with, and*
11 *where appropriate may provide funds in furtherance*
12 *of the purposes of this subtitle to, other Department*
13 *of Energy research and development programs focused*
14 *on drilling, subsurface characterization, and other re-*
15 *lated technologies.*

16 (2) *In evaluating proposals, the Secretary shall*
17 *give priority to proposals that demonstrate clear evi-*
18 *dence of employing a systems approach.*

19 (3) *The Secretary shall coordinate and consult*
20 *with the appropriate Federal land management agen-*
21 *cies in selecting proposals for funding under this sub-*
22 *title.*

23 (4) *Nothing in this subtitle shall be construed to*
24 *alter or affect any law relating to the management or*
25 *protection of Federal lands.*

1 **SEC. 618. CENTER FOR GEOTHERMAL TECHNOLOGY TRANS-**
2 **FER.**

3 (a) *IN GENERAL.*—*The Secretary shall award to an*
4 *institution of higher education (or consortium thereof) a*
5 *grant to establish a Center for Geothermal Technology*
6 *Transfer (referred to in this section as the “Center”).*

7 (b) *DUTIES.*—*The Center shall—*

8 (1) *serve as an information clearinghouse for the*
9 *geothermal industry by collecting and disseminating*
10 *information on best practices in all areas relating to*
11 *developing and utilizing geothermal resources;*

12 (2) *make data collected by the Center available*
13 *to the public; and*

14 (3) *seek opportunities to coordinate efforts and*
15 *share information with domestic and international*
16 *partners engaged in research and development of geo-*
17 *thermal systems and related technology.*

18 (c) *SELECTION CRITERIA.*—*In awarding the grant*
19 *under subsection (a) the Secretary shall select an institution*
20 *of higher education (or consortium thereof) best suited to*
21 *provide national leadership on geothermal related issues*
22 *and perform the duties enumerated under subsection (b).*

23 (d) *DURATION OF GRANT.*—*A grant made under sub-*
24 *section (a)—*

25 (1) *shall be for an initial period of 5 years; and*

1 (2) *may be renewed for additional 5-year periods*
2 *on the basis of—*

3 (A) *satisfactory performance in meeting the*
4 *duties outlined in subsection (b); and*

5 (B) *any other requirements specified by the*
6 *Secretary.*

7 **SEC. 619. GEOPOWERING AMERICA.**

8 *The Secretary shall expand the Department of Ener-*
9 *gy's GeoPowering the West program to extend its geo-*
10 *thermal technology transfer activities throughout the entire*
11 *United States. The program shall be renamed*
12 *“GeoPowering America”. The program shall continue to be*
13 *based in the Department of Energy office in Golden, Colo-*
14 *rado.*

15 **SEC. 620. EDUCATIONAL PILOT PROGRAM.**

16 *The Secretary shall seek to award grant funding, on*
17 *a competitive basis, to an institution of higher education*
18 *for a geothermal-powered energy generation facility on the*
19 *institution's campus. The purpose of the facility shall be*
20 *to provide electricity and space heating. The facility shall*
21 *also serve as an educational resource to students in relevant*
22 *fields of study, and the data generated by the facility shall*
23 *be available to students and the general public. The total*
24 *funding award shall not exceed \$2,000,000.*

1 **SEC. 621. REPORTS.**

2 (a) *REPORTS ON ADVANCED USES OF GEOTHERMAL*
3 *ENERGY.*—*Not later than 3 years and 5 years after the date*
4 *of enactment of this Act, the Secretary shall report to the*
5 *Committee on Science and Technology of the House of Rep-*
6 *resentatives and the Committee on Energy and Natural Re-*
7 *sources of the Senate on advanced concepts and technologies*
8 *to maximize the geothermal resource potential of the United*
9 *States. The reports shall include—*

10 (1) *the use of carbon dioxide as an alternative*
11 *geofluid with potential carbon sequestration benefits;*

12 (2) *mineral recovery from geofluids;*

13 (3) *use of geothermal energy to produce hydro-*
14 *gen;*

15 (4) *use of geothermal energy to produce biofuels;*

16 (5) *use of geothermal heat for oil recovery from*
17 *oil shales and tar sands; and*

18 (6) *other advanced geothermal technologies, in-*
19 *cluding advanced drilling technologies and advanced*
20 *power conversion technologies.*

21 (b) *PROGRESS REPORTS.*—(1) *Not later than 36*
22 *months after the date of enactment of this Act, the Secretary*
23 *shall submit to the Committee on Science and Technology*
24 *of the House of Representatives and the Committee on En-*
25 *ergy and Natural Resources of the Senate an interim report*
26 *describing the progress made under this subtitle. At the end*

1 of 60 months, the Secretary shall submit to Congress a re-
2 port on the results of projects undertaken under this subtitle
3 and other such information the Secretary considers appro-
4 priate.

5 (2) As necessary, the Secretary shall report to the Con-
6 gress on any legal, regulatory, or other barriers encountered
7 that hinder economic development of these resources, and
8 provide recommendations on legislative or other actions
9 needed to address such impediments.

10 **SEC. 622. APPLICABILITY OF OTHER LAWS.**

11 Nothing in this subtitle shall be construed as waiving,
12 modifying, or superseding the applicability of any require-
13 ment under any environmental or other Federal or State
14 law. To the extent that activities authorized in this subtitle
15 take place in coastal and ocean areas, the Secretary shall
16 consult with the Secretary of Commerce, acting through the
17 Under Secretary of Commerce for Oceans and Atmosphere,
18 regarding the potential marine environmental impacts and
19 measures to address such impacts.

20 **SEC. 623. AUTHORIZATION OF APPROPRIATIONS.**

21 There are authorized to be appropriated to the Sec-
22 retary to carry out this subtitle \$90,000,000 for each of the
23 fiscal years 2008 through 2012, of which \$10,000,000 for
24 each fiscal year shall be for carrying out section 616. There
25 are also authorized to be appropriated to the Secretary for

1 *the Intermountain West Geothermal Consortium \$5,000,000*
2 *for each of the fiscal years 2008 through 2012.*

3 **SEC. 624. INTERNATIONAL GEOTHERMAL ENERGY DEVEL-**
4 **OPMENT.**

5 (a) *IN GENERAL.*—*The Secretary of Energy, in coordi-*
6 *nation with other appropriate Federal and multilateral*
7 *agencies (including the United States Agency for Inter-*
8 *national Development) shall support international collabo-*
9 *rative efforts to promote the research, development, and de-*
10 *ployment of geothermal technologies used to develop hydro-*
11 *thermal and enhanced geothermal system resources, includ-*
12 *ing as partners (as appropriate) the African Rift Geo-*
13 *thermal Development Facility, Australia, China, France,*
14 *the Republic of Iceland, India, Japan, and the United*
15 *Kingdom.*

16 (b) *UNITED STATES TRADE AND DEVELOPMENT*
17 *AGENCY.*—*The Director of the United States Trade and De-*
18 *velopment Agency may—*

19 (1) *encourage participation by United States*
20 *firms in actions taken to carry out subsection (a);*
21 *and*

22 (2) *provide grants and other financial support*
23 *for feasibility and resource assessment studies con-*
24 *ducted in, or intended to benefit, less developed coun-*
25 *tries.*

1 (c) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
2 *authorized to be appropriated to carry out this section*
3 *\$5,000,000 for each of fiscal years 2008 through 2012.*

4 **SEC. 625. HIGH COST REGION GEOTHERMAL ENERGY**
5 **GRANT PROGRAM.**

6 (a) *DEFINITIONS.*—*In this section:*

7 (1) *ELIGIBLE ENTITY.*—*The term “eligible enti-*
8 *ty” means—*

9 (A) *a utility;*

10 (B) *an electric cooperative;*

11 (C) *a State;*

12 (D) *a political subdivision of a State;*

13 (E) *an Indian tribe; or*

14 (F) *a Native corporation.*

15 (2) *HIGH-COST REGION.*—*The term “high-cost*
16 *region” means a region in which the average cost of*
17 *electrical power exceeds 150 percent of the national*
18 *average retail cost, as determined by the Secretary.*

19 (b) *PROGRAM.*—*The Secretary shall use amounts made*
20 *available to carry out this section to make grants to eligible*
21 *entities for activities described in subsection (c).*

22 (c) *ELIGIBLE ACTIVITIES.*—*An eligible entity may use*
23 *grant funds under this section, with respect to a geothermal*
24 *energy project in a high-cost region, only—*

1 (1) to conduct a feasibility study, including a
2 study of exploration, geochemical testing, geomagnetic
3 surveys, geologic information gathering, baseline envi-
4 ronmental studies, well drilling, resource character-
5 ization, permitting, and economic analysis;

6 (2) for design and engineering costs, relating to
7 the project; and

8 (3) to demonstrate and promote commercial ap-
9 plication of technologies related to geothermal energy
10 as part of the project.

11 (d) *COST SHARING*.—The cost-sharing requirements of
12 section 988 of the Energy Policy Act of 2005 (42 U.S.C.
13 16352) shall apply to any project carried out under this
14 section.

15 (e) *AUTHORIZATION OF APPROPRIATIONS*.—There are
16 authorized to be appropriated such sums as are necessary
17 to carry out this section.

18 **Subtitle C—Marine and**
19 **Hydrokinetic Renewable Energy**
20 **Technologies**

21 **SEC. 631. SHORT TITLE.**

22 This subtitle may be cited as the “Marine and
23 Hydrokinetic Renewable Energy Research and Development
24 Act”.

1 **SEC. 632. DEFINITION.**

2 *For purposes of this subtitle, the term “marine and*
3 *hydrokinetic renewable energy” means electrical energy*
4 *from—:*

5 (1) *waves, tides, and currents in oceans, estu-*
6 *aries, and tidal areas;*

7 (2) *free flowing water in rivers, lakes, and*
8 *streams;*

9 (3) *free flowing water in man-made channels;*
10 *and*

11 (4) *differentials in ocean temperature (ocean*
12 *thermal energy conversion).*

13 *The term “marine and hydrokinetic renewable energy” does*
14 *not include energy from any source that uses a dam, diver-*
15 *sionary structure, or impoundment for electric power pur-*
16 *poses.*

17 **SEC. 633. MARINE AND HYDROKINETIC RENEWABLE EN-**
18 **ERGY RESEARCH AND DEVELOPMENT.**

19 (a) *IN GENERAL.—The Secretary, in consultation with*
20 *the Secretary of the Interior and the Secretary of Com-*
21 *merce, acting through the Under Secretary of Commerce for*
22 *Oceans and Atmosphere, shall establish a program of re-*
23 *search, development, demonstration, and commercial appli-*
24 *cation to expand marine and hydrokinetic renewable energy*
25 *production, including programs to—*

1 (1) *study and compare existing marine and*
2 *hydrokinetic renewable energy technologies;*

3 (2) *research, develop, and demonstrate marine*
4 *and hydrokinetic renewable energy systems and tech-*
5 *nologies;*

6 (3) *reduce the manufacturing and operation*
7 *costs of marine and hydrokinetic renewable energy*
8 *technologies;*

9 (4) *investigate efficient and reliable integration*
10 *with the utility grid and intermittency issues;*

11 (5) *advance wave forecasting technologies;*

12 (6) *conduct experimental and numerical mod-*
13 *eling for optimization of marine energy conversion*
14 *devices and arrays;*

15 (7) *increase the reliability and survivability of*
16 *marine and hydrokinetic renewable energy tech-*
17 *nologies, including development of corrosive-resistant*
18 *materials;*

19 (8) *identify, in conjunction with the Secretary of*
20 *Commerce, acting through the Under Secretary of*
21 *Commerce for Oceans and Atmosphere, and other*
22 *Federal agencies as appropriate, the potential envi-*
23 *ronmental impacts, including potential impacts on*
24 *fisheries and other marine resources, of marine and*
25 *hydrokinetic renewable energy technologies, measures*

1 to prevent adverse impacts, and technologies and
2 other means available for monitoring and deter-
3 mining environmental impacts;

4 (9) identify, in conjunction with the Secretary of
5 the Department in which the United States Coast
6 Guard is operating, acting through the Commandant
7 of the United States Coast Guard, the potential navi-
8 gational impacts of marine and hydrokinetic renew-
9 able energy technologies and measures to prevent ad-
10 verse impacts on navigation;

11 (10) develop power measurement standards for
12 marine and hydrokinetic renewable energy;

13 (11) develop identification standards for marine
14 and hydrokinetic renewable energy devices;

15 (12) address standards development, demonstra-
16 tion, and technology transfer for advanced systems en-
17 gineering and system integration methods to identify
18 critical interfaces;

19 (13) identifying opportunities for cross fertiliza-
20 tion and development of economies of scale between
21 other renewable sources and marine and hydrokinetic
22 renewable energy sources; and

23 (14) providing public information and oppor-
24 tunity for public comment concerning all technologies.

1 (b) *REPORT.*—Not later than 18 months after the date
2 of enactment of this Act, the Secretary, in conjunction with
3 the Secretary of Commerce, acting through the Undersecre-
4 tary of Commerce for Oceans and Atmosphere, and the Sec-
5 retary of the Interior, shall provide to the Congress a report
6 that addresses—

7 (1) *the potential environmental impacts, includ-*
8 *ing impacts to fisheries and marine resources, of ma-*
9 *rine and hydrokinetic renewable energy technologies;*

10 (2) *options to prevent adverse environmental im-*
11 *pacts;*

12 (3) *the potential role of monitoring and adaptive*
13 *management in identifying and addressing any ad-*
14 *verse environmental impacts; and*

15 (4) *the necessary components of such an adaptive*
16 *management program.*

17 **SEC. 634. NATIONAL MARINE RENEWABLE ENERGY RE-**
18 **SEARCH, DEVELOPMENT, AND DEMONSTRA-**
19 **TION CENTERS.**

20 (a) *CENTERS.*—The Secretary shall award grants to
21 institutions of higher education (or consortia thereof) for
22 the establishment of 1 or more National Marine Renewable
23 Energy Research, Development, and Demonstration Cen-
24 ters. In selecting locations for Centers, the Secretary shall
25 consider sites that meet one of the following criteria:

1 (1) *Hosts an existing marine renewable energy*
2 *research and development program in coordination*
3 *with an engineering program at an institution of*
4 *higher education.*

5 (2) *Has proven expertise to support environ-*
6 *mental and policy-related issues associated with har-*
7 *nessing of energy in the marine environment.*

8 (3) *Has access to and utilizes the marine re-*
9 *sources in the Gulf of Mexico, the Atlantic Ocean, or*
10 *the Pacific Ocean.*

11 *The Secretary may give special consideration to historically*
12 *black colleges and universities and land grant universities*
13 *that also meet one of these criteria. In establishing criteria*
14 *for the selection of the Centers, the Secretary shall consult*
15 *with the Secretary of Commerce, acting through the Under*
16 *Secretary of Commerce for Oceans and Atmosphere, on the*
17 *criteria related to ocean waves, tides, and currents includ-*
18 *ing those for advancing wave forecasting technologies, ocean*
19 *temperature differences, and studying the compatibility of*
20 *marine renewable energy technologies and systems with the*
21 *environment, fisheries, and other marine resources.*

22 (b) *PURPOSES.—The Centers shall advance research,*
23 *development, demonstration, and commercial application of*
24 *marine renewable energy, and shall serve as an information*
25 *clearinghouse for the marine renewable energy industry,*

1 *collecting and disseminating information on best practices*
2 *in all areas related to developing and managing enhanced*
3 *marine renewable energy systems resources.*

4 *(c) DEMONSTRATION OF NEED.—When applying for a*
5 *grant under this section, an applicant shall include a de-*
6 *scription of why Federal support is necessary for the Center,*
7 *including evidence that the research of the Center will not*
8 *be conducted in the absence of Federal support.*

9 **SEC. 635. APPLICABILITY OF OTHER LAWS.**

10 *Nothing in this subtitle shall be construed as waiving,*
11 *modifying, or superseding the applicability of any require-*
12 *ment under any environmental or other Federal or State*
13 *law.*

14 **SEC. 636. AUTHORIZATION OF APPROPRIATIONS.**

15 *There are authorized to be appropriated to the Sec-*
16 *retary to carry out this subtitle \$50,000,000 for each of the*
17 *fiscal years 2008 through 2012, except that no funds shall*
18 *be appropriated under this section for activities that are*
19 *receiving funds under section 931(a)(2)(E)(i) of the Energy*
20 *Policy Act of 2005 (42 U.S.C. 16231(a)(2)(E)(i)).*

1 ***Subtitle D—Energy Storage for***
2 ***Transportation and Electric Power***

3 **SEC. 641. ENERGY STORAGE COMPETITIVENESS.**

4 (a) *SHORT TITLE.*—*This section may be cited as the*
5 *“United States Energy Storage Competitiveness Act of*
6 *2007”.*

7 (b) *DEFINITIONS.*—*In this section:*

8 (1) *COUNCIL.*—*The term “Council” means the*
9 *Energy Storage Advisory Council established under*
10 *subsection (e).*

11 (2) *COMPRESSED AIR ENERGY STORAGE.*—*The*
12 *term “compressed air energy storage” means, in the*
13 *case of an electricity grid application, the storage of*
14 *energy through the compression of air.*

15 (3) *ELECTRIC DRIVE VEHICLE.*—*The term “elec-*
16 *tric drive vehicle” means—*

17 (A) *a vehicle that uses an electric motor for*
18 *all or part of the motive power of the vehicle, in-*
19 *cluding battery electric, hybrid electric, plug-in*
20 *hybrid electric, fuel cell, and plug-in fuel cell ve-*
21 *hicles and rail transportation vehicles; or*

22 (B) *mobile equipment that uses an electric*
23 *motor to replace an internal combustion engine*
24 *for all or part of the work of the equipment.*

1 (4) *ISLANDING*.—The term “islanding” means a
2 distributed generator or energy storage device con-
3 tinuing to power a location in the absence of electric
4 power from the primary source.

5 (5) *FLYWHEEL*.—The term “flywheel” means, in
6 the case of an electricity grid application, a device
7 used to store rotational kinetic energy.

8 (6) *MICROGRID*.—The term “microgrid” means
9 an integrated energy system consisting of inter-
10 connected loads and distributed energy resources (in-
11 cluding generators and energy storage devices), which
12 as an integrated system can operate in parallel with
13 the utility grid or in an intentional islanding mode.

14 (7) *SELF-HEALING GRID*.—The term “self-heal-
15 ing grid” means a grid that is capable of automati-
16 cally anticipating and responding to power system
17 disturbances (including the isolation of failed sections
18 and components), while optimizing the performance
19 and service of the grid to customers.

20 (8) *SPINNING RESERVE SERVICES*.—The term
21 “spinning reserve services” means a quantity of elec-
22 tric generating capacity in excess of the quantity
23 needed to meet peak electric demand.

24 (9) *ULTRACAPACITOR*.—The term
25 “ultracapacitor” means an energy storage device that

1 *has a power density comparable to a conventional ca-*
2 *pacitor but is capable of exceeding the energy density*
3 *of a conventional capacitor by several orders of mag-*
4 *nitude.*

5 *(c) PROGRAM.—The Secretary shall carry out a re-*
6 *search, development, and demonstration program to sup-*
7 *port the ability of the United States to remain globally com-*
8 *petitive in energy storage systems for electric drive vehicles,*
9 *stationary applications, and electricity transmission and*
10 *distribution.*

11 *(d) COORDINATION.—In carrying out the activities of*
12 *this section, the Secretary shall coordinate relevant efforts*
13 *with appropriate Federal agencies, including the Depart-*
14 *ment of Transportation.*

15 *(e) ENERGY STORAGE ADVISORY COUNCIL.—*

16 *(1) ESTABLISHMENT.—Not later than 90 days*
17 *after the date of enactment of this Act, the Secretary*
18 *shall establish an Energy Storage Advisory Council.*

19 *(2) COMPOSITION.—*

20 *(A) IN GENERAL.—Subject to subparagraph*
21 *(B), the Council shall consist of not less than 15*
22 *individuals appointed by the Secretary, based on*
23 *recommendations of the National Academy of*
24 *Sciences.*

1 (B) *ENERGY STORAGE INDUSTRY.*—*The*
2 *Council shall consist primarily of representatives*
3 *of the energy storage industry of the United*
4 *States.*

5 (C) *CHAIRPERSON.*—*The Secretary shall se-*
6 *lect a Chairperson for the Council from among*
7 *the members appointed under subparagraph (A).*

8 (3) *MEETINGS.*—

9 (A) *IN GENERAL.*—*The Council shall meet*
10 *not less than once a year.*

11 (B) *FEDERAL ADVISORY COMMITTEE ACT.*—
12 *The Federal Advisory Committee Act (5 U.S.C.*
13 *App.) shall apply to a meeting of the Council.*

14 (4) *PLANS.*—*No later than 1 year after the date*
15 *of enactment of this Act and every 5 years thereafter,*
16 *the Council, in conjunction with the Secretary, shall*
17 *develop a 5-year plan for integrating basic and ap-*
18 *plied research so that the United States retains a*
19 *globally competitive domestic energy storage industry*
20 *for electric drive vehicles, stationary applications,*
21 *and electricity transmission and distribution.*

22 (5) *REVIEW.*—*The Council shall—*

23 (A) *assess, every 2 years, the performance of*
24 *the Department in meeting the goals of the plans*
25 *developed under paragraph (4); and*

1 (B) make specific recommendations to the
2 Secretary on programs or activities that should
3 be established or terminated to meet those goals.

4 (f) *BASIC RESEARCH PROGRAM.*—

5 (1) *BASIC RESEARCH.*—*The Secretary shall con-*
6 *duct a basic research program on energy storage sys-*
7 *tems to support electric drive vehicles, stationary ap-*
8 *plications, and electricity transmission and distribu-*
9 *tion, including—*

10 (A) *materials design;*

11 (B) *materials synthesis and characteriza-*
12 *tion;*

13 (C) *electrode-active materials, including*
14 *electrolytes and bioelectrolytes;*

15 (D) *surface and interface dynamics;*

16 (E) *modeling and simulation; and*

17 (F) *thermal behavior and life degradation*
18 *mechanisms.*

19 (2) *NANOSCIENCE CENTERS.*—*The Secretary, in*
20 *cooperation with the Council, shall coordinate the ac-*
21 *tivities of the nanoscience centers of the Department*
22 *to help the energy storage research centers of the De-*
23 *partment maintain a globally competitive posture in*
24 *energy storage systems for electric drive vehicles, sta-*

1 *tionary applications, and electricity transmission*
2 *and distribution.*

3 (3) *FUNDING.*—*For activities carried out under*
4 *this subsection, in addition to funding activities at*
5 *National Laboratories, the Secretary shall award*
6 *funds to, and coordinate activities with, a range of*
7 *stakeholders including the public, private, and aca-*
8 *demie sectors.*

9 (g) *APPLIED RESEARCH PROGRAM.*—

10 (1) *IN GENERAL.*—*The Secretary shall conduct*
11 *an applied research program on energy storage sys-*
12 *tems to support electric drive vehicles, stationary ap-*
13 *plications, and electricity transmission and distribu-*
14 *tion technologies, including—*

15 (A) *ultracapacitors;*

16 (B) *flywheels;*

17 (C) *batteries and battery systems (including*
18 *flow batteries);*

19 (D) *compressed air energy systems;*

20 (E) *power conditioning electronics;*

21 (F) *manufacturing technologies for energy*
22 *storage systems;*

23 (G) *thermal management systems; and*

24 (H) *hydrogen as an energy storage medium.*

1 (2) *FUNDING.*—*For activities carried out under*
2 *this subsection, in addition to funding activities at*
3 *National Laboratories, the Secretary shall provide*
4 *funds to, and coordinate activities with, a range of*
5 *stakeholders, including the public, private, and aca-*
6 *demie sectors.*

7 (3) *ENERGY STORAGE RESEARCH CENTERS.*—

8 (1) *IN GENERAL.*—*The Secretary shall establish,*
9 *through competitive bids, not more than 4 energy*
10 *storage research centers to translate basic research*
11 *into applied technologies to advance the capability of*
12 *the United States to maintain a globally competitive*
13 *posture in energy storage systems for electric drive ve-*
14 *hicles, stationary applications, and electricity trans-*
15 *mission and distribution.*

16 (2) *PROGRAM MANAGEMENT.*—*The centers shall*
17 *be managed by the Under Secretary for Science of the*
18 *Department.*

19 (3) *PARTICIPATION AGREEMENTS.*—*As a condi-*
20 *tion of participating in a center, a participant shall*
21 *enter into a participation agreement with the center*
22 *that requires that activities conducted by the partici-*
23 *part for the center promote the goal of enabling the*
24 *United States to compete successfully in global energy*
25 *storage markets.*

1 (4) *PLANS*.—A center shall conduct activities
2 that promote the achievement of the goals of the plans
3 of the Council under subsection (e)(4).

4 (5) *NATIONAL LABORATORIES*.—A national lab-
5 oratory (as defined in section 2 of the Energy Policy
6 Act of 2005 (42 U.S.C. 15801)) may participate in
7 a center established under this subsection, including a
8 cooperative research and development agreement (as
9 defined in section 12(d) of the Stevenson-Wydler
10 Technology Innovation Act of 1980 (15 U.S.C.
11 3710a(d))).

12 (6) *DISCLOSURE*.—Section 623 of the Energy
13 Policy Act of 1992 (42 U.S.C. 13293) may apply to
14 any project carried out through a grant, contract, or
15 cooperative agreement under this subsection.

16 (7) *INTELLECTUAL PROPERTY*.—In accordance
17 with section 202(a)(ii) of title 35, United States Code,
18 section 152 of the Atomic Energy Act of 1954 (42
19 U.S.C. 2182), and section 9 of the Federal Nonnuclear
20 Energy Research and Development Act of 1974 (42
21 U.S.C. 5908), the Secretary may require, for any new
22 invention developed under this subsection, that—

23 (A) if an industrial participant is active in
24 a energy storage research center established
25 under this subsection relating to the advance-

1 *ment of energy storage technologies carried out,*
2 *in whole or in part, with Federal funding, the*
3 *industrial participant be granted the first option*
4 *to negotiate with the invention owner, at least in*
5 *the field of energy storage technologies, nonexclu-*
6 *sive licenses, and royalties on terms that are rea-*
7 *sonable, as determined by the Secretary;*

8 *(B) if 1 or more industry participants are*
9 *active in a center, during a 2-year period begin-*
10 *ning on the date on which an invention is*
11 *made—*

12 *(i) the patent holder shall not negotiate*
13 *any license or royalty agreement with any*
14 *entity that is not an industrial participant*
15 *under this subsection; and*

16 *(ii) the patent holder shall negotiate*
17 *nonexclusive licenses and royalties in good*
18 *faith with any interested industrial partici-*
19 *pant under this subsection; and*

20 *(C) the new invention be developed under*
21 *such other terms as the Secretary determines to*
22 *be necessary to promote the accelerated commer-*
23 *cialization of inventions made under this sub-*
24 *section to advance the capability of the United*

1 *States to successfully compete in global energy*
2 *storage markets.*

3 *(i) ENERGY STORAGE SYSTEMS DEMONSTRATIONS.—*

4 *(1) IN GENERAL.—The Secretary shall carry out*
5 *a program of new demonstrations of advanced energy*
6 *storage systems.*

7 *(2) SCOPE.—The demonstrations shall—*

8 *(A) be regionally diversified; and*

9 *(B) expand on the existing technology dem-*
10 *onstration program of the Department.*

11 *(3) STAKEHOLDERS.—In carrying out the dem-*
12 *onstrations, the Secretary shall, to the maximum ex-*
13 *tent practicable, include the participation of a range*
14 *of stakeholders, including—*

15 *(A) rural electric cooperatives;*

16 *(B) investor owned utilities;*

17 *(C) municipally owned electric utilities;*

18 *(D) energy storage systems manufacturers;*

19 *(E) electric drive vehicle manufacturers;*

20 *(F) the renewable energy production indus-*
21 *try;*

22 *(G) State or local energy offices;*

23 *(H) the fuel cell industry; and*

24 *(I) institutions of higher education.*

1 (4) *OBJECTIVES.—Each of the demonstrations*
2 *shall include 1 or more of the following:*

3 (A) *Energy storage to improve the feasi-*
4 *bility of microgrids or islanding, or transmission*
5 *and distribution capability, to improve reli-*
6 *ability in rural areas.*

7 (B) *Integration of an energy storage system*
8 *with a self-healing grid.*

9 (C) *Use of energy storage to improve secu-*
10 *rity to emergency response infrastructure and*
11 *ensure availability of emergency backup power*
12 *for consumers.*

13 (D) *Integration with a renewable energy*
14 *production source, at the source or away from*
15 *the source.*

16 (E) *Use of energy storage to provide ancil-*
17 *lary services, such as spinning reserve services,*
18 *for grid management.*

19 (F) *Advancement of power conversion sys-*
20 *tems to make the systems smarter, more efficient,*
21 *able to communicate with other inverters, and*
22 *able to control voltage.*

23 (G) *Use of energy storage to optimize trans-*
24 *mission and distribution operation and power*
25 *quality, which could address overloaded lines*

1 *and maintenance of transformers and sub-*
2 *stations.*

3 *(H) Use of advanced energy storage for peak*
4 *load management of homes, businesses, and the*
5 *grid.*

6 *(I) Use of energy storage devices to store en-*
7 *ergy during nonpeak generation periods to make*
8 *better use of existing grid assets.*

9 *(j) VEHICLE ENERGY STORAGE DEMONSTRATION.—*

10 *(1) IN GENERAL.—The Secretary shall carry out*
11 *a program of electric drive vehicle energy storage*
12 *technology demonstrations.*

13 *(2) CONSORTIA.—The technology demonstrations*
14 *shall be conducted through consortia, which may in-*
15 *clude—*

16 *(A) energy storage systems manufacturers*
17 *and suppliers of the manufacturers;*

18 *(B) electric drive vehicle manufacturers;*

19 *(C) rural electric cooperatives;*

20 *(D) investor owned utilities;*

21 *(E) municipal and rural electric utilities;*

22 *(F) State and local governments;*

23 *(G) metropolitan transportation authorities;*

24 *and*

25 *(H) institutions of higher education.*

1 (3) *OBJECTIVES.*—*The program shall dem-*
2 *onstrate 1 or more of the following:*

3 (A) *Novel, high capacity, high efficiency en-*
4 *ergy storage, charging, and control systems,*
5 *along with the collection of data on performance*
6 *characteristics, such as battery life, energy stor-*
7 *age capacity, and power delivery capacity.*

8 (B) *Advanced onboard energy management*
9 *systems and highly efficient battery cooling sys-*
10 *tems.*

11 (C) *Integration of those systems on a proto-*
12 *type vehicular platform, including with*
13 *drivetrain systems for passenger, commercial,*
14 *and nonroad electric drive vehicles.*

15 (D) *New technologies and processes that re-*
16 *duce manufacturing costs.*

17 (E) *Integration of advanced vehicle tech-*
18 *nologies with electricity distribution system and*
19 *smart metering technology.*

20 (F) *Control systems that minimize emis-*
21 *sions profiles in cases in which clean diesel en-*
22 *gines are part of a plug-in hybrid drive system.*

23 (k) *SECONDARY APPLICATIONS AND DISPOSAL OF*
24 *ELECTRIC DRIVE VEHICLE BATTERIES.*—*The Secretary*

1 shall carry out a program of research, development, and
2 demonstration of—

- 3 (1) secondary applications of energy storage de-
4 vices following service in electric drive vehicles; and
5 (2) technologies and processes for final recycling
6 and disposal of the devices.

7 (l) *COST SHARING*.—The Secretary shall carry out the
8 programs established under this section in accordance with
9 section 988 of the Energy Policy Act of 2005 (42 U.S.C.
10 16352).

11 (m) *MERIT REVIEW OF PROPOSALS*.—The Secretary
12 shall carry out the programs established under subsections
13 (i), (j), and (k) in accordance with section 989 of the En-
14 ergy Policy Act of 2005 (42 U.S.C. 16353).

15 (n) *COORDINATION AND NONDUPLICATION*.—To the
16 maximum extent practicable, the Secretary shall coordinate
17 activities under this section with other programs and lab-
18 oratories of the Department and other Federal research pro-
19 grams.

20 (o) *REVIEW BY NATIONAL ACADEMY OF SCIENCES*.—
21 On the business day that is 5 years after the date of enact-
22 ment of this Act, the Secretary shall offer to enter into an
23 arrangement with the National Academy of Sciences to as-
24 sess the performance of the Department in carrying out this
25 section.

1 (p) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
2 *authorized to be appropriated to carry out—*

3 (1) *the basic research program under subsection*
4 *(f) \$50,000,000 for each of fiscal years 2009 through*
5 *2018;*

6 (2) *the applied research program under sub-*
7 *section (g) \$80,000,000 for each of fiscal years 2009*
8 *through 2018; and;*

9 (3) *the energy storage research center program*
10 *under subsection (h) \$100,000,000 for each of fiscal*
11 *years 2009 through 2018;*

12 (4) *the energy storage systems demonstration*
13 *program under subsection (i) \$30,000,000 for each of*
14 *fiscal years 2009 through 2018;*

15 (5) *the vehicle energy storage demonstration pro-*
16 *gram under subsection (j) \$30,000,000 for each of fis-*
17 *cal years 2009 through 2018; and*

18 (6) *the secondary applications and disposal of*
19 *electric drive vehicle batteries program under sub-*
20 *section (k) \$5,000,000 for each of fiscal years 2009*
21 *through 2018.*

1 **Subtitle E—Miscellaneous**
2 **Provisions**

3 **SEC. 651. LIGHTWEIGHT MATERIALS RESEARCH AND DE-**
4 **VELOPMENT.**

5 (a) *IN GENERAL.*—As soon as practicable after the
6 date of enactment of this Act, the Secretary of Energy shall
7 establish a program to determine ways in which the weight
8 of motor vehicles could be reduced to improve fuel efficiency
9 without compromising passenger safety by conducting re-
10 search, development, and demonstration relating to—

11 (1) *the development of new materials (including*
12 *cast metal composite materials formed by*
13 *autocombustion synthesis) and material processes that*
14 *yield a higher strength-to-weight ratio or other prop-*
15 *erties that reduce vehicle weight; and*

16 (2) *reducing the cost of—*

17 (A) *lightweight materials (including high-*
18 *strength steel alloys, aluminum, magnesium,*
19 *metal composites, and carbon fiber reinforced*
20 *polymer composites) with the properties required*
21 *for construction of lighter-weight vehicles; and*

22 (B) *materials processing, automated manu-*
23 *facturing, joining, and recycling lightweight ma-*
24 *terials for high-volume applications.*

1 (b) *AUTHORIZATION OF APPROPRIATIONS.*—*There is*
2 *authorized to be appropriated to carry out this section*
3 *\$80,000,000 for the period of fiscal years 2008 through*
4 *2012.*

5 **SEC. 652. COMMERCIAL INSULATION DEMONSTRATION**
6 **PROGRAM.**

7 (a) *DEFINITIONS.*—*In this section:*

8 (1) *ADVANCED INSULATION.*—*The term “ad-*
9 *vanced insulation” means insulation that has an R*
10 *value of not less than R35 per inch.*

11 (2) *COVERED REFRIGERATION UNIT.*—*The term*
12 *“covered refrigeration unit” means any—*

13 (A) *commercial refrigerated truck;*

14 (B) *commercial refrigerated trailer; or*

15 (C) *commercial refrigerator, freezer, or re-*
16 *frigerator-freezer described in section 342(c) of*
17 *the Energy Policy and Conservation Act (42*
18 *U.S.C. 6313(c)).*

19 (b) *REPORT.*—*Not later than 90 days after the date*
20 *of enactment of this Act, the Secretary shall submit to Con-*
21 *gress a report that includes an evaluation of—*

22 (1) *the state of technological advancement of ad-*
23 *vanced insulation; and*

1 (2) *the projected amount of cost savings that*
2 *would be generated by implementing advanced insula-*
3 *tion into covered refrigeration units.*

4 (c) *DEMONSTRATION PROGRAM.—*

5 (1) *ESTABLISHMENT.—If the Secretary deter-*
6 *mines in the report described in subsection (b) that*
7 *the implementation of advanced insulation into cov-*
8 *ered refrigeration units would generate an economi-*
9 *cally justifiable amount of cost savings, the Secretary,*
10 *in cooperation with manufacturers of covered refrig-*
11 *eration units, shall establish a demonstration pro-*
12 *gram under which the Secretary shall demonstrate the*
13 *cost-effectiveness of advanced insulation.*

14 (2) *DISCLOSURE.—The Secretary may, for a pe-*
15 *riod of up to five years after an award is granted*
16 *under the demonstration program, exempt from man-*
17 *datory disclosure under section 552 of title 5, United*
18 *States Code (popularly known as the Freedom of In-*
19 *formation Act) information that the Secretary deter-*
20 *mines would be a privileged or confidential trade se-*
21 *cret or commercial or financial information under*
22 *subsection (b)(4) of such section if the information*
23 *had been obtained from a non-Government party.*

1 *conformity with this subsection to advance the*
2 *research, development, demonstration, and com-*
3 *mercial application of hydrogen energy tech-*
4 *nologies.*

5 “(B) *ADVERTISING AND SOLICITATION OF*
6 *COMPETITORS.—*

7 “(i) *ADVERTISING.—The Secretary*
8 *shall widely advertise prize competitions*
9 *under this subsection to encourage broad*
10 *participation, including by individuals,*
11 *universities (including historically Black*
12 *colleges and universities and other minority*
13 *-serving institutions), and large and small*
14 *businesses (including businesses owned or*
15 *controlled by socially and economically dis-*
16 *advantaged persons).*

17 “(ii) *ANNOUNCEMENT THROUGH FED-*
18 *ERAL REGISTER NOTICE.—The Secretary*
19 *shall announce each prize competition*
20 *under this subsection by publishing a notice*
21 *in the Federal Register. This notice shall*
22 *include essential elements of the competition*
23 *such as the subject of the competition, the*
24 *duration of the competition, the eligibility*
25 *requirements for participation in the com-*

1 *petition, the process for participants to reg-*
2 *ister for the competition, the amount of the*
3 *prize, and the criteria for awarding the*
4 *prize.*

5 “(C) *ADMINISTERING THE COMPETITIONS.—*

6 *The Secretary shall enter into an agreement with*
7 *a private, nonprofit entity to administer the*
8 *prize competitions under this subsection, subject*
9 *to the provisions of this subsection (in this sub-*
10 *section referred to as the ‘administering entity’).*
11 *The duties of the administering entity under the*
12 *agreement shall include—*

13 *“(i) advertising prize competitions*
14 *under this subsection and their results;*

15 *“(ii) raising funds from private enti-*
16 *ties and individuals to pay for administra-*
17 *tive costs and to contribute to cash prizes,*
18 *including funds provided in exchange for*
19 *the right to name a prize awarded under*
20 *this subsection;*

21 *“(iii) developing, in consultation with*
22 *and subject to the final approval of the Sec-*
23 *retary, the criteria for selecting winners in*
24 *prize competitions under this subsection,*
25 *based on goals provided by the Secretary;*

1 “(iv) determining, in consultation with
2 the Secretary, the appropriate amount and
3 funding sources for each prize to be award-
4 ed under this subsection, subject to the final
5 approval of the Secretary with respect to
6 Federal funding;

7 “(v) providing advice and consultation
8 to the Secretary on the selection of judges in
9 accordance with paragraph (2)(D), using
10 criteria developed in consultation with and
11 subject to the final approval of the Sec-
12 retary; and

13 “(vi) protecting against the admin-
14 istering entity’s unauthorized use or disclo-
15 sure of a registered participant’s trade se-
16 crets and confidential business information.
17 Any information properly identified as
18 trade secrets or confidential business infor-
19 mation that is submitted by a participant
20 as part of a competitive program under this
21 subsection may be withheld from public dis-
22 closure.

23 “(D) FUNDING SOURCES.—Prizes under
24 this subsection shall consist of Federal appro-
25 priated funds and any funds provided by the ad-

1 *administering entity (including funds raised pur-*
2 *suant to subparagraph (C)(ii)) for such cash*
3 *prize programs. The Secretary may accept funds*
4 *from other Federal agencies for such cash prizes*
5 *and, notwithstanding section 3302(b) of title 31,*
6 *United States Code, may use such funds for the*
7 *cash prize program under this subsection. Other*
8 *than publication of the names of prize sponsors,*
9 *the Secretary may not give any special consider-*
10 *ation to any private sector entity or individual*
11 *in return for a donation to the Secretary or ad-*
12 *ministering entity.*

13 “(E) *ANNOUNCEMENT OF PRIZES.—The*
14 *Secretary may not issue a notice required by*
15 *subparagraph (B)(ii) until all the funds needed*
16 *to pay out the announced amount of the prize*
17 *have been appropriated or committed in writing*
18 *by the administering entity. The Secretary may*
19 *increase the amount of a prize after an initial*
20 *announcement is made under subparagraph*
21 *(B)(ii) if—*

22 “(i) *notice of the increase is provided*
23 *in the same manner as the initial notice of*
24 *the prize; and*

1 “(ii) the funds needed to pay out the
2 announced amount of the increase have been
3 appropriated or committed in writing by
4 the administering entity.

5 “(F) SUNSET.—The authority to announce
6 prize competitions under this subsection shall
7 terminate on September 30, 2018.

8 “(2) PRIZE CATEGORIES.—

9 “(A) CATEGORIES.—The Secretary shall es-
10 tablish prizes under this subsection for—

11 “(i) advancements in technologies,
12 components, or systems related to—

13 “(I) hydrogen production;

14 “(II) hydrogen storage;

15 “(III) hydrogen distribution; and

16 “(IV) hydrogen utilization;

17 “(ii) prototypes of hydrogen-powered
18 vehicles or other hydrogen-based products
19 that best meet or exceed objective perform-
20 ance criteria, such as completion of a race
21 over a certain distance or terrain or genera-
22 tion of energy at certain levels of efficiency;
23 and

24 “(iii) transformational changes in
25 technologies for the distribution or produc-

1 *tion of hydrogen that meet or exceed far-*
2 *reaching objective criteria, which shall in-*
3 *clude minimal carbon emissions and which*
4 *may include cost criteria designed to facili-*
5 *tate the eventual market success of a win-*
6 *ning technology.*

7 *“(B) AWARDS.—*

8 *“(i) ADVANCEMENTS.—To the extent*
9 *permitted under paragraph (1)(E), the*
10 *prizes authorized under subparagraph*
11 *(A)(i) shall be awarded biennially to the*
12 *most significant advance made in each of*
13 *the four subcategories described in sub-*
14 *clauses (I) through (IV) of subparagraph*
15 *(A)(i) since the submission deadline of the*
16 *previous prize competition in the same cat-*
17 *egory under subparagraph (A)(i) or the date*
18 *of enactment of this subsection, whichever is*
19 *later, unless no such advance is significant*
20 *enough to merit an award. No one such*
21 *prize may exceed \$1,000,000. If less than*
22 *\$4,000,000 is available for a prize competi-*
23 *tion under subparagraph (A)(i), the Sec-*
24 *retary may omit one or more subcategories,*

1 *reduce the amount of the prizes, or not hold*
2 *a prize competition.*

3 “(ii) *PROTOTYPES.*—*To the extent per-*
4 *mitted under paragraph (1)(E), prizes au-*
5 *thorized under subparagraph (A)(ii) shall*
6 *be awarded biennially in alternate years*
7 *from the prizes authorized under subpara-*
8 *graph (A)(i). The Secretary is authorized to*
9 *award up to one prize in this category in*
10 *each 2-year period. No such prize may ex-*
11 *ceed \$4,000,000. If no registered partici-*
12 *pants meet the objective performance cri-*
13 *teria established pursuant to subparagraph*
14 *(C) for a competition under this clause, the*
15 *Secretary shall not award a prize.*

16 “(iii) *TRANSFORMATIONAL TECH-*
17 *NOLOGIES.*—*To the extent permitted under*
18 *paragraph (1)(E), the Secretary shall an-*
19 *nounce one prize competition authorized*
20 *under subparagraph (A)(iii) as soon after*
21 *the date of enactment of this subsection as*
22 *is practicable. A prize offered under this*
23 *clause shall be not less than \$10,000,000,*
24 *paid to the winner in a lump sum, and an*
25 *additional amount paid to the winner as a*

1 match for each dollar of private funding
2 raised by the winner for the hydrogen tech-
3 nology beginning on the date the winner
4 was named. The match shall be provided for
5 3 years after the date the prize winner is
6 named or until the full amount of the prize
7 has been paid out, whichever occurs first. A
8 prize winner may elect to have the match
9 amount paid to another entity that is con-
10 tinuing the development of the winning
11 technology. The Secretary shall announce
12 the rules for receiving the match in the no-
13 tice required by paragraph (1)(B)(ii). The
14 Secretary shall award a prize under this
15 clause only when a registered participant
16 has met the objective criteria established for
17 the prize pursuant to subparagraph (C) and
18 announced pursuant to paragraph
19 (1)(B)(ii). Not more than \$10,000,000 in
20 Federal funds may be used for the prize
21 award under this clause. The administering
22 entity shall seek to raise \$40,000,000 to-
23 ward the matching award under this clause.

24 “(C) CRITERIA.—In establishing the cri-
25 teria required by this subsection, the Secretary—

1 “(i) shall consult with the Depart-
2 ment’s Hydrogen Technical and Fuel Cell
3 Advisory Committee;

4 “(ii) shall consult with other Federal
5 agencies, including the National Science
6 Foundation; and

7 “(iii) may consult with other experts
8 such as private organizations, including
9 professional societies, industry associations,
10 and the National Academy of Sciences and
11 the National Academy of Engineering.

12 “(D) JUDGES.—For each prize competition
13 under this subsection, the Secretary in consulta-
14 tion with the administering entity shall assemble
15 a panel of qualified judges to select the winner
16 or winners on the basis of the criteria established
17 under subparagraph (C). Judges for each prize
18 competition shall include individuals from out-
19 side the Department, including from the private
20 sector. A judge, spouse, minor children, and
21 members of the judge’s household may not—

22 “(i) have personal or financial inter-
23 ests in, or be an employee, officer, director,
24 or agent of, any entity that is a registered

1 *participant in the prize competition for*
2 *which he or she will serve as a judge; or*

3 *“(ii) have a familial or financial rela-*
4 *tionship with an individual who is a reg-*
5 *istered participant in the prize competition*
6 *for which he or she will serve as a judge.*

7 *“(3) ELIGIBILITY.—To be eligible to win a prize*
8 *under this subsection, an individual or entity—*

9 *“(A) shall have complied with all the re-*
10 *quirements in accordance with the Federal Reg-*
11 *ister notice required under paragraph (1)(B)(ii);*

12 *“(B) in the case of a private entity, shall be*
13 *incorporated in and maintain a primary place*
14 *of business in the United States, and in the case*
15 *of an individual, whether participating singly or*
16 *in a group, shall be a citizen of, or an alien law-*
17 *fully admitted for permanent residence in, the*
18 *United States; and*

19 *“(C) shall not be a Federal entity, a Federal*
20 *employee acting within the scope of his employ-*
21 *ment, or an employee of a national laboratory*
22 *acting within the scope of his employment.*

23 *“(4) INTELLECTUAL PROPERTY.—The Federal*
24 *Government shall not, by virtue of offering or award-*
25 *ing a prize under this subsection, be entitled to any*

1 *intellectual property rights derived as a consequence*
2 *of, or direct relation to, the participation by a reg-*
3 *istered participant in a competition authorized by*
4 *this subsection. This paragraph shall not be construed*
5 *to prevent the Federal Government from negotiating*
6 *a license for the use of intellectual property developed*
7 *for a prize competition under this subsection.*

8 “(5) *LIABILITY.*—

9 “(A) *WAIVER OF LIABILITY.*—*The Secretary*
10 *may require registered participants to waive*
11 *claims against the Federal Government and the*
12 *administering entity (except claims for willful*
13 *misconduct) for any injury, death, damage, or*
14 *loss of property, revenue, or profits arising from*
15 *the registered participants’ participation in a*
16 *competition under this subsection. The Secretary*
17 *shall give notice of any waiver required under*
18 *this subparagraph in the notice required by*
19 *paragraph (1)(B)(ii). The Secretary may not re-*
20 *quire a registered participant to waive claims*
21 *against the administering entity arising out of*
22 *the unauthorized use or disclosure by the admin-*
23 *istering entity of the registered participant’s*
24 *trade secrets or confidential business informa-*
25 *tion.*

1 “(B) *LIABILITY INSURANCE.*—

2 “(i) *REQUIREMENTS.*—Registered par-
3 ticipants in a prize competition under this
4 subsection shall be required to obtain liabil-
5 ity insurance or demonstrate financial re-
6 sponsibility, in amounts determined by the
7 Secretary, for claims by—

8 “(I) a third party for death, bod-
9 ily injury, or property damage or loss
10 resulting from an activity carried out
11 in connection with participation in a
12 competition under this subsection; and

13 “(II) the Federal Government for
14 damage or loss to Government property
15 resulting from such an activity.

16 “(ii) *FEDERAL GOVERNMENT IN-*
17 *SURED.*—The Federal Government shall be
18 named as an additional insured under a
19 registered participant’s insurance policy re-
20 quired under clause (i)(I), and registered
21 participants shall be required to agree to
22 indemnify the Federal Government against
23 third party claims for damages arising
24 from or related to competition activities
25 under this subsection.

1 “(6) *REPORT TO CONGRESS.*—Not later than 60
2 *days after the awarding of the first prize under this*
3 *subsection, and annually thereafter, the Secretary*
4 *shall transmit to the Congress a report that—*

5 “(A) *identifies each award recipient;*

6 “(B) *describes the technologies developed by*
7 *each award recipient; and*

8 “(C) *specifies actions being taken toward*
9 *commercial application of all technologies with*
10 *respect to which a prize has been awarded under*
11 *this subsection.*

12 “(7) *AUTHORIZATION OF APPROPRIATIONS.*—

13 “(A) *IN GENERAL.*—

14 “(i) *AWARDS.*—*There are authorized to*
15 *be appropriated to the Secretary for the pe-*
16 *riod encompassing fiscal years 2008 through*
17 *2017 for carrying out this subsection—*

18 “(I) *\$20,000,000 for awards de-*
19 *scribed in paragraph (2)(A)(i);*

20 “(II) *\$20,000,000 for awards de-*
21 *scribed in paragraph (2)(A)(ii); and*

22 “(III) *\$10,000,000 for the award*
23 *described in paragraph (2)(A)(iii).*

24 “(ii) *ADMINISTRATION.*—*In addition*
25 *to the amounts authorized in clause (i),*

1 *there are authorized to be appropriated to*
2 *the Secretary for each of fiscal years 2008*
3 *and 2009 \$2,000,000 for the administrative*
4 *costs of carrying out this subsection.*

5 “(B) *CARRYOVER OF FUNDS.—Funds ap-*
6 *propriated for prize awards under this sub-*
7 *section shall remain available until expended,*
8 *and may be transferred, reprogrammed, or ex-*
9 *pended for other purposes only after the expira-*
10 *tion of 10 fiscal years after the fiscal year for*
11 *which the funds were originally appropriated.*
12 *No provision in this subsection permits obliga-*
13 *tion or payment of funds in violation of section*
14 *1341 of title 31 of the United States Code (com-*
15 *monly referred to as the Anti-Deficiency Act).*

16 “(8) *NONSUBSTITUTION.—The programs created*
17 *under this subsection shall not be considered a sub-*
18 *stitute for Federal research and development pro-*
19 *grams.”.*

20 **SEC. 655. BRIGHT TOMORROW LIGHTING PRIZES.**

21 “(a) *ESTABLISHMENT.—Not later than 1 year after the*
22 *date of enactment of this Act, as part of the program carried*
23 *out under section 1008 of the Energy Policy Act of 2005*
24 *(42 U.S.C. 16396), the Secretary shall establish and award*

1 *Bright Tomorrow Lighting Prizes for solid state lighting*
2 *in accordance with this section.*

3 (b) *PRIZE SPECIFICATIONS.*—

4 (1) *60-WATT INCANDESCENT REPLACEMENT LAMP*
5 *PRIZE.*—*The Secretary shall award a 60-Watt Incan-*
6 *descent Replacement Lamp Prize to an entrant that*
7 *produces a solid-state light package simultaneously*
8 *capable of—*

9 (A) *producing a luminous flux greater than*
10 *900 lumens;*

11 (B) *consuming less than or equal to 10*
12 *watts;*

13 (C) *having an efficiency greater than 90*
14 *lumens per watt;*

15 (D) *having a color rendering index greater*
16 *than 90;*

17 (E) *having a correlated color temperature of*
18 *not less than 2,750, and not more than 3,000, de-*
19 *grees Kelvin;*

20 (F) *having 70 percent of the lumen value*
21 *under subparagraph (A) exceeding 25,000 hours*
22 *under typical conditions expected in residential*
23 *use;*

24 (G) *having a light distribution pattern*
25 *similar to a soft 60-watt incandescent A19 bulb;*

1 (H) having a size and shape that fits with-
2 in the maximum dimensions of an A19 bulb in
3 accordance with American National Standards
4 Institute standard C78.20–2003, figure C78.20–
5 211;

6 (I) using a single contact medium screw
7 socket; and

8 (J) mass production for a competitive sales
9 commercial market satisfied by producing com-
10 mercially accepted quality control lots of such
11 units equal to or exceeding the criteria described
12 in subparagraphs (A) through (I).

13 (2) *PAR TYPE 38 HALOGEN REPLACEMENT LAMP*
14 *PRIZE.*—The Secretary shall award a Parabolic Alu-
15 minized Reflector Type 38 Halogen Replacement
16 Lamp Prize (referred to in this section as the “PAR
17 Type 38 Halogen Replacement Lamp Prize”) to an
18 entrant that produces a solid-state-light package si-
19 multaneously capable of—

20 (A) producing a luminous flux greater than
21 or equal to 1,350 lumens;

22 (B) consuming less than or equal to 11
23 watts;

24 (C) having an efficiency greater than 123
25 lumens per watt;

1 (D) having a color rendering index greater
2 than or equal to 90;

3 (E) having a correlated color coordinate
4 temperature of not less than 2,750, and not more
5 than 3,000, degrees Kelvin;

6 (F) having 70 percent of the lumen value
7 under subparagraph (A) exceeding 25,000 hours
8 under typical conditions expected in residential
9 use;

10 (G) having a light distribution pattern
11 similar to a PAR 38 halogen lamp;

12 (H) having a size and shape that fits with-
13 in the maximum dimensions of a PAR 38 halo-
14 gen lamp in accordance with American National
15 Standards Institute standard C78-21-2003, fig-
16 ure C78.21-238;

17 (I) using a single contact medium screw
18 socket; and

19 (J) mass production for a competitive sales
20 commercial market satisfied by producing com-
21 mercially accepted quality control lots of such
22 units equal to or exceeding the criteria described
23 in subparagraphs (A) through (I).

24 (3) TWENTY-FIRST CENTURY LAMP PRIZE.—The
25 Secretary shall award a Twenty-First Century Lamp

1 *Prize to an entrant that produces a solid-state-light-*
2 *light capable of—*

3 *(A) producing a light output greater than*
4 *1,200 lumens;*

5 *(B) having an efficiency greater than 150*
6 *lumens per watt;*

7 *(C) having a color rendering index greater*
8 *than 90;*

9 *(D) having a color coordinate temperature*
10 *between 2,800 and 3,000 degrees Kelvin; and*

11 *(E) having a lifetime exceeding 25,000*
12 *hours.*

13 *(c) PRIVATE FUNDS.—*

14 *(1) IN GENERAL.—Subject to paragraph (2), and*
15 *notwithstanding section 3302 of title 31, United*
16 *States Code, the Secretary may accept, retain, and*
17 *use funds contributed by any person, government en-*
18 *tity, or organization for purposes of carrying out this*
19 *subsection—*

20 *(A) without further appropriation; and*

21 *(B) without fiscal year limitation.*

22 *(2) PRIZE COMPETITION.—A private source of*
23 *funding may not participate in the competition for*
24 *prizes awarded under this section.*

1 (d) *TECHNICAL REVIEW.*—*The Secretary shall estab-*
2 *lish a technical review committee composed of non-Federal*
3 *officers to review entrant data submitted under this section*
4 *to determine whether the data meets the prize specifications*
5 *described in subsection (b).*

6 (e) *THIRD PARTY ADMINISTRATION.*—*The Secretary*
7 *may competitively select a third party to administer*
8 *awards under this section.*

9 (f) *ELIGIBILITY FOR PRIZES.*—*To be eligible to be*
10 *awarded a prize under this section—*

11 (1) *in the case of a private entity, the entity*
12 *shall be incorporated in and maintain a primary*
13 *place of business in the United States; and*

14 (2) *in the case of an individual (whether partici-*
15 *parting as a single individual or in a group), the in-*
16 *dividual shall be a citizen or lawful permanent resi-*
17 *dent of the United States.*

18 (g) *AWARD AMOUNTS.*—*Subject to the availability of*
19 *funds to carry out this section, the amount of—*

20 (1) *the 60-Watt Incandescent Replacement Lamp*
21 *Prize described in subsection (b)(1) shall be*
22 *\$10,000,000;*

23 (2) *the PAR Type 38 Halogen Replacement*
24 *Lamp Prize described in subsection (b)(2) shall be*
25 *\$5,000,000; and*

1 (3) *the Twenty-First Century Lamp Prize de-*
2 *scribed in subsection (b)(3) shall be \$5,000,000.*

3 (h) *FEDERAL PROCUREMENT OF SOLID-STATE-*
4 *LIGHTS.—*

5 (1) *60-WATT INCANDESCENT REPLACEMENT.—*

6 *Subject to paragraph (3), as soon as practicable after*
7 *the successful award of the 60-Watt Incandescent Re-*
8 *placement Lamp Prize under subsection (b)(1), the*
9 *Secretary (in consultation with the Administrator of*
10 *General Services) shall develop governmentwide Fed-*
11 *eral purchase guidelines with a goal of replacing the*
12 *use of 60-watt incandescent lamps in Federal Govern-*
13 *ment buildings with a solid-state-light package de-*
14 *scribed in subsection (b)(1) by not later than the date*
15 *that is 5 years after the date the award is made.*

16 (2) *PAR 38 HALOGEN REPLACEMENT LAMP RE-*

17 *PLACEMENT.—Subject to paragraph (3), as soon as*
18 *practicable after the successful award of the PAR*
19 *Type 38 Halogen Replacement Lamp Prize under*
20 *subsection (b)(2), the Secretary (in consultation with*
21 *the Administrator of General Services) shall develop*
22 *governmentwide Federal purchase guidelines with the*
23 *goal of replacing the use of PAR 38 halogen lamps in*
24 *Federal Government buildings with a solid-state-light*
25 *package described in subsection (b)(2) by not later*

1 *than the date that is 5 years after the date the award*
2 *is made.*

3 (3) *WAIVERS.—*

4 (A) *IN GENERAL.—The Secretary or the Ad-*
5 *ministrator of General Services may waive the*
6 *application of paragraph (1) or (2) if the Sec-*
7 *retary or Administrator determines that the re-*
8 *turn on investment from the purchase of a solid-*
9 *state-light package described in paragraph (1) or*
10 *(2) of subsection (b), respectively, is cost prohibi-*
11 *tive.*

12 (B) *REPORT OF WAIVER.—If the Secretary*
13 *or Administrator waives the application of para-*
14 *graph (1) or (2), the Secretary or Administrator,*
15 *respectively, shall submit to Congress an annual*
16 *report that describes the waiver and provides a*
17 *detailed justification for the waiver.*

18 (i) *REPORT.—Not later than 2 years after the date of*
19 *enactment of this Act, and annually thereafter, the Admin-*
20 *istrator of General Services shall submit to the Energy In-*
21 *formation Agency a report describing the quantity, type,*
22 *and cost of each lighting product purchased by the Federal*
23 *Government.*

24 (j) *BRIGHT TOMORROW LIGHTING AWARD FUND.—*

1 (1) *ESTABLISHMENT.*—*There is established in*
2 *the United States Treasury a Bright Tomorrow*
3 *Lighting permanent fund without fiscal year limita-*
4 *tion to award prizes under paragraphs (1), (2), and*
5 *(3) of subsection (b).*

6 (2) *SOURCES OF FUNDING.*—*The fund established*
7 *under paragraph (1) shall accept—*

8 (A) *fiscal year appropriations; and*

9 (B) *private contributions authorized under*
10 *subsection (c).*

11 (k) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
12 *authorized to be appropriated such sums as are necessary*
13 *to carry out this section.*

14 **SEC. 656. RENEWABLE ENERGY INNOVATION MANUFAC-**
15 **TURING PARTNERSHIP.**

16 (a) *ESTABLISHMENT.*—*The Secretary shall carry out*
17 *a program, to be known as the Renewable Energy Innova-*
18 *tion Manufacturing Partnership Program (referred to in*
19 *this section as the “Program”), to make assistance awards*
20 *to eligible entities for use in carrying out research, develop-*
21 *ment, and demonstration relating to the manufacturing of*
22 *renewable energy technologies.*

23 (b) *SOLICITATION.*—*To carry out the Program, the*
24 *Secretary shall annually conduct a competitive solicitation*

1 *for assistance awards for an eligible project described in*
2 *subsection (e).*

3 *(c) PROGRAM PURPOSES.—The purposes of the Pro-*
4 *gram are—*

5 *(1) to develop, or aid in the development of, ad-*
6 *vanced manufacturing processes, materials, and in-*
7 *frastructure;*

8 *(2) to increase the domestic production of renew-*
9 *able energy technology and components; and*

10 *(3) to better coordinate Federal, State, and pri-*
11 *ivate resources to meet regional and national renew-*
12 *able energy goals through advanced manufacturing*
13 *partnerships.*

14 *(d) ELIGIBLE ENTITIES.—An entity shall be eligible*
15 *to receive an assistance award under the Program to carry*
16 *out an eligible project described in subsection (e) if the enti-*
17 *ty is composed of—*

18 *(1) 1 or more public or private nonprofit institu-*
19 *tions or national laboratories engaged in research, de-*
20 *velopment, demonstration, or technology transfer, that*
21 *would participate substantially in the project; and*

22 *(2) 1 or more private entities engaged in the*
23 *manufacturing or development of renewable energy*
24 *system components (including solar energy, wind en-*

1 *ergy, biomass, geothermal energy, energy storage, or*
2 *fuel cells).*

3 *(e) ELIGIBLE PROJECTS.—An eligible entity may use*
4 *an assistance award provided under this section to carry*
5 *out a project relating to—*

6 *(1) the conduct of studies of market opportunities*
7 *for component manufacturing of renewable energy*
8 *systems;*

9 *(2) the conduct of multiyear applied research,*
10 *development, demonstration, and deployment projects*
11 *for advanced manufacturing processes, materials, and*
12 *infrastructure for renewable energy systems; and*

13 *(3) other similar ventures, as approved by the*
14 *Secretary, that promote advanced manufacturing of*
15 *renewable technologies.*

16 *(f) CRITERIA AND GUIDELINES.—The Secretary shall*
17 *establish criteria and guidelines for the submission, evalua-*
18 *tion, and funding of proposed projects under the Program.*

19 *(g) COST SHARING.—Section 988 of the Energy Policy*
20 *Act of 2005 (42 U.S.C. 16352) shall apply to a project car-*
21 *ried out under this section.*

22 *(h) DISCLOSURE.—The Secretary may, for a period of*
23 *up to five years after an award is granted under this sec-*
24 *tion, exempt from mandatory disclosure under section 552*
25 *of title 5, United States Code (popularly known as the Free-*

1 *dom of Information Act) information that the Secretary de-*
 2 *termines would be a privileged or confidential trade secret*
 3 *or commercial or financial information under subsection*
 4 *(b)(4) of such section if the information had been obtained*
 5 *from a non-Government party.*

6 (i) *SENSE OF THE CONGRESS.—It is the sense of the*
 7 *Congress that the Secretary should ensure that small busi-*
 8 *nesses engaged in renewable manufacturing be given pri-*
 9 *ority consideration for the assistance awards provided*
 10 *under this section.*

11 (j) *AUTHORIZATION OF APPROPRIATIONS.—There is*
 12 *authorized to be appropriated out of funds already author-*
 13 *ized to carry out this section \$25,000,000 for each of fiscal*
 14 *years 2008 through 2013, to remain available until ex-*
 15 *pended.*

16 **TITLE VII—CARBON CAPTURE**
 17 **AND SEQUESTRATION**
 18 **Subtitle A—Carbon Capture and**
 19 **Sequestration Research, Devel-**
 20 **opment, and Demonstration**

21 **SEC. 701. SHORT TITLE.**

22 *This subtitle may be cited as the “Department of En-*
 23 *ergy Carbon Capture and Sequestration Research, Develop-*
 24 *ment, and Demonstration Act of 2007”.*

1 **SEC. 702. CARBON CAPTURE AND SEQUESTRATION RE-**
2 **SEARCH, DEVELOPMENT, AND DEMONSTRA-**
3 **TION PROGRAM.**

4 (a) *AMENDMENT.*—Section 963 of the Energy Policy
5 Act of 2005 (42 U.S.C. 16293) is amended—

6 (1) in the section heading, by striking “**RE-**
7 **SEARCH AND DEVELOPMENT**” and inserting
8 “**AND SEQUESTRATION RESEARCH, DEVELOP-**
9 **MENT, AND DEMONSTRATION**”;

10 (2) in subsection (a)—

11 (A) by striking “research and development”
12 and inserting “and sequestration research, devel-
13 opment, and demonstration”; and

14 (B) by striking “capture technologies on
15 combustion-based systems” and inserting “cap-
16 ture and sequestration technologies related to in-
17 dustrial sources of carbon dioxide”;

18 (3) in subsection (b)—

19 (A) in paragraph (3), by striking “and” at
20 the end;

21 (B) in paragraph (4), by striking the period
22 at the end and inserting “; and”; and

23 (C) by adding at the end the following:

24 “(5) to expedite and carry out large-scale testing
25 of carbon sequestration systems in a range of geologic
26 formations that will provide information on the cost

1 *and feasibility of deployment of sequestration tech-*
2 *nologies.”; and*

3 *(4) by striking subsection (c) and inserting the*
4 *following:*

5 *“(c) PROGRAMMATIC ACTIVITIES.—*

6 *“(1) FUNDAMENTAL SCIENCE AND ENGINEERING*
7 *RESEARCH AND DEVELOPMENT AND DEMONSTRATION*
8 *SUPPORTING CARBON CAPTURE AND SEQUESTRATION*
9 *TECHNOLOGIES AND CARBON USE ACTIVITIES.—*

10 *“(A) IN GENERAL.—The Secretary shall*
11 *carry out fundamental science and engineering*
12 *research (including laboratory-scale experiments,*
13 *numeric modeling, and simulations) to develop*
14 *and document the performance of new ap-*
15 *proaches to capture and sequester, or use carbon*
16 *dioxide to lead to an overall reduction of carbon*
17 *dioxide emissions.*

18 *“(B) PROGRAM INTEGRATION.—The Sec-*
19 *retary shall ensure that fundamental research*
20 *carried out under this paragraph is appro-*
21 *priately applied to energy technology develop-*
22 *ment activities, the field testing of carbon seques-*
23 *tration, and carbon use activities, including—*

1 “(i) development of new or advanced
2 technologies for the capture and sequestra-
3 tion of carbon dioxide;

4 “(ii) development of new or advanced
5 technologies that reduce the cost and in-
6 crease the efficacy of advanced compression
7 of carbon dioxide required for the sequestra-
8 tion of carbon dioxide;

9 “(iii) modeling and simulation of geo-
10 logic sequestration field demonstrations;

11 “(iv) quantitative assessment of risks
12 relating to specific field sites for testing of
13 sequestration technologies;

14 “(v) research and development of new
15 and advanced technologies for carbon use,
16 including recycling and reuse of carbon di-
17 oxide; and

18 “(vi) research and development of new
19 and advanced technologies for the separa-
20 tion of oxygen from air.

21 “(2) *FIELD VALIDATION TESTING ACTIVITIES.*—

22 “(A) *IN GENERAL.*—*The Secretary shall*
23 *promote, to the maximum extent practicable, re-*
24 *gional carbon sequestration partnerships to con-*
25 *duct geologic sequestration tests involving carbon*

1 *dioxide injection and monitoring, mitigation,*
2 *and verification operations in a variety of can-*
3 *didate geologic settings, including—*

4 “(i) *operating oil and gas fields;*

5 “(ii) *depleted oil and gas fields;*

6 “(iii) *unmineable coal seams;*

7 “(iv) *deep saline formations;*

8 “(v) *deep geologic systems that may be*
9 *used as engineered reservoirs to extract eco-*
10 *nomical quantities of heat from geothermal*
11 *resources of low permeability or porosity;*
12 *and*

13 “(vi) *deep geologic systems containing*
14 *basalt formations.*

15 “(B) *OBJECTIVES.—The objectives of tests*
16 *conducted under this paragraph shall be—*

17 “(i) *to develop and validate geo-*
18 *physical tools, analysis, and modeling to*
19 *monitor, predict, and verify carbon dioxide*
20 *containment;*

21 “(ii) *to validate modeling of geologic*
22 *formations;*

23 “(iii) *to refine sequestration capacity*
24 *estimated for particular geologic formations;*

1 “(iv) to determine the fate of carbon
2 dioxide concurrent with and following injec-
3 tion into geologic formations;

4 “(v) to develop and implement best
5 practices for operations relating to, and
6 monitoring of, carbon dioxide injection and
7 sequestration in geologic formations;

8 “(vi) to assess and ensure the safety of
9 operations related to geologic sequestration
10 of carbon dioxide;

11 “(vii) to allow the Secretary to pro-
12 mulgate policies, procedures, requirements,
13 and guidance to ensure that the objectives of
14 this subparagraph are met in large-scale
15 testing and deployment activities for carbon
16 capture and sequestration that are funded
17 by the Department of Energy; and

18 “(viii) to provide information to
19 States, the Environmental Protection Agen-
20 cy, and other appropriate entities to sup-
21 port development of a regulatory framework
22 for commercial-scale sequestration oper-
23 ations that ensure the protection of human
24 health and the environment.

1 “(3) *LARGE-SCALE CARBON DIOXIDE SEQUES-*
2 *TRATION TESTING.*—

3 “(A) *IN GENERAL.*—*The Secretary shall*
4 *conduct not less than 7 initial large-scale seques-*
5 *tration tests, not including the FutureGen*
6 *project, for geologic containment of carbon diox-*
7 *ide to collect and validate information on the*
8 *cost and feasibility of commercial deployment of*
9 *technologies for geologic containment of carbon*
10 *dioxide. These 7 tests may include any Regional*
11 *Partnership projects awarded as of the date of*
12 *enactment of the Department of Energy Carbon*
13 *Capture and Sequestration Research, Develop-*
14 *ment, and Demonstration Act of 2007.*

15 “(B) *DIVERSITY OF FORMATIONS TO BE*
16 *STUDIED.*—*In selecting formations for study*
17 *under this paragraph, the Secretary shall con-*
18 *sider a variety of geologic formations across the*
19 *United States, and require characterization and*
20 *modeling of candidate formations, as determined*
21 *by the Secretary.*

22 “(C) *SOURCE OF CARBON DIOXIDE FOR*
23 *LARGE-SCALE SEQUESTRATION TESTS.*—*In the*
24 *process of any acquisition of carbon dioxide for*
25 *sequestration tests under subparagraph (A), the*

1 *Secretary shall give preference to sources of car-*
2 *bon dioxide from industrial sources. To the ex-*
3 *tent feasible, the Secretary shall prefer tests that*
4 *would facilitate the creation of an integrated sys-*
5 *tem of capture, transportation and sequestration*
6 *of carbon dioxide. The preference provided for*
7 *under this subparagraph shall not delay the im-*
8 *plementation of the large-scale sequestration tests*
9 *under this paragraph.*

10 “(D) *DEFINITION.*—*For purposes of this*
11 *paragraph, the term ‘large-scale’ means the injec-*
12 *tion of more than 1,000,000 tons of carbon diox-*
13 *ide from industrial sources annually or a scale*
14 *that demonstrates the ability to inject and se-*
15 *quester several million metric tons of industrial*
16 *source carbon dioxide for a large number of*
17 *years.*

18 “(4) *PREFERENCE IN PROJECT SELECTION FROM*
19 *MERITORIOUS PROPOSALS.*—*In making competitive*
20 *awards under this subsection, subject to the require-*
21 *ments of section 989, the Secretary shall—*

22 “(A) *give preference to proposals from part-*
23 *nerships among industrial, academic, and gov-*
24 *ernment entities; and*

1 “(B) require recipients to provide assur-
2 ances that all laborers and mechanics employed
3 by contractors and subcontractors in the con-
4 struction, repair, or alteration of new or existing
5 facilities performed in order to carry out a dem-
6 onstration or commercial application activity
7 authorized under this subsection shall be paid
8 wages at rates not less than those prevailing on
9 similar construction in the locality, as deter-
10 mined by the Secretary of Labor in accordance
11 with subchapter IV of chapter 31 of title 40,
12 United States Code, and the Secretary of Labor
13 shall, with respect to the labor standards in this
14 paragraph, have the authority and functions set
15 forth in Reorganization Plan Numbered 14 of
16 1950 (15 Fed. Reg. 3176; 5 U.S.C. Appendix)
17 and section 3145 of title 40, United States Code.

18 “(5) COST SHARING.—Activities under this sub-
19 section shall be considered research and development
20 activities that are subject to the cost sharing require-
21 ments of section 988(b).

22 “(6) PROGRAM REVIEW AND REPORT.—During
23 fiscal year 2011, the Secretary shall—

24 “(A) conduct a review of programmatic ac-
25 tivities carried out under this subsection; and

1 “(B) make recommendations with respect to
2 continuation of the activities.

3 “(d) *AUTHORIZATION OF APPROPRIATIONS.*—There
4 are authorized to be appropriated to carry out this sec-
5 tion—

6 “(1) \$240,000,000 for fiscal year 2008;

7 “(2) \$240,000,000 for fiscal year 2009;

8 “(3) \$240,000,000 for fiscal year 2010;

9 “(4) \$240,000,000 for fiscal year 2011; and

10 “(5) \$240,000,000 for fiscal year 2012.”.

11 (b) *TABLE OF CONTENTS AMENDMENT.*—The item re-
12 lating to section 963 in the table of contents for the *Energy*
13 *Policy Act of 2005* is amended to read as follows:

“Sec. 963. Carbon capture and sequestration research, development, and dem-
onstration program.”.

14 **SEC. 703. CARBON CAPTURE.**

15 (a) *PROGRAM ESTABLISHMENT.*—

16 (1) *IN GENERAL.*—The Secretary shall carry out
17 a program to demonstrate technologies for the large-
18 scale capture of carbon dioxide from industrial
19 sources. In making awards under this program, the
20 Secretary shall select, as appropriate, a diversity of
21 capture technologies to address the need to capture
22 carbon dioxide from a range of industrial sources.

23 (2) *SCOPE OF AWARD.*—Awards under this sec-
24 tion shall be only for the portion of the project that—

1 (A) carries out the large-scale capture (in-
2 cluding purification and compression) of carbon
3 dioxide from industrial sources;

4 (B) provides for the transportation and in-
5 jection of carbon dioxide; and

6 (C) incorporates a comprehensive measure-
7 ment, monitoring, and validation program.

8 (3) *PREFERENCES FOR AWARD.*—To ensure re-
9 duced carbon dioxide emissions, the Secretary shall
10 take necessary actions to provide for the integration
11 of the program under this paragraph with the large-
12 scale carbon dioxide sequestration tests described in
13 section 963(c)(3) of the Energy Policy Act of 2005 (42
14 U.S.C. 16293(c)(3)), as added by section 702 of this
15 subtitle. These actions should not delay implementa-
16 tion of these tests. The Secretary shall give priority
17 consideration to projects with the following character-
18 istics:

19 (A) *CAPACITY.*—Projects that will capture a
20 high percentage of the carbon dioxide in the
21 treated stream and large volumes of carbon diox-
22 ide as determined by the Secretary.

23 (B) *SEQUESTRATION.*—Projects that cap-
24 ture carbon dioxide from industrial sources that

1 *are near suitable geological reservoirs and could*
2 *continue sequestration including—*

3 *(i) a field testing validation activity*
4 *under section 963 of the Energy Policy Act*
5 *of 2005 (42 U.S.C. 16293), as amended by*
6 *this Act; or*

7 *(ii) other geologic sequestration projects*
8 *approved by the Secretary.*

9 (4) *REQUIREMENT.—For projects that generate*
10 *carbon dioxide that is to be sequestered, the carbon di-*
11 *oxide stream shall be of a sufficient purity level to*
12 *allow for safe transport and sequestration.*

13 (5) *COST-SHARING.—The cost-sharing require-*
14 *ments of section 988 of the Energy Policy Act of 2005*
15 *(42 U.S.C. 16352) for research and development*
16 *projects shall apply to this section.*

17 (b) *AUTHORIZATION OF APPROPRIATIONS.—There is*
18 *authorized to be appropriated to the Secretary to carry out*
19 *this section \$200,000,000 per year for fiscal years 2009*
20 *through 2013.*

21 **SEC. 704. REVIEW OF LARGE-SCALE PROGRAMS.**

22 *The Secretary shall enter into an arrangement with*
23 *the National Academy of Sciences for an independent re-*
24 *view and oversight, beginning in 2011, of the programs*
25 *under section 963(c)(3) of the Energy Policy Act of 2005*

1 *(42 U.S.C. 16293(c)(3)), as added by section 702 of this*
2 *subtitle, and under section 703 of this subtitle, to ensure*
3 *that the benefits of such programs are maximized. Not later*
4 *than January 1, 2012, the Secretary shall transmit to the*
5 *Congress a report on the results of such review and over-*
6 *sight.*

7 **SEC. 705. GEOLOGIC SEQUESTRATION TRAINING AND RE-**
8 **SEARCH.**

9 *(a) STUDY.—*

10 *(1) IN GENERAL.—The Secretary shall enter into*
11 *an arrangement with the National Academy of*
12 *Sciences to undertake a study that—*

13 *(A) defines an interdisciplinary program in*
14 *geology, engineering, hydrology, environmental*
15 *science, and related disciplines that will support*
16 *the Nation’s capability to capture and sequester*
17 *carbon dioxide from anthropogenic sources;*

18 *(B) addresses undergraduate and graduate*
19 *education, especially to help develop graduate*
20 *level programs of research and instruction that*
21 *lead to advanced degrees with emphasis on geo-*
22 *logic sequestration science;*

23 *(C) develops guidelines for proposals from*
24 *colleges and universities with substantial capa-*
25 *bilities in the required disciplines that seek to*

1 *implement geologic sequestration science pro-*
2 *grams that advance the Nation's capacity to ad-*
3 *dress carbon management through geologic se-*
4 *questration science; and*

5 *(D) outlines a budget and recommendations*
6 *for how much funding will be necessary to estab-*
7 *lish and carry out the grant program under sub-*
8 *section (b).*

9 *(2) REPORT.—Not later than 1 year after the*
10 *date of enactment of this Act, the Secretary shall*
11 *transmit to the Congress a copy of the results of the*
12 *study provided by the National Academy of Sciences*
13 *under paragraph (1).*

14 *(3) AUTHORIZATION OF APPROPRIATIONS.—*
15 *There are authorized to be appropriated to the Sec-*
16 *retary for carrying out this subsection \$1,000,000 for*
17 *fiscal year 2008.*

18 *(b) GRANT PROGRAM.—*

19 *(1) ESTABLISHMENT.—The Secretary shall estab-*
20 *lish a competitive grant program through which col-*
21 *leges and universities may apply for and receive 4-*
22 *year grants for—*

23 *(A) salary and startup costs for newly des-*
24 *ignated faculty positions in an integrated geo-*
25 *logic carbon sequestration science program; and*

1 (B) *internships for graduate students in*
2 *geologic sequestration science.*

3 (2) *RENEWAL.—Grants under this subsection*
4 *shall be renewable for up to 2 additional 3-year*
5 *terms, based on performance criteria, established by*
6 *the National Academy of Sciences study conducted*
7 *under subsection (a), that include the number of grad-*
8 *uates of such programs.*

9 (3) *INTERFACE WITH REGIONAL GEOLOGIC CAR-*
10 *BON SEQUESTRATION PARTNERSHIPS.—To the great-*
11 *est extent possible, geologic carbon sequestration*
12 *science programs supported under this subsection*
13 *shall interface with the research of the Regional Car-*
14 *bon Sequestration Partnerships operated by the De-*
15 *partment to provide internships and practical train-*
16 *ing in carbon capture and geologic sequestration.*

17 (4) *AUTHORIZATION OF APPROPRIATIONS.—*
18 *There are authorized to be appropriated to the Sec-*
19 *retary for carrying out this subsection such sums as*
20 *may be necessary.*

21 **SEC. 706. RELATION TO SAFE DRINKING WATER ACT.**

22 *The injection and geologic sequestration of carbon di-*
23 *oxide pursuant to this subtitle and the amendments made*
24 *by this subtitle shall be subject to the requirements of the*
25 *Safe Drinking Water Act (42 U.S.C. 300f et seq.), including*

1 *the provisions of part C of such Act (42 U.S.C. 300h et*
2 *seq.; relating to protection of underground sources of drink-*
3 *ing water). Nothing in this subtitle and the amendments*
4 *made by this subtitle imposes or authorizes the promulga-*
5 *tion of any requirement that is inconsistent or in conflict*
6 *with the requirements of the Safe Drinking Water Act (42*
7 *U.S.C. 300f et seq.) or regulations thereunder.*

8 **SEC. 707. SAFETY RESEARCH.**

9 (a) *PROGRAM.—The Administrator of the Environ-*
10 *mental Protection Agency shall conduct a research program*
11 *to address public health, safety, and environmental impacts*
12 *that may be associated with capture, injection, and seques-*
13 *tration of greenhouse gases in geologic reservoirs.*

14 (b) *AUTHORIZATION OF APPROPRIATIONS.—There are*
15 *authorized to be appropriated for carrying out this section*
16 *\$5,000,000 for each fiscal year.*

17 **SEC. 708. UNIVERSITY BASED RESEARCH AND DEVELOP-**
18 **MENT GRANT PROGRAM.**

19 (a) *ESTABLISHMENT.—The Secretary, in consultation*
20 *with other appropriate agencies, shall establish a university*
21 *based research and development program to study carbon*
22 *capture and sequestration using the various types of coal.*

23 (b) *RURAL AND AGRICULTURAL INSTITUTIONS.—The*
24 *Secretary shall give special consideration to rural or agri-*
25 *cultural based institutions in areas that have regional*

1 *sources of coal and that offer interdisciplinary programs*
2 *in the area of environmental science to study carbon cap-*
3 *ture and sequestration.*

4 (c) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
5 *to be authorized to be appropriated \$10,000,000 to carry*
6 *out this section.*

7 ***Subtitle B—Carbon Capture and***
8 ***Sequestration Assessment and***
9 ***Framework***

10 ***SEC. 711. CARBON DIOXIDE SEQUESTRATION CAPACITY AS-***
11 ***SESSMENT.***

12 (a) *DEFINITIONS.*—*In this section*

13 (1) *ASSESSMENT.*—*The term “assessment”*
14 *means the national assessment of onshore capacity for*
15 *carbon dioxide completed under subsection (f).*

16 (2) *CAPACITY.*—*The term “capacity” means the*
17 *portion of a sequestration formation that can retain*
18 *carbon dioxide in accordance with the requirements*
19 *(including physical, geological, and economic require-*
20 *ments) established under the methodology developed*
21 *under subsection (b).*

22 (3) *ENGINEERED HAZARD.*—*The term “engi-*
23 *neered hazard” includes the location and completion*
24 *history of any well that could affect potential seques-*
25 *tration.*

1 (4) *RISK*.—The term “risk” includes any risk
2 posed by geomechanical, geochemical, hydrogeological,
3 structural, and engineered hazards.

4 (5) *SECRETARY*.—The term “Secretary” means
5 the Secretary of the Interior, acting through the Di-
6 rector of the United States Geological Survey.

7 (6) *SEQUESTRATION FORMATION*.—The term “se-
8 questration formation” means a deep saline forma-
9 tion, unmineable coal seam, or oil or gas reservoir
10 that is capable of accommodating a volume of indus-
11 trial carbon dioxide.

12 (b) *METHODOLOGY*.—Not later than 1 year after the
13 date of enactment of this Act, the Secretary shall develop
14 a methodology for conducting an assessment under sub-
15 section (f), taking into consideration—

16 (1) the geographical extent of all potential se-
17 questration formations in all States;

18 (2) the capacity of the potential sequestration
19 formations;

20 (3) the injectivity of the potential sequestration
21 formations;

22 (4) an estimate of potential volumes of oil and
23 gas recoverable by injection and sequestration of in-
24 dustrial carbon dioxide in potential sequestration for-
25 mations;

1 (5) *the risk associated with the potential seques-*
2 *tration formations; and*

3 (6) *the work done to develop the Carbon Seques-*
4 *tration Atlas of the United States and Canada that*
5 *was completed by the Department.*

6 (c) *COORDINATION.—*

7 (1) *FEDERAL COORDINATION.—*

8 (A) *CONSULTATION.—The Secretary shall*
9 *consult with the Secretary of Energy and the Ad-*
10 *ministrator of the Environmental Protection*
11 *Agency on issues of data sharing, format, devel-*
12 *opment of the methodology, and content of the*
13 *assessment required under this section to ensure*
14 *the maximum usefulness and success of the as-*
15 *essment.*

16 (B) *COOPERATION.—The Secretary of En-*
17 *ergy and the Administrator shall cooperate with*
18 *the Secretary to ensure, to the maximum extent*
19 *practicable, the usefulness and success of the as-*
20 *essment.*

21 (2) *STATE COORDINATION.—The Secretary shall*
22 *consult with State geological surveys and other rel-*
23 *evant entities to ensure, to the maximum extent prac-*
24 *ticable, the usefulness and success of the assessment.*

1 (d) *EXTERNAL REVIEW AND PUBLICATION.*—On com-
2 *pletion of the methodology under subsection (b), the Sec-*
3 *retary shall—*

4 (1) *publish the methodology and solicit comments*
5 *from the public and the heads of affected Federal and*
6 *State agencies;*

7 (2) *establish a panel of individuals with exper-*
8 *tise in the matters described in paragraphs (1)*
9 *through (5) of subsection (b) composed, as appro-*
10 *prate, of representatives of Federal agencies, institu-*
11 *tions of higher education, nongovernmental organiza-*
12 *tions, State organizations, industry, and inter-*
13 *national geoscience organizations to review the meth-*
14 *odology and comments received under paragraph (1);*
15 *and*

16 (3) *on completion of the review under paragraph*
17 *(2), publish in the Federal Register the revised final*
18 *methodology.*

19 (e) *PERIODIC UPDATES.*—*The methodology developed*
20 *under this section shall be updated periodically (including*
21 *at least once every 5 years) to incorporate new data as the*
22 *data becomes available.*

23 (f) *NATIONAL ASSESSMENT.*—

24 (1) *IN GENERAL.*—*Not later than 2 years after*
25 *the date of publication of the methodology under sub-*

1 *section (d)(1), the Secretary, in consultation with the*
2 *Secretary of Energy and State geological surveys,*
3 *shall complete a national assessment of capacity for*
4 *carbon dioxide in accordance with the methodology.*

5 (2) *GEOLOGICAL VERIFICATION.*—*As part of the*
6 *assessment under this subsection, the Secretary shall*
7 *carry out a drilling program to supplement the geo-*
8 *logical data relevant to determining sequestration ca-*
9 *capacity of carbon dioxide in geological sequestration*
10 *formations, including—*

11 (A) *well log data;*

12 (B) *core data; and*

13 (C) *fluid sample data.*

14 (3) *PARTNERSHIP WITH OTHER DRILLING PRO-*
15 *GRAMS.*—*As part of the drilling program under para-*
16 *graph (2), the Secretary shall enter, as appropriate,*
17 *into partnerships with other entities to collect and in-*
18 *tegrate data from other drilling programs relevant to*
19 *the sequestration of carbon dioxide in geological for-*
20 *mations.*

21 (4) *INCORPORATION INTO NATCARB.*—

22 (A) *IN GENERAL.*—*On completion of the as-*
23 *essment, the Secretary of Energy and the Sec-*
24 *retary of the Interior shall incorporate the re-*
25 *sults of the assessment using—*

1 (i) the NatCarb database, to the max-
2 imum extent practicable; or

3 (ii) a new database developed by the
4 Secretary of Energy, as the Secretary of
5 Energy determines to be necessary.

6 (B) *RANKING.*—The database shall include
7 the data necessary to rank potential sequestra-
8 tion sites for capacity and risk, across the
9 United States, within each State, by formation,
10 and within each basin.

11 (5) *REPORT.*—Not later than 180 days after the
12 date on which the assessment is completed, the Sec-
13 retary shall submit to the Committee on Energy and
14 Natural Resources of the Senate and the Committee
15 on Natural Resources of the House of Representatives
16 a report describing the findings under the assessment.

17 (6) *PERIODIC UPDATES.*—The national assess-
18 ment developed under this section shall be updated pe-
19 riodically (including at least once every 5 years) to
20 support public and private sector decisionmaking.

21 (g) *AUTHORIZATION OF APPROPRIATIONS.*—There is
22 authorized to be appropriated to carry out this section
23 \$30,000,000 for the period of fiscal years 2008 through
24 2012.

1 **SEC. 712. ASSESSMENT OF CARBON SEQUESTRATION AND**
2 **METHANE AND NITROUS OXIDE EMISSIONS**
3 **FROM ECOSYSTEMS.**

4 (a) *DEFINITIONS.—In this section:*

5 (1) *ADAPTATION STRATEGY.—The term “adapta-*
6 *tion strategy” means a land use and management*
7 *strategy that can be used—*

8 (A) *to increase the sequestration capabilities*
9 *of covered greenhouse gases of any ecosystem; or*

10 (B) *to reduce the emissions of covered green-*
11 *house gases from any ecosystem.*

12 (2) *ASSESSMENT.—The term “assessment”*
13 *means the national assessment authorized under sub-*
14 *section (b).*

15 (3) *COVERED GREENHOUSE GAS.—The term*
16 *“covered greenhouse gas” means carbon dioxide, ni-*
17 *trous oxide, and methane gas.*

18 (4) *ECOSYSTEM.—The term “ecosystem” means*
19 *any terrestrial, freshwater aquatic, or coastal eco-*
20 *system, including an estuary.*

21 (5) *NATIVE PLANT SPECIES.—The term “native*
22 *plant species” means any noninvasive, naturally oc-*
23 *curring plant species within an ecosystem.*

24 (6) *SECRETARY.—The term “Secretary” means*
25 *the Secretary of the Interior.*

1 **(b) AUTHORIZATION OF ASSESSMENT.**—Not later than
2 2 years after the date on which the final methodology is
3 published under subsection (f)(3)(D), the Secretary shall
4 complete a national assessment of—

5 (1) the quantity of carbon stored in and released
6 from ecosystems, including from man-caused and nat-
7 ural fires; and

8 (2) the annual flux of covered greenhouse gases
9 in and out of ecosystems.

10 **(c) COMPONENTS.**—In conducting the assessment
11 under subsection (b), the Secretary shall—

12 (1) determine the processes that control the flux
13 of covered greenhouse gases in and out of each eco-
14 system;

15 (2) estimate the potential for increasing carbon
16 sequestration in natural and managed ecosystems
17 through management activities or restoration activi-
18 ties in each ecosystem;

19 (3) develop near-term and long-term adaptation
20 strategies or mitigation strategies that can be em-
21 ployed—

22 (A) to enhance the sequestration of carbon
23 in each ecosystem;

24 (B) to reduce emissions of covered green-
25 house gases from ecosystems; and

1 (C) to adapt to climate change; and

2 (4) estimate the annual carbon sequestration ca-
3 pacity of ecosystems under a range of policies in sup-
4 port of management activities to optimize sequestra-
5 tion.

6 (d) *USE OF NATIVE PLANT SPECIES.*—In developing
7 restoration activities under subsection (c)(2) and manage-
8 ment strategies and adaptation strategies under subsection
9 (c)(3), the Secretary shall emphasize the use of native plant
10 species (including mixtures of many native plant species)
11 for sequestering covered greenhouse gas in each ecosystem.

12 (e) *CONSULTATION.*—

13 (1) *IN GENERAL.*—In conducting the assessment
14 under subsection (b) and developing the methodology
15 under subsection (f), the Secretary shall consult
16 with—

17 (A) the Secretary of Energy;

18 (B) the Secretary of Agriculture;

19 (C) the Administrator of the Environmental
20 Protection Agency;

21 (D) the Secretary of Commerce, acting
22 through the Under Secretary for Oceans and At-
23 mosphere; and

24 (E) the heads of other relevant agencies.

1 (2) *OCEAN AND COASTAL ECOSYSTEMS.*—*In carrying out this section with respect to ocean and coastal ecosystems (including estuaries), the Secretary shall work jointly with the Secretary of Commerce, acting through the Under Secretary for Oceans and Atmosphere.*

7 (f) *METHODOLOGY.*—

8 (1) *IN GENERAL.*—*Not later than 1 year after the date of enactment of this Act, the Secretary shall develop a methodology for conducting the assessment.*

11 (2) *REQUIREMENTS.*—*The methodology developed under paragraph (1)—*

13 (A) *shall—*

14 (i) *determine the method for measuring, monitoring, and quantifying covered greenhouse gas emissions and reductions;*

17 (ii) *estimate the total capacity of each ecosystem to sequester carbon; and*

18 (iii) *estimate the ability of each ecosystem to reduce emissions of covered greenhouse gases through management practices; and*

20 (B) *may employ economic and other systems models, analyses, and estimates, to be devel-*

1 *oped in consultation with each of the individuals*
2 *described in subsection (e).*

3 (3) *EXTERNAL REVIEW AND PUBLICATION.—On*
4 *completion of a proposed methodology, the Secretary*
5 *shall—*

6 (A) *publish the proposed methodology;*

7 (B) *at least 60 days before the date on*
8 *which the final methodology is published, solicit*
9 *comments from—*

10 (i) *the public; and*

11 (ii) *heads of affected Federal and State*
12 *agencies;*

13 (C) *establish a panel to review the proposed*
14 *methodology published under subparagraph (A)*
15 *and any comments received under subparagraph*
16 *(B), to be composed of members—*

17 (i) *with expertise in the matters de-*
18 *scribed in subsections (c) and (d); and*

19 (ii) *that are, as appropriate, represent-*
20 *atives of Federal agencies, institutions of*
21 *higher education, nongovernmental organi-*
22 *zations, State organizations, industry, and*
23 *international organizations; and*

1 (D) on completion of the review under sub-
2 paragraph (C), publish in the Federal register
3 the revised final methodology.

4 (g) *ESTIMATE; REVIEW.*—The Secretary shall—

5 (1) based on the assessment, prescribe the data,
6 information, and analysis needed to establish a sci-
7 entifically sound estimate of the carbon sequestration
8 capacity of relevant ecosystems; and

9 (2) not later than 180 days after the date on
10 which the assessment is completed, submit to the
11 heads of applicable Federal agencies and the appro-
12 priate committees of Congress a report that describes
13 the results of the assessment.

14 (h) *DATA AND REPORT AVAILABILITY.*—On completion
15 of the assessment, the Secretary shall incorporate the results
16 of the assessment into a web-accessible database for public
17 use.

18 (i) *AUTHORIZATION.*—There is authorized to be appro-
19 priated to carry out this section \$20,000,000 for the period
20 of fiscal years 2008 through 2012.

21 **SEC. 713. CARBON DIOXIDE SEQUESTRATION INVENTORY.**

22 Section 354 of the Energy Policy Act of 2005 (42
23 U.S.C. 15910) is amended—

24 (1) by redesignating subsection (d) as subsection
25 (e); and

1 (E) *Deep geological systems that may be*
2 *used as engineered reservoirs to extract economi-*
3 *cal quantities of heat from geothermal resources*
4 *of low permeability or porosity.*

5 (F) *Deep geological systems containing ba-*
6 *salt formations.*

7 (G) *Coalbeds being used for methane recov-*
8 *ery.*

9 (2) *A proposed regulatory framework for the*
10 *leasing of public land or an interest in public land*
11 *for the long-term geological sequestration of carbon di-*
12 *oxide, which includes an assessment of options to en-*
13 *sure that the United States receives fair market value*
14 *for the use of public land or an interest in public*
15 *land for geological sequestration.*

16 (3) *A proposed procedure for ensuring that any*
17 *geological carbon sequestration activities on public*
18 *land—*

19 (A) *provide for public review and comment*
20 *from all interested persons; and*

21 (B) *protect the quality of natural and cul-*
22 *tural resources of the public land overlaying a*
23 *geological sequestration site.*

24 (4) *A description of the status of Federal lease-*
25 *hold or Federal mineral estate liability issues related*

1 *to the geological subsurface trespass of or caused by*
2 *carbon dioxide stored in public land, including any*
3 *relevant experience from enhanced oil recovery using*
4 *carbon dioxide on public land.*

5 *(5) Recommendations for additional legislation*
6 *that may be required to ensure that public land man-*
7 *agement and leasing laws are adequate to accommo-*
8 *date the long-term geological sequestration of carbon*
9 *dioxide.*

10 *(6) An identification of the legal and regulatory*
11 *issues specific to carbon dioxide sequestration on land*
12 *in cases in which title to mineral resources is held by*
13 *the United States but title to the surface estate is not*
14 *held by the United States.*

15 *(7)(A) An identification of the issues specific to*
16 *the issuance of pipeline rights-of-way on public land*
17 *under the Mineral Leasing Act (30 U.S.C. 181 et seq.)*
18 *or the Federal Land Policy and Management Act of*
19 *1976 (43 U.S.C. 1701 et seq.) for natural or anthro-*
20 *pogenic carbon dioxide.*

21 *(B) Recommendations for additional legislation*
22 *that may be required to clarify the appropriate*
23 *framework for issuing rights-of-way for carbon diox-*
24 *ide pipelines on public land.*

1 (c) *CONSULTATION WITH OTHER AGENCIES.*—In pre-
2 paring the report under this section, the Secretary of the
3 Interior shall coordinate with—

4 (1) *the Administrator of the Environmental Pro-*
5 tection Agency;

6 (2) *the Secretary of Energy; and*

7 (3) *the heads of other appropriate agencies.*

8 (d) *COMPLIANCE WITH SAFE DRINKING WATER*
9 *ACT.*—The Secretary shall ensure that all recommendations
10 developed under this section are in compliance with all Fed-
11 eral environmental laws, including the Safe Drinking
12 Water Act (42 U.S.C. 300f et seq.) and regulations under
13 that Act.

14 ***TITLE VIII—IMPROVED MANAGE-***
15 ***MENT OF ENERGY POLICY***

16 ***Subtitle A—Management***
17 ***Improvements***

18 ***SEC. 801. NATIONAL MEDIA CAMPAIGN.***

19 (a) *IN GENERAL.*—The Secretary, acting through the
20 Assistant Secretary for Energy Efficiency and Renewable
21 Energy (referred to in this section as the “Secretary”), shall
22 develop and conduct a national media campaign—

23 (1) *to increase energy efficiency throughout the*
24 *economy of the United States during the 10-year pe-*
25 *riod beginning on the date of enactment of this Act;*

1 (2) *to promote the national security benefits as-*
2 *sociated with increased energy efficiency; and*

3 (3) *to decrease oil consumption in the United*
4 *States during the 10-year period beginning on the*
5 *date of enactment of this Act.*

6 (b) *CONTRACT WITH ENTITY.—The Secretary shall*
7 *carry out subsection (a) directly or through—*

8 (1) *competitively bid contracts with 1 or more*
9 *nationally recognized media firms for the development*
10 *and distribution of monthly television, radio, and*
11 *newspaper public service announcements; or*

12 (2) *collective agreements with 1 or more nation-*
13 *ally recognized institutes, businesses, or nonprofit or-*
14 *ganizations for the funding, development, and dis-*
15 *tribution of monthly television, radio, and newspaper*
16 *public service announcements.*

17 (c) *USE OF FUNDS.—*

18 (1) *IN GENERAL.—Amounts made available to*
19 *carry out this section shall be used for—*

20 (A) *advertising costs, including—*

21 (i) *the purchase of media time and*
22 *space;*

23 (ii) *creative and talent costs;*

24 (iii) *testing and evaluation of adver-*
25 *tising; and*

1 (iv) evaluation of the effectiveness of
2 the media campaign; and

3 (B) administrative costs, including oper-
4 ational and management expenses.

5 (2) LIMITATIONS.—In carrying out this section,
6 the Secretary shall allocate not less than 85 percent
7 of funds made available under subsection (e) for each
8 fiscal year for the advertising functions specified
9 under paragraph (1)(A).

10 (d) REPORTS.—The Secretary shall annually submit
11 to Congress a report that describes—

12 (1) the strategy of the national media campaign
13 and whether specific objectives of the campaign were
14 accomplished, including—

15 (A) determinations concerning the rate of
16 change of energy consumption, in both absolute
17 and per capita terms; and

18 (B) an evaluation that enables consider-
19 ation of whether the media campaign contributed
20 to reduction of energy consumption;

21 (2) steps taken to ensure that the national media
22 campaign operates in an effective and efficient man-
23 ner consistent with the overall strategy and focus of
24 the campaign;

1 “(h) *ADMINISTRATION.*—

2 “(1) *PERSONNEL APPOINTMENTS.*—

3 “(A) *IN GENERAL.*—*The Federal Coordi-*
4 *nator may appoint and terminate such personnel*
5 *as the Federal Coordinator determines to be ap-*
6 *propriate.*

7 “(B) *AUTHORITY OF FEDERAL COORDI-*
8 *NATOR.*—*Personnel appointed by the Federal Co-*
9 *ordinator under subparagraph (A) shall be ap-*
10 *pointed without regard to the provisions of title*
11 *5, United States Code, governing appointments*
12 *in the competitive service.*

13 “(2) *COMPENSATION.*—

14 “(A) *IN GENERAL.*—*Subject to subpara-*
15 *graph (B), personnel appointed by the Federal*
16 *Coordinator under paragraph (1)(A) shall be*
17 *paid without regard to the provisions of chapter*
18 *51 and subchapter III of chapter 53 of title 5,*
19 *United States Code (relating to classification*
20 *and General Schedule pay rates).*

21 “(B) *MAXIMUM LEVEL OF COMPENSA-*
22 *TION.*—*The rate of pay for personnel appointed*
23 *by the Federal Coordinator under paragraph*
24 *(1)(A) shall not exceed the maximum level of rate*

1 *payable for level III of the Executive Schedule (5*
2 *U.S.C. 5314).*

3 “(C) *ALLOWANCES.*—*Section 5941 of title 5,*
4 *United States Code, shall apply to personnel ap-*
5 *pointed by the Federal Coordinator under para-*
6 *graph (1)(A).*

7 “(3) *TEMPORARY SERVICES.*—

8 “(A) *IN GENERAL.*—*The Federal Coordi-*
9 *nator may procure temporary and intermittent*
10 *services in accordance with section 3109(b) of*
11 *title 5, United States Code.*

12 “(B) *MAXIMUM LEVEL OF COMPENSA-*
13 *TION.*—*The level of compensation of an indi-*
14 *vidual employed on a temporary or intermittent*
15 *basis under subparagraph (A) shall not exceed*
16 *the maximum level of rate payable for level III*
17 *of the Executive Schedule (5 U.S.C. 5314).*

18 “(4) *FEEES, CHARGES, AND COMMISSIONS.*—

19 “(A) *IN GENERAL.*—*With respect to the du-*
20 *ties of the Federal Coordinator, as described in*
21 *this Act, the Federal Coordinator shall have*
22 *similar authority to establish, change, and abol-*
23 *ish reasonable filing and service fees, charges,*
24 *and commissions, require deposits of payments,*
25 *and provide refunds as provided to the Secretary*

1 *of the Interior in section 304 of the Federal*
2 *Land Policy and Management Act of 1976 (43*
3 *U.S.C. 1734).*

4 “(B) *AUTHORITY OF SECRETARY OF THE*
5 *INTERIOR.—Subparagraph (A) shall not affect*
6 *the authority of the Secretary of the Interior to*
7 *establish, change, and abolish reasonable filing*
8 *and service fees, charges, and commissions, re-*
9 *quire deposits of payments, and provide refunds*
10 *under section 304 of the Federal Land Policy*
11 *and Management Act of 1976 (43 U.S.C. 1734).*

12 “(C) *USE OF FUNDS.—The Federal Coordi-*
13 *nator is authorized to use, without further ap-*
14 *propriation, amounts collected under subpara-*
15 *graph (A) to carry out this section.”.*

16 **SEC. 803. RENEWABLE ENERGY DEPLOYMENT.**

17 *(a) DEFINITIONS.—In this section:*

18 *(1) ALASKA SMALL HYDROELECTRIC POWER.—*
19 *The term “Alaska small hydroelectric power” means*
20 *power that—*

21 *(A) is generated—*

22 *(i) in the State of Alaska;*

23 *(ii) without the use of a dam or im-*
24 *poundment of water; and*

25 *(iii) through the use of—*

1 (I) a lake tap (but not a perched
2 alpine lake); or

3 (II) a run-of-river screened at the
4 point of diversion; and

5 (B) has a nameplate capacity rating of a
6 wattage that is not more than 15 megawatts.

7 (2) *ELIGIBLE APPLICANT*.—The term “eligible
8 applicant” means any—

9 (A) governmental entity;

10 (B) private utility;

11 (C) public utility;

12 (D) municipal utility;

13 (E) cooperative utility;

14 (F) Indian tribes; and

15 (G) Regional Corporation (as defined in
16 section 3 of the Alaska Native Claims Settlement
17 Act (43 U.S.C. 1602)).

18 (3) *OCEAN ENERGY*.—

19 (A) *INCLUSIONS*.—The term “ocean energy”
20 includes current, wave, and tidal energy.

21 (B) *EXCLUSION*.—The term “ocean energy”
22 excludes thermal energy.

23 (4) *RENEWABLE ENERGY PROJECT*.—The term
24 “renewable energy project” means a project—

1 (A) for the commercial generation of elec-
2 tricity; and

3 (B) that generates electricity from—

4 (i) solar, wind, or geothermal energy
5 or ocean energy;

6 (ii) biomass (as defined in section
7 203(b) of the Energy Policy Act of 2005 (42
8 U.S.C. 15852(b)));

9 (iii) landfill gas; or

10 (iv) Alaska small hydroelectric power.

11 (b) *RENEWABLE ENERGY CONSTRUCTION GRANTS.*—

12 (1) *IN GENERAL.*—The Secretary shall use
13 amounts appropriated under this section to make
14 grants for use in carrying out renewable energy
15 projects.

16 (2) *CRITERIA.*—Not later than 180 days after the
17 date of enactment of this Act, the Secretary shall set
18 forth criteria for use in awarding grants under this
19 section.

20 (3) *APPLICATION.*—To receive a grant from the
21 Secretary under paragraph (1), an eligible applicant
22 shall submit to the Secretary an application at such
23 time, in such manner, and containing such informa-
24 tion as the Secretary may require, including a writ-
25 ten assurance that—

1 (A) all laborers and mechanics employed by
2 contractors or subcontractors during construc-
3 tion, alteration, or repair that is financed, in
4 whole or in part, by a grant under this section
5 shall be paid wages at rates not less than those
6 prevailing on similar construction in the local-
7 ity, as determined by the Secretary of Labor in
8 accordance with sections 3141–3144, 3146, and
9 3147 of title 40, United States Code; and

10 (B) the Secretary of Labor shall, with re-
11 spect to the labor standards described in this
12 paragraph, have the authority and functions set
13 forth in Reorganization Plan Numbered 14 of
14 1950 (5 U.S.C. App.) and section 3145 of title
15 40, United States Code.

16 (4) *NON-FEDERAL SHARE.*—Each eligible appli-
17 cant that receives a grant under this subsection shall
18 contribute to the total cost of the renewable energy
19 project constructed by the eligible applicant an
20 amount not less than 50 percent of the total cost of
21 the project.

22 (c) *AUTHORIZATION OF APPROPRIATIONS.*—There are
23 authorized to be appropriated to the Fund such sums as
24 are necessary to carry out this section.

1 **SEC. 804. COORDINATION OF PLANNED REFINERY OUT-**
2 **AGES.**

3 (a) *DEFINITIONS.—In this section:*

4 (1) *ADMINISTRATOR.—The term “Adminis-*
5 *trator” means the Administrator of the Energy Infor-*
6 *mation Administration.*

7 (2) *PLANNED REFINERY OUTAGE.—*

8 (A) *IN GENERAL.—The term “planned re-*
9 *finery outage” means a removal, scheduled before*
10 *the date on which the removal occurs, of a refin-*
11 *ery, or any unit of a refinery, from service for*
12 *maintenance, repair, or modification.*

13 (B) *EXCLUSION.—The term “planned refin-*
14 *ery outage” does not include any necessary and*
15 *unplanned removal of a refinery, or any unit of*
16 *a refinery, from service as a result of a compo-*
17 *nent failure, safety hazard, emergency, or action*
18 *reasonably anticipated to be necessary to prevent*
19 *such events.*

20 (3) *REFINED PETROLEUM PRODUCT.—The term*
21 *“refined petroleum product” means any gasoline, die-*
22 *sel fuel, fuel oil, lubricating oil, liquid petroleum gas,*
23 *or other petroleum distillate that is produced through*
24 *the refining or processing of crude oil or an oil de-*
25 *rived from tar sands, shale, or coal.*

1 (4) *REFINERY.*—*The term “refinery” means a*
2 *facility used in the production of a refined petroleum*
3 *product through distillation, cracking, or any other*
4 *process.*

5 (b) *REVIEW AND ANALYSIS OF AVAILABLE INFORMA-*
6 *TION.*—*The Administrator shall, on an ongoing basis—*

7 (1) *review information on refinery outages that*
8 *is available from commercial reporting services;*

9 (2) *analyze that information to determine wheth-*
10 *er the scheduling of a refinery outage may nationally*
11 *or regionally substantially affect the price or supply*
12 *of any refined petroleum product by—*

13 (A) *decreasing the production of the refined*
14 *petroleum product; and*

15 (B) *causing or contributing to a retail or*
16 *wholesale supply shortage or disruption;*

17 (3) *not less frequently than twice each year, sub-*
18 *mit to the Secretary a report describing the results of*
19 *the review and analysis under paragraphs (1) and*
20 *(2); and*

21 (4) *specifically alert the Secretary of any refin-*
22 *ery outage that the Administrator determines may*
23 *nationally or regionally substantially affect the price*
24 *or supply of a refined petroleum product.*

1 (c) *ACTION BY SECRETARY.*—On a determination by
2 the Secretary, based on a report or alert under paragraph
3 (3) or (4) of subsection (b), that a refinery outage may affect
4 the price or supply of a refined petroleum product, the Sec-
5 retary shall make available to refinery operators informa-
6 tion on planned refinery outages to encourage reductions
7 of the quantity of refinery capacity that is out of service
8 at any time.

9 (d) *LIMITATION.*—Nothing in this section shall alter
10 any existing legal obligation or responsibility of a refinery
11 operator, or create any legal right of action, nor shall this
12 section authorize the Secretary—

13 (1) to prohibit a refinery operator from con-
14 ducting a planned refinery outage; or

15 (2) to require a refinery operator to continue to
16 operate a refinery.

17 **SEC. 805. ASSESSMENT OF RESOURCES.**

18 (a) *5-YEAR PLAN.*—

19 (1) *ESTABLISHMENT.*—The Administrator of the
20 Energy Information Administration (referred to in
21 this section as the “Administrator”) shall establish a
22 5-year plan to enhance the quality and scope of the
23 data collection necessary to ensure the scope, accu-
24 racy, and timeliness of the information needed for ef-

1 *efficient functioning of energy markets and related fi-*
2 *nancial operations.*

3 (2) *REQUIREMENT.*—*In establishing the plan*
4 *under paragraph (1), the Administrator shall pay*
5 *particular attention to—*

6 (A) *data series terminated because of budget*
7 *constraints;*

8 (B) *data on demand response;*

9 (C) *timely data series of State-level infor-*
10 *mation;*

11 (D) *improvements in the area of oil and gas*
12 *data;*

13 (E) *improvements in data on solid byprod-*
14 *ucts from coal-based energy-producing facilities;*
15 *and*

16 (F) *the ability to meet applicable deadlines*
17 *under Federal law (including regulations) to*
18 *provide data required by Congress.*

19 (b) *SUBMISSION TO CONGRESS.*—*The Administrator*
20 *shall submit to Congress the plan established under sub-*
21 *section (a), including a description of any improvements*
22 *needed to enhance the ability of the Administrator to collect*
23 *and process energy information in a manner consistent*
24 *with the needs of energy markets.*

25 (c) *GUIDELINES.*—

1 (1) *IN GENERAL.*—*The Administrator shall—*

2 (A) *establish guidelines to ensure the qual-*
3 *ity, comparability, and scope of State energy*
4 *data, including data on energy production and*
5 *consumption by product and sector and renew-*
6 *able and alternative sources, required to provide*
7 *a comprehensive, accurate energy profile at the*
8 *State level;*

9 (B) *share company-level data collected at*
10 *the State level with each State involved, in a*
11 *manner consistent with the legal authorities,*
12 *confidentiality protections, and stated uses in ef-*
13 *fect at the time the data were collected, subject to*
14 *the condition that the State shall agree to reason-*
15 *able requirements for use of the data, as the Ad-*
16 *ministrator may require;*

17 (C) *assess any existing gaps in data ob-*
18 *tained and compiled by the Energy Information*
19 *Administration; and*

20 (D) *evaluate the most cost-effective ways to*
21 *address any data quality and quantity issues in*
22 *conjunction with State officials.*

23 (2) *CONSULTATION.*—*The Administrator shall*
24 *consult with State officials and the Federal Energy*
25 *Regulatory Commission on a regular basis in—*

1 (A) *establishing guidelines and determining*
2 *the scope of State-level data under paragraph*
3 *(1); and*

4 (B) *exploring ways to address data needs*
5 *and serve data uses.*

6 (d) *ASSESSMENT OF STATE DATA NEEDS.—Not later*
7 *than 1 year after the date of enactment of this Act, the Ad-*
8 *ministrator shall submit to Congress an assessment of*
9 *State-level data needs, including a plan to address the*
10 *needs.*

11 (e) *AUTHORIZATION OF APPROPRIATIONS.—In addi-*
12 *tion to any other amounts made available to the Adminis-*
13 *trator, there are authorized to be appropriated to the Ad-*
14 *ministrator to carry out this section—*

15 (1) *\$10,000,000 for fiscal year 2008;*

16 (2) *\$10,000,000 for fiscal year 2009;*

17 (3) *\$10,000,000 for fiscal year 2010;*

18 (4) *\$15,000,000 for fiscal year 2011;*

19 (5) *\$20,000,000 for fiscal year 2012; and*

20 (6) *such sums as are necessary for subsequent fis-*
21 *cal years.*

22 **SEC. 806. SENSE OF CONGRESS RELATING TO THE USE OF**
23 **RENEWABLE RESOURCES TO GENERATE EN-**
24 **ERGY.**

25 (a) *FINDINGS.—Congress finds that—*

1 (1) *the United States has a quantity of renew-*
2 *able energy resources that is sufficient to supply a*
3 *significant portion of the energy needs of the United*
4 *States;*

5 (2) *the agricultural, forestry, and working land*
6 *of the United States can help ensure a sustainable do-*
7 *mestic energy system;*

8 (3) *accelerated development and use of renewable*
9 *energy technologies provide numerous benefits to the*
10 *United States, including improved national security,*
11 *improved balance of payments, healthier rural econo-*
12 *mies, improved environmental quality, and abundant,*
13 *reliable, and affordable energy for all citizens of the*
14 *United States;*

15 (4) *the production of transportation fuels from*
16 *renewable energy would help the United States meet*
17 *rapidly growing domestic and global energy demands,*
18 *reduce the dependence of the United States on energy*
19 *imported from volatile regions of the world that are*
20 *politically unstable, stabilize the cost and availability*
21 *of energy, and safeguard the economy and security of*
22 *the United States;*

23 (5) *increased energy production from domestic*
24 *renewable resources would attract substantial new in-*
25 *vestments in energy infrastructure, create economic*

1 *growth, develop new jobs for the citizens of the United*
2 *States, and increase the income for farm, ranch, and*
3 *forestry jobs in the rural regions of the United States;*

4 *(6) increased use of renewable energy is practical*
5 *and can be cost effective with the implementation of*
6 *supportive policies and proper incentives to stimulate*
7 *markets and infrastructure; and*

8 *(7) public policies aimed at enhancing renewable*
9 *energy production and accelerating technological im-*
10 *provements will further reduce energy costs over time*
11 *and increase market demand.*

12 *(b) SENSE OF CONGRESS.—It is the sense of Congress*
13 *that it is the goal of the United States that, not later than*
14 *January 1, 2025, the agricultural, forestry, and working*
15 *land of the United States should—*

16 *(1) provide from renewable resources not less*
17 *than 25 percent of the total energy consumed in the*
18 *United States; and*

19 *(2) continue to produce safe, abundant, and af-*
20 *fordable food, feed, and fiber.*

21 **SEC. 807. GEOTHERMAL ASSESSMENT, EXPLORATION IN-**
22 **FORMATION, AND PRIORITY ACTIVITIES.**

23 *(a) IN GENERAL.—Not later than January 1, 2012,*
24 *the Secretary of the Interior, acting through the Director*
25 *of the United States Geological Survey, shall—*

1 (1) *complete a comprehensive nationwide geo-*
2 *thermal resource assessment that examines the full*
3 *range of geothermal resources in the United States;*
4 *and*

5 (2) *submit to the the Committee on Natural Re-*
6 *sources of the House of Representatives and the Com-*
7 *mittee on Energy and Natural Resources of the Sen-*
8 *ate a report describing the results of the assessment.*

9 (b) *PERIODIC UPDATES.*—*At least once every 10 years,*
10 *the Secretary shall update the national assessment required*
11 *under this section to support public and private sector deci-*
12 *sionmaking.*

13 (c) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
14 *authorized to be appropriated to the Secretary of the Inte-*
15 *rior to carry out this section—*

16 (1) *\$15,000,000 for each of fiscal years 2008*
17 *through 2012; and*

18 (2) *such sums as are necessary for each of fiscal*
19 *years 2013 through 2022.*

20 ***Subtitle B—Prohibitions on Market***
21 ***Manipulation and False Infor-***
22 ***mation***

23 ***SEC. 811. PROHIBITION ON MARKET MANIPULATION.***

24 *It is unlawful for any person, directly or indirectly,*
25 *to use or employ, in connection with the purchase or sale*

1 of crude oil gasoline or petroleum distillates at wholesale,
2 any manipulative or deceptive device or contrivance, in
3 contravention of such rules and regulations as the Federal
4 Trade Commission may prescribe as necessary or appro-
5 priate in the public interest or for the protection of United
6 States citizens.

7 **SEC. 812. PROHIBITION ON FALSE INFORMATION.**

8 *It is unlawful for any person to report information*
9 *related to the wholesale price of crude oil gasoline or petro-*
10 *leum distillates to a Federal department or agency if—*

11 *(1) the person knew, or reasonably should have*
12 *known, the information to be false or misleading;*

13 *(2) the information was required by law to be re-*
14 *ported; and*

15 *(3) the person intended the false or misleading*
16 *data to affect data compiled by the department or*
17 *agency for statistical or analytical purposes with re-*
18 *spect to the market for crude oil, gasoline, or petro-*
19 *leum distillates.*

20 **SEC. 813. ENFORCEMENT BY THE FEDERAL TRADE COMMIS-**
21 **SION.**

22 *(a) ENFORCEMENT.—This subtitle shall be enforced by*
23 *the Federal Trade Commission in the same manner, by the*
24 *same means, and with the same jurisdiction as though all*
25 *applicable terms of the Federal Trade Commission Act (15*

1 *U.S.C. 41 et seq.) were incorporated into and made a part*
2 *of this subtitle.*

3 *(b) VIOLATION IS TREATED AS UNFAIR OR DECEPTIVE*
4 *ACT OR PRACTICE.—The violation of any provision of this*
5 *subtitle shall be treated as an unfair or deceptive act or*
6 *practice proscribed under a rule issued under section*
7 *18(a)(1)(B) of the Federal Trade Commission Act (15*
8 *U.S.C. 57a(a)(1)(B)).*

9 **SEC. 814. PENALTIES.**

10 *(a) CIVIL PENALTY.—In addition to any penalty ap-*
11 *plicable under the Federal Trade Commission Act (15*
12 *U.S.C. 41 et seq.), any supplier that violates section 811*
13 *or 812 shall be punishable by a civil penalty of not more*
14 *than \$1,000,000.*

15 *(b) METHOD.—The penalties provided by subsection*
16 *(a) shall be obtained in the same manner as civil penalties*
17 *imposed under section 5 of the Federal Trade Commission*
18 *Act (15 U.S.C. 45).*

19 *(c) MULTIPLE OFFENSES; MITIGATING FACTORS.—In*
20 *assessing the penalty provided by subsection (a)—*

21 *(1) each day of a continuing violation shall be*
22 *considered a separate violation; and*

23 *(2) the court shall take into consideration,*
24 *among other factors—*

25 *(A) the seriousness of the violation; and*

1 (B) the efforts of the person committing the
2 violation to remedy the harm caused by the vio-
3 lation in a timely manner.

4 **SEC. 815. EFFECT ON OTHER LAWS.**

5 (a) *OTHER AUTHORITY OF THE COMMISSION.*—Noth-
6 ing in this subtitle limits or affects the authority of the Fed-
7 eral Trade Commission to bring an enforcement action or
8 take any other measure under the Federal Trade Commis-
9 sion Act (15 U.S.C. 41 et seq.) or any other provision of
10 law.

11 (b) *ANTITRUST LAW.*—Nothing in this subtitle shall be
12 construed to modify, impair, or supersede the operation of
13 any of the antitrust laws. For purposes of this subsection,
14 the term “antitrust laws” shall have the meaning given it
15 in subsection (a) of the first section of the Clayton Act (15
16 U.S.C. 12), except that it includes section 5 of the Federal
17 Trade Commission Act (15 U.S.C. 45) to the extent that
18 such section 5 applies to unfair methods of competition.

19 (c) *STATE LAW.*—Nothing in this subtitle preempts
20 any State law.

21 **TITLE IX—INTERNATIONAL**
22 **ENERGY PROGRAMS**

23 **SEC. 901. DEFINITIONS.**

24 *In this title:*

1 (1) *APPROPRIATE CONGRESSIONAL COMMIT-*
2 *TEES.*—*The term “appropriate congressional commit-*
3 *tees” means—*

4 (A) *the Committee on Foreign Affairs and*
5 *the Committee on Energy and Commerce of the*
6 *House of Representatives; and*

7 (B) *the Committee on Foreign Relations,*
8 *the Committee on Energy and Natural Re-*
9 *sources, the Committee on Environment and*
10 *Public Works of the Senate, and the Committee*
11 *on Commerce, Science, and Transportation.*

12 (2) *CLEAN AND EFFICIENT ENERGY TECH-*
13 *NOLOGY.*—*The term “clean and efficient energy tech-*
14 *nology” means an energy supply or end-use tech-*
15 *nology that, compared to a similar technology already*
16 *in widespread commercial use in a recipient country,*
17 *will—*

18 (A) *reduce emissions of greenhouse gases; or*

19 (B)(i) *increase efficiency of energy produc-*
20 *tion; or*

21 (ii) *decrease intensity of energy usage.*

22 (3) *GREENHOUSE GAS.*—*The term “greenhouse*
23 *gas” means—*

24 (A) *carbon dioxide;*

25 (B) *methane;*

- 1 (C) nitrous oxide;
- 2 (D) hydrofluorocarbons;
- 3 (E) perfluorocarbons; or
- 4 (F) sulfur hexafluoride.

5 **Subtitle A—Assistance to Promote**
6 **Clean and Efficient Energy**
7 **Technologies in Foreign Coun-**
8 **tries**

9 **SEC. 911. UNITED STATES ASSISTANCE FOR DEVELOPING**
10 **COUNTRIES.**

11 (a) ASSISTANCE AUTHORIZED.—*The Administrator of*
12 *the United States Agency for International Development*
13 *shall support policies and programs in developing countries*
14 *that promote clean and efficient energy technologies—*

15 (1) *to produce the necessary market conditions*
16 *for the private sector delivery of energy and environ-*
17 *mental management services;*

18 (2) *to create an environment that is conducive to*
19 *accepting clean and efficient energy technologies that*
20 *support the overall purpose of reducing greenhouse*
21 *gas emissions, including—*

22 (A) *improving policy, legal, and regulatory*
23 *frameworks;*

1 (B) increasing institutional abilities to pro-
2 vide energy and environmental management
3 services; and

4 (C) increasing public awareness and par-
5 ticipation in the decision-making of delivering
6 energy and environmental management services;
7 and

8 (3) to promote the use of American-made clean
9 and efficient energy technologies, products, and en-
10 ergy and environmental management services.

11 (b) *REPORT.*—*The Administrator of the United States*
12 *Agency for International Development shall submit to the*
13 *appropriate congressional committees an annual report on*
14 *the implementation of this section for each of the fiscal*
15 *years 2008 through 2012.*

16 (c) *AUTHORIZATION OF APPROPRIATIONS.*—*To carry*
17 *out this section, there are authorized to be appropriated to*
18 *the Administrator of the United States Agency for Inter-*
19 *national Development \$200,000,000 for each of the fiscal*
20 *years 2008 through 2012.*

21 **SEC. 912. UNITED STATES EXPORTS AND OUTREACH PRO-**
22 **GRAMS FOR INDIA, CHINA, AND OTHER COUN-**
23 **TRIES.**

24 (a) *ASSISTANCE AUTHORIZED.*—*The Secretary of*
25 *Commerce shall direct the United States and Foreign Com-*

1 *mercial Service to expand or create a corps of the Foreign*
2 *Commercial Service officers to promote United States ex-*
3 *ports in clean and efficient energy technologies and build*
4 *the capacity of government officials in India, China, and*
5 *any other country the Secretary of Commerce determines*
6 *appropriate, to become more familiar with the available*
7 *technologies—*

8 (1) *by assigning or training Foreign Commercial*
9 *Service attachés, who have expertise in clean and effi-*
10 *cient energy technologies from the United States, to*
11 *embark on business development and outreach efforts*
12 *to such countries; and*

13 (2) *by deploying the attachés described in para-*
14 *graph (1) to educate provincial, state, and local gov-*
15 *ernment officials in such countries on the variety of*
16 *United States-based technologies in clean and efficient*
17 *energy technologies for the purposes of promoting*
18 *United States exports and reducing global greenhouse*
19 *gas emissions.*

20 (b) *REPORT.—The Secretary of Commerce shall submit*
21 *to the appropriate congressional committees an annual re-*
22 *port on the implementation of this section for each of the*
23 *fiscal years 2008 through 2012.*

24 (c) *AUTHORIZATION OF APPROPRIATIONS.—To carry*
25 *out this section, there are authorized to be appropriated to*

1 *the Secretary of Commerce such sums as may be necessary*
2 *for each of the fiscal years 2008 through 2012.*

3 **SEC. 913. UNITED STATES TRADE MISSIONS TO ENCOURAGE**
4 **PRIVATE SECTOR TRADE AND INVESTMENT.**

5 (a) *ASSISTANCE AUTHORIZED.*—*The Secretary of*
6 *Commerce shall direct the International Trade Administra-*
7 *tion to expand or create trade missions to and from the*
8 *United States to encourage private sector trade and invest-*
9 *ment in clean and efficient energy technologies—*

10 (1) *by organizing and facilitating trade missions*
11 *to foreign countries and by matching United States*
12 *private sector companies with opportunities in for-*
13 *ign markets so that clean and efficient energy tech-*
14 *nologies can help to combat increases in global green-*
15 *house gas emissions; and*

16 (2) *by creating reverse trade missions in which*
17 *the Department of Commerce facilitates the meeting of*
18 *foreign private and public sector organizations with*
19 *private sector companies in the United States for the*
20 *purpose of showcasing clean and efficient energy tech-*
21 *nologies in use or in development that could be ex-*
22 *ported to other countries.*

23 (b) *REPORT.*—*The Secretary of Commerce shall submit*
24 *to the appropriate congressional committees an annual re-*

1 port on the implementation of this section for each of the
2 fiscal years 2008 through 2012.

3 (c) *AUTHORIZATION OF APPROPRIATIONS.*—To carry
4 out this section, there are authorized to be appropriated to
5 the Secretary of Commerce such sums as may be necessary
6 for each of the fiscal years 2008 through 2012.

7 **SEC. 914. ACTIONS BY OVERSEAS PRIVATE INVESTMENT**
8 **CORPORATION.**

9 (a) *SENSE OF CONGRESS.*—It is the sense of Congress
10 that the Overseas Private Investment Corporation should
11 promote greater investment in clean and efficient energy
12 technologies by—

13 (1) *proactively reaching out to United States*
14 *companies that are interested in investing in clean*
15 *and efficient energy technologies in countries that are*
16 *significant contributors to global greenhouse gas emis-*
17 *sions;*

18 (2) *giving preferential treatment to the evalua-*
19 *tion and awarding of projects that involve the invest-*
20 *ment or utilization of clean and efficient energy tech-*
21 *nologies; and*

22 (3) *providing greater flexibility in supporting*
23 *projects that involve the investment or utilization of*
24 *clean and efficient energy technologies, including fi-*
25 *nancing, insurance, and other assistance.*

1 (b) *REPORT.*—*The Overseas Private Investment Cor-*
2 *poration shall include in its annual report required under*
3 *section 240A of the Foreign Assistance Act of 1961 (22*
4 *U.S.C. 2200a)—*

5 (1) *a description of the activities carried out to*
6 *implement this section; or*

7 (2) *if the Corporation did not carry out any ac-*
8 *tivities to implement this section, an explanation of*
9 *the reasons therefor.*

10 **SEC. 915. ACTIONS BY UNITED STATES TRADE AND DEVEL-**
11 **OPMENT AGENCY.**

12 (a) *ASSISTANCE AUTHORIZED.*—*The Director of the*
13 *Trade and Development Agency shall establish or support*
14 *policies that—*

15 (1) *proactively seek opportunities to fund*
16 *projects that involve the utilization of clean and effi-*
17 *cient energy technologies, including in trade capacity*
18 *building and capital investment projects;*

19 (2) *where appropriate, advance the utilization of*
20 *clean and efficient energy technologies, particularly to*
21 *countries that have the potential for significant reduc-*
22 *tion in greenhouse gas emissions; and*

23 (3) *recruit and retain individuals with appro-*
24 *priate expertise or experience in clean, renewable, and*
25 *efficient energy technologies to identify and evaluate*

1 (F) the Environmental Protection Agency;

2 (G) the United States Agency for Inter-
3 national Development;

4 (H) the Export-Import Bank of the United
5 States;

6 (I) the Overseas Private Investment Cor-
7 poration;

8 (J) the Trade and Development Agency;

9 (K) the Small Business Administration;

10 (L) the Office of the United States Trade
11 Representative; and

12 (M) other Federal departments and agen-
13 cies, as determined by the President.

14 (3) CHAIRPERSON.—The President shall des-
15 ignate a Chairperson or Co-Chairpersons of the Task
16 Force.

17 (4) DUTIES.—The Task Force—

18 (A) shall develop and assist in the imple-
19 mentation of the strategy required under sub-
20 section (c); and

21 (B)(i) shall analyze technology, policy, and
22 market opportunities for the development, dem-
23 onstration, and deployment of clean and efficient
24 energy technologies on an international basis;
25 and

1 (ii) shall examine relevant trade, tax, fi-
2 nance, international, and other policy issues to
3 assess which policies, in the United States and
4 in developing countries, would help open markets
5 and improve the export of clean and efficient en-
6 ergy technologies from the United States.

7 (5) *TERMINATION.*—The Task Force, including
8 any working group established by the Task Force pur-
9 suant to subsection (b), shall terminate 12 years after
10 the date of the enactment of this Act.

11 (b) *WORKING GROUPS.*—

12 (1) *ESTABLISHMENT.*—The Task Force—

13 (A) shall establish an Interagency Working
14 Group on the Export of Clean and Efficient En-
15 ergy Technologies (in this section referred to as
16 the “Interagency Working Group”); and

17 (B) may establish other working groups as
18 may be necessary to carry out this section.

19 (2) *COMPOSITION.*—The Interagency Working
20 Group shall be composed of—

21 (A) the Secretary of Energy, the Secretary
22 of Commerce, and the Secretary of State, who
23 shall serve as Co-Chairpersons of the Interagency
24 Working Group; and

1 (B) other members, as determined by the
2 Chairperson or Co-Chairpersons of the Task
3 Force.

4 (3) DUTIES.—The Interagency Working Group
5 shall coordinate the resources and relevant programs
6 of the Department of Energy, the Department of Com-
7 merce, the Department of State, and other relevant
8 Federal departments and agencies to support the ex-
9 port of clean and efficient energy technologies devel-
10 oped or demonstrated in the United States to other
11 countries and the deployment of such clean and effi-
12 cient energy technologies in such other countries.

13 (4) INTERAGENCY CENTER.—The Interagency
14 Working Group—

15 (A) shall establish an Interagency Center on
16 the Export of Clean and Efficient Energy Tech-
17 nologies (in this section referred to as the “Inter-
18 agency Center”) to assist the Interagency Work-
19 ing Group in carrying out its duties required
20 under paragraph (3); and

21 (B) shall locate the Interagency Center at a
22 site agreed upon by the Co-Chairpersons of the
23 Interagency Working Group, with the approval
24 of Chairperson or Co-Chairpersons of the Task
25 Force.

1 (c) *STRATEGY.*—

2 (1) *IN GENERAL.*—*Not later than 1 year after*
3 *the date of the enactment of this Act, the Task Force*
4 *shall develop and submit to the President and the ap-*
5 *propriate congressional committees a strategy to—*

6 (A) *support the development and implemen-*
7 *tation of programs, policies, and initiatives in*
8 *developing countries to promote the adoption*
9 *and deployment of clean and efficient energy*
10 *technologies, with an emphasis on those devel-*
11 *oping countries that are expected to experience*
12 *the most significant growth in energy production*
13 *and use over the next 20 years;*

14 (B) *open and expand clean and efficient en-*
15 *ergy technology markets and facilitate the export*
16 *of clean and efficient energy technologies to de-*
17 *veloping countries, in a manner consistent with*
18 *United States obligations as member of the*
19 *World Trade Organization;*

20 (C) *integrate into the foreign policy objec-*
21 *tives of the United States the promotion of—*

22 (i) *the deployment of clean and effi-*
23 *cient energy technologies and the reduction*
24 *of greenhouse gas emissions in developing*
25 *countries; and*

1 (ii) the export of clean and efficient en-
2 ergy technologies; and

3 (D) develop financial mechanisms and in-
4 struments, including securities that mitigate the
5 political and foreign exchange risks of uses that
6 are consistent with the foreign policy objectives
7 of the United States by combining the private
8 sector market and government enhancements,
9 that—

10 (i) are cost-effective; and

11 (ii) facilitate private capital invest-
12 ment in clean and efficient energy tech-
13 nology projects in developing countries.

14 (2) *UPDATES.*—Not later than 3 years after the
15 date of submission of the strategy under paragraph
16 (1), and every 3 years thereafter, the Task Force shall
17 update the strategy in accordance with the require-
18 ments of paragraph (1).

19 (d) *REPORT.*—

20 (1) *IN GENERAL.*—Not later than 3 years after
21 the date of submission of the strategy under subsection
22 (c)(1), and every 3 years thereafter, the President
23 shall transmit to the appropriate congressional com-
24 mittees a report on the implementation of this section
25 for the prior 3-year period.

1 (2) *MATTERS TO BE INCLUDED.*—*The report re-*
2 *quired under paragraph (1) shall include the fol-*
3 *lowing:*

4 (A) *The update of the strategy required*
5 *under subsection (c)(2) and a description of the*
6 *actions taken by the Task Force to assist in the*
7 *implementation of the strategy.*

8 (B) *A description of actions taken by the*
9 *Task Force to carry out the duties required*
10 *under subsection (a)(4)(B).*

11 (C) *A description of assistance provided*
12 *under this section.*

13 (D) *The results of programs, projects, and*
14 *activities carried out under this section.*

15 (E) *A description of priorities for pro-*
16 *moting the diffusion and adoption of clean and*
17 *efficient energy technologies and strategies in de-*
18 *veloping countries, taking into account economic*
19 *and security interests of the United States and*
20 *opportunities for the export of technology of the*
21 *United States.*

22 (F) *Recommendations to the heads of ap-*
23 *propriate Federal departments and agencies on*
24 *methods to streamline Federal programs and*
25 *policies to improve the role of such Federal de-*

1 *partments and agencies in the development, dem-*
2 *onstration, and deployment of clean and efficient*
3 *energy technologies on an international basis.*

4 *(G) Strategies to integrate representatives of*
5 *the private sector and other interested groups on*
6 *the export and deployment of clean and efficient*
7 *energy technologies.*

8 *(H) A description of programs to dissemi-*
9 *nate information to the private sector and the*
10 *public on clean and efficient energy technologies*
11 *and opportunities to transfer such clean and effi-*
12 *cient energy technologies.*

13 *(e) AUTHORIZATION OF APPROPRIATIONS.—There are*
14 *authorized to be appropriated to carry out this section*
15 *\$5,000,000 for each of fiscal years 2008 through 2020.*

16 **SEC. 917. UNITED STATES-ISRAEL ENERGY COOPERATION.**

17 *(a) FINDINGS.—Congress finds that—*

18 *(1) it is in the highest national security interests*
19 *of the United States to develop renewable energy*
20 *sources;*

21 *(2) the State of Israel is a steadfast ally of the*
22 *United States;*

23 *(3) the special relationship between the United*
24 *States and Israel is manifested in a variety of cooper-*

1 *ative scientific research and development programs,*
2 *such as—*

3 *(A) the United States-Israel Binational*
4 *Science Foundation; and*

5 *(B) the United States-Israel Binational In-*
6 *dustrial Research and Development Foundation;*

7 *(4) those programs have made possible many sci-*
8 *entific, technological, and commercial breakthroughs*
9 *in the fields of life sciences, medicine, bioengineering,*
10 *agriculture, biotechnology, communications, and oth-*
11 *ers;*

12 *(5) on February 1, 1996, the Secretary of En-*
13 *ergy (referred to in this section as the “Secretary”)*
14 *and the Israeli Minister of Energy and Infrastructure*
15 *signed an agreement to establish a framework for col-*
16 *laboration between the United States and Israel in*
17 *energy research and development activities;*

18 *(6) Israeli scientists and engineers are at the*
19 *forefront of research and development in the field of*
20 *renewable energy sources; and*

21 *(7) enhanced cooperation between the United*
22 *States and Israel for the purpose of research and de-*
23 *velopment of renewable energy sources would be in the*
24 *national interests of both countries.*

25 *(b) GRANT PROGRAM.—*

1 (1) *ESTABLISHMENT.*—*In implementing the*
2 *agreement entitled the “Agreement between the De-*
3 *partment of Energy of the United States of America*
4 *and the Ministry of Energy and Infrastructure of*
5 *Israel Concerning Energy Cooperation”, dated Feb-*
6 *ruary 1, 1996, the Secretary shall establish a grant*
7 *program in accordance with the requirements of sec-*
8 *tions 988 and 989 of the Energy Policy Act of 2005*
9 *(42 U.S.C. 16352, 16353) to support research, devel-*
10 *opment, and commercialization of renewable energy*
11 *or energy efficiency.*

12 (2) *TYPES OF ENERGY.*—*In carrying out para-*
13 *graph (1), the Secretary may make grants to pro-*
14 *mote—*

15 (A) *solar energy;*

16 (B) *biomass energy;*

17 (C) *energy efficiency;*

18 (D) *wind energy;*

19 (E) *geothermal energy;*

20 (F) *wave and tidal energy; and*

21 (G) *advanced battery technology.*

22 (3) *ELIGIBLE APPLICANTS.*—*An applicant shall*
23 *be eligible to receive a grant under this subsection if*
24 *the project of the applicant—*

1 (A) addresses a requirement in the area of
2 improved energy efficiency or renewable energy
3 sources, as determined by the Secretary; and

4 (B) is a joint venture between—

5 (i)(I) a for-profit business entity, aca-
6 demic institution, National Laboratory (as
7 defined in section 2 of the Energy Policy
8 Act of 2005 (42 U.S.C. 15801)), or non-
9 profit entity in the United States; and

10 (II) a for-profit business entity, aca-
11 demic institution, or nonprofit entity in
12 Israel; or

13 (ii)(I) the Federal Government; and

14 (II) the Government of Israel.

15 (4) *APPLICATIONS.*—To be eligible to receive a
16 grant under this subsection, an applicant shall sub-
17 mit to the Secretary an application for the grant in
18 accordance with procedures established by the Sec-
19 retary, in consultation with the advisory board estab-
20 lished under paragraph (5).

21 (5) *ADVISORY BOARD.*—

22 (A) *ESTABLISHMENT.*—The Secretary shall
23 establish an advisory board—

1 (i) to monitor the method by which
2 grants are awarded under this subsection;
3 and

4 (ii) to provide to the Secretary peri-
5 odic performance reviews of actions taken to
6 carry out this subsection.

7 (B) COMPOSITION.—The advisory board es-
8 tablished under subparagraph (A) shall be com-
9 posed of 3 members, to be appointed by the Sec-
10 retary, of whom—

11 (i) 1 shall be a representative of the
12 Federal Government;

13 (ii) 1 shall be selected from a list of
14 nominees provided by the United States-
15 Israel Binational Science Foundation; and

16 (iii) 1 shall be selected from a list of
17 nominees provided by the United States-
18 Israel Binational Industrial Research and
19 Development Foundation.

20 (6) CONTRIBUTED FUNDS.—Notwithstanding sec-
21 tion 3302 of title 31, United States Code, the Sec-
22 retary may accept, retain, and use funds contributed
23 by any person, government entity, or organization for
24 purposes of carrying out this subsection—

25 (A) without further appropriation; and

1 (B) without fiscal year limitation.

2 (7) *REPORT.*—Not later than 180 days after the
3 date of completion of a project for which a grant is
4 provided under this subsection, the grant recipient
5 shall submit to the Secretary a report that contains—

6 (A) a description of the method by which
7 the recipient used the grant funds; and

8 (B) an evaluation of the level of success of
9 each project funded by the grant.

10 (8) *CLASSIFICATION.*—Grants shall be awarded
11 under this subsection only for projects that are con-
12 sidered to be unclassified by both the United States
13 and Israel.

14 (c) *TERMINATION.*—The grant program and the advi-
15 sory committee established under this section terminate on
16 the date that is 7 years after the date of enactment of this
17 Act.

18 (d) *AUTHORIZATION OF APPROPRIATIONS.*—The Sec-
19 retary shall use amounts authorized to be appropriated
20 under section 931 of the Energy Policy Act of 2005 (42
21 U.S.C. 16231) to carry out this section.

22 ***Subtitle B—International Clean***
23 ***Energy Foundation***

24 **SEC. 921. DEFINITIONS.**

25 *In this subtitle:*

1 (1) *BOARD.*—*The term “Board” means the*
2 *Board of Directors of the Foundation established pur-*
3 *suant to section 922(c).*

4 (2) *CHIEF EXECUTIVE OFFICER.*—*The term*
5 *“Chief Executive Officer” means the chief executive of-*
6 *ficer of the Foundation appointed pursuant to section*
7 *922(b).*

8 (3) *FOUNDATION.*—*The term “Foundation”*
9 *means the International Clean Energy Foundation*
10 *established by section 922(a).*

11 **SEC. 922. ESTABLISHMENT AND MANAGEMENT OF FOUNDA-**
12 **TION.**

13 (a) *ESTABLISHMENT.*—

14 (1) *IN GENERAL.*—*There is established in the ex-*
15 *ecutive branch a foundation to be known as the*
16 *“International Clean Energy Foundation” that shall*
17 *be responsible for carrying out the provisions of this*
18 *subtitle. The Foundation shall be a government cor-*
19 *poration, as defined in section 103 of title 5, United*
20 *States Code.*

21 (2) *BOARD OF DIRECTORS.*—*The Foundation*
22 *shall be governed by a Board of Directors in accord-*
23 *ance with subsection (c).*

24 (3) *INTENT OF CONGRESS.*—*It is the intent of*
25 *Congress, in establishing the structure of the Founda-*

1 *tion set forth in this subsection, to create an entity*
2 *that serves the long-term foreign policy and energy se-*
3 *curity goals of reducing global greenhouse gas emis-*
4 *sions.*

5 *(b) CHIEF EXECUTIVE OFFICER.—*

6 *(1) IN GENERAL.—There shall be in the Founda-*
7 *tion a Chief Executive Officer who shall be responsible*
8 *for the management of the Foundation.*

9 *(2) APPOINTMENT.—The Chief Executive Officer*
10 *shall be appointed by the Board, with the advice and*
11 *consent of the Senate, and shall be a recognized leader*
12 *in clean and efficient energy technologies and climate*
13 *change and shall have experience in energy security,*
14 *business, or foreign policy, chosen on the basis of a*
15 *rigorous search.*

16 *(3) RELATIONSHIP TO BOARD.—The Chief Exec-*
17 *utive Officer shall report to, and be under the direct*
18 *authority of, the Board.*

19 *(4) COMPENSATION AND RANK.—*

20 *(A) IN GENERAL.—The Chief Executive Of-*
21 *ficer shall be compensated at the rate provided*
22 *for level III of the Executive Schedule under sec-*
23 *tion 5314 of title 5, United States Code.*

1 (B) *AMENDMENT.*—Section 5314 of title 5,
2 United States Code, is amended by adding at the
3 end the following:

4 “Chief Executive Officer, International Clean Energy
5 Foundation.”.

6 (C) *AUTHORITIES AND DUTIES.*—The Chief
7 Executive Officer shall be responsible for the
8 management of the Foundation and shall exer-
9 cise the powers and discharge the duties of the
10 Foundation.

11 (D) *AUTHORITY TO APPOINT OFFICERS.*—In
12 consultation and with approval of the Board, the
13 Chief Executive Officer shall appoint all officers
14 of the Foundation.

15 (c) *BOARD OF DIRECTORS.*—

16 (1) *ESTABLISHMENT.*—There shall be in the
17 Foundation a Board of Directors.

18 (2) *DUTIES.*—The Board shall perform the func-
19 tions specified to be carried out by the Board in this
20 subtitle and may prescribe, amend, and repeal by-
21 laws, rules, regulations, and procedures governing the
22 manner in which the business of the Foundation may
23 be conducted and in which the powers granted to it
24 by law may be exercised.

25 (3) *MEMBERSHIP.*—The Board shall consist of—

1 (A) *the Secretary of State (or the Sec-*
2 *retary's designee), the Secretary of Energy (or*
3 *the Secretary's designee), and the Administrator*
4 *of the United States Agency for International*
5 *Development (or the Administrator's designee);*
6 *and*

7 (B) *four other individuals with relevant ex-*
8 *perience in matters relating to energy security*
9 *(such as individuals who represent institutions*
10 *of energy policy, business organizations, foreign*
11 *policy organizations, or other relevant organiza-*
12 *tions) who shall be appointed by the President,*
13 *by and with the advice and consent of the Sen-*
14 *ate, of whom—*

15 (i) *one individual shall be appointed*
16 *from among a list of individuals submitted*
17 *by the majority leader of the House of Rep-*
18 *resentatives;*

19 (ii) *one individual shall be appointed*
20 *from among a list of individuals submitted*
21 *by the minority leader of the House of Rep-*
22 *resentatives;*

23 (iii) *one individual shall be appointed*
24 *from among a list of individuals submitted*
25 *by the majority leader of the Senate; and*

1 (iv) one individual shall be appointed
2 from among a list of individuals submitted
3 by the minority leader of the Senate.

4 (4) CHIEF EXECUTIVE OFFICER.—The Chief Ex-
5 ecutive Officer of the Foundation shall serve as a non-
6 voting, *ex officio* member of the Board.

7 (5) TERMS.—

8 (A) OFFICERS OF THE FEDERAL GOVERN-
9 MENT.—Each member of the Board described in
10 paragraph (3)(A) shall serve for a term that is
11 concurrent with the term of service of the indi-
12 vidual's position as an officer within the other
13 Federal department or agency.

14 (B) OTHER MEMBERS.—Each member of
15 the Board described in paragraph (3)(B) shall be
16 appointed for a term of 3 years and may be re-
17 appointed for a term of an additional 3 years.

18 (C) VACANCIES.—A vacancy in the Board
19 shall be filled in the manner in which the origi-
20 nal appointment was made.

21 (D) ACTING MEMBERS.—A vacancy in the
22 Board may be filled with an appointment of an
23 acting member by the Chairperson of the Board
24 for up to 1 year while a nominee is named and

1 *awaits confirmation in accordance with para-*
2 *graph (3)(B).*

3 (6) *CHAIRPERSON.—There shall be a Chair-*
4 *person of the Board. The Secretary of State (or the*
5 *Secretary’s designee) shall serve as the Chairperson.*

6 (7) *QUORUM.—A majority of the members of the*
7 *Board described in paragraph (3) shall constitute a*
8 *quorum, which, except with respect to a meeting of*
9 *the Board during the 135-day period beginning on*
10 *the date of the enactment of this Act, shall include at*
11 *least 1 member of the Board described in paragraph*
12 *(3)(B).*

13 (8) *MEETINGS.—The Board shall meet at the call*
14 *of the Chairperson, who shall call a meeting no less*
15 *than once a year.*

16 (9) *COMPENSATION.—*

17 (A) *OFFICERS OF THE FEDERAL GOVERN-*
18 *MENT.—*

19 (i) *IN GENERAL.—A member of the*
20 *Board described in paragraph (3)(A) may*
21 *not receive additional pay, allowances, or*
22 *benefits by reason of the member’s service on*
23 *the Board.*

24 (ii) *TRAVEL EXPENSES.—Each such*
25 *member of the Board shall receive travel ex-*

1 *penses, including per diem in lieu of sub-*
2 *sistence, in accordance with applicable pro-*
3 *visions under subchapter I of chapter 57 of*
4 *title 5, United States Code.*

5 *(B) OTHER MEMBERS.—*

6 *(i) IN GENERAL.—Except as provided*
7 *in clause (ii), a member of the Board de-*
8 *scribed in paragraph (3)(B)—*

9 *(I) shall be paid compensation out*
10 *of funds made available for the pur-*
11 *poses of this subtitle at the daily equiv-*
12 *alent of the highest rate payable under*
13 *section 5332 of title 5, United States*
14 *Code, for each day (including travel*
15 *time) during which the member is en-*
16 *gaged in the actual performance of du-*
17 *ties as a member of the Board; and*

18 *(II) while away from the mem-*
19 *ber's home or regular place of business*
20 *on necessary travel in the actual per-*
21 *formance of duties as a member of the*
22 *Board, shall be paid per diem, travel,*
23 *and transportation expenses in the*
24 *same manner as is provided under sub-*

1 *chapter I of chapter 57 of title 5,*
2 *United States Code.*

3 *(ii) LIMITATION.—A member of the*
4 *Board may not be paid compensation under*
5 *clause (i)(II) for more than 90 days in any*
6 *calendar year.*

7 **SEC. 923. DUTIES OF FOUNDATION.**

8 *The Foundation shall—*

9 *(1) use the funds authorized by this subtitle to*
10 *make grants to promote projects outside of the United*
11 *States that serve as models of how to significantly re-*
12 *duce the emissions of global greenhouse gases through*
13 *clean and efficient energy technologies, processes, and*
14 *services;*

15 *(2) seek contributions from foreign governments,*
16 *especially those rich in energy resources such as mem-*
17 *ber countries of the Organization of the Petroleum*
18 *Exporting Countries, and private organizations to*
19 *supplement funds made available under this subtitle;*

20 *(3) harness global expertise through collaborative*
21 *partnerships with foreign governments and domestic*
22 *and foreign private actors, including nongovern-*
23 *mental organizations and private sector companies,*
24 *by leveraging public and private capital, technology,*
25 *expertise, and services towards innovative models that*

1 *can be instituted to reduce global greenhouse gas*
2 *emissions;*

3 (4) *create a repository of information on best*
4 *practices and lessons learned on the utilization and*
5 *implementation of clean and efficient energy tech-*
6 *nologies and processes to be used for future initiatives*
7 *to tackle the climate change crisis;*

8 (5) *be committed to minimizing administrative*
9 *costs and to maximizing the availability of funds for*
10 *grants under this subtitle; and*

11 (6) *promote the use of American-made clean and*
12 *efficient energy technologies, processes, and services by*
13 *giving preference to entities incorporated in the*
14 *United States and whose technology will be substan-*
15 *tially manufactured in the United States.*

16 **SEC. 924. ANNUAL REPORT.**

17 (a) *REPORT REQUIRED.*—*Not later than March 31,*
18 *2008, and each March 31 thereafter, the Foundation shall*
19 *submit to the appropriate congressional committees a report*
20 *on the implementation of this subtitle during the prior fis-*
21 *cal year.*

22 (b) *CONTENTS.*—*The report required by subsection (a)*
23 *shall include—*

24 (1) *the total financial resources available to the*
25 *Foundation during the year, including appropriated*

1 *funds, the value and source of any gifts or donations*
2 *accepted pursuant to section 925(a)(6), and any other*
3 *resources;*

4 *(2) a description of the Board's policy priorities*
5 *for the year and the basis upon which competitive*
6 *grant proposals were solicited and awarded to non-*
7 *governmental institutions and other organizations;*

8 *(3) a list of grants made to nongovernmental in-*
9 *stitutions and other organizations that includes the*
10 *identity of the institutional recipient, the dollar*
11 *amount, and the results of the program; and*

12 *(4) the total administrative and operating ex-*
13 *penses of the Foundation for the year, as well as spe-*
14 *cific information on—*

15 *(A) the number of Foundation employees*
16 *and the cost of compensation for Board members,*
17 *Foundation employees, and personal service con-*
18 *tractors;*

19 *(B) costs associated with securing the use of*
20 *real property for carrying out the functions of*
21 *the Foundation;*

22 *(C) total travel expenses incurred by Board*
23 *members and Foundation employees in connec-*
24 *tion with Foundation activities; and*

25 *(D) total representational expenses.*

1 **SEC. 925. POWERS OF THE FOUNDATION; RELATED PROVI-**
2 **SIONS.**

3 (a) *POWERS.—The Foundation—*

4 (1) *shall have perpetual succession unless dis-*
5 *solved by a law enacted after the date of the enact-*
6 *ment of this Act;*

7 (2) *may adopt, alter, and use a seal, which shall*
8 *be judicially noticed;*

9 (3) *may make and perform such contracts,*
10 *grants, and other agreements with any person or gov-*
11 *ernment however designated and wherever situated, as*
12 *may be necessary for carrying out the functions of the*
13 *Foundation;*

14 (4) *may determine and prescribe the manner in*
15 *which its obligations shall be incurred and its ex-*
16 *penses allowed and paid, including expenses for rep-*
17 *resentation;*

18 (5) *may lease, purchase, or otherwise acquire,*
19 *improve, and use such real property wherever situ-*
20 *ated, as may be necessary for carrying out the func-*
21 *tions of the Foundation;*

22 (6) *may accept money, funds, services, or prop-*
23 *erty (real, personal, or mixed), tangible or intangible,*
24 *made available by gift, bequest grant, or otherwise for*
25 *the purpose of carrying out the provisions of this title*
26 *from domestic or foreign private individuals, char-*

1 *ities, nongovernmental organizations, corporations, or*
2 *governments;*

3 *(7) may use the United States mails in the same*
4 *manner and on the same conditions as the executive*
5 *departments;*

6 *(8) may contract with individuals for personal*
7 *services, who shall not be considered Federal employ-*
8 *ees for any provision of law administered by the Of-*
9 *fice of Personnel Management;*

10 *(9) may hire or obtain passenger motor vehicles;*
11 *and*

12 *(10) shall have such other powers as may be nec-*
13 *essary and incident to carrying out this subtitle.*

14 *(b) PRINCIPAL OFFICE.—The Foundation shall main-*
15 *tain its principal office in the metropolitan area of Wash-*
16 *ington, District of Columbia.*

17 *(c) APPLICABILITY OF GOVERNMENT CORPORATION*
18 *CONTROL ACT.—*

19 *(1) IN GENERAL.—The Foundation shall be sub-*
20 *ject to chapter 91 of subtitle VI of title 31, United*
21 *States Code, except that the Foundation shall not be*
22 *authorized to issue obligations or offer obligations to*
23 *the public.*

1 (2) *CONFORMING AMENDMENT.*—Section 9101(3)
2 of title 31, United States Code, is amended by adding
3 at the end the following:

4 “(R) *the International Clean Energy Foun-*
5 *ation.*”.

6 (d) *INSPECTOR GENERAL.*—

7 (1) *IN GENERAL.*—The Inspector General of the
8 Department of State shall serve as Inspector General
9 of the Foundation, and, in acting in such capacity,
10 may conduct reviews, investigations, and inspections
11 of all aspects of the operations and activities of the
12 Foundation.

13 (2) *AUTHORITY OF THE BOARD.*—In carrying
14 out the responsibilities under this subsection, the In-
15 spector General shall report to and be under the gen-
16 eral supervision of the Board.

17 (3) *REIMBURSEMENT AND AUTHORIZATION OF*
18 *SERVICES.*—

19 (A) *REIMBURSEMENT.*—The Foundation
20 shall reimburse the Department of State for all
21 expenses incurred by the Inspector General in
22 connection with the Inspector General’s respon-
23 sibilities under this subsection.

24 (B) *AUTHORIZATION FOR SERVICES.*—Of
25 the amount authorized to be appropriated under

1 *section 927(a) for a fiscal year, up to \$500,000*
2 *is authorized to be made available to the Inspec-*
3 *tor General of the Department of State to con-*
4 *duct reviews, investigations, and inspections of*
5 *operations and activities of the Foundation.*

6 **SEC. 926. GENERAL PERSONNEL AUTHORITIES.**

7 *(a) DETAIL OF PERSONNEL.—Upon request of the*
8 *Chief Executive Officer, the head of an agency may detail*
9 *any employee of such agency to the Foundation on a reim-*
10 *bursable basis. Any employee so detailed remains, for the*
11 *purpose of preserving such employee's allowances, privi-*
12 *leges, rights, seniority, and other benefits, an employee of*
13 *the agency from which detailed.*

14 *(b) REEMPLOYMENT RIGHTS.—*

15 *(1) IN GENERAL.—An employee of an agency*
16 *who is serving under a career or career conditional*
17 *appointment (or the equivalent), and who, with the*
18 *consent of the head of such agency, transfers to the*
19 *Foundation, is entitled to be reemployed in such em-*
20 *ployee's former position or a position of like seniority,*
21 *status, and pay in such agency, if such employee—*

22 *(A) is separated from the Foundation for*
23 *any reason, other than misconduct, neglect of*
24 *duty, or malfeasance; and*

1 (B) applies for reemployment not later than
2 90 days after the date of separation from the
3 Foundation.

4 (2) *SPECIFIC RIGHTS.*—An employee who satis-
5 fies paragraph (1) is entitled to be reemployed (in ac-
6 cordance with such paragraph) within 30 days after
7 applying for reemployment and, on reemployment, is
8 entitled to at least the rate of basic pay to which such
9 employee would have been entitled had such employee
10 never transferred.

11 (c) *HIRING AUTHORITY.*—Of persons employed by the
12 Foundation, no more than 30 persons may be appointed,
13 compensated, or removed without regard to the civil service
14 laws and regulations.

15 (d) *BASIC PAY.*—The Chief Executive Officer may fix
16 the rate of basic pay of employees of the Foundation without
17 regard to the provisions of chapter 51 of title 5, United
18 States Code (relating to the classification of positions), sub-
19 chapter III of chapter 53 of such title (relating to General
20 Schedule pay rates), except that no employee of the Founda-
21 tion may receive a rate of basic pay that exceeds the rate
22 for level IV of the Executive Schedule under section 5315
23 of such title.

24 (e) *DEFINITIONS.*—In this section—

1 (1) *the term “agency” means an executive agen-*
2 *cy, as defined by section 105 of title 5, United States*
3 *Code; and*

4 (2) *the term “detail” means the assignment or*
5 *loan of an employee, without a change of position,*
6 *from the agency by which such employee is employed*
7 *to the Foundation.*

8 **SEC. 927. AUTHORIZATION OF APPROPRIATIONS.**

9 (a) *AUTHORIZATION OF APPROPRIATIONS.—To carry*
10 *out this subtitle, there are authorized to be appropriated*
11 *\$20,000,000 for each of the fiscal years 2009 through 2013.*

12 (b) *ALLOCATION OF FUNDS.—*

13 (1) *IN GENERAL.—The Foundation may allocate*
14 *or transfer to any agency of the United States Gov-*
15 *ernment any of the funds available for carrying out*
16 *this subtitle. Such funds shall be available for obliga-*
17 *tion and expenditure for the purposes for which the*
18 *funds were authorized, in accordance with authority*
19 *granted in this subtitle or under authority governing*
20 *the activities of the United States Government agency*
21 *to which such funds are allocated or transferred.*

22 (2) *NOTIFICATION.—The Foundation shall notify*
23 *the appropriate congressional committees not less*
24 *than 15 days prior to an allocation or transfer of*
25 *funds pursuant to paragraph (1).*

1 **Subtitle C—Miscellaneous**
2 **Provisions**

3 **SEC. 931. ENERGY DIPLOMACY AND SECURITY WITHIN THE**
4 **DEPARTMENT OF STATE.**

5 (a) *STATE DEPARTMENT COORDINATOR FOR INTER-*
6 *NATIONAL ENERGY AFFAIRS.—*

7 (1) *IN GENERAL.—The Secretary of State should*
8 *ensure that energy security is integrated into the core*
9 *mission of the Department of State.*

10 (2) *COORDINATOR FOR INTERNATIONAL ENERGY*
11 *AFFAIRS.—There is established within the Office of*
12 *the Secretary of State a Coordinator for International*
13 *Energy Affairs, who shall be responsible for—*

14 (A) *representing the Secretary of State in*
15 *interagency efforts to develop the international*
16 *energy policy of the United States;*

17 (B) *ensuring that analyses of the national*
18 *security implications of global energy and envi-*
19 *ronmental developments are reflected in the deci-*
20 *sion making process within the Department of*
21 *State;*

22 (C) *incorporating energy security priorities*
23 *into the activities of the Department of State;*

1 (D) coordinating energy activities of the De-
2 partment of State with relevant Federal agen-
3 cies; and

4 (E) coordinating energy security and other
5 relevant functions within the Department of
6 State currently undertaken by offices within—

7 (i) the Bureau of Economic, Energy
8 and Business Affairs;

9 (ii) the Bureau of Oceans and Inter-
10 national Environmental and Scientific Af-
11 fairs; and

12 (iii) other offices within the Depart-
13 ment of State.

14 (3) *AUTHORIZATION OF APPROPRIATIONS.*—

15 *There are authorized to be appropriated such sums as*
16 *may be necessary to carry out this subsection.*

17 (b) *ENERGY EXPERTS IN KEY EMBASSIES.*—*Not later*
18 *than 180 days after the date of the enactment of this Act,*
19 *the Secretary of State shall submit a report to the Com-*
20 *mittee on Foreign Relations of the Senate and the Com-*
21 *mittee on Foreign Affairs of the House of Representatives*
22 *that includes—*

23 (1) *a description of the Department of State per-*
24 *sonnel who are dedicated to energy matters and are*

1 *stationed at embassies and consulates in countries*
2 *that are major energy producers or consumers;*

3 (2) *an analysis of the need for Federal energy*
4 *specialist personnel in United States embassies and*
5 *other United States diplomatic missions; and*

6 (3) *recommendations for increasing energy ex-*
7 *pertise within United States embassies among foreign*
8 *service officers and options for assigning to such em-*
9 *bassies energy attachés from the National Labora-*
10 *tories or other agencies within the Department of En-*
11 *ergy.*

12 (c) *ENERGY ADVISORS.*—*The Secretary of Energy may*
13 *make appropriate arrangements with the Secretary of State*
14 *to assign personnel from the Department of Energy or the*
15 *National Laboratories of the Department of Energy to serve*
16 *as dedicated advisors on energy matters in embassies of the*
17 *United States or other United States diplomatic missions.*

18 (d) *REPORT.*—*Not later than 180 days after the date*
19 *of the enactment of this Act, and every 2 years thereafter*
20 *for the following 20 years, the Secretary of State shall sub-*
21 *mit a report to the Committee on Foreign Relations of the*
22 *Senate and the Committee on Foreign Affairs of the House*
23 *of Representatives that describes—*

1 (1) *the energy-related activities being conducted*
2 *by the Department of State, including activities with-*
3 *in—*

4 (A) *the Bureau of Economic, Energy and*
5 *Business Affairs;*

6 (B) *the Bureau of Oceans and Environ-*
7 *mental and Scientific Affairs; and*

8 (C) *other offices within the Department of*
9 *State;*

10 (2) *the amount of funds spent on each activity*
11 *within each office described in paragraph (1); and*

12 (3) *the number and qualification of personnel in*
13 *each embassy (or relevant foreign posting) of the*
14 *United States whose work is dedicated exclusively to*
15 *energy matters.*

16 **SEC. 932. NATIONAL SECURITY COUNCIL REORGANIZATION.**

17 *Section 101(a) of the National Security Act of 1947*
18 *(50 U.S.C. 402(a)) is amended—*

19 (1) *by redesignating paragraphs (5), (6), and (7)*
20 *as paragraphs (6), (7), and (8), respectively; and*

21 (2) *by inserting after paragraph (4) the fol-*
22 *lowing:*

23 “(5) *the Secretary of Energy;*”.

1 **SEC. 933. ANNUAL NATIONAL ENERGY SECURITY STRATEGY**

2 **REPORT.**

3 (a) *REPORTS.*—

4 (1) *IN GENERAL.*—*Subject to paragraph (2), on*
5 *the date on which the President submits to Congress*
6 *the budget for the following fiscal year under section*
7 *1105 of title 31, United States Code, the President*
8 *shall submit to Congress a comprehensive report on*
9 *the national energy security of the United States.*

10 (2) *NEW PRESIDENTS.*—*In addition to the re-*
11 *ports required under paragraph (1), the President*
12 *shall submit a comprehensive report on the national*
13 *energy security of the United States by not later than*
14 *150 days after the date on which the President as-*
15 *sumes the office of President after a presidential elec-*
16 *tion.*

17 (b) *CONTENTS.*—*Each report under this section shall*
18 *describe the national energy security strategy of the United*
19 *States, including a comprehensive description of—*

20 (1) *the worldwide interests, goals, and objectives*
21 *of the United States that are vital to the national en-*
22 *ergy security of the United States;*

23 (2) *the foreign policy, worldwide commitments,*
24 *and national defense capabilities of the United States*
25 *necessary—*

1 (A) to deter political manipulation of world
2 energy resources; and

3 (B) to implement the national energy secu-
4 rity strategy of the United States;

5 (3) the proposed short-term and long-term uses of
6 the political, economic, military, and other authori-
7 ties of the United States—

8 (A) to protect or promote energy security;
9 and

10 (B) to achieve the goals and objectives de-
11 scribed in paragraph (1);

12 (4) the adequacy of the capabilities of the United
13 States to protect the national energy security of the
14 United States, including an evaluation of the balance
15 among the capabilities of all elements of the national
16 authority of the United States to support the imple-
17 mentation of the national energy security strategy;
18 and

19 (5) such other information as the President de-
20 termines to be necessary to inform Congress on mat-
21 ters relating to the national energy security of the
22 United States.

23 (c) *CLASSIFIED AND UNCLASSIFIED FORM.*—Each na-
24 tional energy security strategy report shall be submitted to
25 Congress in—

1 (1) *a classified form; and*

2 (2) *an unclassified form.*

3 **SEC. 934. CONVENTION ON SUPPLEMENTARY COMPENSA-**
4 **TION FOR NUCLEAR DAMAGE CONTINGENT**
5 **COST ALLOCATION.**

6 (a) *FINDINGS AND PURPOSE.*—

7 (1) *FINDINGS.*—*Congress finds that—*

8 (A) *section 170 of the Atomic Energy Act of*
9 *1954 (42 U.S.C. 2210) (commonly known as the*
10 *“Price-Anderson Act”)*—

11 (i) *provides a predictable legal frame-*
12 *work necessary for nuclear projects; and*

13 (ii) *ensures prompt and equitable com-*
14 *ensation in the event of a nuclear incident*
15 *in the United States;*

16 (B) *the Price-Anderson Act, in effect, pro-*
17 *vides operators of nuclear powerplants with in-*
18 *surance for damage arising out of a nuclear in-*
19 *cident and funds the insurance primarily*
20 *through the assessment of a retrospective pre-*
21 *mium from each operator after the occurrence of*
22 *a nuclear incident;*

23 (C) *the Convention on Supplementary Com-*
24 *ensation for Nuclear Damage, done at Vienna*

1 *on September 12, 1997, will establish a global*
2 *system—*

3 *(i) to provide a predictable legal*
4 *framework necessary for nuclear energy*
5 *projects; and*

6 *(ii) to ensure prompt and equitable*
7 *compensation in the event of a nuclear inci-*
8 *dent;*

9 *(D) the Convention benefits United States*
10 *nuclear suppliers that face potentially unlimited*
11 *liability for nuclear incidents that are not cov-*
12 *ered by the Price-Anderson Act by replacing a*
13 *potentially open-ended liability with a predict-*
14 *able liability regime that, in effect, provides nu-*
15 *clear suppliers with insurance for damage aris-*
16 *ing out of such an incident;*

17 *(E) the Convention also benefits United*
18 *States nuclear facility operators that may be*
19 *publicly liable for a Price-Anderson incident by*
20 *providing an additional early source of funds to*
21 *compensate damage arising out of the Price-An-*
22 *derison incident;*

23 *(F) the combined operation of the Conven-*
24 *tion, the Price-Anderson Act, and this section*
25 *will augment the quantity of assured funds*

1 available for victims in a wider variety of nu-
2 clear incidents while reducing the potential li-
3 ability of United States suppliers without in-
4 creasing potential costs to United States opera-
5 tors;

6 (G) the cost of those benefits is the obliga-
7 tion of the United States to contribute to the
8 supplementary compensation fund established by
9 the Convention;

10 (H) any such contribution should be funded
11 in a manner that does not—

12 (i) upset settled expectations based on
13 the liability regime established under the
14 Price-Anderson Act; or

15 (ii) shift to Federal taxpayers liability
16 risks for nuclear incidents at foreign instal-
17 lations;

18 (I) with respect to a Price-Anderson inci-
19 dent, funds already available under the Price-
20 Anderson Act should be used; and

21 (J) with respect to a nuclear incident out-
22 side the United States not covered by the Price-
23 Anderson Act, a retrospective premium should be
24 prorated among nuclear suppliers relieved from

1 *potential liability for which insurance is not*
2 *available.*

3 (2) *PURPOSE.*—*The purpose of this section is to*
4 *allocate the contingent costs associated with partici-*
5 *ipation by the United States in the international nu-*
6 *clear liability compensation system established by the*
7 *Convention on Supplementary Compensation for Nu-*
8 *clear Damage, done at Vienna on September 12,*
9 *1997—*

10 (A) *with respect to a Price-Anderson inci-*
11 *dent, by using funds made available under sec-*
12 *tion 170 of the Atomic Energy Act of 1954 (42*
13 *U.S.C. 2210) to cover the contingent costs in a*
14 *manner that neither increases the burdens nor*
15 *decreases the benefits under section 170 of that*
16 *Act; and*

17 (B) *with respect to a covered incident out-*
18 *side the United States that is not a Price-Ander-*
19 *son incident, by allocating the contingent costs*
20 *equitably, on the basis of risk, among the class*
21 *of nuclear suppliers relieved by the Convention*
22 *from the risk of potential liability resulting from*
23 *any covered incident outside the United States.*

24 (b) *DEFINITIONS.*—*In this section:*

1 (1) *COMMISSION.*—*The term “Commission”*
2 *means the Nuclear Regulatory Commission.*

3 (2) *CONTINGENT COST.*—*The term “contingent*
4 *cost” means the cost to the United States in the event*
5 *of a covered incident the amount of which is equal to*
6 *the amount of funds the United States is obligated to*
7 *make available under paragraph 1(b) of Article III of*
8 *the Convention.*

9 (3) *CONVENTION.*—*The term “Convention”*
10 *means the Convention on Supplementary Compensa-*
11 *tion for Nuclear Damage, done at Vienna on Sep-*
12 *tember 12, 1997.*

13 (4) *COVERED INCIDENT.*—*The term “covered in-*
14 *cident” means a nuclear incident the occurrence of*
15 *which results in a request for funds pursuant to Arti-*
16 *cle VII of the Convention.*

17 (5) *COVERED INSTALLATION.*—*The term “covered*
18 *installation” means a nuclear installation at which*
19 *the occurrence of a nuclear incident could result in a*
20 *request for funds under Article VII of the Convention.*

21 (6) *COVERED PERSON.*—

22 (A) *IN GENERAL.*—*The term “covered per-*
23 *son” means—*

24 (i) *a United States person; and*

1 (ii) an individual or entity (including
2 an agency or instrumentality of a foreign
3 country) that—

4 (I) is located in the United States;

5 or

6 (II) carries out an activity in the
7 United States.

8 (B) *EXCLUSIONS.*—The term “covered per-
9 son” does not include—

10 (i) the United States; or

11 (ii) any agency or instrumentality of
12 the United States.

13 (7) *NUCLEAR SUPPLIER.*—The term “nuclear
14 supplier” means a covered person (or a successor in
15 interest of a covered person) that—

16 (A) supplies facilities, equipment, fuel, serv-
17 ices, or technology pertaining to the design, con-
18 struction, operation, or decommissioning of a
19 covered installation; or

20 (B) transports nuclear materials that could
21 result in a covered incident.

22 (8) *PRICE-ANDERSON INCIDENT.*—The term
23 “Price-Anderson incident” means a covered incident
24 for which section 170 of the Atomic Energy Act of
25 1954 (42 U.S.C. 2210) would make funds available to

1 *compensate for public liability (as defined in section*
2 *11 of that Act (42 U.S.C. 2014)).*

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

5 (10) *UNITED STATES.*—

6 (A) *IN GENERAL.*—*The term “United*
7 *States” has the meaning given the term in sec-*
8 *tion 11 of the Atomic Energy Act of 1954 (42*
9 *U.S.C. 2014).*

10 (B) *INCLUSIONS.*—*The term “United*
11 *States” includes—*

12 (i) *the Commonwealth of Puerto Rico;*

13 (ii) *any other territory or possession of*
14 *the United States;*

15 (iii) *the Canal Zone; and*

16 (iv) *the waters of the United States ter-*
17 *ritorial sea under Presidential Proclama-*
18 *tion Number 5928, dated December 27,*
19 *1988 (43 U.S.C. 1331 note).*

20 (11) *UNITED STATES PERSON.*—*The term*
21 *“United States person” means—*

22 (A) *any individual who is a resident, na-*
23 *tional, or citizen of the United States (other than*
24 *an individual residing outside of the United*

1 *States and employed by a person who is not a*
2 *United States person); and*

3 *(B) any corporation, partnership, associa-*
4 *tion, joint stock company, business trust, unin-*
5 *corporated organization, or sole proprietorship*
6 *that is organized under the laws of the United*
7 *States.*

8 *(c) USE OF PRICE-ANDERSON FUNDS.—*

9 *(1) IN GENERAL.—Funds made available under*
10 *section 170 of the Atomic Energy Act of 1954 (42*
11 *U.S.C. 2210) shall be used to cover the contingent cost*
12 *resulting from any Price-Anderson incident.*

13 *(2) EFFECT.—The use of funds pursuant to*
14 *paragraph (1) shall not reduce the limitation on pub-*
15 *lic liability established under section 170 e. of the*
16 *Atomic Energy Act of 1954 (42 U.S.C. 2210(e)).*

17 *(d) EFFECT ON AMOUNT OF PUBLIC LIABILITY.—*

18 *(1) IN GENERAL.—Funds made available to the*
19 *United States under Article VII of the Convention*
20 *with respect to a Price-Anderson incident shall be*
21 *used to satisfy public liability resulting from the*
22 *Price-Anderson incident.*

23 *(2) AMOUNT.—The amount of public liability al-*
24 *lowable under section 170 of the Atomic Energy Act*
25 *of 1954 (42 U.S.C. 2210) relating to a Price-Ande-*

1 *son incident under paragraph (1) shall be increased*
2 *by an amount equal to the difference between—*

3 *(A) the amount of funds made available for*
4 *the Price-Anderson incident under Article VII of*
5 *the Convention; and*

6 *(B) the amount of funds used under sub-*
7 *section (c) to cover the contingent cost resulting*
8 *from the Price-Anderson incident.*

9 *(e) RETROSPECTIVE RISK POOLING PROGRAM.—*

10 *(1) IN GENERAL.—Except as provided under*
11 *paragraph (2), each nuclear supplier shall participate*
12 *in a retrospective risk pooling program in accordance*
13 *with this section to cover the contingent cost resulting*
14 *from a covered incident outside the United States that*
15 *is not a Price-Anderson incident.*

16 *(2) DEFERRED PAYMENT.—*

17 *(A) IN GENERAL.—The obligation of a nu-*
18 *clear supplier to participate in the retrospective*
19 *risk pooling program shall be deferred until the*
20 *United States is called on to provide funds pur-*
21 *suant to Article VII of the Convention with re-*
22 *spect to a covered incident that is not a Price-*
23 *Anderson incident.*

24 *(B) AMOUNT OF DEFERRED PAYMENT.—The*
25 *amount of a deferred payment of a nuclear sup-*

1 plier under subparagraph (A) shall be based on
2 the risk-informed assessment formula determined
3 under subparagraph (C).

4 (C) *RISK-INFORMED ASSESSMENT FOR-*
5 *MULA.*—

6 (i) *IN GENERAL.*—Not later than 3
7 years after the date of the enactment of this
8 Act, and every 5 years thereafter, the Sec-
9 retary shall, by regulation, determine the
10 risk-informed assessment formula for the al-
11 location among nuclear suppliers of the con-
12 tingent cost resulting from a covered inci-
13 dent that is not a Price-Anderson incident,
14 taking into account risk factors such as—

15 (I) *the nature and intended pur-*
16 *pose of the goods and services supplied*
17 *by each nuclear supplier to each cov-*
18 *ered installation outside the United*
19 *States;*

20 (II) *the quantity of the goods and*
21 *services supplied by each nuclear sup-*
22 *plier to each covered installation out-*
23 *side the United States;*

24 (III) *the hazards associated with*
25 *the supplied goods and services if the*

1 goods and services fail to achieve the
2 intended purposes;

3 (IV) the hazards associated with
4 the covered installation outside the
5 United States to which the goods and
6 services are supplied;

7 (V) the legal, regulatory, and fi-
8 nancial infrastructure associated with
9 the covered installation outside the
10 United States to which the goods and
11 services are supplied; and

12 (VI) the hazards associated with
13 particular forms of transportation.

14 (ii) *FACTORS FOR CONSIDERATION.*—
15 In determining the formula, the Secretary
16 may—

17 (I) exclude—

18 (aa) goods and services with
19 negligible risk;

20 (bb) classes of goods and
21 services not intended specifically
22 for use in a nuclear installation;

23 (cc) a nuclear supplier with
24 a *de minimis* share of the contin-
25 gent cost; and

1 *(dd) a nuclear supplier no*
2 *longer in existence for which there*
3 *is no identifiable successor; and*

4 *(II) establish the period on which*
5 *the risk assessment is based.*

6 *(iii) APPLICATION.—In applying the*
7 *formula, the Secretary shall not consider*
8 *any covered installation or transportation*
9 *for which funds would be available under*
10 *section 170 of the Atomic Energy Act of*
11 *1954 (42 U.S.C. 2210).*

12 *(iv) REPORT.—Not later than 5 years*
13 *after the date of the enactment of this Act,*
14 *and every 5 years thereafter, the Secretary*
15 *shall submit to the Committee on Environ-*
16 *ment and Public Works of the Senate and*
17 *the Committee on Energy and Commerce of*
18 *the House of Representatives a report on*
19 *whether there is a need for continuation or*
20 *amendment of this section, taking into ac-*
21 *count the effects of the implementation of*
22 *the Convention on the United States nuclear*
23 *industry and suppliers.*

24 *(f) REPORTING.—*

25 *(1) COLLECTION OF INFORMATION.—*

1 (A) *IN GENERAL.*—*The Secretary may col-*
2 *lect information necessary for developing and*
3 *implementing the formula for calculating the de-*
4 *ferred payment of a nuclear supplier under sub-*
5 *section (e)(2).*

6 (B) *PROVISION OF INFORMATION.*—*Each*
7 *nuclear supplier and other appropriate persons*
8 *shall make available to the Secretary such infor-*
9 *mation, reports, records, documents, and other*
10 *data as the Secretary determines, by regulation,*
11 *to be necessary or appropriate to develop and*
12 *implement the formula under subsection*
13 *(e)(2)(C).*

14 (2) *PRIVATE INSURANCE.*—*The Secretary shall*
15 *make available to nuclear suppliers, and insurers of*
16 *nuclear suppliers, information to support the vol-*
17 *untary establishment and maintenance of private in-*
18 *surance against any risk for which nuclear suppliers*
19 *may be required to pay deferred payments under this*
20 *section.*

21 (g) *EFFECT ON LIABILITY.*—*Nothing in any other law*
22 *(including regulations) limits liability for a covered inci-*
23 *dent to an amount equal to less than the amount prescribed*
24 *in paragraph 1(a) of Article IV of the Convention, unless*
25 *the law—*

1 (1) *specifically refers to this section; and*

2 (2) *explicitly repeals, alters, amends, modifies,*
3 *impairs, displaces, or supersedes the effect of this sub-*
4 *section.*

5 (h) *PAYMENTS TO AND BY THE UNITED STATES.—*

6 (1) *ACTION BY NUCLEAR SUPPLIERS.—*

7 (A) *NOTIFICATION.—In the case of a request*
8 *for funds under Article VII of the Convention re-*
9 *sulting from a covered incident that is not a*
10 *Price-Anderson incident, the Secretary shall no-*
11 *tify each nuclear supplier of the amount of the*
12 *deferred payment required to be made by the nu-*
13 *clear supplier.*

14 (B) *PAYMENTS.—*

15 (i) *IN GENERAL.—Except as provided*
16 *under clause (ii), not later than 60 days*
17 *after receipt of a notification under sub-*
18 *paragraph (A), a nuclear supplier shall pay*
19 *to the general fund of the Treasury the de-*
20 *ferred payment of the nuclear supplier re-*
21 *quired under subparagraph (A).*

22 (ii) *ANNUAL PAYMENTS.—A nuclear*
23 *supplier may elect to prorate payment of*
24 *the deferred payment required under sub-*
25 *paragraph (A) in 5 equal annual payments*

1 *(including interest on the unpaid balance at*
2 *the prime rate prevailing at the time the*
3 *first payment is due).*

4 (C) *VOUCHERS.*—*A nuclear supplier shall*
5 *submit payment certification vouchers to the*
6 *Secretary of the Treasury in accordance with*
7 *section 3325 of title 31, United States Code.*

8 (2) *USE OF FUNDS.*—

9 (A) *IN GENERAL.*—*Amounts paid into the*
10 *Treasury under paragraph (1) shall be available*
11 *to the Secretary of the Treasury, without further*
12 *appropriation and without fiscal year limita-*
13 *tion, for the purpose of making the contributions*
14 *of public funds required to be made by the*
15 *United States under the Convention.*

16 (B) *ACTION BY SECRETARY OF TREAS-*
17 *URY.*—*The Secretary of the Treasury shall pay*
18 *the contribution required under the Convention*
19 *to the court of competent jurisdiction under Arti-*
20 *cle XIII of the Convention with respect to the ap-*
21 *plicable covered incident.*

22 (3) *FAILURE TO PAY.*—*If a nuclear supplier fails*
23 *to make a payment required under this subsection,*
24 *the Secretary may take appropriate action to recover*
25 *from the nuclear supplier—*

1 (A) *the amount of the payment due from the*
2 *nuclear supplier;*

3 (B) *any applicable interest on the payment;*
4 *and*

5 (C) *a penalty of not more than twice the*
6 *amount of the deferred payment due from the*
7 *nuclear supplier.*

8 (i) *LIMITATION ON JUDICIAL REVIEW; CAUSE OF AC-*
9 *TION.—*

10 (1) *LIMITATION ON JUDICIAL REVIEW.—*

11 (A) *IN GENERAL.—In any civil action aris-*
12 *ing under the Convention over which Article*
13 *XIII of the Convention grants jurisdiction to the*
14 *courts of the United States, any appeal or review*
15 *by writ of mandamus or otherwise with respect*
16 *to a nuclear incident that is not a Price-Anders-*
17 *son incident shall be in accordance with chapter*
18 *83 of title 28, United States Code, except that the*
19 *appeal or review shall occur in the United States*
20 *Court of Appeals for the District of Columbia*
21 *Circuit.*

22 (B) *SUPREME COURT JURISDICTION.—Noth-*
23 *ing in this paragraph affects the jurisdiction of*
24 *the Supreme Court of the United States under*
25 *chapter 81 of title 28, United States Code.*

1 (2) *CAUSE OF ACTION.*—

2 (A) *IN GENERAL.*—Subject to subparagraph
3 (B), in any civil action arising under the Con-
4 vention over which Article XIII of the Conven-
5 tion grants jurisdiction to the courts of the
6 United States, in addition to any other cause of
7 action that may exist, an individual or entity
8 shall have a cause of action against the operator
9 to recover for nuclear damage suffered by the in-
10 dividual or entity.

11 (B) *REQUIREMENT.*—Subparagraph (A)
12 shall apply only if the individual or entity seeks
13 a remedy for nuclear damage (as defined in Ar-
14 ticle I of the Convention) that was caused by a
15 nuclear incident (as defined in Article I of the
16 Convention) that is not a Price-Anderson inci-
17 dent.

18 (C) *SAVINGS PROVISION.*—Nothing in this
19 paragraph may be construed to limit, modify,
20 extinguish, or otherwise affect any cause of ac-
21 tion that would have existed in the absence of en-
22 actment of this paragraph.

23 (j) *RIGHT OF RECOURSE.*—This section does not pro-
24 vide to an operator of a covered installation any right of
25 recourse under the Convention.

1 (k) *PROTECTION OF SENSITIVE UNITED STATES IN-*
2 *FORMATION.*—*Nothing in the Convention or this section re-*
3 *quires the disclosure of—*

4 (1) *any data that, at any time, was Restricted*
5 *Data (as defined in section 11 of the Atomic Energy*
6 *Act of 1954 (42 U.S.C. 2014));*

7 (2) *information relating to intelligence sources or*
8 *methods protected by section 102A(i) of the National*
9 *Security Act of 1947 (50 U.S.C. 403–1(i)); or*

10 (3) *national security information classified*
11 *under Executive Order 12958 (50 U.S.C. 435 note; re-*
12 *lating to classified national security information) (or*
13 *a successor Executive Order or regulation).*

14 (l) *REGULATIONS.*—

15 (1) *IN GENERAL.*—*The Secretary or the Commis-*
16 *sion, as appropriate, may prescribe regulations to*
17 *carry out section 170 of the Atomic Energy Act of*
18 *1954 (42 U.S.C. 2210) and this section.*

19 (2) *REQUIREMENT.*—*Rules prescribed under this*
20 *subsection shall ensure, to the maximum extent prac-*
21 *ticable, that—*

22 (A) *the implementation of section 170 of the*
23 *Atomic Energy Act of 1954 (42 U.S.C. 2210)*
24 *and this section is consistent and equitable; and*

1 (B) *the financial and operational burden on*
2 *a Commission licensee in complying with section*
3 *170 of that Act is not greater as a result of the*
4 *enactment of this section.*

5 (3) *APPLICABILITY OF PROVISION.*—*Section 553*
6 *of title 5, United States Code, shall apply with re-*
7 *spect to the promulgation of regulations under this*
8 *subsection.*

9 (4) *EFFECT OF SUBSECTION.*—*The authority*
10 *provided under this subsection is in addition to, and*
11 *does not impair or otherwise affect, any other author-*
12 *ity of the Secretary or the Commission to prescribe*
13 *regulations.*

14 (m) *EFFECTIVE DATE.*—*This section shall take effect*
15 *on the date of the enactment of this Act.*

16 **SEC. 935. TRANSPARENCY IN EXTRACTIVE INDUSTRIES RE-**
17 **SOURCE PAYMENTS.**

18 (a) *PURPOSE.*—*The purpose of this section is to—*

19 (1) *ensure greater United States energy security*
20 *by combating corruption in the governments of for-*
21 *foreign countries that receive revenues from the sale of*
22 *their natural resources; and*

23 (2) *enhance the development of democracy and*
24 *increase political and economic stability in such re-*
25 *source rich foreign countries.*

1 **(b) STATEMENT OF POLICY.**—*It is the policy of the*
2 *United States—*

3 (1) *to increase energy security by promoting*
4 *anti-corruption initiatives in oil and natural gas rich*
5 *countries; and*

6 (2) *to promote global energy security through*
7 *promotion of programs such as the Extractive Indus-*
8 *tries Transparency Initiative (EITI) that seek to in-*
9 *still transparency and accountability into extractive*
10 *industries resource payments.*

11 **(c) SENSE OF CONGRESS.**—*It is the sense of Congress*
12 *that the United States should further global energy security*
13 *and promote democratic development in resource-rich for-*
14 *eign countries by—*

15 (1) *encouraging further participation in the*
16 *EITI by eligible countries and companies; and*

17 (2) *promoting the efficacy of the EITI program*
18 *by ensuring a robust and candid review mechanism.*

19 **(d) REPORT.**—

20 (1) **REPORT REQUIRED.**—*Not later than 180*
21 *days after the date of the enactment of this Act, and*
22 *annually thereafter, the Secretary of State, in con-*
23 *sultation with the Secretary of Energy, shall submit*
24 *to the appropriate congressional committees a report*

1 “(1) *GRANT PROGRAM.*—

2 “(A) *IN GENERAL.*—Not later than 6
3 months after the date of enactment of the Green
4 Jobs Act of 2007, the Secretary, in consultation
5 with the Secretary of Energy, shall establish an
6 energy efficiency and renewable energy worker
7 training program under which the Secretary
8 shall carry out the activities described in para-
9 graph (2) to achieve the purposes of this sub-
10 section.

11 “(B) *ELIGIBILITY.*—For purposes of pro-
12 viding assistance and services under the program
13 established under this subsection—

14 “(i) target populations of eligible indi-
15 viduals to be given priority for training
16 and other services shall include—

17 “(I) workers impacted by national
18 energy and environmental policy;

19 “(II) individuals in need of up-
20 dated training related to the energy ef-
21 ficiency and renewable energy indus-
22 tries;

23 “(III) veterans, or past and
24 present members of reserve components
25 of the Armed Forces;

1 “(IV) unemployed individuals;

2 “(V) individuals, including at-
3 risk youth, seeking employment path-
4 ways out of poverty and into economic
5 self-sufficiency; and

6 “(VI) formerly incarcerated, adju-
7 dicated, nonviolent offenders; and

8 “(ii) energy efficiency and renewable
9 energy industries eligible to participate in a
10 program under this subsection include—

11 “(I) the energy-efficient building,
12 construction, and retrofits industries;

13 “(II) the renewable electric power
14 industry;

15 “(III) the energy efficient and ad-
16 vanced drive train vehicle industry;

17 “(IV) the biofuels industry;

18 “(V) the deconstruction and mate-
19 rials use industries;

20 “(VI) the energy efficiency assess-
21 ment industry serving the residential,
22 commercial, or industrial sectors; and

23 “(VII) manufacturers that
24 produce sustainable products using en-

1 *vironmentally sustainable processes*
2 *and materials.*

3 “(2) *ACTIVITIES.—*

4 “(A) *NATIONAL RESEARCH PROGRAM.—*

5 *Under the program established under paragraph*
6 *(1), the Secretary, acting through the Bureau of*
7 *Labor Statistics, where appropriate, shall collect*
8 *and analyze labor market data to track work-*
9 *force trends resulting from energy-related initia-*
10 *tives carried out under this subsection. Activities*
11 *carried out under this paragraph shall include—*

12 “(i) *tracking and documentation of*
13 *academic and occupational competencies as*
14 *well as future skill needs with respect to re-*
15 *newable energy and energy efficiency tech-*
16 *nology;*

17 “(ii) *tracking and documentation of*
18 *occupational information and workforce*
19 *training data with respect to renewable en-*
20 *ergy and energy efficiency technology;*

21 “(iii) *collaborating with State agen-*
22 *cies, workforce investments boards, industry,*
23 *organized labor, and community and non-*
24 *profit organizations to disseminate informa-*
25 *tion on successful innovations for labor*

1 *market services and worker training with*
2 *respect to renewable energy and energy effi-*
3 *ciency technology;*

4 *“(iv) serving as a clearinghouse for*
5 *best practices in workforce development, job*
6 *placement, and collaborative training part-*
7 *nerships;*

8 *“(v) encouraging the establishment of*
9 *workforce training initiatives with respect*
10 *to renewable energy and energy efficiency*
11 *technologies;*

12 *“(vi) linking research and development*
13 *in renewable energy and energy efficiency*
14 *technology with the development of stand-*
15 *ards and curricula for current and future*
16 *jobs;*

17 *“(vii) assessing new employment and*
18 *work practices including career ladder and*
19 *upgrade training as well as high perform-*
20 *ance work systems; and*

21 *“(viii) providing technical assistance*
22 *and capacity building to national and*
23 *State energy partnerships, including indus-*
24 *try and labor representatives.*

1 “(B) NATIONAL ENERGY TRAINING PART-
2 NERSHIP GRANTS.—

3 “(i) IN GENERAL.—Under the program
4 established under paragraph (1), the Sec-
5 retary shall award National Energy Train-
6 ing Partnerships Grants on a competitive
7 basis to eligible entities to enable such enti-
8 ties to carry out training that leads to eco-
9 nomic self-sufficiency and to develop an en-
10 ergy efficiency and renewable energy indus-
11 tries workforce. Grants shall be awarded
12 under this subparagraph so as to ensure ge-
13 ographic diversity with at least 2 grants
14 awarded to entities located in each of the 4
15 Petroleum Administration for Defense Dis-
16 tricts with no subdistricts, and at least 1
17 grant awarded to an entity located in each
18 of the subdistricts of the Petroleum Admin-
19 istration for Defense District with subdis-
20 tricts.

21 “(ii) ELIGIBILITY.—To be eligible to
22 receive a grant under clause (i), an entity
23 shall be a nonprofit partnership that—

24 “(I) includes the equal participa-
25 tion of industry, including public or

1 *private employers, and labor organiza-*
2 *tions, including joint labor-manage-*
3 *ment training programs, and may in-*
4 *clude workforce investment boards,*
5 *community-based organizations, quali-*
6 *fied service and conservation corps,*
7 *educational institutions, small busi-*
8 *nesses, cooperatives, State and local*
9 *veterans agencies, and veterans service*
10 *organizations; and*

11 *“(II) demonstrates—*

12 *“(aa) experience in imple-*
13 *menting and operating worker*
14 *skills training and education pro-*
15 *grams;*

16 *“(bb) the ability to identify*
17 *and involve in training programs*
18 *carried out under this grant, tar-*
19 *get populations of individuals*
20 *who would benefit from training*
21 *and be actively involved in activi-*
22 *ties related to energy efficiency*
23 *and renewable energy industries;*
24 *and*

1 “(cc) the ability to help indi-
2 viduals achieve economic self-suf-
3 ficiency.

4 “(iii) *PRIORITY.*—Priority shall be
5 given to partnerships which leverage addi-
6 tional public and private resources to fund
7 training programs, including cash or in-
8 kind matches from participating employers.

9 “(C) *STATE LABOR MARKET RESEARCH, IN-*
10 *FORMATION, AND LABOR EXCHANGE RESEARCH*
11 *PROGRAM.*—

12 “(i) *IN GENERAL.*—Under the program
13 established under paragraph (1), the Sec-
14 retary shall award competitive grants to
15 States to enable such States to administer
16 labor market and labor exchange informa-
17 tion programs that include the implementa-
18 tion of the activities described in clause (ii),
19 in coordination with the one-stop delivery
20 system.

21 “(ii) *ACTIVITIES.*—A State shall use
22 amounts awarded under a grant under this
23 subparagraph to provide funding to the
24 State agency that administers the Wagner-
25 Peysner Act and State unemployment com-

1 *compensation programs to carry out the fol-*
2 *lowing activities using State agency merit*
3 *staff:*

4 *“(I) The identification of job*
5 *openings in the renewable energy and*
6 *energy efficiency sector.*

7 *“(II) The administration of skill*
8 *and aptitude testing and assessment*
9 *for workers.*

10 *“(III) The counseling, case man-*
11 *agement, and referral of qualified job*
12 *seekers to openings and training pro-*
13 *grams, including energy efficiency and*
14 *renewable energy training programs.*

15 *“(D) STATE ENERGY TRAINING PARTNER-*
16 *SHIP PROGRAM.—*

17 *“(i) IN GENERAL.—Under the program*
18 *established under paragraph (1), the Sec-*
19 *retary shall award competitive grants to*
20 *States to enable such States to administer*
21 *renewable energy and energy efficiency*
22 *workforce development programs that in-*
23 *clude the implementation of the activities*
24 *described in clause (ii).*

1 “(ii) *PARTNERSHIPS.*—A State shall
2 use amounts awarded under a grant under
3 this subparagraph to award competitive
4 grants to eligible State Energy Sector Part-
5 nerships to enable such Partnerships to co-
6 ordinate with existing apprenticeship and
7 labor management training programs and
8 implement training programs that lead to
9 the economic self-sufficiency of trainees.

10 “(iii) *ELIGIBILITY.*—To be eligible to
11 receive a grant under this subparagraph, a
12 State Energy Sector Partnership shall—

13 “(I) consist of nonprofit organiza-
14 tions that include equal participation
15 from industry, including public or pri-
16 vate nonprofit employers, and labor or-
17 ganizations, including joint labor-
18 management training programs, and
19 may include representatives from local
20 governments, the workforce investment
21 system, including one-stop career cen-
22 ters, community based organizations,
23 qualified service and conservation
24 corps, community colleges, and other
25 post-secondary institutions, small busi-

1 *nesses, cooperatives, State and local*
2 *veterans agencies, and veterans service*
3 *organizations;*

4 *“(II) demonstrate experience in*
5 *implementing and operating worker*
6 *skills training and education pro-*
7 *grams; and*

8 *“(III) demonstrate the ability to*
9 *identify and involve in training pro-*
10 *grams, target populations of workers*
11 *who would benefit from training and*
12 *be actively involved in activities re-*
13 *lated to energy efficiency and renew-*
14 *able energy industries.*

15 *“(iv) PRIORITY.—In awarding grants*
16 *under this subparagraph, the Secretary*
17 *shall give priority to States that dem-*
18 *onstrate that activities under the grant—*

19 *“(I) meet national energy policies*
20 *associated with energy efficiency, re-*
21 *newable energy, and the reduction of*
22 *emissions of greenhouse gases;*

23 *“(II) meet State energy policies*
24 *associated with energy efficiency, re-*

1 *newable energy, and the reduction of*
2 *emissions of greenhouse gases; and*

3 *“(III) leverage additional public*
4 *and private resources to fund training*
5 *programs, including cash or in-kind*
6 *matches from participating employers.*

7 *“(v) COORDINATION.—A grantee under*
8 *this subparagraph shall coordinate activi-*
9 *ties carried out under the grant with exist-*
10 *ing other appropriate training programs,*
11 *including apprenticeship and labor man-*
12 *agement training programs, including such*
13 *activities referenced in paragraph (3)(A),*
14 *and implement training programs that lead*
15 *to the economic self-sufficiency of trainees.*

16 *“(E) PATHWAYS OUT OF POVERTY DEM-*
17 *ONSTRATION PROGRAM.—*

18 *“(i) IN GENERAL.—Under the program*
19 *established under paragraph (1), the Sec-*
20 *retary shall award competitive grants of*
21 *sufficient size to eligible entities to enable*
22 *such entities to carry out training that*
23 *leads to economic self-sufficiency. The Sec-*
24 *retary shall give priority to entities that*
25 *serve individuals in families with income of*

1 *less than 200 percent of the sufficiency*
2 *standard for the local areas where the train-*
3 *ing is conducted that specifies, as defined by*
4 *the State, or where such standard is not es-*
5 *tablished, the income needs of families, by*
6 *family size, the number and ages of children*
7 *in the family, and sub-State geographical*
8 *considerations. Grants shall be awards to*
9 *ensure geographic diversity.*

10 “(i) *ELIGIBLE ENTITIES.—To be eligi-*
11 *ble to receive a grant an entity shall be a*
12 *partnership that—*

13 “(I) *includes community-based*
14 *nonprofit organizations, educational*
15 *institutions with expertise in serving*
16 *low-income adults or youth, public or*
17 *private employers from the industry*
18 *sectors described in paragraph*
19 *(1)(B)(ii), and labor organizations*
20 *representing workers in such industry*
21 *sectors;*

22 “(II) *demonstrates a record of*
23 *successful experience in implementing*
24 *and operating worker skills training*
25 *and education programs;*

1 “(III) coordinates activities,
2 where appropriate, with the workforce
3 investment system; and

4 “(IV) demonstrates the ability to
5 recruit individuals for training and to
6 support such individuals to successful
7 completion in training programs car-
8 ried out under this grant, targeting
9 populations of workers who are or will
10 be engaged in activities related to en-
11 ergy efficiency and renewable energy
12 industries.

13 “(iii) PRIORITIES.—In awarding
14 grants under this paragraph, the Secretary
15 shall give priority to applicants that—

16 “(I) target programs to benefit
17 low-income workers, unemployed youth
18 and adults, high school dropouts, or
19 other underserved sectors of the work-
20 force within areas of high poverty;

21 “(II) ensure that supportive serv-
22 ices are integrated with education and
23 training, and delivered by organiza-
24 tions with direct access to and experi-
25 ence with targeted populations;

1 “(III) leverage additional public
2 and private resources to fund training
3 programs, including cash or in-kind
4 matches from participating employers;

5 “(IV) involve employers and labor
6 organizations in the determination of
7 relevant skills and competencies and
8 ensure that the certificates or creden-
9 tials that result from the training are
10 employer-recognized;

11 “(V) deliver courses at alternative
12 times (such as evening and weekend
13 programs) and locations most conven-
14 ient and accessible to participants and
15 link adult remedial education with oc-
16 cupational skills training; and

17 “(VI) demonstrate substantial ex-
18 perience in administering local, mu-
19 nicipal, State, Federal, foundation, or
20 private entity grants.

21 “(iv) DATA COLLECTION.—Grantees
22 shall collect and report the following infor-
23 mation:

24 “(I) The number of participants.

1 “(II) *The demographic character-*
2 *istics of participants, including race,*
3 *gender, age, parenting status, partici-*
4 *ipation in other Federal programs, edu-*
5 *cation and literacy level at entry, sig-*
6 *nificant barriers to employment (such*
7 *as limited English proficiency, crimi-*
8 *nal record, addiction or mental health*
9 *problem requiring treatment, or mental*
10 *disability).*

11 “(III) *The services received by*
12 *participants, including training, edu-*
13 *cation, and supportive services.*

14 “(IV) *The amount of program*
15 *spending per participant.*

16 “(V) *Program completion rates.*

17 “(VI) *Factors determined as sig-*
18 *nificantly interfering with program*
19 *participation or completion.*

20 “(VII) *The rate of Job placement*
21 *and the rate of employment retention*
22 *after 1 year.*

23 “(VIII) *The average wage at*
24 *placement, including any benefits, and*

1 *the rate of average wage increase after*
2 *1 year.*

3 “(IX) *Any post-employment sup-*
4 *portive services provided.*

5 *The Secretary shall assist grantees in the*
6 *collection of data under this clause by mak-*
7 *ing available, where practicable, low-cost*
8 *means of tracking the labor market out-*
9 *comes of participants, and by providing*
10 *standardized reporting forms, where appro-*
11 *priate.*

12 “(3) *ACTIVITIES.—*

13 “(A) *IN GENERAL.—Activities to be carried*
14 *out under a program authorized by subpara-*
15 *graph (B), (D), or (E) of paragraph (2) shall be*
16 *coordinated with existing systems or providers,*
17 *as appropriate. Such activities may include—*

18 “(i) *occupational skills training, in-*
19 *cluding curriculum development, on-the-job*
20 *training, and classroom training;*

21 “(ii) *safety and health training;*

22 “(iii) *the provision of basic skills, lit-*
23 *eracy, GED, English as a second language,*
24 *and job readiness training;*

1 “(iv) individual referral and tuition
2 assistance for a community college training
3 program, or any training program leading
4 to an industry-recognized certificate;

5 “(v) internship programs in fields re-
6 lated to energy efficiency and renewable en-
7 ergy;

8 “(vi) customized training in conjunc-
9 tion with an existing registered apprentice-
10 ship program or labor-management part-
11 nership;

12 “(vii) incumbent worker and career
13 ladder training and skill upgrading and re-
14 training;

15 “(viii) the implementation of transi-
16 tional jobs strategies; and

17 “(ix) the provision of supportive serv-
18 ices.

19 “(B) *OUTREACH ACTIVITIES*.—In addition
20 to the activities authorized under subparagraph
21 (A), activities authorized for programs under
22 subparagraph (E) of paragraph (2) may include
23 the provision of outreach, recruitment, career
24 guidance, and case management services.

1 “(4) *WORKER PROTECTIONS AND NON-*
2 *DISCRIMINATION REQUIREMENTS.*—

3 “(A) *APPLICATION OF WIA.*—*The provisions*
4 *of sections 181 and 188 of the Workforce Invest-*
5 *ment Act of 1998 (29 U.S.C. 2931 and 2938)*
6 *shall apply to all programs carried out with as-*
7 *sistance under this subsection.*

8 “(B) *CONSULTATION WITH LABOR ORGANI-*
9 *ZATIONS.*—*If a labor organization represents a*
10 *substantial number of workers who are engaged*
11 *in similar work or training in an area that is*
12 *the same as the area that is proposed to be fund-*
13 *ed under this Act, the labor organization shall be*
14 *provided an opportunity to be consulted and to*
15 *submit comments in regard to such a proposal.*

16 “(5) *PERFORMANCE MEASURES.*—

17 “(A) *IN GENERAL.*—*The Secretary shall ne-*
18 *gotiate and reach agreement with the eligible en-*
19 *tities that receive grants and assistance under*
20 *this section on performance measures for the in-*
21 *dicators of performance referred to in subpara-*
22 *graphs (A) and (B) of section 136(b)(2) that will*
23 *be used to evaluate the performance of the eligible*
24 *entity in carrying out the activities described in*
25 *subsection (e)(2). Each performance measure*

1 *shall consist of such an indicator of performance,*
2 *and a performance level referred to in subpara-*
3 *graph (B).*

4 “(B) *PERFORMANCE LEVELS.*—*The Sec-*
5 *retary shall negotiate and reach agreement with*
6 *the eligible entity regarding the levels of perform-*
7 *ance expected to be achieved by the eligible entity*
8 *on the indicators of performance.*

9 “(6) *REPORT.*—

10 “(A) *STATUS REPORT.*—*Not later than 18*
11 *months after the date of enactment of the Green*
12 *Jobs Act of 2007, the Secretary shall transmit a*
13 *report to the Senate Committee on Energy and*
14 *Natural Resources, the Senate Committee on*
15 *Health, Education, Labor, and Pensions, the*
16 *House Committee on Education and Labor, and*
17 *the House Committee on Energy and Commerce*
18 *on the training program established by this sub-*
19 *section. The report shall include a description of*
20 *the entities receiving funding and the activities*
21 *carried out by such entities.*

22 “(B) *EVALUATION.*—*Not later than 3 years*
23 *after the date of enactment of such Act, the Sec-*
24 *retary shall transmit to the Senate Committee on*
25 *Energy and Natural Resources, the Senate Com-*

1 *mittee on Health, Education, Labor, and Pen-*
2 *sions, the House Committee on Education and*
3 *Labor, and the House Committee on Energy and*
4 *Commerce an assessment of such program and*
5 *an evaluation of the activities carried out by en-*
6 *tities receiving funding from such program.*

7 “(7) *DEFINITION.*—*As used in this subsection,*
8 *the term ‘renewable energy’ has the meaning given*
9 *such term in section 203(b)(2) of the Energy Policy*
10 *Act of 2005 (Public Law 109–58).*

11 “(8) *AUTHORIZATION OF APPROPRIATIONS.*—
12 *There is authorized to be appropriated to carry out*
13 *this subsection, \$125,000,000 for each fiscal years, of*
14 *which—*

15 “(A) *not to exceed 20 percent of the amount*
16 *appropriated in each such fiscal year shall be*
17 *made available for, and shall be equally divided*
18 *between, national labor market research and in-*
19 *formation under paragraph (2)(A) and State*
20 *labor market information and labor exchange re-*
21 *search under paragraph (2)(C), and not more*
22 *than 2 percent of such amount shall be for the*
23 *evaluation and report required under paragraph*
24 *(4);*

1 “(B) 20 percent shall be dedicated to Path-
2 ways Out of Poverty Demonstration Programs
3 under paragraph (2)(E); and

4 “(C) the remainder shall be divided equally
5 between National Energy Partnership Training
6 Grants under paragraph (2)(B) and State en-
7 ergy training partnership grants under para-
8 graph (2)(D).”.

9 **TITLE XI—ENERGY TRANSPORTATION AND INFRASTRUCTURE**
10 **TATION AND INFRASTRUCTURE**
11 **TURE**

12 **Subtitle A—Department of**
13 **Transportation**

14 **SEC. 1101. OFFICE OF CLIMATE CHANGE AND ENVIRON-**
15 **MENT.**

16 (a) *IN GENERAL.*—Section 102 of title 49, United
17 States Code, is amended—

18 (1) by redesignating subsection (g) as subsection
19 (h); and

20 (2) by inserting after subsection (f) the following:

21 “(g) *OFFICE OF CLIMATE CHANGE AND ENVIRON-*
22 *MENT.*—

23 “(1) *ESTABLISHMENT.*—There is established in
24 the Department an Office of Climate Change and En-
25 vironment to plan, coordinate, and implement—

1 “(A) department-wide research, strategies,
2 and actions under the Department’s statutory
3 authority to reduce transportation-related energy
4 use and mitigate the effects of climate change;
5 and

6 “(B) department-wide research strategies
7 and actions to address the impacts of climate
8 change on transportation systems and infra-
9 structure.

10 “(2) *CLEARINGHOUSE*.—The Office shall estab-
11 lish a clearinghouse of solutions, including cost-effec-
12 tive congestion reduction approaches, to reduce air
13 pollution and transportation-related energy use and
14 mitigate the effects of climate change.”.

15 (b) *COORDINATION*.—The Office of Climate Change
16 and Environment of the Department of Transportation
17 shall coordinate its activities with the United States Global
18 Change Research Program.

19 (c) *TRANSPORTATION SYSTEM’S IMPACT ON CLIMATE*
20 *CHANGE AND FUEL EFFICIENCY*.—

21 (1) *STUDY*.—The Office of Climate Change and
22 Environment, in coordination with the Environ-
23 mental Protection Agency and in consultation with
24 the United States Global Change Research Program,
25 shall conduct a study to examine the impact of the

1 *Nation's transportation system on climate change and*
2 *the fuel efficiency savings and clean air impacts of*
3 *major transportation projects, to identify solutions to*
4 *reduce air pollution and transportation-related en-*
5 *ergy use and mitigate the effects of climate change,*
6 *and to examine the potential fuel savings that could*
7 *result from changes in the current transportation sys-*
8 *tem and through the use of intelligent transportation*
9 *systems that help businesses and consumers to plan*
10 *their travel and avoid delays, including Web-based*
11 *real-time transit information systems, congestion in-*
12 *formation systems, carpool information systems,*
13 *parking information systems, freight route manage-*
14 *ment systems, and traffic management systems.*

15 *(2) REPORT.—Not later than one year after the*
16 *date of enactment of this Act, the Secretary of Trans-*
17 *portation, in coordination with the Administrator of*
18 *the Environmental Protection Agency, shall transmit*
19 *to the Committee on Transportation and Infrastruc-*
20 *ture and the Committee on Energy and Commerce of*
21 *the House of Representatives and the Committee on*
22 *Commerce, Science, and Transportation and the Com-*
23 *mittee on Environment and Public Works of the Sen-*
24 *ate a report that contains the results of the study re-*
25 *quired under this section.*

1 (d) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
2 *authorized to be appropriated to the Secretary of Transpor-*
3 *tation for the Office of Climate Change and Environment*
4 *to carry out its duties under section 102(g) of title 49,*
5 *United States Code (as amended by this Act), such sums*
6 *as may be necessary for fiscal years 2008 through 2011.*

7 ***Subtitle B—Railroads***

8 ***SEC. 1111. ADVANCED TECHNOLOGY LOCOMOTIVE GRANT*** 9 ***PILOT PROGRAM.***

10 (a) *IN GENERAL.*—*The Secretary of Transportation,*
11 *in consultation with the Administrator of the Environ-*
12 *mental Protection Agency, shall establish and carry out a*
13 *pilot program for making grants to railroad carriers (as*
14 *defined in section 20102 of title 49, United States Code)*
15 *and State and local governments—*

16 (1) *for assistance in purchasing hybrid or other*
17 *energy-efficient locomotives, including hybrid switch*
18 *and generator-set locomotives; and*

19 (2) *to demonstrate the extent to which such loco-*
20 *motives increase fuel economy, reduce emissions, and*
21 *lower costs of operation.*

22 (b) *LIMITATION.*—*Notwithstanding subsection (a), no*
23 *grant under this section may be used to fund the costs of*
24 *emissions reductions that are mandated under Federal law.*

1 (c) *GRANT CRITERIA.*—*In selecting applicants for*
2 *grants under this section, the Secretary of Transportation*
3 *shall consider—*

4 (1) *the level of energy efficiency that would be*
5 *achieved by the proposed project;*

6 (2) *the extent to which the proposed project*
7 *would assist in commercial deployment of hybrid or*
8 *other energy-efficient locomotive technologies;*

9 (3) *the extent to which the proposed project com-*
10 *plements other private or governmental partnership*
11 *efforts to improve air quality or fuel efficiency in a*
12 *particular area; and*

13 (4) *the extent to which the applicant dem-*
14 *onstrates innovative strategies and a financial com-*
15 *mitment to increasing energy efficiency and reducing*
16 *greenhouse gas emissions of its railroad operations.*

17 (d) *COMPETITIVE GRANT SELECTION PROCESS.*—

18 (1) *APPLICATIONS.*—*A railroad carrier or State*
19 *or local government seeking a grant under this section*
20 *shall submit for approval by the Secretary of Trans-*
21 *portation an application for the grant containing*
22 *such information as the Secretary of Transportation*
23 *may require.*

24 (2) *COMPETITIVE SELECTION.*—*The Secretary of*
25 *Transportation shall conduct a national solicitation*

1 “(1) *ESTABLISHMENT.*—*The Secretary of Trans-*
2 *portation shall establish a program for making cap-*
3 *ital grants to class II and class III railroads. Such*
4 *grants shall be for projects in the public interest*
5 *that—*

6 “(A)(i) *rehabilitate, preserve, or improve*
7 *railroad track (including roadbed, bridges, and*
8 *related track structures) used primarily for*
9 *freight transportation;*

10 “(ii) *facilitate the continued or greater use*
11 *of railroad transportation for freight shipments;*
12 *and*

13 “(iii) *reduce the use of less fuel efficient*
14 *modes of transportation in the transportation of*
15 *such shipments; and*

16 “(B) *demonstrate innovative technologies*
17 *and advanced research and development that in-*
18 *crease fuel economy, reduce greenhouse gas emis-*
19 *sions, and lower the costs of operation.*

20 “(2) *PROVISION OF GRANTS.*—*Grants may be*
21 *provided under this chapter—*

22 “(A) *directly to the class II or class III*
23 *railroad; or*

1 “(B) *with the concurrence of the class II or*
2 *class III railroad, to a State or local govern-*
3 *ment.*

4 “(3) *STATE COOPERATION.—Class II and class*
5 *III railroad applicants for a grant under this chapter*
6 *are encouraged to utilize the expertise and assistance*
7 *of State transportation agencies in applying for and*
8 *administering such grants. State transportation agen-*
9 *cies are encouraged to provide such expertise and as-*
10 *sistance to such railroads.*

11 “(4) *REGULATIONS.—Not later than October 1,*
12 *2008, the Secretary shall issue final regulations to*
13 *implement the program under this section.*

14 “(b) *MAXIMUM FEDERAL SHARE.—The maximum*
15 *Federal share for carrying out a project under this section*
16 *shall be 80 percent of the project cost. The non-Federal share*
17 *may be provided by any non-Federal source in cash, equip-*
18 *ment, or supplies. Other in-kind contributions may be ap-*
19 *proved by the Secretary on a case-by-case basis consistent*
20 *with this chapter.*

21 “(c) *USE OF FUNDS.—Grants provided under this sec-*
22 *tion shall be used to implement track capital projects as*
23 *soon as possible. In no event shall grant funds be contrac-*
24 *tually obligated for a project later than the end of the third*
25 *Federal fiscal year following the year in which the grant*

1 *was awarded. Any funds not so obligated by the end of such*
2 *fiscal year shall be returned to the Secretary for realloca-*
3 *tion.*

4 “(d) *EMPLOYEE PROTECTION.*—*The Secretary shall*
5 *require as a condition of any grant made under this section*
6 *that the recipient railroad provide a fair arrangement at*
7 *least as protective of the interests of employees who are af-*
8 *ected by the project to be funded with the grant as the terms*
9 *imposed under section 11326(a), as in effect on the date*
10 *of the enactment of this chapter.*

11 “(e) *LABOR STANDARDS.*—

12 “(1) *PREVAILING WAGES.*—*The Secretary shall*
13 *ensure that laborers and mechanics employed by con-*
14 *tractors and subcontractors in construction work fi-*
15 *nanced by a grant made under this section will be*
16 *paid wages not less than those prevailing on similar*
17 *construction in the locality, as determined by the Sec-*
18 *retary of Labor under subchapter IV of chapter 31 of*
19 *title 40 (commonly known as the ‘Davis-Bacon Act’).*
20 *The Secretary shall make a grant under this section*
21 *only after being assured that required labor standards*
22 *will be maintained on the construction work.*

23 “(2) *WAGE RATES.*—*Wage rates in a collective*
24 *bargaining agreement negotiated under the Railway*
25 *Labor Act (45 U.S.C. 151 et seq.) are deemed for pur-*

1 *poses of this subsection to comply with the subchapter*
 2 *IV of chapter 31 of title 40.*

3 “(f) *STUDY.*—*The Secretary shall conduct a study of*
 4 *the projects carried out with grant assistance under this*
 5 *section to determine the extent to which the program helps*
 6 *promote a reduction in fuel use associated with the trans-*
 7 *portation of freight and demonstrates innovative tech-*
 8 *nologies that increase fuel economy, reduce greenhouse gas*
 9 *emissions, and lower the costs of operation. Not later than*
 10 *March 31, 2009, the Secretary shall submit a report to the*
 11 *Committee on Transportation and Infrastructure of the*
 12 *House of Representatives and the Committee on Commerce,*
 13 *Science, and Transportation of the Senate on the study, in-*
 14 *cluding any recommendations the Secretary considers ap-*
 15 *propriate regarding the program.*

16 “(g) *AUTHORIZATION OF APPROPRIATIONS.*—*There is*
 17 *authorized to be appropriated to the Secretary \$50,000,000*
 18 *for each of fiscal years 2008 through 2011 for carrying out*
 19 *this section.”.*

20 (b) *CLERICAL AMENDMENT.*—*The item relating to*
 21 *chapter 223 in the table of chapters of subtitle V of title*
 22 *49, United States Code, is amended to read as follows:*

“223. *CAPITAL GRANTS FOR CLASS II AND CLASS III RAIL-*
ROADS 22301”.

1 **Subtitle C—Marine Transportation**

2 **SEC. 1121. SHORT SEA TRANSPORTATION INITIATIVE.**

3 (a) *IN GENERAL.*—Title 46, United States Code, is
4 amended by adding after chapter 555 the following:

5 **“CHAPTER 556—SHORT SEA**
6 **TRANSPORTATION**

“Sec. 55601. Short sea transportation program.

“Sec. 55602. Cargo and shippers.

“Sec. 55603. Interagency coordination.

“Sec. 55604. Research on short sea transportation.

“Sec. 55605. Short sea transportation defined.

7 **“§ 55601. Short sea transportation program**

8 “(a) *ESTABLISHMENT.*—The Secretary of Transpor-
9 tation shall establish a short sea transportation program
10 and designate short sea transportation projects to be con-
11 ducted under the program to mitigate landside congestion.

12 “(b) *PROGRAM ELEMENTS.*—The program shall en-
13 courage the use of short sea transportation through the de-
14 velopment and expansion of—

15 “(1) documented vessels;

16 “(2) shipper utilization;

17 “(3) port and landside infrastructure; and

18 “(4) marine transportation strategies by State
19 and local governments.

20 “(c) *SHORT SEA TRANSPORTATION ROUTES.*—The
21 Secretary shall designate short sea transportation routes as
22 extensions of the surface transportation system to focus pub-

1 *lic and private efforts to use the waterways to relieve*
2 *landside congestion along coastal corridors. The Secretary*
3 *may collect and disseminate data for the designation and*
4 *delineation of short sea transportation routes.*

5 “(d) *PROJECT DESIGNATION.*—*The Secretary may*
6 *designate a project to be a short sea transportation project*
7 *if the Secretary determines that the project may—*

8 “(1) *offer a waterborne alternative to available*
9 *landside transportation services using documented*
10 *vessels; and*

11 “(2) *provide transportation services for pas-*
12 *sengers or freight (or both) that may reduce conges-*
13 *tion on landside infrastructure using documented ves-*
14 *sels.*

15 “(e) *ELEMENTS OF PROGRAM.*—*For a short sea trans-*
16 *portation project designated under this section, the Sec-*
17 *retary may—*

18 “(1) *promote the development of short sea trans-*
19 *portation services;*

20 “(2) *coordinate, with ports, State departments of*
21 *transportation, localities, other public agencies, and*
22 *the private sector and on the development of landside*
23 *facilities and infrastructure to support short sea*
24 *transportation services; and*

1 “(3) develop performance measures for the short
2 sea transportation program.

3 “(f) *MULTISTATE, STATE AND REGIONAL TRANSPOR-*
4 *TATION PLANNING.—The Secretary, in consultation with*
5 *Federal entities and State and local governments, shall de-*
6 *velop strategies to encourage the use of short sea transpor-*
7 *tation for transportation of passengers and cargo. The Sec-*
8 *retary shall—*

9 “(1) assess the extent to which States and local
10 governments include short sea transportation and
11 other marine transportation solutions in their trans-
12 portation planning;

13 “(2) encourage State departments of transpor-
14 tation to develop strategies, where appropriate, to in-
15 corporate short sea transportation, ferries, and other
16 marine transportation solutions for regional and
17 interstate transport of freight and passengers in their
18 transportation planning; and

19 “(3) encourage groups of States and multi-State
20 transportation entities to determine how short sea
21 transportation can address congestion, bottlenecks,
22 and other interstate transportation challenges.

23 **“§ 55602. Cargo and shippers**

24 “(a) *MEMORANDUMS OF AGREEMENT.—The Secretary*
25 *of Transportation shall enter into memorandums of under-*

1 *standing with the heads of other Federal entities to trans-*
2 *port federally owned or generated cargo using a short sea*
3 *transportation project designated under section 55601 when*
4 *practical or available.*

5 “(b) *SHORT-TERM INCENTIVES.*—*The Secretary shall*
6 *consult shippers and other participants in transportation*
7 *logistics and develop proposals for short-term incentives to*
8 *encourage the use of short sea transportation.*

9 **“§ 55603. Interagency coordination**

10 “*The Secretary of Transportation shall establish a*
11 *board to identify and seek solutions to impediments hin-*
12 *dering effective use of short sea transportation. The board*
13 *shall include representatives of the Environmental Protec-*
14 *tion Agency and other Federal, State, and local govern-*
15 *mental entities and private sector entities.*

16 **“§ 55604. Research on short sea transportation**

17 “*The Secretary of Transportation, in consultation*
18 *with the Administrator of the Environmental Protection*
19 *Agency, may conduct research on short sea transportation,*
20 *regarding—*

21 “(1) *the environmental and transportation bene-*
22 *fits to be derived from short sea transportation alter-*
23 *natives for other forms of transportation;*

24 “(2) *technology, vessel design, and other im-*
25 *provements that would reduce emissions, increase fuel*

1 *economy, and lower costs of short sea transportation*
 2 *and increase the efficiency of intermodal transfers;*
 3 *and*

4 *“(3) solutions to impediments to short sea trans-*
 5 *portation projects designated under section 55601.*

6 **“§ 55605. Short sea transportation defined**

7 *“In this chapter, the term ‘short sea transportation’*
 8 *means the carriage by vessel of cargo—*

9 *“(1) that is—*

10 *“(A) contained in intermodal cargo con-*
 11 *tainers and loaded by crane on the vessel; or*

12 *“(B) loaded on the vessel by means of*
 13 *wheeled technology; and*

14 *“(2) that is—*

15 *“(A) loaded at a port in the United States*
 16 *and unloaded either at another port in the*
 17 *United States or at a port in Canada located in*
 18 *the Great Lakes Saint Lawrence Seaway Sys-*
 19 *tem; or*

20 *“(B) loaded at a port in Canada located in*
 21 *the Great Lakes Saint Lawrence Seaway System*
 22 *and unloaded at a port in the United States.”.*

23 *(b) CLERICAL AMENDMENT.—The table of chapters at*
 24 *the beginning of subtitle V of such title is amended by in-*
 25 *serting after the item relating to chapter 555 the following:*

“556. Short Sea Transportation55601”.

1 “(A) that is—

2 “(i) contained in intermodal cargo
3 containers and loaded by crane on the ves-
4 sel; or

5 “(ii) loaded on the vessel by means of
6 wheeled technology; and

7 “(B) that is—

8 “(i) loaded at a port in the United
9 States and unloaded either at another port
10 in the United States or at a port in Canada
11 located in the Great Lakes Saint Lawrence
12 Seaway System; or

13 “(ii) loaded at a port in Canada lo-
14 cated in the Great Lakes Saint Lawrence
15 Seaway System and unloaded at a port in
16 the United States.”.

17 (b) *ALLOWABLE PURPOSE.*—Section 53503(b) of such
18 title is amended by striking “or noncontiguous domestic
19 trade” and inserting “noncontiguous domestic, or short sea
20 transportation trade”.

21 **SEC. 1123. SHORT SEA TRANSPORTATION REPORT.**

22 Not later than one year after the date of enactment
23 of this Act, the Secretary of Transportation, in consultation
24 with the Administrator of the Environmental Protection
25 Agency, shall submit to the Committee on Transportation

1 *and Infrastructure of the House of Representatives and the*
 2 *Committee on Commerce, Science, and Transportation of*
 3 *the Senate a report on the short sea transportation program*
 4 *established under the amendments made by section 1121.*
 5 *The report shall include a description of the activities con-*
 6 *ducted under the program, and any recommendations for*
 7 *further legislative or administrative action that the Sec-*
 8 *retary of Transportation considers appropriate.*

9 ***Subtitle D—Highways***

10 ***SEC. 1131. INCREASED FEDERAL SHARE FOR CMAQ*** 11 ***PROJECTS.***

12 *Section 120(c) of title 23, United States Code, is*
 13 *amended—*

14 *(1) in the subsection heading by striking “FOR*
 15 *CERTAIN SAFETY PROJECTS”;*

16 *(2) by striking “The Federal share” and insert-*
 17 *ing the following:*

18 *“(1) CERTAIN SAFETY PROJECTS.—The Federal*
 19 *share”;* and

20 *(3) by adding at the end the following:*

21 *“(2) CMAQ PROJECTS.—The Federal share pay-*
 22 *able on account of a project or program carried out*
 23 *under section 149 with funds obligated in fiscal year*
 24 *2008 or 2009, or both, shall be not less than 80 per-*

1 *cent and, at the discretion of the State, may be up*
2 *to 100 percent of the cost thereof.”.*

3 **SEC. 1132. DISTRIBUTION OF RESCISSIONS.**

4 *(a) IN GENERAL.—Any unobligated balances of*
5 *amounts that are appropriated from the Highway Trust*
6 *Fund for a fiscal year, and apportioned under chapter 1*
7 *of title 23, United States Code, before, on, or after the date*
8 *of enactment of this Act and that are rescinded in fiscal*
9 *year 2008 or fiscal year 2009 shall be distributed by the*
10 *Secretary of Transportation within each State (as defined*
11 *in section 101 of such title) among all programs for which*
12 *funds are apportioned under such chapter for such fiscal*
13 *year, to the extent sufficient funds remain available for obli-*
14 *gation, in the ratio that the amount of funds apportioned*
15 *for each program under such chapter for such fiscal year,*
16 *bears to the amount of funds apportioned for all such pro-*
17 *grams under such chapter for such fiscal year.*

18 *(b) ADJUSTMENTS.—A State may make adjustments*
19 *to the distribution of a rescission within the State for a*
20 *fiscal year under subsection (a) by transferring the amounts*
21 *to be rescinded among the programs for which funds are*
22 *apportioned under chapter 1 of title 23, United States Code,*
23 *for such fiscal year, except that in making such adjustments*
24 *the State may not rescind from any such program more*
25 *than 110 percent of the funds to be rescinded from the pro-*

1 gram for the fiscal year as determined by the Secretary of
2 Transportation under subsection (a).

3 (c) *TREATMENT OF TRANSPORTATION ENHANCEMENT*
4 *SET-ASIDE AND FUNDS SUBALLOCATED TO SUBSTATE*
5 *AREAS.*—Funds set aside under sections 133(d)(2) and
6 133(d)(3) of title 23, United States Code, shall be treated
7 as being apportioned under chapter 1 of such title for pur-
8 poses of subsection (a).

9 **SEC. 1133. SENSE OF CONGRESS REGARDING USE OF COM-**
10 **plete Streets Design Techniques.**

11 *It is the sense of Congress that in constructing new*
12 *roadways or rehabilitating existing facilities, State and*
13 *local governments should consider policies designed to ac-*
14 *commodate all users, including motorists, pedestrians, cy-*
15 *clists, transit riders, and people of all ages and abilities,*
16 *in order to—*

17 (1) *serve all surface transportation users by cre-*
18 *ating a more interconnected and intermodal system;*

19 (2) *create more viable transportation options;*
20 *and*

21 (3) *facilitate the use of environmentally friendly*
22 *options, such as public transportation, walking, and*
23 *bicycling.*

1 **TITLE XII—SMALL BUSINESS**
 2 **ENERGY PROGRAMS**

3 **SEC. 1201. EXPRESS LOANS FOR RENEWABLE ENERGY AND**
 4 **ENERGY EFFICIENCY.**

5 *Section 7(a)(31) of the Small Business Act (15 U.S.C.*
 6 *636(a)(31)) is amended by adding at the end the following:*

7 “(F) *EXPRESS LOANS FOR RENEWABLE EN-*
 8 *ERGY AND ENERGY EFFICIENCY.—*

9 “(i) *DEFINITIONS.—In this subpara-*
 10 *graph—*

11 “(I) *the term ‘biomass’—*

12 “(aa) *means any organic*
 13 *material that is available on a re-*
 14 *newable or recurring basis, in-*
 15 *cluding—*

16 “(AA) *agricultural*
 17 *crops;*

18 “(BB) *trees grown for*
 19 *energy production;*

20 “(CC) *wood waste and*
 21 *wood residues;*

22 “(DD) *plants (including*
 23 *aquatic plants and grasses);*

24 “(EE) *residues;*

25 “(FF) *fibers;*

1 “(GG) animal wastes
2 and other waste materials;
3 and

4 “(HH) fats, oils, and
5 greases (including recycled
6 fats, oils, and greases); and

7 “(bb) does not include—

8 “(AA) paper that is
9 commonly recycled; or

10 “(BB) unsegregated
11 solid waste;

12 “(II) the term ‘energy efficiency
13 project’ means the installation or up-
14 grading of equipment that results in a
15 significant reduction in energy usage;
16 and

17 “(III) the term ‘renewable energy
18 system’ means a system of energy de-
19 rived from—

20 “(aa) a wind, solar, biomass
21 (including biodiesel), or geo-
22 thermal source; or

23 “(bb) hydrogen derived from
24 biomass or water using an energy
25 source described in item (aa).

1 “(ii) *LOANS.*—*The Administrator may*
 2 *make a loan under the Express Loan Pro-*
 3 *gram for the purpose of—*

4 “(I) *purchasing a renewable en-*
 5 *ergy system; or*

6 “(II) *carrying out an energy effi-*
 7 *ciency project for a small business con-*
 8 *cern.*”.

9 **SEC. 1202. PILOT PROGRAM FOR REDUCED 7(a) FEES FOR**
 10 **PURCHASE OF ENERGY EFFICIENT TECH-**
 11 **NOLOGIES.**

12 *Section 7(a) of the Small Business Act (15 U.S.C.*
 13 *636(a)) is amended by adding at the end the following:*

14 “(32) *LOANS FOR ENERGY EFFICIENT TECH-*
 15 *NOLOGIES.—*

16 “(A) *DEFINITIONS.—In this paragraph—*

17 “(i) *the term ‘cost’ has the meaning*
 18 *given that term in section 502 of the Fed-*
 19 *eral Credit Reform Act of 1990 (2 U.S.C.*
 20 *661a);*

21 “(ii) *the term ‘covered energy efficiency*
 22 *loan’ means a loan—*

23 “(I) *made under this subsection;*
 24 *and*

1 “(II) the proceeds of which are
2 used to purchase energy efficient de-
3 signs, equipment, or fixtures, or to re-
4 duce the energy consumption of the
5 borrower by 10 percent or more; and

6 “(iii) the term ‘pilot program’ means
7 the pilot program established under sub-
8 paragraph (B)

9 “(B) *ESTABLISHMENT.*—The Administrator
10 shall establish and carry out a pilot program
11 under which the Administrator shall reduce the
12 fees for covered energy efficiency loans.

13 “(C) *DURATION.*—The pilot program shall
14 terminate at the end of the second full fiscal year
15 after the date that the Administrator establishes
16 the pilot program.

17 “(D) *MAXIMUM PARTICIPATION.*—A covered
18 energy efficiency loan shall include the max-
19 imum participation levels by the Administrator
20 permitted for loans made under this subsection.

21 “(E) *FEEES.*—

22 “(i) *IN GENERAL.*—The fee on a cov-
23 ered energy efficiency loan shall be equal to
24 50 percent of the fee otherwise applicable to
25 that loan under paragraph (18).

1 “(ii) *WAIVER.—The Administrator*
2 *may waive clause (i) for a fiscal year if—*

3 “(I) *for the fiscal year before that*
4 *fiscal year, the annual rate of default*
5 *of covered energy efficiency loans ex-*
6 *ceeds that of loans made under this*
7 *subsection that are not covered energy*
8 *efficiency loans;*

9 “(II) *the cost to the Administra-*
10 *tion of making loans under this sub-*
11 *section is greater than zero and such*
12 *cost is directly attributable to the cost*
13 *of making covered energy efficiency*
14 *loans; and*

15 “(III) *no additional sources of*
16 *revenue authority are available to re-*
17 *duce the cost of making loans under*
18 *this subsection to zero.*

19 “(iii) *EFFECT OF WAIVER.—If the Ad-*
20 *ministrator waives the reduction of fees*
21 *under clause (ii), the Administrator—*

22 “(I) *shall not assess or collect fees*
23 *in an amount greater than necessary*
24 *to ensure that the cost of the program*

1 *under this subsection is not greater*
2 *than zero; and*

3 “(II) *shall reinstate the fee reduc-*
4 *tions under clause (i) when the condi-*
5 *tions in clause (i) no longer apply.*

6 “(iv) *NO INCREASE OF FEES.—The Ad-*
7 *ministrator shall not increase the fees under*
8 *paragraph (18) on loans made under this*
9 *subsection that are not covered energy effi-*
10 *ciency loans as a direct result of the pilot*
11 *program.*

12 “(F) *GAO REPORT.—*

13 “(i) *IN GENERAL.—Not later than 1*
14 *year after the date that the pilot program*
15 *terminates, the Comptroller General of the*
16 *United States shall submit to the Committee*
17 *on Small Business of the House of Rep-*
18 *resentatives and the Committee on Small*
19 *Business and Entrepreneurship of the Sen-*
20 *ate a report on the pilot program.*

21 “(ii) *CONTENTS.—The report sub-*
22 *mitted under clause (i) shall include—*

23 “(I) *the number of covered energy*
24 *efficiency loans for which fees were re-*
25 *duced under the pilot program;*

1 “(II) a description of the energy
2 efficiency savings with the pilot pro-
3 gram;

4 “(III) a description of the impact
5 of the pilot program on the program
6 under this subsection;

7 “(IV) an evaluation of the efficacy
8 and potential fraud and abuse of the
9 pilot program; and

10 “(V) recommendations for improv-
11 ing the pilot program.”.

12 **SEC. 1203. SMALL BUSINESS ENERGY EFFICIENCY.**

13 (a) *DEFINITIONS.*—*In this section—*

14 (1) the terms “Administration” and “Adminis-
15 trator” mean the Small Business Administration and
16 the Administrator thereof, respectively;

17 (2) the term “association” means the association
18 of small business development centers established
19 under section 21(a)(3)(A) of the Small Business Act
20 (15 U.S.C. 648(a)(3)(A));

21 (3) the term “disability” has the meaning given
22 that term in section 3 of the Americans with Disabil-
23 ities Act of 1990 (42 U.S.C. 12102);

1 (4) the term “Efficiency Program” means the
2 *Small Business Energy Efficiency Program* estab-
3 *lished under subsection (c)(1);*

4 (5) the term “electric utility” has the meaning
5 *given that term in section 3 of the Public Utility Reg-*
6 *ulatory Policies Act of 1978 (16 U.S.C. 2602);*

7 (6) the term “high performance green building”
8 *has the meaning given that term in section 401;*

9 (7) the term “on-bill financing” means a low in-
10 *terest or no interest financing agreement between a*
11 *small business concern and an electric utility for the*
12 *purchase or installation of equipment, under which*
13 *the regularly scheduled payment of that small busi-*
14 *ness concern to that electric utility is not reduced by*
15 *the amount of the reduction in cost attributable to the*
16 *new equipment and that amount is credited to the*
17 *electric utility, until the cost of the purchase or in-*
18 *stallation is repaid;*

19 (8) the term “small business concern” has the
20 *same meaning as in section 3 of the Small Business*
21 *Act (15 U.S.C. 632);*

22 (9) the term “small business development center”
23 *means a small business development center described*
24 *in section 21 of the Small Business Act (15 U.S.C.*
25 *648);*

1 (10) the term “telecommuting” means the use of
2 telecommunications to perform work functions under
3 circumstances which reduce or eliminate the need to
4 commute;

5 (11) the term “Telecommuting Pilot Program”
6 means the pilot program established under subsection
7 (d)(1)(A); and

8 (12) the term “veteran” has the meaning given
9 that term in section 101 of title 38, United States
10 Code.

11 (b) *IMPLEMENTATION OF SMALL BUSINESS ENERGY*
12 *EFFICIENCY PROGRAM.*—

13 (1) *IN GENERAL.*—Not later than 90 days after
14 the date of enactment of this Act, the Administrator
15 shall promulgate final rules establishing the Govern-
16 ment-wide program authorized under subsection (d)
17 of section 337 of the Energy Policy and Conservation
18 Act (42 U.S.C. 6307) that ensure compliance with
19 that subsection by not later than 6 months after such
20 date of enactment.

21 (2) *PROGRAM REQUIRED.*—The Administrator
22 shall develop and coordinate a Government-wide pro-
23 gram, building on the Energy Star for Small Busi-
24 ness program, to assist small business concerns in—

25 (A) becoming more energy efficient;

1 (B) understanding the cost savings from
2 improved energy efficiency; and

3 (C) identifying financing options for energy
4 efficiency upgrades.

5 (3) *CONSULTATION AND COOPERATION.*—*The*
6 *program required by paragraph (2) shall be developed*
7 *and coordinated—*

8 (A) *in consultation with the Secretary of*
9 *Energy and the Administrator of the Environ-*
10 *mental Protection Agency; and*

11 (B) *in cooperation with any entities the Ad-*
12 *ministrator considers appropriate, such as in-*
13 *dustry trade associations, industry members, and*
14 *energy efficiency organizations.*

15 (4) *AVAILABILITY OF INFORMATION.*—*The Ad-*
16 *ministrator shall make available the information and*
17 *materials developed under the program required by*
18 *paragraph (2) to—*

19 (A) *small business concerns, including*
20 *smaller design, engineering, and construction*
21 *firms; and*

22 (B) *other Federal programs for energy effi-*
23 *ciency, such as the Energy Star for Small Busi-*
24 *ness program.*

25 (5) *STRATEGY AND REPORT.*—

1 (A) *STRATEGY REQUIRED.*—*The Administrator shall develop a strategy to educate, encourage, and assist small business concerns in adopting energy efficient building fixtures and equipment.*

2
3
4
5
6 (B) *REPORT.*—*Not later than December 31, 2008, the Administrator shall submit to Congress a report containing a plan to implement the strategy developed under subparagraph (A).*

7
8
9
10 (c) *SMALL BUSINESS SUSTAINABILITY INITIATIVE.*—

11 (1) *AUTHORITY.*—*The Administrator shall establish a Small Business Energy Efficiency Program to provide energy efficiency assistance to small business concerns through small business development centers.*

12
13
14
15 (2) *SMALL BUSINESS DEVELOPMENT CENTERS.*—

16 (A) *IN GENERAL.*—*In carrying out the Efficiency Program, the Administrator shall enter into agreements with small business development centers under which such centers shall—*

17
18
19
20 (i) *provide access to information and resources on energy efficiency practices, including on-bill financing options;*

21
22
23 (ii) *conduct training and educational activities;*

24

1 (iii) offer confidential, free, one-on-one,
2 in-depth energy audits to the owners and
3 operators of small business concerns regard-
4 ing energy efficiency practices;

5 (iv) give referrals to certified profes-
6 sionals and other providers of energy effi-
7 ciency assistance who meet such standards
8 for educational, technical, and professional
9 competency as the Administrator shall es-
10 tablish;

11 (v) to the extent not inconsistent with
12 controlling State public utility regulations,
13 act as a facilitator between small business
14 concerns, electric utilities, lenders, and the
15 Administration to facilitate on-bill financ-
16 ing arrangements;

17 (vi) provide necessary support to small
18 business concerns to—

19 (I) evaluate energy efficiency op-
20 portunities and opportunities to design
21 or construct high performance green
22 buildings;

23 (II) evaluate renewable energy
24 sources, such as the use of solar and

1 *small wind to supplement power con-*
2 *sumption;*

3 (III) *secure financing to achieve*
4 *energy efficiency or to design or con-*
5 *struct high performance green build-*
6 *ings; and*

7 (IV) *implement energy efficiency*
8 *projects;*

9 (vii) *assist owners of small business*
10 *concerns with the development and commer-*
11 *cialization of clean technology products,*
12 *goods, services, and processes that use re-*
13 *newable energy sources, dramatically reduce*
14 *the use of natural resources, and cut or*
15 *eliminate greenhouse gas emissions*
16 *through—*

17 (I) *technology assessment;*

18 (II) *intellectual property;*

19 (III) *Small Business Innovation*
20 *Research submissions under section 9*
21 *of the Small Business Act (15 U.S.C.*
22 *638);*

23 (IV) *strategic alliances;*

24 (V) *business model development;*

25 *and*

1 (VI) preparation for investors;

2 and

3 (viii) help small business concerns im-
4 prove environmental performance by shift-
5 ing to less hazardous materials and reduc-
6 ing waste and emissions, including by pro-
7 viding assistance for small business con-
8 cerns to adapt the materials they use, the
9 processes they operate, and the products and
10 services they produce.

11 (B) REPORTS.—Each small business devel-
12 opment center participating in the Efficiency
13 Program shall submit to the Administrator and
14 the Administrator of the Environmental Protec-
15 tion Agency an annual report that includes—

16 (i) a summary of the energy efficiency
17 assistance provided by that center under the
18 Efficiency Program;

19 (ii) the number of small business con-
20 cerns assisted by that center under the Effi-
21 ciency Program;

22 (iii) statistics on the total amount of
23 energy saved as a result of assistance pro-
24 vided by that center under the Efficiency
25 Program; and

1 (iv) any additional information deter-
2 mined necessary by the Administrator, in
3 consultation with the association.

4 (C) *REPORTS TO CONGRESS.*—Not later
5 than 60 days after the date on which all reports
6 under subparagraph (B) relating to a year are
7 submitted, the Administrator shall submit to the
8 Committee on Small Business and Entrepreneur-
9 ship of the Senate and the Committee on Small
10 Business of the House of Representatives a report
11 summarizing the information regarding the Effi-
12 ciency Program submitted by small business de-
13 velopment centers participating in that program.

14 (3) *ELIGIBILITY.*—A small business development
15 center shall be eligible to participate in the Efficiency
16 Program only if that center is certified under section
17 21(k)(2) of the Small Business Act (15 U.S.C.
18 648(k)(2)).

19 (4) *SELECTION OF PARTICIPATING STATE PRO-*
20 *GRAMS.*—From among small business development
21 centers submitting applications to participate in the
22 Efficiency Program, the Administrator—

23 (A) shall, to the maximum extent prac-
24 ticable, select small business development centers
25 in such a manner so as to promote a nationwide

1 *distribution of centers participating in the Effi-*
2 *ciency Program; and*

3 *(B) may not select more than 1 small busi-*
4 *ness development center in a State to participate*
5 *in the Efficiency Program.*

6 (5) *MATCHING REQUIREMENT.*—*Subparagraphs*
7 *(A) and (B) of section 21(a)(4) of the Small Business*
8 *Act (15 U.S.C. 648(a)(4)) shall apply to assistance*
9 *made available under the Efficiency Program.*

10 (6) *GRANT AMOUNTS.*—*Each small business de-*
11 *velopment center selected to participate in the Effi-*
12 *ciency Program under paragraph (4) shall be eligible*
13 *to receive a grant in an amount equal to—*

14 *(A) not less than \$100,000 in each fiscal*
15 *year; and*

16 *(B) not more than \$300,000 in each fiscal*
17 *year.*

18 (7) *EVALUATION AND REPORT.*—*The Comptroller*
19 *General of the United States shall—*

20 *(A) not later than 30 months after the date*
21 *of disbursement of the first grant under the Effi-*
22 *ciency Program, initiate an evaluation of that*
23 *program; and*

24 *(B) not later than 6 months after the date*
25 *of the initiation of the evaluation under sub-*

1 paragraph (A), submit to the Administrator, the
2 Committee on Small Business and Entrepreneur-
3 ship of the Senate, and the Committee on Small
4 Business of the House of Representatives, a re-
5 port containing—

6 (i) the results of the evaluation; and

7 (ii) any recommendations regarding
8 whether the Efficiency Program, with or
9 without modification, should be extended to
10 include the participation of all small busi-
11 ness development centers.

12 (8) *GUARANTEE.*—To the extent not inconsistent
13 with State law, the Administrator may guarantee the
14 timely payment of a loan made to a small business
15 concern through an on-bill financing agreement on
16 such terms and conditions as the Administrator shall
17 establish through a formal rule making, after pro-
18 viding notice and an opportunity for comment.

19 (9) *IMPLEMENTATION.*—Subject to amounts ap-
20 proved in advance in appropriations Acts and sepa-
21 rate from amounts approved to carry out section
22 21(a)(1) of the Small Business Act (15 U.S.C.
23 648(a)(1)), the Administrator may make grants or
24 enter into cooperative agreements to carry out this
25 subsection.

1 (10) *AUTHORIZATION OF APPROPRIATIONS.*—
2 *There are authorized to be appropriated such sums as*
3 *are necessary to make grants and enter into coopera-*
4 *tive agreements to carry out this subsection.*

5 (11) *TERMINATION.*—*The authority under this*
6 *subsection shall terminate 4 years after the date of*
7 *disbursement of the first grant under the Efficiency*
8 *Program.*

9 (d) *SMALL BUSINESS TELECOMMUTING.*—

10 (1) *PILOT PROGRAM.*—

11 (A) *IN GENERAL.*—*The Administrator shall*
12 *conduct, in not more than 5 of the regions of the*
13 *Administration, a pilot program to provide in-*
14 *formation regarding telecommuting to employers*
15 *that are small business concerns and to encour-*
16 *age such employers to offer telecommuting op-*
17 *tions to employees.*

18 (B) *SPECIAL OUTREACH TO INDIVIDUALS*
19 *WITH DISABILITIES.*—*In carrying out the Tele-*
20 *commuting Pilot Program, the Administrator*
21 *shall make a concerted effort to provide informa-*
22 *tion to—*

23 (i) *small business concerns owned by*
24 *or employing individuals with disabilities,*

1 particularly veterans who are individuals
2 with disabilities;

3 (ii) Federal, State, and local agencies
4 having knowledge and expertise in assisting
5 individuals with disabilities, including vet-
6 erans who are individuals with disabilities;
7 and

8 (iii) any group or organization, the
9 primary purpose of which is to aid individ-
10 uals with disabilities or veterans who are
11 individuals with disabilities.

12 (C) *PERMISSIBLE ACTIVITIES*.—In carrying
13 out the Telecommuting Pilot Program, the Ad-
14 ministrator may—

15 (i) produce educational materials and
16 conduct presentations designed to raise
17 awareness in the small business community
18 of the benefits and the ease of telecom-
19 muting;

20 (ii) conduct outreach—

21 (I) to small business concerns that
22 are considering offering telecommuting
23 options; and

24 (II) as provided in subparagraph
25 (B); and

1 (iii) acquire telecommuting tech-
2 nologies and equipment to be used for dem-
3 onstration purposes.

4 (D) SELECTION OF REGIONS.—In deter-
5 mining which regions will participate in the
6 Telecommuting Pilot Program, the Adminis-
7 trator shall give priority consideration to regions
8 in which Federal agencies and private-sector em-
9 ployers have demonstrated a strong regional
10 commitment to telecommuting.

11 (2) REPORT TO CONGRESS.—Not later than 2
12 years after the date on which funds are first appro-
13 priated to carry out this subsection, the Adminis-
14 trator shall transmit to the Committee on Small
15 Business and Entrepreneurship of the Senate and the
16 Committee on Small Business of the House of Rep-
17 resentatives a report containing the results of an eval-
18 uation of the Telecommuting Pilot Program and any
19 recommendations regarding whether the pilot pro-
20 gram, with or without modification, should be ex-
21 tended to include the participation of all regions of
22 the Administration.

23 (3) TERMINATION.—The Telecommuting Pilot
24 Program shall terminate 4 years after the date on

1 *which funds are first appropriated to carry out this*
2 *subsection.*

3 (4) *AUTHORIZATION OF APPROPRIATIONS.—*

4 *There is authorized to be appropriated to the Admin-*
5 *istration \$5,000,000 to carry out this subsection.*

6 (e) *ENCOURAGING INNOVATION IN ENERGY EFFI-*
7 *CIENCY.—Section 9 of the Small Business Act (15 U.S.C.*
8 *638) is amended by adding at the end the following:*

9 “(z) *ENCOURAGING INNOVATION IN ENERGY EFFI-*
10 *CIENCY.—*

11 “(1) *FEDERAL AGENCY ENERGY-RELATED PRI-*
12 *ORITY.—In carrying out its duties under this section*
13 *relating to SBIR and STTR solicitations by Federal*
14 *departments and agencies, the Administrator shall—*

15 “(A) *ensure that such departments and*
16 *agencies give high priority to small business con-*
17 *cerns that participate in or conduct energy effi-*
18 *ciency or renewable energy system research and*
19 *development projects; and*

20 “(B) *include in the annual report to Con-*
21 *gress under subsection (b)(7) a determination of*
22 *whether the priority described in subparagraph*
23 *(A) is being carried out.*

24 “(2) *CONSULTATION REQUIRED.—The Adminis-*
25 *trator shall consult with the heads of other Federal*

1 *departments and agencies in determining whether*
2 *priority has been given to small business concerns*
3 *that participate in or conduct energy efficiency or re-*
4 *newable energy system research and development*
5 *projects, as required by this subsection.*

6 “(3) *GUIDELINES.*—*The Administrator shall, as*
7 *soon as is practicable after the date of enactment of*
8 *this subsection, issue guidelines and directives to as-*
9 *sist Federal agencies in meeting the requirements of*
10 *this subsection.*

11 “(4) *DEFINITIONS.*—*In this subsection—*

12 “(A) *the term ‘biomass’—*

13 “(i) *means any organic material that*
14 *is available on a renewable or recurring*
15 *basis, including—*

16 “(I) *agricultural crops;*

17 “(II) *trees grown for energy pro-*
18 *duction;*

19 “(III) *wood waste and wood resi-*
20 *dues;*

21 “(IV) *plants (including aquatic*
22 *plants and grasses);*

23 “(V) *residues;*

24 “(VI) *fibers;*

1 “(VII) animal wastes and other
2 waste materials; and

3 “(VIII) fats, oils, and greases (in-
4 cluding recycled fats, oils, and greases);
5 and

6 “(ii) does not include—

7 “(I) paper that is commonly recy-
8 cled; or

9 “(II) unsegregated solid waste;

10 “(B) the term ‘energy efficiency project’
11 means the installation or upgrading of equip-
12 ment that results in a significant reduction in
13 energy usage; and

14 “(C) the term ‘renewable energy system’
15 means a system of energy derived from—

16 “(i) a wind, solar, biomass (including
17 biodiesel), or geothermal source; or

18 “(ii) hydrogen derived from biomass or
19 water using an energy source described in
20 clause (i).”.

1 **SEC. 1204. LARGER 504 LOAN LIMITS TO HELP BUSINESS**
2 **DEVELOP ENERGY EFFICIENT TECH-**
3 **NOLOGIES AND PURCHASES.**

4 (a) *ELIGIBILITY FOR ENERGY EFFICIENCY*
5 *PROJECTS.*—Section 501(d)(3) of the Small Business In-
6 vestment Act of 1958 (15 U.S.C. 695(d)(3)) is amended—

7 (1) in subparagraph (G) by striking “or” at the
8 end;

9 (2) in subparagraph (H) by striking the period
10 at the end and inserting a comma;

11 (3) by inserting after subparagraph (H) the fol-
12 lowing:

13 “(I) reduction of energy consumption by at
14 least 10 percent,

15 “(J) increased use of sustainable design, in-
16 cluding designs that reduce the use of greenhouse
17 gas emitting fossil fuels, or low-impact design to
18 produce buildings that reduce the use of non-re-
19 newable resources and minimize environmental
20 impact, or

21 “(K) plant, equipment and process up-
22 grades of renewable energy sources such as the
23 small-scale production of energy for individual
24 buildings or communities consumption, com-
25 monly known as micropower, or renewable fuels

1 producers including biodiesel and ethanol pro-
2 ducers.”; and

3 (4) by adding at the end the following: “In sub-
4 paragraphs (J) and (K), terms have the meanings
5 given those terms under the Leadership in Energy
6 and Environmental Design (LEED) standard for
7 green building certification, as determined by the Ad-
8 ministrator.”.

9 (b) *LOANS FOR PLANT PROJECTS USED FOR ENERGY-*
10 *EFFICIENT PURPOSES.*—Section 502(2)(A) of the Small
11 Business Investment Act of 1958 (15 U.S.C. 696(2)(A)) is
12 amended—

13 (1) in clause (ii) by striking “and” at the end;

14 (2) in clause (iii) by striking the period at the
15 end and inserting a semicolon; and

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

17 “(iv) \$4,000,000 for each project that
18 reduces the borrower’s energy consumption
19 by at least 10 percent; and

20 “(v) \$4,000,000 for each project that
21 generates renewable energy or renewable
22 fuels, such as biodiesel or ethanol produc-
23 tion.”.

1 **SEC. 1205. ENERGY SAVING DEBENTURES.**

2 (a) *IN GENERAL.*—Section 303 of the Small Business
3 Investment Act of 1958 (15 U.S.C. 683) is amended by add-
4 ing at the end the following:

5 “(k) *ENERGY SAVING DEBENTURES.*—In addition to
6 any other authority under this Act, a small business invest-
7 ment company licensed in the first fiscal year after the date
8 of enactment of this subsection or any fiscal year thereafter
9 may issue Energy Saving debentures.”.

10 (b) *DEFINITIONS.*—Section 103 of the Small Business
11 Investment Act of 1958 (15 U.S.C. 662) is amended—

12 (1) in paragraph (16), by striking “and” at the
13 end;

14 (2) in paragraph (17), by striking the period at
15 the end and inserting a semicolon; and

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

17 “(18) the term ‘Energy Saving debenture’ means
18 a deferred interest debenture that—

19 “(A) is issued at a discount;

20 “(B) has a 5-year maturity or a 10-year
21 maturity;

22 “(C) requires no interest payment or an-
23 nual charge for the first 5 years;

24 “(D) is restricted to Energy Saving quali-
25 fied investments; and

1 “(E) is issued at no cost (as defined in sec-
2 tion 502 of the Credit Reform Act of 1990) with
3 respect to purchasing and guaranteeing the de-
4 benture; and

5 “(19) the term ‘Energy Saving qualified invest-
6 ment’ means investment in a small business concern
7 that is primarily engaged in researching, manufac-
8 turing, developing, or providing products, goods, or
9 services that reduce the use or consumption of non-re-
10 newable energy resources.”.

11 **SEC. 1206. INVESTMENTS IN ENERGY SAVING SMALL BUSI-**
12 **NESSES.**

13 (a) *MAXIMUM LEVERAGE.*—Section 303(b)(2) of the
14 *Small Business Investment Act of 1958 (15 U.S.C.*
15 *303(b)(2)) is amended by adding at the end the following:*

16 “(D) *INVESTMENTS IN ENERGY SAVING*
17 *SMALL BUSINESSES.*—

18 “(i) *IN GENERAL.*—Subject to clause
19 (ii), in calculating the outstanding leverage
20 of a company for purposes of subparagraph
21 (A), the Administrator shall exclude the
22 amount of the cost basis of any Energy Sav-
23 ing qualified investment in a smaller enter-
24 prise made in the first fiscal year after the
25 date of enactment of this subparagraph or

1 *any fiscal year thereafter by a company li-*
2 *censed in the applicable fiscal year.*

3 “(ii) *LIMITATIONS.*—

4 “(I) *AMOUNT OF EXCLUSION.*—

5 *The amount excluded under clause (i)*
6 *for a company shall not exceed 33 per-*
7 *cent of the private capital of that com-*
8 *pany.*

9 “(II) *MAXIMUM INVESTMENT.*—A

10 *company shall not make an Energy*
11 *Saving qualified investment in any*
12 *one entity in an amount equal to more*
13 *than 20 percent of the private capital*
14 *of that company.*

15 “(III) *OTHER TERMS.*—*The exclu-*

16 *sion of amounts under clause (i) shall*
17 *be subject to such terms as the Admin-*
18 *istrator may impose to ensure that*
19 *there is no cost (as that term is defined*
20 *in section 502 of the Federal Credit*
21 *Reform Act of 1990 (2 U.S.C. 661a))*
22 *with respect to purchasing or guaran-*
23 *teeing any debenture involved.”.*

24 “(b) *MAXIMUM AGGREGATE AMOUNT OF LEVERAGE.*—

25 *Section 303(b)(4) of the Small Business Investment Act of*

1 1958 (15 U.S.C. 303(b)(4)) is amended by adding at the
2 end the following:

3 “(E) INVESTMENTS IN ENERGY SAVING
4 SMALL BUSINESSES.—

5 “(i) IN GENERAL.—Subject to clause
6 (ii), in calculating the aggregate out-
7 standing leverage of a company for pur-
8 poses of subparagraph (A), the Adminis-
9 trator shall exclude the amount of the cost
10 basis of any Energy Saving qualified in-
11 vestment in a smaller enterprise made in
12 the first fiscal year after the date of enact-
13 ment of this subparagraph or any fiscal
14 year thereafter by a company licensed in
15 the applicable fiscal year.

16 “(ii) LIMITATIONS.—

17 “(I) AMOUNT OF EXCLUSION.—
18 The amount excluded under clause (i)
19 for a company shall not exceed 33 per-
20 cent of the private capital of that com-
21 pany.

22 “(II) MAXIMUM INVESTMENT.—A
23 company shall not make an Energy
24 Saving qualified investment in any
25 one entity in an amount equal to more

1 *than 20 percent of the private capital*
2 *of that company.*

3 “(III) *OTHER TERMS.—The exclu-*
4 *sion of amounts under clause (i) shall*
5 *be subject to such terms as the Admin-*
6 *istrator may impose to ensure that*
7 *there is no cost (as that term is defined*
8 *in section 502 of the Federal Credit*
9 *Reform Act of 1990 (2 U.S.C. 661a))*
10 *with respect to purchasing or guaran-*
11 *teeing any debenture involved.”.*

12 **SEC. 1207. RENEWABLE FUEL CAPITAL INVESTMENT COM-**
13 **PANY.**

14 *Title III of the Small Business Investment Act of 1958*
15 *(15 U.S.C. 681 et seq.) is amended by adding at the end*
16 *the following:*

17 **“PART C—RENEWABLE FUEL CAPITAL**
18 **INVESTMENT PILOT PROGRAM**

19 **“SEC. 381. DEFINITIONS.**

20 *“In this part:*

21 “(1) *OPERATIONAL ASSISTANCE.—The term*
22 *‘operational assistance’ means management, mar-*
23 *keting, and other technical assistance that assists a*
24 *small business concern with business development.*

1 “(2) *PARTICIPATION AGREEMENT.*—*The term*
2 *‘participation agreement’ means an agreement, be-*
3 *tween the Administrator and a company granted*
4 *final approval under section 384(e), that—*

5 “(A) *details the operating plan and invest-*
6 *ment criteria of the company; and*

7 “(B) *requires the company to make invest-*
8 *ments in smaller enterprises primarily engaged*
9 *in researching, manufacturing, developing, pro-*
10 *ducing, or bringing to market goods, products, or*
11 *services that generate or support the production*
12 *of renewable energy.*

13 “(3) *RENEWABLE ENERGY.*—*The term ‘renewable*
14 *energy’ means energy derived from resources that are*
15 *regenerative or that cannot be depleted, including*
16 *solar, wind, ethanol, and biodiesel fuels.*

17 “(4) *RENEWABLE FUEL CAPITAL INVESTMENT*
18 *COMPANY.*—*The term ‘Renewable Fuel Capital Invest-*
19 *ment company’ means a company—*

20 “(A) *that—*

21 “(i) *has been granted final approval by*
22 *the Administrator under section 384(e); and*

23 “(ii) *has entered into a participation*
24 *agreement with the Administrator; or*

1 “(B) that has received conditional approval
2 under section 384(c).

3 “(5) STATE.—The term ‘State’ means each of the
4 several States, the District of Columbia, the Common-
5 wealth of Puerto Rico, the Virgin Islands, Guam,
6 American Samoa, the Commonwealth of the Northern
7 Mariana Islands, and any other commonwealth, terri-
8 tory, or possession of the United States.

9 “(6) VENTURE CAPITAL.—The term ‘venture cap-
10 ital’ means capital in the form of equity capital in-
11 vestments, as that term is defined in section
12 303(g)(4).

13 **“SEC. 382. PURPOSES.**

14 “The purposes of the Renewable Fuel Capital Invest-
15 ment Program established under this part are—

16 “(1) to promote the research, development, man-
17 ufacture, production, and bringing to market of goods,
18 products, or services that generate or support the pro-
19 duction of renewable energy by encouraging venture
20 capital investments in smaller enterprises primarily
21 engaged such activities; and

22 “(2) to establish a venture capital program, with
23 the mission of addressing the unmet equity invest-
24 ment needs of smaller enterprises engaged in research-
25 ing, developing, manufacturing, producing, and

1 *bringing to market goods, products, or services that*
2 *generate or support the production of renewable en-*
3 *ergy, to be administered by the Administrator—*

4 *“(A) to enter into participation agreements*
5 *with Renewable Fuel Capital Investment compa-*
6 *nies;*

7 *“(B) to guarantee debentures of Renewable*
8 *Fuel Capital Investment companies to enable*
9 *each such company to make venture capital in-*
10 *vestments in smaller enterprises engaged in the*
11 *research, development, manufacture, production,*
12 *and bringing to market of goods, products, or*
13 *services that generate or support the production*
14 *of renewable energy; and*

15 *“(C) to make grants to Renewable Fuel In-*
16 *vestment Capital companies, and to other enti-*
17 *ties, for the purpose of providing operational as-*
18 *sistance to smaller enterprises financed, or ex-*
19 *pected to be financed, by such companies.*

20 **“SEC. 383. ESTABLISHMENT.**

21 *“The Administrator shall establish a Renewable Fuel*
22 *Capital Investment Program, under which the Adminis-*
23 *trator may—*

24 *“(1) enter into participation agreements for the*
25 *purposes described in section 382; and*

1 “(2) *guarantee the debentures issued by Renew-*
2 *able Fuel Capital Investment companies as provided*
3 *in section 385.*

4 **“SEC. 384. SELECTION OF RENEWABLE FUEL CAPITAL IN-**
5 **VESTMENT COMPANIES.**

6 “(a) *ELIGIBILITY.—A company is eligible to apply to*
7 *be designated as a Renewable Fuel Capital Investment com-*
8 *pany if the company—*

9 “(1) *is a newly formed for-profit entity or a*
10 *newly formed for-profit subsidiary of an existing enti-*
11 *ty;*

12 “(2) *has a management team with experience in*
13 *alternative energy financing or relevant venture cap-*
14 *ital financing; and*

15 “(3) *has a primary objective of investment in*
16 *smaller enterprises that research, manufacture, de-*
17 *velop, produce, or bring to market goods, products, or*
18 *services that generate or support the production of re-*
19 *newable energy.*

20 “(b) *APPLICATION.—A company desiring to be des-*
21 *ignated as a Renewable Fuel Capital Investment company*
22 *shall submit an application to the Administrator that in-*
23 *cludes—*

24 “(1) *a business plan describing how the company*
25 *intends to make successful venture capital investments*

1 *in smaller enterprises primarily engaged in the re-*
2 *search, manufacture, development, production, or*
3 *bringing to market of goods, products, or services that*
4 *generate or support the production of renewable en-*
5 *ergy;*

6 *“(2) information regarding the relevant venture*
7 *capital qualifications and general reputation of the*
8 *management of the company;*

9 *“(3) a description of how the company intends*
10 *to seek to address the unmet capital needs of the*
11 *smaller enterprises served;*

12 *“(4) a proposal describing how the company in-*
13 *tends to use the grant funds provided under this part*
14 *to provide operational assistance to smaller enter-*
15 *prises financed by the company, including informa-*
16 *tion regarding whether the company has employees*
17 *with appropriate professional licenses or will contract*
18 *with another entity when the services of such an indi-*
19 *vidual are necessary;*

20 *“(5) with respect to binding commitments to be*
21 *made to the company under this part, an estimate of*
22 *the ratio of cash to in-kind contributions;*

23 *“(6) a description of whether and to what extent*
24 *the company meets the criteria under subsection*

1 (c)(2) and the objectives of the program established
2 under this part;

3 “(7) information regarding the management and
4 financial strength of any parent firm, affiliated firm,
5 or any other firm essential to the success of the busi-
6 ness plan of the company; and

7 “(8) such other information as the Administrator
8 may require.

9 “(c) *CONDITIONAL APPROVAL.*—

10 “(1) *IN GENERAL.*—From among companies sub-
11 mitting applications under subsection (b), the Admin-
12 istrator shall conditionally approve companies to op-
13 erate as Renewable Fuel Capital Investment compa-
14 nies.

15 “(2) *SELECTION CRITERIA.*—In conditionally
16 approving companies under paragraph (1), the Ad-
17 ministrator shall consider—

18 “(A) the likelihood that the company will
19 meet the goal of its business plan;

20 “(B) the experience and background of the
21 management team of the company;

22 “(C) the need for venture capital invest-
23 ments in the geographic areas in which the com-
24 pany intends to invest;

1 “(D) the extent to which the company will
2 concentrate its activities on serving the geo-
3 graphic areas in which it intends to invest;

4 “(E) the likelihood that the company will be
5 able to satisfy the conditions under subsection
6 (d);

7 “(F) the extent to which the activities pro-
8 posed by the company will expand economic op-
9 portunities in the geographic areas in which the
10 company intends to invest;

11 “(G) the strength of the proposal by the
12 company to provide operational assistance under
13 this part as the proposal relates to the ability of
14 the company to meet applicable cash require-
15 ments and properly use in-kind contributions,
16 including the use of resources for the services of
17 licensed professionals, when necessary, whether
18 provided by employees or contractors; and

19 “(H) any other factor determined appro-
20 priate by the Administrator.

21 “(3) NATIONWIDE DISTRIBUTION.—From among
22 companies submitting applications under subsection
23 (b), the Administrator shall consider the selection cri-
24 teria under paragraph (2) and shall, to the maximum

1 *extent practicable, approve at least one company from*
2 *each geographic region of the Administration.*

3 “(d) *REQUIREMENTS TO BE MET FOR FINAL AP-*
4 *PROVAL.—*

5 “(1) *IN GENERAL.—The Administrator shall*
6 *grant each conditionally approved company 2 years*
7 *to satisfy the requirements of this subsection.*

8 “(2) *CAPITAL REQUIREMENT.—Each condi-*
9 *tionally approved company shall raise not less than*
10 *\$3,000,000 of private capital or binding capital com-*
11 *mitments from 1 or more investors (which shall not*
12 *be departments or agencies of the Federal Govern-*
13 *ment) who meet criteria established by the Adminis-*
14 *trator.*

15 “(3) *NONADMINISTRATION RESOURCES FOR*
16 *OPERATIONAL ASSISTANCE.—*

17 “(A) *IN GENERAL.—In order to provide*
18 *operational assistance to smaller enterprises ex-*
19 *pected to be financed by the company, each con-*
20 *ditionally approved company shall have binding*
21 *commitments (for contribution in cash or in-*
22 *kind)—*

23 “(i) *from sources other than the Ad-*
24 *ministration that meet criteria established*
25 *by the Administrator; and*

1 “(ii) payable or available over a
2 multiyear period determined appropriate by
3 the Administrator (not to exceed 10 years).

4 “(B) *EXCEPTION.*—The Administrator may,
5 in the discretion of the Administrator and based
6 upon a showing of special circumstances and
7 good cause, consider an applicant to have satis-
8 fied the requirements of subparagraph (A) if the
9 applicant has—

10 “(i) a viable plan that reasonably
11 projects the capacity of the applicant to
12 raise the amount (in cash or in-kind) re-
13 quired under subparagraph (A); and

14 “(ii) binding commitments in an
15 amount equal to not less than 20 percent of
16 the total amount required under paragraph
17 (A).

18 “(C) *LIMITATION.*—The total amount of a
19 in-kind contributions by a company shall be not
20 more than 50 percent of the total contributions
21 by a company.

22 “(e) *FINAL APPROVAL; DESIGNATION.*—The Adminis-
23 trator shall, with respect to each applicant conditionally
24 approved under subsection (c)—

1 “(1) grant final approval to the applicant to op-
2 erate as a Renewable Fuel Capital Investment com-
3 pany under this part and designate the applicant as
4 such a company, if the applicant—

5 “(A) satisfies the requirements of subsection
6 (d) on or before the expiration of the time period
7 described in that subsection; and

8 “(B) enters into a participation agreement
9 with the Administrator; or

10 “(2) if the applicant fails to satisfy the require-
11 ments of subsection (d) on or before the expiration of
12 the time period described in paragraph (1) of that
13 subsection, revoke the conditional approval granted
14 under that subsection.

15 **“SEC. 385. DEBENTURES.**

16 “(a) *IN GENERAL.*—The Administrator may guar-
17 antee the timely payment of principal and interest, as
18 scheduled, on debentures issued by any Renewable Fuel
19 Capital Investment company.

20 “(b) *TERMS AND CONDITIONS.*—The Administrator
21 may make guarantees under this section on such terms and
22 conditions as it determines appropriate, except that—

23 “(1) the term of any debenture guaranteed under
24 this section shall not exceed 15 years; and

25 “(2) a debenture guaranteed under this section—

1 “(A) shall carry no front-end or annual
2 fees;

3 “(B) shall be issued at a discount;

4 “(C) shall require no interest payments dur-
5 ing the 5-year period beginning on the date the
6 debenture is issued;

7 “(D) shall be prepayable without penalty
8 after the end of the 1-year period beginning on
9 the date the debenture is issued; and

10 “(E) shall require semiannual interest pay-
11 ments after the period described in subparagraph
12 (C).

13 “(c) *FULL FAITH AND CREDIT OF THE UNITED*
14 *STATES.*—*The full faith and credit of the United States is*
15 *pledged to pay all amounts that may be required to be paid*
16 *under any guarantee under this part.*

17 “(d) *MAXIMUM GUARANTEE.*—

18 “(1) *IN GENERAL.*—*Under this section, the Ad-*
19 *ministrator may guarantee the debentures issued by*
20 *a Renewable Fuel Capital Investment company only*
21 *to the extent that the total face amount of outstanding*
22 *guaranteed debentures of such company does not ex-*
23 *ceed 150 percent of the private capital of the com-*
24 *pany, as determined by the Administrator.*

1 *and interest on the guaranteed debentures that com-*
2 *pose the trust or pool.*

3 “(3) *PREPAYMENT OR DEFAULT.*—*If a debenture*
4 *in a trust or pool is prepaid, or in the event of de-*
5 *fault of such a debenture, the guarantee of timely*
6 *payment of principal and interest on the trust certifi-*
7 *cates shall be reduced in proportion to the amount of*
8 *principal and interest such prepaid debenture rep-*
9 *resents in the trust or pool. Interest on prepaid or de-*
10 *faulted debentures shall accrue and be guaranteed by*
11 *the Administrator only through the date of payment*
12 *of the guarantee. At any time during its term, a trust*
13 *certificate may be called for redemption due to pre-*
14 *payment or default of all debentures.*

15 “(c) *FULL FAITH AND CREDIT OF THE UNITED*
16 *STATES.*—*The full faith and credit of the United States is*
17 *pledged to pay all amounts that may be required to be paid*
18 *under any guarantee of a trust certificate issued by the Ad-*
19 *ministrator or its agents under this section.*

20 “(d) *FEEES.*—*The Administrator shall not collect a fee*
21 *for any guarantee of a trust certificate under this section,*
22 *but any agent of the Administrator may collect a fee ap-*
23 *proved by the Administrator for the functions described in*
24 *subsection (f)(2).*

25 “(e) *SUBROGATION AND OWNERSHIP RIGHTS.*—

1 “(1) *SUBROGATION.*—*If the Administrator pays*
2 *a claim under a guarantee issued under this section,*
3 *it shall be subrogated fully to the rights satisfied by*
4 *such payment.*

5 “(2) *OWNERSHIP RIGHTS.*—*No Federal, State, or*
6 *local law shall preclude or limit the exercise by the*
7 *Administrator of its ownership rights in the deben-*
8 *tures residing in a trust or pool against which trust*
9 *certificates are issued under this section.*

10 “(f) *MANAGEMENT AND ADMINISTRATION.*—

11 “(1) *REGISTRATION.*—*The Administrator may*
12 *provide for a central registration of all trust certifi-*
13 *cates issued under this section.*

14 “(2) *CONTRACTING OF FUNCTIONS.*—

15 “(A) *IN GENERAL.*—*The Administrator*
16 *may contract with an agent or agents to carry*
17 *out on behalf of the Administrator the pooling*
18 *and the central registration functions provided*
19 *for in this section, including, notwithstanding*
20 *any other provision of law—*

21 “(i) *maintenance, on behalf of and*
22 *under the direction of the Administrator, of*
23 *such commercial bank accounts or invest-*
24 *ments in obligations of the United States as*
25 *may be necessary to facilitate the creation*

1 *of trusts or pools backed by debentures guar-*
2 *anteed under this part; and*

3 “(ii) *the issuance of trust certificates to*
4 *facilitate the creation of such trusts or*
5 *pools.*

6 “(B) *FIDELITY BOND OR INSURANCE RE-*
7 *QUIREMENT.—Any agent performing functions*
8 *on behalf of the Administrator under this para-*
9 *graph shall provide a fidelity bond or insurance*
10 *in such amounts as the Administrator deter-*
11 *mines to be necessary to fully protect the inter-*
12 *ests of the United States.*

13 “(3) *REGULATION OF BROKERS AND DEALERS.—*
14 *The Administrator may regulate brokers and dealers*
15 *in trust certificates issued under this section.*

16 “(4) *ELECTRONIC REGISTRATION.—Nothing in*
17 *this subsection may be construed to prohibit the use*
18 *of a book-entry or other electronic form of registration*
19 *for trust certificates issued under this section.*

20 **“SEC. 387. FEES.**

21 “(a) *IN GENERAL.—Except as provided in section*
22 *386(d), the Administrator may charge such fees as it deter-*
23 *mines appropriate with respect to any guarantee or grant*
24 *issued under this part, in an amount established annually*
25 *by the Administrator, as necessary to reduce to zero the cost*

1 *(as defined in section 502 of the Federal Credit Reform Act*
2 *of 1990) to the Administration of purchasing and guaran-*
3 *teeing debentures under this part, which amounts shall be*
4 *paid to and retained by the Administration.*

5 “(b) *OFFSET.*—*The Administrator may, as provided*
6 *by section 388, offset fees charged and collected under sub-*
7 *section (a).*

8 **“SEC. 388. FEE CONTRIBUTION.**

9 “(a) *IN GENERAL.*—*To the extent that amounts are*
10 *made available to the Administrator for the purpose of fee*
11 *contributions, the Administrator shall contribute to fees*
12 *paid by the Renewable Fuel Capital Investment companies*
13 *under section 387.*

14 “(b) *ANNUAL ADJUSTMENT.*—*Each fee contribution*
15 *under subsection (a) shall be effective for 1 fiscal year and*
16 *shall be adjusted as necessary for each fiscal year thereafter*
17 *to ensure that amounts under subsection (a) are fully used.*
18 *The fee contribution for a fiscal year shall be based on the*
19 *outstanding commitments made and the guarantees and*
20 *grants that the Administrator projects will be made during*
21 *that fiscal year, given the program level authorized by law*
22 *for that fiscal year and any other factors that the Adminis-*
23 *trator determines appropriate.*

24 **“SEC. 389. OPERATIONAL ASSISTANCE GRANTS.**

25 “(a) *IN GENERAL.*—

1 “(1) *AUTHORITY.*—*The Administrator may*
2 *make grants to Renewable Fuel Capital Investment*
3 *companies to provide operational assistance to small-*
4 *er enterprises financed, or expected to be financed, by*
5 *such companies or other entities.*

6 “(2) *TERMS.*—*A grant under this subsection*
7 *shall be made over a multiyear period not to exceed*
8 *10 years, under such other terms as the Administrator*
9 *may require.*

10 “(3) *GRANT AMOUNT.*—*The amount of a grant*
11 *made under this subsection to a Renewable Fuel Cap-*
12 *ital Investment company shall be equal to the lesser*
13 *of—*

14 “(A) *10 percent of the resources (in cash or*
15 *in kind) raised by the company under section*
16 *384(d)(2); or*

17 “(B) *\$1,000,000.*

18 “(4) *PRO RATA REDUCTIONS.*—*If the amount*
19 *made available to carry out this section is insufficient*
20 *for the Administrator to provide grants in the*
21 *amounts provided for in paragraph (3), the Adminis-*
22 *trator shall make pro rata reductions in the amounts*
23 *otherwise payable to each company and entity under*
24 *such paragraph.*

1 “(5) *GRANTS TO CONDITIONALLY APPROVED COM-*
2 *PANIES.—*

3 “(A) *IN GENERAL.—Subject to subpara-*
4 *graphs (B) and (C), upon the request of a com-*
5 *pany conditionally approved under section*
6 *384(c), the Administrator shall make a grant to*
7 *the company under this subsection.*

8 “(B) *REPAYMENT BY COMPANIES NOT AP-*
9 *PROVED.—If a company receives a grant under*
10 *this paragraph and does not enter into a partici-*
11 *ipation agreement for final approval, the com-*
12 *pany shall, subject to controlling Federal law,*
13 *repay the amount of the grant to the Adminis-*
14 *trator.*

15 “(C) *DEDUCTION OF GRANT TO APPROVED*
16 *COMPANY.—If a company receives a grant under*
17 *this paragraph and receives final approval*
18 *under section 384(e), the Administrator shall de-*
19 *duct the amount of the grant from the total*
20 *grant amount the company receives for oper-*
21 *ational assistance.*

22 “(D) *AMOUNT OF GRANT.—No company*
23 *may receive a grant of more than \$100,000*
24 *under this paragraph.*

25 “(b) *SUPPLEMENTAL GRANTS.—*

1 “(1) *IN GENERAL.*—*The Administrator may*
2 *make supplemental grants to Renewable Fuel Capital*
3 *Investment companies and to other entities, as au-*
4 *thorized by this part, under such terms as the Admin-*
5 *istrator may require, to provide additional oper-*
6 *ational assistance to smaller enterprises financed, or*
7 *expected to be financed, by the companies.*

8 “(2) *MATCHING REQUIREMENT.*—*The Adminis-*
9 *trator may require, as a condition of any supple-*
10 *mental grant made under this subsection, that the*
11 *company or entity receiving the grant provide from*
12 *resources (in a cash or in kind), other than those pro-*
13 *vided by the Administrator, a matching contribution*
14 *equal to the amount of the supplemental grant.*

15 “(c) *LIMITATION.*—*None of the assistance made avail-*
16 *able under this section may be used for any overhead or*
17 *general and administrative expense of a Renewable Fuel*
18 *Capital Investment company.*

19 “**SEC. 390. BANK PARTICIPATION.**

20 “(a) *IN GENERAL.*—*Except as provided in subsection*
21 *(b), any national bank, any member bank of the Federal*
22 *Reserve System, and (to the extent permitted under applica-*
23 *ble State law) any insured bank that is not a member of*
24 *such system, may invest in any Renewable Fuel Capital*

1 *Investment company, or in any entity established to invest*
2 *solely in Renewable Fuel Capital Investment companies.*

3 “(b) *LIMITATION.*—*No bank described in subsection (a)*
4 *may make investments described in such subsection that are*
5 *greater than 5 percent of the capital and surplus of the*
6 *bank.*

7 **“SEC. 391. FEDERAL FINANCING BANK.**

8 “*Notwithstanding section 318, the Federal Financing*
9 *Bank may acquire a debenture issued by a Renewable Fuel*
10 *Capital Investment company under this part.*

11 **“SEC. 392. REPORTING REQUIREMENT.**

12 “*Each Renewable Fuel Capital Investment company*
13 *that participates in the program established under this part*
14 *shall provide to the Administrator such information as the*
15 *Administrator may require, including—*

16 “(1) *information related to the measurement cri-*
17 *teria that the company proposed in its program ap-*
18 *plication; and*

19 “(2) *in each case in which the company makes,*
20 *under this part, an investment in, or a loan or a*
21 *grant to, a business that is not primarily engaged in*
22 *the research, development, manufacture, or bringing*
23 *to market or renewable energy sources, a report on the*
24 *nature, origin, and revenues of the business in which*
25 *investments are made.*

1 **“SEC. 393. EXAMINATIONS.**

2 “(a) *IN GENERAL.*—*Each Renewable Fuel Capital In-*
3 *vestment company that participates in the program estab-*
4 *lished under this part shall be subject to examinations made*
5 *at the direction of the Investment Division of the Adminis-*
6 *tration in accordance with this section.*

7 “(b) *ASSISTANCE OF PRIVATE SECTOR ENTITIES.*—
8 *Examinations under this section may be conducted with the*
9 *assistance of a private sector entity that has both the quali-*
10 *fications and the expertise necessary to conduct such exami-*
11 *nations.*

12 “(c) *COSTS.*—

13 “(1) *ASSESSMENT.*—

14 “(A) *IN GENERAL.*—*The Administrator*
15 *may assess the cost of examinations under this*
16 *section, including compensation of the exam-*
17 *iners, against the company examined.*

18 “(B) *PAYMENT.*—*Any company against*
19 *which the Administrator assesses costs under this*
20 *paragraph shall pay such costs.*

21 “(2) *DEPOSIT OF FUNDS.*—*Funds collected under*
22 *this section shall be deposited in the account for sala-*
23 *ries and expenses of the Administration.*

24 **“SEC. 394. MISCELLANEOUS.**

25 “To the extent such procedures are not inconsistent
26 with the requirements of this part, the Administrator may

1 *take such action as set forth in sections 309, 311, 312, and*
2 *314 and an officer, director, employee, agent, or other par-*
3 *ticipant in the management or conduct of the affairs of a*
4 *Renewable Fuel Capital Investment company shall be sub-*
5 *ject to the requirements of such sections.*

6 **“SEC. 395. REMOVAL OR SUSPENSION OF DIRECTORS OR**
7 **OFFICERS.**

8 *“Using the procedures for removing or suspending a*
9 *director or an officer of a licensee set forth in section 313*
10 *(to the extent such procedures are not inconsistent with the*
11 *requirements of this part), the Administrator may remove*
12 *or suspend any director or officer of any Renewable Fuel*
13 *Capital Investment company.*

14 **“SEC. 396. REGULATIONS.**

15 *“The Administrator may issue such regulations as the*
16 *Administrator determines necessary to carry out the provi-*
17 *sions of this part in accordance with its purposes.*

18 **“SEC. 397. AUTHORIZATIONS OF APPROPRIATIONS.**

19 *“(a) IN GENERAL.—Subject to the availability of ap-*
20 *propriations, the Administrator is authorized to make*
21 *\$15,000,000 in operational assistance grants under section*
22 *389 for each of fiscal years 2008 and 2009.*

23 *“(b) FUNDS COLLECTED FOR EXAMINATIONS.—Funds*
24 *deposited under section 393(c)(2) are authorized to be ap-*
25 *propriated only for the costs of examinations under section*

1 393 and for the costs of other oversight activities with re-
2 spect to the program established under this part.

3 **“SEC. 398. TERMINATION.**

4 *“The program under this part shall terminate at the*
5 *end of the second full fiscal year after the date that the Ad-*
6 *ministrator establishes the program under this part.”.*

7 **SEC. 1208. STUDY AND REPORT.**

8 *The Administrator of the Small Business Administra-*
9 *tion shall conduct a study of the Renewable Fuel Capital*
10 *Investment Program under part C of title III of the Small*
11 *Business Investment Act of 1958, as added by this Act. Not*
12 *later than 3 years after the date of enactment of this Act,*
13 *the Administrator shall complete the study under this sec-*
14 *tion and submit to Congress a report regarding the results*
15 *of the study.*

16 **TITLE XIII—SMART GRID**

17 **SEC. 1301. STATEMENT OF POLICY ON MODERNIZATION OF**
18 **ELECTRICITY GRID.**

19 *It is the policy of the United States to support the*
20 *modernization of the Nation’s electricity transmission and*
21 *distribution system to maintain a reliable and secure elec-*
22 *tricity infrastructure that can meet future demand growth*
23 *and to achieve each of the following, which together charac-*
24 *terize a Smart Grid:*

1 (1) *Increased use of digital information and con-*
2 *trols technology to improve reliability, security, and*
3 *efficiency of the electric grid.*

4 (2) *Dynamic optimization of grid operations*
5 *and resources, with full cyber-security.*

6 (3) *Deployment and integration of distributed*
7 *resources and generation, including renewable re-*
8 *sources.*

9 (4) *Development and incorporation of demand*
10 *response, demand-side resources, and energy-efficiency*
11 *resources.*

12 (5) *Deployment of “smart” technologies (real-*
13 *time, automated, interactive technologies that opti-*
14 *mize the physical operation of appliances and con-*
15 *sumer devices) for metering, communications con-*
16 *cerning grid operations and status, and distribution*
17 *automation.*

18 (6) *Integration of “smart” appliances and con-*
19 *sumer devices.*

20 (7) *Deployment and integration of advanced*
21 *electricity storage and peak-shaving technologies, in-*
22 *cluding plug-in electric and hybrid electric vehicles,*
23 *and thermal-storage air conditioning.*

24 (8) *Provision to consumers of timely information*
25 *and control options.*

1 (9) *Development of standards for communication*
2 *and interoperability of appliances and equipment*
3 *connected to the electric grid, including the infra-*
4 *structure serving the grid.*

5 (10) *Identification and lowering of unreasonable*
6 *or unnecessary barriers to adoption of smart grid*
7 *technologies, practices, and services.*

8 **SEC. 1302. SMART GRID SYSTEM REPORT.**

9 *The Secretary, acting through the Assistant Secretary*
10 *of the Office of Electricity Delivery and Energy Reliability*
11 *(referred to in this section as the “OEDER”) and through*
12 *the Smart Grid Task Force established in section 1303,*
13 *shall, after consulting with any interested individual or en-*
14 *tity as appropriate, no later than one year after enactment,*
15 *and every two years thereafter, report to Congress con-*
16 *cerning the status of smart grid deployments nationwide*
17 *and any regulatory or government barriers to continued de-*
18 *ployment. The report shall provide the current status and*
19 *prospects of smart grid development, including information*
20 *on technology penetration, communications network capa-*
21 *bilities, costs, and obstacles. It may include recommenda-*
22 *tions for State and Federal policies or actions helpful to*
23 *facilitate the transition to a smart grid. To the extent ap-*
24 *propriate, it should take a regional perspective. In pre-*
25 *paring this report, the Secretary shall solicit advice and*

1 *contributions from the Smart Grid Advisory Committee cre-*
2 *ated in section 1303; from other involved Federal agencies*
3 *including but not limited to the Federal Energy Regulatory*
4 *Commission (“Commission”), the National Institute of*
5 *Standards and Technology (“Institute”), and the Depart-*
6 *ment of Homeland Security; and from other stakeholder*
7 *groups not already represented on the Smart Grid Advisory*
8 *Committee.*

9 **SEC. 1303. SMART GRID ADVISORY COMMITTEE AND SMART**
10 **GRID TASK FORCE.**

11 *(a) SMART GRID ADVISORY COMMITTEE.—*

12 *(1) ESTABLISHMENT.—The Secretary shall estab-*
13 *lish, within 90 days of enactment of this Part, a*
14 *Smart Grid Advisory Committee (either as an inde-*
15 *pendent entity or as a designated sub-part of a larger*
16 *advisory committee on electricity matters). The Smart*
17 *Grid Advisory Committee shall include eight or more*
18 *members appointed by the Secretary who have suffi-*
19 *cient experience and expertise to represent the full*
20 *range of smart grid technologies and services, to rep-*
21 *resent both private and non-Federal public sector*
22 *stakeholders. One member shall be appointed by the*
23 *Secretary to Chair the Smart Grid Advisory Com-*
24 *mittee.*

1 (2) *MISSION.*—*The mission of the Smart Grid*
2 *Advisory Committee shall be to advise the Secretary,*
3 *the Assistant Secretary, and other relevant Federal of-*
4 *ficials concerning the development of smart grid tech-*
5 *nologies, the progress of a national transition to the*
6 *use of smart-grid technologies and services, the evo-*
7 *lution of widely-accepted technical and practical*
8 *standards and protocols to allow interoperability and*
9 *inter-communication among smart-grid capable de-*
10 *vices, and the optimum means of using Federal incen-*
11 *tive authority to encourage such progress.*

12 (3) *APPLICABILITY OF FEDERAL ADVISORY COM-*
13 *MITTEE ACT.*—*The Federal Advisory Committee Act*
14 *(5 U.S.C. App.) shall apply to the Smart Grid Advi-*
15 *sory Committee.*

16 (b) *SMART GRID TASK FORCE.*—

17 (1) *ESTABLISHMENT.*—*The Assistant Secretary*
18 *of the Office of Electricity Delivery and Energy Reli-*
19 *ability shall establish, within 90 days of enactment of*
20 *this Part, a Smart Grid Task Force composed of des-*
21 *ignated employees from the various divisions of that*
22 *office who have responsibilities related to the transi-*
23 *tion to smart-grid technologies and practices. The As-*
24 *stant Secretary or his designee shall be identified as*
25 *the Director of the Smart Grid Task Force. The*

1 *Chairman of the Federal Energy Regulatory Commis-*
2 *sion and the Director of the National Institute of*
3 *Standards and Technology shall each designate at*
4 *least one employee to participate on the Smart Grid*
5 *Task Force. Other members may come from other*
6 *agencies at the invitation of the Assistant Secretary*
7 *or the nomination of the head of such other agency.*
8 *The Smart Grid Task Force shall, without disrupting*
9 *the work of the Divisions or Offices from which its*
10 *members are drawn, provide an identifiable Federal*
11 *entity to embody the Federal role in the national*
12 *transition toward development and use of smart grid*
13 *technologies.*

14 (2) *MISSION.—The mission of the Smart Grid*
15 *Task Force shall be to insure awareness, coordination*
16 *and integration of the diverse activities of the Office*
17 *and elsewhere in the Federal government related to*
18 *smart-grid technologies and practices, including but*
19 *not limited to: smart grid research and development;*
20 *development of widely accepted smart-grid standards*
21 *and protocols; the relationship of smart-grid tech-*
22 *nologies and practices to electric utility regulation;*
23 *the relationship of smart-grid technologies and prac-*
24 *tices to infrastructure development, system reliability*
25 *and security; and the relationship of smart-grid tech-*

1 *nologies and practices to other facets of electricity*
2 *supply, demand, transmission, distribution, and pol-*
3 *icy. The Smart Grid Task Force shall collaborate*
4 *with the Smart Grid Advisory Committee and other*
5 *Federal agencies and offices. The Smart Grid Task*
6 *Force shall meet at the call of its Director as nec-*
7 *essary to accomplish its mission.*

8 *(c) AUTHORIZATION.—There are authorized to be ap-*
9 *propriated for the purposes of this section such sums as are*
10 *necessary to the Secretary to support the operations of the*
11 *Smart Grid Advisory Committee and Smart Grid Task*
12 *Force for each of fiscal years 2008 through 2020.*

13 **SEC. 1304. SMART GRID TECHNOLOGY RESEARCH, DEVEL-**
14 **OPMENT, AND DEMONSTRATION.**

15 *(a) POWER GRID DIGITAL INFORMATION TECH-*
16 *NOLOGY.—The Secretary, in consultation with the Federal*
17 *Energy Regulatory Commission and other appropriate*
18 *agencies, electric utilities, the States, and other stakeholders,*
19 *shall carry out a program—*

20 *(1) to develop advanced techniques for measuring*
21 *peak load reductions and energy-efficiency savings*
22 *from smart metering, demand response, distributed*
23 *generation, and electricity storage systems;*

1 (2) to investigate means for demand response,
2 distributed generation, and storage to provide ancil-
3 lary services;

4 (3) to conduct research to advance the use of
5 wide-area measurement and control networks, includ-
6 ing data mining, visualization, advanced computing,
7 and secure and dependable communications in a
8 highly-distributed environment;

9 (4) to test new reliability technologies, including
10 those concerning communications network capabili-
11 ties, in a grid control room environment against a
12 representative set of local outage and wide area black-
13 out scenarios;

14 (5) to identify communications network capacity
15 needed to implement advanced technologies.

16 (6) to investigate the feasibility of a transition
17 to time-of-use and real-time electricity pricing;

18 (7) to develop algorithms for use in electric
19 transmission system software applications;

20 (8) to promote the use of underutilized electricity
21 generation capacity in any substitution of electricity
22 for liquid fuels in the transportation system of the
23 United States; and

24 (9) in consultation with the Federal Energy Reg-
25 ulatory Commission, to propose interconnection pro-

1 *tools to enable electric utilities to access electricity*
2 *stored in vehicles to help meet peak demand loads.*

3 *(b) SMART GRID REGIONAL DEMONSTRATION INITIA-*
4 *TIVE.—*

5 *(1) IN GENERAL.—The Secretary shall establish*
6 *a smart grid regional demonstration initiative (re-*
7 *ferred to in this subsection as the “Initiative”) com-*
8 *posed of demonstration projects specifically focused on*
9 *advanced technologies for use in power grid sensing,*
10 *communications, analysis, and power flow control.*
11 *The Secretary shall seek to leverage existing smart*
12 *grid deployments.*

13 *(2) GOALS.—The goals of the Initiative shall*
14 *be—*

15 *(A) to demonstrate the potential benefits of*
16 *concentrated investments in advanced grid tech-*
17 *nologies on a regional grid;*

18 *(B) to facilitate the commercial transition*
19 *from the current power transmission and dis-*
20 *tribution system technologies to advanced tech-*
21 *nologies;*

22 *(C) to facilitate the integration of advanced*
23 *technologies in existing electric networks to im-*
24 *prove system performance, power flow control,*
25 *and reliability;*

1 (D) to demonstrate protocols and standards
2 that allow for the measurement and validation of
3 the energy savings and fossil fuel emission reduc-
4 tions associated with the installation and use of
5 energy efficiency and demand response tech-
6 nologies and practices; and

7 (E) to investigate differences in each region
8 and regulatory environment regarding best prac-
9 tices in implementing smart grid technologies.

10 (3) *DEMONSTRATION PROJECTS.*—

11 (A) *IN GENERAL.*—In carrying out the ini-
12 tiative, the Secretary shall carry out smart grid
13 demonstration projects in up to 5 electricity con-
14 trol areas, including rural areas and at least 1
15 area in which the majority of generation and
16 transmission assets are controlled by a tax-ex-
17 empt entity.

18 (B) *COOPERATION.*—A demonstration
19 project under subparagraph (A) shall be carried
20 out in cooperation with the electric utility that
21 owns the grid facilities in the electricity control
22 area in which the demonstration project is car-
23 ried out.

24 (C) *FEDERAL SHARE OF COST OF TECH-*
25 *NOLOGY INVESTMENTS.*—The Secretary shall pro-

1 *vide to an electric utility described in subpara-*
2 *graph (B) financial assistance for use in paying*
3 *an amount equal to not more than 50 percent of*
4 *the cost of qualifying advanced grid technology*
5 *investments made by the electric utility to carry*
6 *out a demonstration project.*

7 (D) *INELIGIBILITY FOR GRANTS.*—*No per-*
8 *son or entity participating in any demonstra-*
9 *tion project conducted under this subsection shall*
10 *be eligible for grants under section 1306 for oth-*
11 *erwise qualifying investments made as part of*
12 *that demonstration project.*

13 (c) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
14 *authorized to be appropriated—*

15 (1) *to carry out subsection (a), such sums as are*
16 *necessary for each of fiscal years 2008 through 2012;*
17 *and*

18 (2) *to carry out subsection (b), \$100,000,000 for*
19 *each of fiscal years 2008 through 2012.*

20 **SEC. 1305. SMART GRID INTEROPERABILITY FRAMEWORK.**

21 (a) *INTEROPERABILITY FRAMEWORK.*—*The Director of*
22 *the National Institute of Standards and Technology shall*
23 *have primary responsibility to coordinate the development*
24 *of a framework that includes protocols and model standards*
25 *for information management to achieve interoperability of*

1 *smart grid devices and systems. Such protocols and stand-*
2 *ards shall further align policy, business, and technology ap-*
3 *proaches in a manner that would enable all electric re-*
4 *sources, including demand-side resources, to contribute to*
5 *an efficient, reliable electricity network. In developing such*
6 *protocols and standards—*

7 (1) *the Director shall seek input and cooperation*
8 *from the Commission, OEDER and its Smart Grid*
9 *Task Force, the Smart Grid Advisory Committee,*
10 *other relevant Federal and State agencies; and*

11 (2) *the Director shall also solicit input and co-*
12 *operation from private entities interested in such pro-*
13 *ocols and standards, including but not limited to the*
14 *Gridwise Architecture Council, the International*
15 *Electrical and Electronics Engineers, the National*
16 *Electric Reliability Organization recognized by the*
17 *Federal Energy Regulatory Commission, and Na-*
18 *tional Electrical Manufacturer's Association.*

19 (b) *SCOPE OF FRAMEWORK.—The framework devel-*
20 *oped under subsection (a) shall be flexible, uniform and*
21 *technology neutral, including but not limited to technologies*
22 *for managing smart grid information, and designed—*

23 (1) *to accommodate traditional, centralized gen-*
24 *eration and transmission resources and consumer dis-*
25 *tributed resources, including distributed generation,*

1 *renewable generation, energy storage, energy effi-*
2 *ciency, and demand response and enabling devices*
3 *and systems;*

4 *(2) to be flexible to incorporate—*

5 *(A) regional and organizational differences;*

6 *and*

7 *(B) technological innovations;*

8 *(3) to consider the use of voluntary uniform*
9 *standards for certain classes of mass-produced electric*
10 *appliances and equipment for homes and businesses*
11 *that enable customers, at their election and consistent*
12 *with applicable State and Federal laws, and are*
13 *manufactured with the ability to respond to electric*
14 *grid emergencies and demand response signals by cur-*
15 *tailing all, or a portion of, the electrical power con-*
16 *sumed by the appliances or equipment in response to*
17 *an emergency or demand response signal, including*
18 *through—*

19 *(A) load reduction to reduce total electrical*
20 *demand;*

21 *(B) adjustment of load to provide grid an-*
22 *cillary services; and*

23 *(C) in the event of a reliability crisis that*
24 *threatens an outage, short-term load shedding to*
25 *help preserve the stability of the grid; and*

1 (4) *such voluntary standards should incorporate*
2 *appropriate manufacturer lead time.*

3 (c) *TIMING OF FRAMEWORK DEVELOPMENT.*—*The In-*
4 *stitute shall begin work pursuant to this section within 60*
5 *days of enactment. The Institute shall provide and publish*
6 *an initial report on progress toward recommended or con-*
7 *sensus standards and protocols within one year after enact-*
8 *ment, further reports at such times as developments war-*
9 *rant in the judgment of the Institute, and a final report*
10 *when the Institute determines that the work is completed*
11 *or that a Federal role is no longer necessary.*

12 (d) *STANDARDS FOR INTEROPERABILITY IN FEDERAL*
13 *JURISDICTION.*—*At any time after the Institute’s work has*
14 *led to sufficient consensus in the Commission’s judgment,*
15 *the Commission shall institute a rulemaking proceeding to*
16 *adopt such standards and protocols as may be necessary*
17 *to insure smart-grid functionality and interoperability in*
18 *interstate transmission of electric power, and regional and*
19 *wholesale electricity markets.*

20 (e) *AUTHORIZATION.*—*There are authorized to be ap-*
21 *propriated for the purposes of this section \$5,000,000 to the*
22 *Institute to support the activities required by this sub-*
23 *section for each of fiscal years 2008 through 2012.*

1 **SEC. 1306. FEDERAL MATCHING FUND FOR SMART GRID IN-**
2 **VESTMENT COSTS.**

3 (a) *MATCHING FUND.*—*The Secretary shall establish*
4 *a Smart Grid Investment Matching Grant Program to pro-*
5 *vide reimbursement of one-fifth (20 percent) of qualifying*
6 *Smart Grid investments.*

7 (b) *QUALIFYING INVESTMENTS.*—*Qualifying Smart*
8 *Grid investments may include any of the following made*
9 *on or after the date of enactment of this Act:*

10 (1) *In the case of appliances covered for purposes*
11 *of establishing energy conservation standards under*
12 *part B of title III of the Energy Policy and Conserva-*
13 *tion Act of 1975 (42 U.S.C. 6291 et seq.), the docu-*
14 *mented expenditures incurred by a manufacturer of*
15 *such appliances associated with purchasing or design-*
16 *ing, creating the ability to manufacture, and manu-*
17 *facturing and installing for one calendar year, inter-*
18 *nal devices that allow the appliance to engage in*
19 *Smart Grid functions.*

20 (2) *In the case of specialized electricity-using*
21 *equipment, including motors and drivers, installed in*
22 *industrial or commercial applications, the docu-*
23 *mented expenditures incurred by its owner or its*
24 *manufacturer of installing devices or modifying that*
25 *equipment to engage in Smart Grid functions.*

1 (3) *In the case of transmission and distribution*
2 *equipment fitted with monitoring and communica-*
3 *tions devices to enable smart grid functions, the docu-*
4 *mented expenditures incurred by the electric utility to*
5 *purchase and install such monitoring and commu-*
6 *nications devices.*

7 (4) *In the case of metering devices, sensors, con-*
8 *trol devices, and other devices integrated with and at-*
9 *tached to an electric utility system or retail dis-*
10 *tributor or marketer of electricity that are capable of*
11 *engaging in Smart Grid functions, the documented*
12 *expenditures incurred by the electric utility, dis-*
13 *tributor, or marketer and its customers to purchase*
14 *and install such devices.*

15 (5) *In the case of software that enables devices or*
16 *computers to engage in Smart Grid functions, the*
17 *documented purchase costs of the software.*

18 (6) *In the case of entities that operate or coordi-*
19 *nate operations of regional electric grids, the docu-*
20 *mented expenditures for purchasing and installing*
21 *such equipment that allows Smart Grid functions to*
22 *operate and be combined or coordinated among mul-*
23 *tiple electric utilities and between that region and*
24 *other regions.*

1 (7) *In the case of persons or entities other than*
2 *electric utilities owning and operating a distributed*
3 *electricity generator, the documented expenditures of*
4 *enabling that generator to be monitored, controlled, or*
5 *otherwise integrated into grid operations and elec-*
6 *tricity flows on the grid utilizing Smart Grid func-*
7 *tions.*

8 (8) *In the case of electric or hybrid-electric vehi-*
9 *cles, the documented expenses for devices that allow*
10 *the vehicle to engage in Smart Grid functions (but*
11 *not the costs of electricity storage for the vehicle).*

12 (9) *The documented expenditures related to pur-*
13 *chasing and implementing Smart Grid functions in*
14 *such other cases as the Secretary shall identify. In*
15 *making such grants, the Secretary shall seek to re-*
16 *ward innovation and early adaptation, even if success*
17 *is not complete, rather than deployment of proven*
18 *and commercially viable technologies.*

19 (c) *INVESTMENTS NOT INCLUDED.—Qualifying Smart*
20 *Grid investments do not include any of the following:*

21 (1) *Investments or expenditures for Smart Grid*
22 *technologies, devices, or equipment that are eligible for*
23 *specific tax credits or deductions under the Internal*
24 *Revenue Code, as amended.*

1 (2) *Expenditures for electricity generation,*
2 *transmission, or distribution infrastructure or equip-*
3 *ment not directly related to enabling Smart Grid*
4 *functions.*

5 (3) *After the final date for State consideration of*
6 *the Smart Grid Information Standard under section*
7 *1307 (paragraph (17) of section 111(d) of the Public*
8 *Utility Regulatory Policies Act of 1978), an invest-*
9 *ment that is not in compliance with such standard.*

10 (4) *After the development and publication by the*
11 *Institute of protocols and model standards for inter-*
12 *operability of smart grid devices and technologies, an*
13 *investment that fails to incorporate any of such pro-*
14 *ocols or model standards.*

15 (5) *Expenditures for physical interconnection of*
16 *generators or other devices to the grid except those*
17 *that are directly related to enabling Smart Grid func-*
18 *tions.*

19 (6) *Expenditures for ongoing salaries, benefits,*
20 *or personnel costs not incurred in the initial installa-*
21 *tion, training, or start up of smart grid functions.*

22 (7) *Expenditures for travel, lodging, meals or*
23 *other personal costs.*

1 (8) *Ongoing or routine operation, billing, cus-*
2 *tomers relations, security, and maintenance expendi-*
3 *tures.*

4 (9) *Such other expenditures that the Secretary*
5 *determines not to be Qualifying Smart Grid Invest-*
6 *ments by reason of the lack of the ability to perform*
7 *Smart Grid functions or lack of direct relationship to*
8 *Smart Grid functions.*

9 (d) *SMART GRID FUNCTIONS.—The term “smart grid*
10 *functions” means any of the following:*

11 (1) *The ability to develop, store, send and receive*
12 *digital information concerning electricity use, costs,*
13 *prices, time of use, nature of use, storage, or other in-*
14 *formation relevant to device, grid, or utility oper-*
15 *ations, to or from or by means of the electric utility*
16 *system, through one or a combination of devices and*
17 *technologies.*

18 (2) *The ability to develop, store, send and receive*
19 *digital information concerning electricity use, costs,*
20 *prices, time of use, nature of use, storage, or other in-*
21 *formation relevant to device, grid, or utility oper-*
22 *ations to or from a computer or other control device.*

23 (3) *The ability to measure or monitor electricity*
24 *use as a function of time of day, power quality char-*
25 *acteristics such as voltage level, current, cycles per*

1 *second, or source or type of generation and to store,*
2 *synthesize or report that information by digital*
3 *means.*

4 (4) *The ability to sense and localize disruptions*
5 *or changes in power flows on the grid and commu-*
6 *nicate such information instantaneously and auto-*
7 *matically for purposes of enabling automatic protec-*
8 *tive responses to sustain reliability and security of*
9 *grid operations.*

10 (5) *The ability to detect, prevent, communicate*
11 *with regard to, respond to, or recover from system se-*
12 *curity threats, including cyber-security threats and*
13 *terrorism, using digital information, media, and de-*
14 *vices.*

15 (6) *The ability of any appliance or machine to*
16 *respond to such signals, measurements, or commu-*
17 *nications automatically or in a manner programmed*
18 *by its owner or operator without independent human*
19 *intervention.*

20 (7) *The ability to use digital information to op-*
21 *erate functionalities on the electric utility grid that*
22 *were previously electro-mechanical or manual.*

23 (8) *The ability to use digital controls to manage*
24 *and modify electricity demand, enable congestion*

1 *management, assist in voltage control, provide oper-*
2 *ating reserves, and provide frequency regulation.*

3 *(9) Such other functions as the Secretary may*
4 *identify as being necessary or useful to the operation*
5 *of a Smart Grid.*

6 *(e) The Secretary shall—*

7 *(1) establish and publish in the Federal Register,*
8 *within one year after the enactment of this Act proce-*
9 *dures by which applicants who have made qualifying*
10 *Smart Grid investments can seek and obtain reim-*
11 *bursement of one-fifth of their documented expendi-*
12 *tures;*

13 *(2) establish procedures to ensure that there is no*
14 *duplication or multiple reimbursement for the same*
15 *investment or costs, that the reimbursement goes to*
16 *the party making the actual expenditures for Quali-*
17 *fying Smart Grid Investments, and that the grants*
18 *made have significant effect in encouraging and fa-*
19 *cilitating the development of a smart grid;*

20 *(3) maintain public records of reimbursements*
21 *made, recipients, and qualifying Smart Grid invest-*
22 *ments which have received reimbursements;*

23 *(4) establish procedures to provide, in cases*
24 *deemed by the Secretary to be warranted, advance*
25 *payment of moneys up to the full amount of the pro-*

1 jected eventual reimbursement, to creditworthy appli-
2 cants whose ability to make Qualifying Smart Grid
3 Investments may be hindered by lack of initial cap-
4 ital, in lieu of any later reimbursement for which
5 that applicant qualifies, and subject to full return of
6 the advance payment in the event that the Qualifying
7 Smart Grid investment is not made; and

8 (5) have and exercise the discretion to deny
9 grants for investments that do not qualify in the rea-
10 sonable judgment of the Secretary.

11 (f) *AUTHORIZATION OF APPROPRIATIONS.*—There are
12 authorized to be appropriated to the Secretary such sums
13 as are necessary for the administration of this section and
14 the grants to be made pursuant to this section for fiscal
15 years 2008 through 2012.

16 **SEC. 1307. STATE CONSIDERATION OF SMART GRID.**

17 (a) Section 111(d) of the Public Utility Regulatory
18 Policies Act of 1978 (16 U.S.C. 2621(d)) is amended by
19 adding at the end the following:

20 “(16) *CONSIDERATION OF SMART GRID INVEST-*
21 *MENTS.*—

22 “(A) *IN GENERAL.*—Each State shall con-
23 sider requiring that, prior to undertaking invest-
24 ments in nonadvanced grid technologies, an elec-
25 tric utility of the State demonstrate to the State

1 *that the electric utility considered an investment*
2 *in a qualified smart grid system based on appro-*
3 *priate factors, including—*

4 “(i) *total costs;*

5 “(ii) *cost-effectiveness;*

6 “(iii) *improved reliability;*

7 “(iv) *security;*

8 “(v) *system performance; and*

9 “(vi) *societal benefit.*

10 “(B) *RATE RECOVERY.—Each State shall*
11 *consider authorizing each electric utility of the*
12 *State to recover from ratepayers any capital, op-*
13 *erating expenditure, or other costs of the electric*
14 *utility relating to the deployment of a qualified*
15 *smart grid system, including a reasonable rate of*
16 *return on the capital expenditures of the electric*
17 *utility for the deployment of the qualified smart*
18 *grid system.*

19 “(C) *OBSOLETE EQUIPMENT.—Each State*
20 *shall consider authorizing any electric utility or*
21 *other party of the State to deploy a qualified*
22 *smart grid system to recover in a timely manner*
23 *the remaining book-value costs of any equipment*
24 *rendered obsolete by the deployment of the quali-*

1 *fied smart grid system, based on the remaining*
2 *depreciable life of the obsolete equipment.*

3 “(17) *SMART GRID INFORMATION.*—

4 “(A) *STANDARD.*—*All electricity purchasers*
5 *shall be provided direct access, in written or elec-*
6 *tronic machine-readable form as appropriate, to*
7 *information from their electricity provider as*
8 *provided in subparagraph (B).*

9 “(B) *INFORMATION.*—*Information provided*
10 *under this section, to the extent practicable, shall*
11 *include:*

12 “(i) *PRICES.*—*Purchasers and other*
13 *interested persons shall be provided with in-*
14 *formation on—*

15 “(I) *time-based electricity prices*
16 *in the wholesale electricity market; and*

17 “(II) *time-based electricity retail*
18 *prices or rates that are available to the*
19 *purchasers.*

20 “(ii) *USAGE.*—*Purchasers shall be pro-*
21 *vided with the number of electricity units,*
22 *expressed in kwh, purchased by them.*

23 “(iii) *INTERVALS AND PROJECTIONS.*—
24 *Updates of information on prices and usage*
25 *shall be offered on not less than a daily*

1 *basis, shall include hourly price and use in-*
2 *formation, where available, and shall in-*
3 *clude a day-ahead projection of such price*
4 *information to the extent available.*

5 “(iv) *SOURCES.—Purchasers and other*
6 *interested persons shall be provided annu-*
7 *ally with written information on the sources*
8 *of the power provided by the utility, to the*
9 *extent it can be determined, by type of gen-*
10 *eration, including greenhouse gas emissions*
11 *associated with each type of generation, for*
12 *intervals during which such information is*
13 *available on a cost-effective basis.*

14 “(C) *ACCESS.—Purchasers shall be able to*
15 *access their own information at any time*
16 *through the internet and on other means of com-*
17 *munication elected by that utility for Smart*
18 *Grid applications. Other interested persons shall*
19 *be able to access information not specific to any*
20 *purchaser through the Internet. Information spe-*
21 *cific to any purchaser shall be provided solely to*
22 *that purchaser.”.*

23 (b) *COMPLIANCE.—*

24 (1) *TIME LIMITATIONS.—Section 112(b) of the*
25 *Public Utility Regulatory Policies Act of 1978 (16*

1 *U.S.C. 2622(b)) is amended by adding the following*
2 *at the end thereof:*

3 “(6)(A) *Not later than 1 year after the enact-*
4 *ment of this paragraph, each State regulatory author-*
5 *ity (with respect to each electric utility for which it*
6 *has ratemaking authority) and each nonregulated*
7 *utility shall commence the consideration referred to in*
8 *section 111, or set a hearing date for consideration,*
9 *with respect to the standards established by para-*
10 *graphs (17) through (18) of section 111(d).*

11 “(B) *Not later than 2 years after the date of the*
12 *enactment of the this paragraph, each State regu-*
13 *latory authority (with respect to each electric utility*
14 *for which it has ratemaking authority), and each*
15 *nonregulated electric utility, shall complete the con-*
16 *sideration, and shall make the determination, referred*
17 *to in section 111 with respect to each standard estab-*
18 *lished by paragraphs (17) through (18) of section*
19 *111(d).”.*

20 (2) *FAILURE TO COMPLY.*—*Section 112(c) of the*
21 *Public Utility Regulatory Policies Act of 1978 (16*
22 *U.S.C. 2622(c)) is amended by adding the following*
23 *at the end:*

24 *“In the case of the standards established by paragraphs*
25 *(16) through (19) of section 111(d), the reference contained*

1 *in this subsection to the date of enactment of this Act shall*
 2 *be deemed to be a reference to the date of enactment of such*
 3 *paragraphs.”.*

4 (3) *PRIOR STATE ACTIONS.*—Section 112(d) of
 5 *the Public Utility Regulatory Policies Act of 1978 (16*
 6 *U.S.C. 2622(d)) is amended by inserting “and para-*
 7 *graphs (17) through (18)” before “of section 111(d)”.*

8 **SEC. 1308. STUDY OF THE EFFECT OF PRIVATE WIRE LAWS**
 9 **ON THE DEVELOPMENT OF COMBINED HEAT**
 10 **AND POWER FACILITIES.**

11 (a) *STUDY.*—

12 (1) *IN GENERAL.*—*The Secretary, in consultation*
 13 *with the States and other appropriate entities, shall*
 14 *conduct a study of the laws (including regulations)*
 15 *affecting the siting of privately owned electric dis-*
 16 *tribution wires on and across public rights-of-way.*

17 (2) *REQUIREMENTS.*—*The study under para-*
 18 *graph (1) shall include—*

19 (A) *an evaluation of—*

20 (i) *the purposes of the laws; and*

21 (ii) *the effect the laws have on the de-*
 22 *velopment of combined heat and power fa-*
 23 *cilities;*

24 (B) *a determination of whether a change in*
 25 *the laws would have any operating, reliability,*

1 *cost, or other impacts on electric utilities and the*
2 *customers of the electric utilities; and*

3 *(C) an assessment of—*

4 *(i) whether privately owned electric*
5 *distribution wires would result in duplica-*
6 *tive facilities; and*

7 *(ii) whether duplicative facilities are*
8 *necessary or desirable.*

9 *(b) REPORT.—Not later than 1 year after the date of*
10 *enactment of this Act, the Secretary shall submit to Con-*
11 *gress a report that describes the results of the study con-*
12 *ducted under subsection (a).*

13 **SEC. 1309. DOE STUDY OF SECURITY ATTRIBUTES OF**
14 **SMART GRID SYSTEMS.**

15 *(a) DOE STUDY.—The Secretary shall, within 18*
16 *months after the date of enactment of this Act, submit a*
17 *report to Congress that provides a quantitative assessment*
18 *and determination of the existing and potential impacts of*
19 *the deployment of Smart Grid systems on improving the*
20 *security of the Nation's electricity infrastructure and oper-*
21 *ating capability. The report shall include but not be limited*
22 *to specific recommendations on each of the following:*

23 *(1) How smart grid systems can help in making*
24 *the Nation's electricity system less vulnerable to dis-*
25 *ruptions due to intentional acts against the system.*

1 (2) *How smart grid systems can help in restoring*
2 *the integrity of the Nation's electricity system*
3 *subsequent to disruptions.*

4 (3) *How smart grid systems can facilitate na-*
5 *tionwide, interoperable emergency communications*
6 *and control of the Nation's electricity system during*
7 *times of localized, regional, or nationwide emergency.*

8 (4) *What risks must be taken into account that*
9 *smart grid systems may, if not carefully created and*
10 *managed, create vulnerability to security threats of*
11 *any sort, and how such risks may be mitigated.*

12 (b) *CONSULTATION.—The Secretary shall consult with*
13 *other Federal agencies in the development of the report*
14 *under this section, including but not limited to the Sec-*
15 *retary of Homeland Security, the Federal Energy Regu-*
16 *latory Commission, and the Electric Reliability Organiza-*
17 *tion certified by the Commission under section 215(c) of*
18 *the Federal Power Act (16 U.S.C. 824o) as added by section*
19 *1211 of the Energy Policy Act of 2005 (Public Law 109–*
20 *58; 119 Stat. 941).*

1 **TITLE XIV—RENEWABLE**
 2 **ELECTRICITY STANDARD**

3 **SEC. 1401. RENEWABLE ELECTRICITY STANDARD.**

4 (a) *IN GENERAL.*—*Title VI of the Public Utility Regu-*
 5 *latory Policies Act of 1978 is amended by adding at the*
 6 *end the following:*

7 **“SEC. 610. RENEWABLE ELECTRICITY STANDARD.**

8 “(a) *DEFINITIONS.*—*For purposes of this section:*

9 “(1) *BIOMASS.*—

10 “(A) *IN GENERAL.*—*The term ‘biomass’*
 11 *means each of the following:*

12 “(i) *Cellulosic (plant fiber) organic*
 13 *materials from a plant that is planted for*
 14 *the purpose of being used to produce energy.*

15 “(ii) *Nonhazardous, plant or algal*
 16 *matter that is derived from any of the fol-*
 17 *lowing:*

18 “(I) *An agricultural crop, crop*
 19 *byproduct or residue resource.*

20 “(II) *Waste such as landscape or*
 21 *right-of-way trimmings (but not in-*
 22 *cluding municipal solid waste, recycla-*
 23 *ble postconsumer waste paper, painted,*
 24 *treated, or pressurized wood, wood con-*
 25 *taminated with plastic or metals).*

1 “(iii) *Animal waste or animal byprod-*
2 *ucts.*

3 “(iv) *Landfill methane.*

4 “(B) *NATIONAL FOREST LANDS AND CER-*
5 *TAIN OTHER PUBLIC LANDS.—With respect to or-*
6 *ganic material removed from National Forest*
7 *System lands or from public lands administered*
8 *by the Secretary of the Interior, the term ‘bio-*
9 *mass’ covers only organic material from (i) eco-*
10 *logical forest restoration; (ii) pre-commercial*
11 *thinnings; (iii) brush; (iv) mill residues; and (v)*
12 *slash.*

13 “(C) *EXCLUSION OF CERTAIN FEDERAL*
14 *LANDS.—Notwithstanding subparagraph (B),*
15 *material or matter that would otherwise qualify*
16 *as biomass are not included in the term biomass*
17 *if they are located on the following Federal*
18 *lands:*

19 “(i) *Federal land containing old*
20 *growth forest or late successional forest un-*
21 *less the Secretary of the Interior or the Sec-*
22 *retary of Agriculture determines that the re-*
23 *moval of organic material from such land is*
24 *appropriate for the applicable forest type*
25 *and maximizes the retention of late-succes-*

1 *sional and large and old growth trees, late-*
2 *successional and old growth forest structure,*
3 *and late-successional and old growth forest*
4 *composition.*

5 “(ii) *Federal land on which the re-*
6 *moval of vegetation is prohibited, including*
7 *components of the National Wilderness*
8 *Preservation System.*

9 “(iii) *Wilderness Study Areas.*

10 “(iv) *Inventoried roadless areas.*

11 “(v) *Components of the National Land-*
12 *scape Conservation System.*

13 “(vi) *National Monuments.*

14 “(2) *ELIGIBLE FACILITY.—The term ‘eligible fa-*
15 *cility’ means—*

16 “(A) *a facility for the generation of electric*
17 *energy from a renewable energy resource that is*
18 *placed in service on or after January 1, 2001; or*

19 “(B) *a repowering or cofiring increment.*

20 “(3) *EXISTING FACILITY.—The term ‘existing fa-*
21 *cility’ means a facility for the generation of electric*
22 *energy from a renewable energy resource that is not*
23 *an eligible facility.*

24 “(4) *INCREMENTAL HYDROPOWER.—The term*
25 *‘incremental hydropower’ means additional genera-*

1 *tion that is achieved from increased efficiency or ad-*
2 *ditions of capacity made on or after January 1, 2001,*
3 *or the effective date of an existing applicable State re-*
4 *newable portfolio standard program at a hydroelectric*
5 *facility that was placed in service before that date.*

6 “(5) *INDIAN LAND.*—*The term ‘Indian land’*
7 *means—*

8 “(A) *any land within the limits of any In-*
9 *Indian reservation, pueblo, or rancharia;*

10 “(B) *any land not within the limits of any*
11 *Indian reservation, pueblo, or rancharia title to*
12 *which was on the date of enactment of this para-*
13 *graph either held by the United States for the*
14 *benefit of any Indian tribe or individual or held*
15 *by any Indian tribe or individual subject to re-*
16 *striction by the United States against alienation;*

17 “(C) *any dependent Indian community; or*

18 “(D) *any land conveyed to any Alaska Na-*
19 *tive corporation under the Alaska Native Claims*
20 *Settlement Act.*

21 “(6) *INDIAN TRIBE.*—*The term ‘Indian tribe’*
22 *means any Indian tribe, band, nation, or other orga-*
23 *nized group or community, including any Alaskan*
24 *Native village or regional or village corporation as*
25 *defined in or established pursuant to the Alaska Na-*

1 *tive Claims Settlement Act (43 U.S.C. 1601 et seq.),*
2 *which is recognized as eligible for the special pro-*
3 *grams and services provided by the United States to*
4 *Indians because of their status as Indians.*

5 “(7) *RENEWABLE ENERGY.*—*The term ‘renewable*
6 *energy’ means electric energy generated by a renew-*
7 *able energy resource.*

8 “(8) *RENEWABLE ENERGY RESOURCE.*—*The*
9 *term ‘renewable energy resource’ means solar, wind,*
10 *ocean, tidal, geothermal energy, biomass, landfill gas,*
11 *incremental hydropower, or hydrokinetic energy.*

12 “(9) *REPOWERING OR COFIRING INCREMENT.*—
13 *The term ‘repowering or cofiring increment’ means—*

14 “(A) *the additional generation from a*
15 *modification that is placed in service on or after*
16 *January 1, 2001, to expand electricity produc-*
17 *tion at a facility used to generate electric energy*
18 *from a renewable energy resource;*

19 “(B) *the additional generation above the av-*
20 *erage generation in the 3 years preceding the*
21 *date of enactment of this section at a facility*
22 *used to generate electric energy from a renewable*
23 *energy resource or to cofire biomass that was*
24 *placed in service before the date of enactment of*
25 *this section: or*

1 “(C) the portion of the electric generation
2 from a facility placed in service on or after Jan-
3 uary 1, 2001, or a modification to a facility
4 placed in service before the date of enactment of
5 this section made on or after January 1, 2001,
6 associated with cofiring biomass.

7 “(10) *RETAIL ELECTRIC SUPPLIER*.—(A) The
8 term ‘retail electric supplier’ means a person that
9 sells electric energy to electric consumers (other than
10 consumers in Hawaii) that sold not less than
11 1,000,000 megawatt-hours of electric energy to electric
12 consumers for purposes other than resale during the
13 preceding calendar year. For purposes of this section,
14 a person that sells electric energy to electric con-
15 sumers that, in combination with the sales of any af-
16 filiate organized after the date of enactment of this
17 section, sells not less than 1,000,000 megawatt hours
18 of electric energy to consumers for purposes other than
19 resale shall qualify as a retail electric supplier. For
20 purposes of this paragraph, sales by any person to a
21 parent company or to other affiliates of such person
22 shall not be treated as sales to electric consumers.

23 “(B) Such term does not include the United
24 States, a State or any political subdivision of a State,
25 or any agency, authority, or instrumentality of any

1 *one or more of the foregoing, or a rural electric coop-*
2 *erative, except that a political subdivision of a*
3 *State, or an agency, authority or instrumentality of*
4 *the United States, a State or a political subdivision*
5 *of a State, or a rural electric cooperative that sells*
6 *electric energy to electric consumers or any other enti-*
7 *ty that sells electric energy to electric consumers that*
8 *would not otherwise qualify as a retail electric sup-*
9 *plier shall be deemed a retail electric supplier if such*
10 *entity notifies the Secretary that it voluntarily agrees*
11 *to participate in the Federal renewable electricity*
12 *standard program.*

13 *“(11) RETAIL ELECTRIC SUPPLIER’S BASE*
14 *AMOUNT.—The term ‘retail electric supplier’s base*
15 *amount’ means the total amount of electric energy*
16 *sold by the retail electric supplier, expressed in terms*
17 *of kilowatt hours, to electric customers for purposes*
18 *other than resale during the most recent calendar*
19 *year for which information is available, excluding—*

20 *“(A) electric energy that is not incremental*
21 *hydropower generated by a hydroelectric facility;*
22 *and*

23 *“(B) electricity generated through the incin-*
24 *eration of municipal solid waste.*

1 “(b) *COMPLIANCE.*—*For each calendar year beginning*
2 *in calendar year 2010, each retail electric supplier shall*
3 *meet the requirements of subsection (c) by submitting to the*
4 *Secretary, not later than April 1 of the following calendar*
5 *year, one or more of the following:*

6 “(1) *Federal renewable energy credits issued*
7 *under subsection (e).*

8 “(2) *Federal energy efficiency credits issued*
9 *under subsection (i), except that Federal energy effi-*
10 *ciency credits may not be used to meet more than 27*
11 *percent of the requirements of subsection (c) in any*
12 *calendar year. Energy efficiency credits may only be*
13 *used for compliance in a State where the Governor*
14 *has petitioned the Secretary pursuant to subsection*
15 *(i)(2).*

16 “(3) *Certification of the renewable energy gen-*
17 *erated and electricity savings pursuant to the funds*
18 *associated with State compliance payments as speci-*
19 *fied in subsection (e)(3)(G).*

20 “(4) *Alternative compliance payments pursuant*
21 *to subsection (j).*

22 “(c) *REQUIRED ANNUAL PERCENTAGE.*—*For calendar*
23 *years 2010 through 2039, the required annual percentage*
24 *of the retail electric supplier’s base amount that shall be*
25 *generated from renewable energy resources, or otherwise*

1 credited towards such percentage requirement pursuant to
 2 subsection (d), shall be the percentage specified in the fol-
 3 lowing table:

“Calendar Years	Required annual percentage
2010	2.75
2011	2.75
2012	3.75
2013	4.5
2014	5.5
2015	6.5
2016	7.5
2017	8.25
2018	10.25
2019	12.25
2020 and thereafter through 2039	15

4 “(d) *RENEWABLE ENERGY AND ENERGY EFFICIENCY*
 5 *CREDITS.*—(1) *A retail electric supplier may satisfy the re-*
 6 *quirements of subsection (b)(1) through the submission of*
 7 *Federal renewable energy credits—*

8 “(A) *issued to the retail electric supplier under*
 9 *subsection (e);*

10 “(B) *obtained by purchase or exchange under*
 11 *subsection (f) or (g); or*

12 “(C) *borrowed under subsection (h).*

13 “(2) *A retail electric supplier may satisfy the require-*
 14 *ments of subsection (b)(2) through the submission of Federal*
 15 *energy efficiency credits issued to the retail electric supplier*
 16 *obtained by purchase or exchange pursuant to subsection*
 17 *(i).*

18 “(3) *A Federal renewable energy credit may be counted*
 19 *toward compliance with subsection (b)(1) only once. A Fed-*

1 eral energy efficiency credit may be counted toward compli-
2 ance with subsection (b)(2) only once.

3 “(e) *ISSUANCE OF FEDERAL RENEWABLE ENERGY*
4 *CREDITS.—(1) The Secretary shall establish by rule, not*
5 *later than 1 year after the date of enactment of this section,*
6 *a program to verify and issue Federal renewable energy*
7 *credits to generators of renewable energy, track their sale,*
8 *exchange and retirement and to enforce the requirements*
9 *of this section. To the extent possible, in establishing such*
10 *program, the Secretary shall rely upon existing and emerg-*
11 *ing State or regional tracking systems that issue and track*
12 *non-Federal renewable energy credits.*

13 “(2) *An entity that generates electric energy through*
14 *the use of a renewable energy resource may apply to the*
15 *Secretary for the issuance of renewable energy credits. The*
16 *applicant must demonstrate that the electric energy will be*
17 *transmitted onto the grid or, in the case of a generation*
18 *offset, that the electric energy offset would have otherwise*
19 *been consumed on site. The application shall indicate—*

20 “(A) *the type of renewable energy resource used*
21 *to produce the electricity;*

22 “(B) *the location where the electric energy was*
23 *produced; and*

24 “(C) *any other information the Secretary deter-*
25 *mines appropriate.*

1 “(3)(A) *Except as provided in subparagraphs (B), (C),*
2 *and (D), the Secretary shall issue to a generator of electric*
3 *energy one Federal renewable energy credit for each kilo-*
4 *watt hour of electric energy generated by the use of a renew-*
5 *able energy resource at an eligible facility.*

6 “(B) *For purpose of compliance with this section, Fed-*
7 *eral renewable energy credits for incremental hydropower*
8 *shall be based, on the increase in average annual generation*
9 *resulting from the efficiency improvements or capacity ad-*
10 *ditions. The incremental generation shall be calculated*
11 *using the same water flow information used to determine*
12 *a historic average annual generation baseline for the hydro-*
13 *electric facility and certified by the Secretary or the Federal*
14 *Energy Regulatory Commission. The calculation of the Fed-*
15 *eral renewable energy credits for incremental hydropower*
16 *shall not be based on any operational changes at the hydro-*
17 *electric facility not directly associated with the efficiency*
18 *improvements or capacity additions.*

19 “(C) *The Secretary shall issue 2 renewable energy cred-*
20 *its for each kilowatt hour of electric energy generated and*
21 *supplied to the grid in that calendar year through the use*
22 *of a renewable energy resource at an eligible facility located*
23 *on Indian land. For purposes of this paragraph, renewable*
24 *energy generated by biomass cofired with other fuels is eligi-*

1 ble for two credits only if the biomass was grown on such
2 land.

3 “(D) For electric energy generated by a renewable en-
4 ergy resource at an on-site eligible facility no larger than
5 one megawatt in capacity and used to offset part or all
6 of the customer’s requirements for electric energy, the Sec-
7 retary shall issue 3 renewable energy credits to such cus-
8 tomer for each kilowatt hour generated.

9 “(E) In the case of an on-site eligible facility on In-
10 dian land no more than 3 credits per kilowatt hour may
11 be issued.

12 “(F) If both a renewable energy resource and a non-
13 renewable energy resource are used to generate the electric
14 energy, the Secretary shall issue the Federal renewable en-
15 ergy credits based on the proportion of the renewable energy
16 resources used.

17 “(G) When a generator has sold electric energy gen-
18 erated through the use of a renewable energy resource to
19 a retail electric supplier under a contract for power from
20 an existing facility, and the contract has not determined
21 ownership of the Federal renewable energy credits associ-
22 ated with such generation, the Secretary shall issue such
23 Federal renewable energy credits to the retail electric sup-
24 plier for the duration of the contract.

1 “(H) *Payments made by a retail electricity supplier,*
2 *directly or indirectly, to a State for compliance with a*
3 *State renewable portfolio standard program, or for an alter-*
4 *native compliance mechanism, shall be valued at one credit*
5 *per kilowatt hour for the purpose of subsection (b)(2) based*
6 *on the amount of electric energy generation from renewable*
7 *resources and electricity savings up to 27 percent of the util-*
8 *ity’s requirement that results from those payments.*

9 “(f) *EXISTING FACILITIES.—The Secretary shall en-*
10 *sure that a retail electric supplier that acquires Federal re-*
11 *newable energy credits associated with the generation of re-*
12 *newable energy from an existing facility may use such cred-*
13 *its for purpose of its compliance with subsection (b)(1).*
14 *Such credits may not be sold, exchanged, or transferred for*
15 *the purpose of compliance by another retail electric sup-*
16 *plier.*

17 “(g) *RENEWABLE ENERGY CREDIT TRADING.—(1) A*
18 *Federal renewable energy credit, may be sold, transferred*
19 *or exchanged by the entity to whom issued or by any other*
20 *entity who acquires the Federal renewable energy credit, ex-*
21 *cept for those renewable energy credits from existing facili-*
22 *ties. A Federal renewable energy credit for any year that*
23 *is not submitted to satisfy the minimum renewable genera-*
24 *tion requirement of subsection (c) for that year may be car-*

1 ried forward for use pursuant to subsection (b)(1) within
2 the next 3 years.

3 “(2) A Federally owned or cooperatively owned utility,
4 or a State or subdivision thereof, that is not a retail electric
5 supplier that generates electric energy by the use of a renew-
6 able energy resource at an eligible facility may only sell,
7 transfer or exchange a Federal renewable energy credit to
8 a cooperatively owned utility or an agency, authority or
9 instrumentality of a State or political subdivision of a
10 State that is a retail electric supplier that has acquired the
11 electric energy associated with the credit.

12 “(3) The Secretary may delegate to an appropriate
13 market-making entity the administration of a national
14 tradeable renewable energy credit market and a nation en-
15 ergy efficiency credit market for purposes of creating a
16 transparent national market for the sale or trade of renew-
17 able energy credits and a transparent national market for
18 the sale or trade of Federal energy efficiency credits.

19 “(h) *RENEWABLE ENERGY CREDIT BORROWING.*—At
20 any time before the end of calendar year 2012, a retail elec-
21 tric supplier that has reason to believe it will not be able
22 to fully comply with subsection (b) may—

23 “(1) submit a plan to the Secretary dem-
24 onstrating that the retail electric supplier will earn
25 sufficient Federal renewable energy credits and Fed-

1 *eral energy efficiency credits within the next 3 cal-*
2 *endar years which, when taken into account, will en-*
3 *able the retail electric supplier to meet the require-*
4 *ments of subsection (b) for calendar year 2012 and*
5 *the subsequent calendar years involved; and*

6 *“(2) upon the approval of the plan by the Sec-*
7 *retary, apply Federal renewable energy credits and*
8 *Federal energy efficiency credits that the plan dem-*
9 *onstrates will be earned within the next 3 calendar*
10 *years to meet the requirements of subsection (b) for*
11 *each calendar year involved.*

12 *The retail electric supplier must repay all of the borrowed*
13 *Federal renewable energy credits and Federal energy effi-*
14 *ciency credits by submitting an equivalent number of Fed-*
15 *eral renewable energy credits and Federal energy efficiency*
16 *credits, in addition to those otherwise required under sub-*
17 *section (b), by calendar year 2020 or any earlier deadlines*
18 *specified in the approved plan. Failure to repay the bor-*
19 *rowed Federal renewable energy credits and Federal energy*
20 *efficiency credits shall subject the retail electric supplier to*
21 *civil penalties under subsection (i) for violation of the re-*
22 *quirements of subsection (b) for each calendar year in-*
23 *olved.*

24 *“(i) ENERGY EFFICIENCY CREDITS.—*

25 *“(1) DEFINITIONS.—In this subsection—*

1 “(A) *CUSTOMER FACILITY SAVINGS.*—*The*
2 *term ‘customer facility savings’ means a reduc-*
3 *tion in end-use electricity at a facility of an end-*
4 *use consumer of electricity served by a retail*
5 *electric supplier, as compared to—*

6 “(i) *consumption at the facility during*
7 *a base year;*

8 “(ii) *in the case of new equipment (re-*
9 *gardless of whether the new equipment re-*
10 *places existing equipment at the end of the*
11 *useful life of the existing equipment), con-*
12 *sumption by the new equipment of average*
13 *efficiency; or*

14 “(iii) *in the case of a new facility, con-*
15 *sumption at a reference facility.*

16 “(B) *ELECTRICITY SAVINGS.*—*The term*
17 *‘electricity savings’ means—*

18 “(i) *customer facility savings of elec-*
19 *tricity consumption adjusted to reflect any*
20 *associated increase in fuel consumption at*
21 *the facility;*

22 “(ii) *reductions in distribution system*
23 *losses of electricity achieved by a retail elec-*
24 *tricity distributor, as compared to losses*
25 *during the base years;*

1 “(iii) the output of new combined heat
2 and power systems, to the extent provided
3 under paragraph (5); and

4 “(iv) recycled energy savings.

5 “(C) QUALIFYING ELECTRICITY SAVINGS.—
6 The term ‘qualifying electricity savings’ means
7 electricity saving that meet the measurement and
8 verification requirements of paragraph (4).

9 “(D) RECYCLED ENERGY SAVINGS.—The
10 term ‘recycled energy savings’ means a reduction
11 in electricity consumption that is attributable to
12 electrical or mechanical power, or both, produced
13 by modifying an industrial or commercial sys-
14 tem that was in operation before July 1, 2007,
15 in order to recapture energy that would other-
16 wise be wasted.

17 “(2) PETITION.—The Governor of a State may
18 petition the Secretary to allow up to 27 percent of the
19 requirements of a retail electric supplier under sub-
20 section (c) in the State to be met by submitting Fed-
21 eral energy efficiency credits issued pursuant to this
22 subsection.

23 “(3) ISSUANCE OF CREDITS.—(A) Upon petition
24 by the Governor, the Secretary shall issue energy effi-
25 ciency credits for electricity savings described in sub-

1 *paragraph (B) achieved in States described in para-*
2 *graph (2) in accordance with this subsection.*

3 *“(B) In accordance with regulations promul-*
4 *gated by the Secretary, the Secretary shall issue cred-*
5 *its for—*

6 *“(i) qualified electricity savings achieved by*
7 *a retail electric supplier in a calendar year; and*

8 *“(ii) qualified electricity savings achieved*
9 *by other entities if—*

10 *“(I) the measures used to achieve the*
11 *qualifying electricity savings were installed*
12 *or place in operation by the entity seeking*
13 *the credit or the designated agent of the en-*
14 *tity; and*

15 *“(II) no retail electric supplier paid a*
16 *substantial portion of the cost of achieving*
17 *the qualified electricity savings (unless the*
18 *retail electric supplier has waived any enti-*
19 *tlement to the credit).*

20 *“(4) MEASUREMENT AND VERIFICATION OF*
21 *ELECTRICITY SAVINGS.—Not later than June 30,*
22 *2009, the Secretary shall promulgate regulations re-*
23 *garding the measurement and verification of elec-*
24 *tricity savings under this subsection, including regu-*
25 *lations covering—*

1 “(A) procedures and standards for defining
2 and measuring electricity savings that will be el-
3 igible to receive credits under paragraph (3),
4 which shall—

5 “(i) specify the types of energy effi-
6 ciency and energy conservation that will be
7 eligible for the credits;

8 “(ii) require that energy consumption
9 for customer facilities or portions of facili-
10 ties in the applicable base and current
11 years be adjusted, as appropriate, to ac-
12 count for changes in weather, level of pro-
13 duction, and building area;

14 “(iii) account for the useful life of elec-
15 tricity savings measures;

16 “(iv) include specified electricity sav-
17 ings values for specific, commonly-used effi-
18 ciency measures;

19 “(v) specify the extent to which elec-
20 tricity savings attributable to measures car-
21 ried out before the date of enactment of this
22 section are eligible to receive credits under
23 this subsection; and

24 “(vi) exclude electricity savings that
25 (I) are not properly attributable to meas-

1 ures carried out by the entity seeking the
2 credit; or (II) have already been credited
3 under this section to another entity;

4 “(B) procedures and standards for third-
5 party verification of reported electricity savings;
6 and

7 “(C) such requirements for information, re-
8 ports, and access to facilities as may be nec-
9 essary to carry out this subsection.

10 “(5) COMBINED HEAT AND POWER.—Under regu-
11 lations promulgated by the Secretary, the increment
12 of electricity output of a new combined heat and
13 power system that is attributable to the higher effi-
14 ciency of the combined system (as compared to the ef-
15 ficiency of separate production of the electric and
16 thermal outputs), shall be considered electricity sav-
17 ings under this subsection.

18 “(j) ENFORCEMENT.—A retail electric supplier that
19 does not comply with subsection (b) shall be liable for the
20 payment of a civil penalty. That penalty shall be calculated
21 on the basis of the number of kilowatt-hours represented by
22 the retail electric supplier’s failure to comply with sub-
23 section (b), multiplied by the lesser of 4.5 cents (adjusted
24 for inflation for such calendar year, based on the Gross Do-
25 mestic Product Implicit Price Deflator) or 300 percent of

1 *the average market value of Federal renewable energy cred-*
2 *its and energy efficiency credits for the compliance period.*
3 *Any such penalty shall be due and payable without demand*
4 *to the Secretary as provided in the regulations issued under*
5 *subsection (e).*

6 “(k) *ALTERNATIVE COMPLIANCE PAYMENTS.—The*
7 *Secretary shall accept payment equal to the lesser of:*

8 “(1) *200 percent of the average market value of*
9 *Federal renewable energy credits and Federal energy*
10 *efficiency credits for the applicable compliance period;*
11 *or*

12 “(2) *2.5 cents per kilowatt hour adjusted on Jan-*
13 *uary 1 of each year following calendar year 2006*
14 *based on the Gross Domestic Product Implicit Price*
15 *Deflator,*

16 *as a means of compliance under subsection (b)(4)*

17 “(l) *INFORMATION COLLECTION.—The Secretary may*
18 *collect the information necessary to verify and audit—*

19 “(1) *the annual renewable energy generation of*
20 *any retail electric supplier, Federal renewable energy*
21 *credits submitted by a retail electric supplier pursu-*
22 *ant to subsection (b)(1) and Federal energy efficiency*
23 *credits submitted by a retail electric supplier pursu-*
24 *ant to subsection (b)(2);*

1 “(2) *annual electricity savings achieved pursu-*
2 *ant to subsection (i);*

3 “(3) *the validity of Federal renewable energy*
4 *credits submitted for compliance by a retail electric*
5 *supplier to the Secretary; and*

6 “(4) *the quantity of electricity sales of all retail*
7 *electric suppliers.*

8 “(m) *ENVIRONMENTAL SAVINGS CLAUSE.—Incre-*
9 *mental hydropower shall be subject to all applicable envi-*
10 *ronmental laws and licensing and regulatory requirements.*

11 “(n) *STATE PROGRAMS.—(1) Nothing in this section*
12 *diminishes any authority of a State or political subdivision*
13 *of a State to—*

14 “(A) *adopt or enforce any law or regu-*
15 *lation respecting renewable energy or energy*
16 *efficiency, including but not limited to pro-*
17 *grams that exceed the required amount of*
18 *renewable energy or energy efficiency under*
19 *this section, or*

20 “(B) *regulate the acquisition and dis-*
21 *position of Federal renewable energy credits*
22 *and Federal energy efficiency credits by re-*
23 *tail electric suppliers.*

24 *No law or regulation referred to in subparagraph (A)*
25 *shall relieve any person of any requirement otherwise*

1 *applicable under this section. The Secretary, in con-*
2 *sultation with States having renewable energy pro-*
3 *grams and energy efficiency programs, shall preserve*
4 *the integrity of such State programs, including pro-*
5 *grams that exceed the required amount of renewable*
6 *energy and energy efficiency under this section, and*
7 *shall facilitate coordination between the Federal pro-*
8 *gram and State programs.*

9 *“(2) In the rule establishing the program under this*
10 *section, the Secretary shall incorporate common elements*
11 *of existing renewable energy and energy efficiency pro-*
12 *grams, including State programs, to ensure administrative*
13 *ease, market transparency and effective enforcement. The*
14 *Secretary shall work with the States to minimize adminis-*
15 *trative burdens and costs to retail electric suppliers.*

16 *“(o) RECOVERY OF COSTS.—An electric utility whose*
17 *sales of electric energy are subject to rate regulation, includ-*
18 *ing any utility whose rates are regulated by the Commis-*
19 *sion and any State regulated electric utility, shall not be*
20 *denied the opportunity to recover the full amount of the*
21 *prudently incurred incremental cost of renewable energy*
22 *and energy efficiency obtained to comply with the require-*
23 *ments of subsection (b). For purposes of this subsection, the*
24 *definitions in section 3 of this Act shall apply to the terms*

1 *electric utility, State regulated electric utility, State agen-*
2 *cy, Commission, and State regulatory authority.*

3 “(p) *PROGRAM REVIEW.*—*The Secretary shall enter*
4 *into a contract with the National Academy of Sciences to*
5 *conduct a comprehensive evaluation of all aspects of the*
6 *program established under this section, within 8 years of*
7 *enactment of this section. The study shall include an eval-*
8 *uation of—*

9 “(1) *the effectiveness of the program in increas-*
10 *ing the market penetration and lowering the cost of*
11 *the eligible renewable energy and energy efficiency*
12 *technologies;*

13 “(2) *the opportunities for any additional tech-*
14 *nologies and sources of renewable energy and energy*
15 *efficiency emerging since enactment of this section;*

16 “(3) *the impact on the regional diversity and re-*
17 *liability of supply sources, including the power qual-*
18 *ity benefits of distributed generation;*

19 “(4) *the regional resource development relative to*
20 *renewable potential and reasons for any under invest-*
21 *ment in renewable resources; and*

22 “(5) *the net cost/benefit of the renewable elec-*
23 *tricity standard to the national and State economies,*
24 *including retail power costs, economic development*
25 *benefits of investment, avoided costs related to envi-*

1 *ronmental and congestion mitigation investments that*
2 *would otherwise have been required, impact on nat-*
3 *ural gas demand and price, effectiveness of green*
4 *marketing programs at reducing the cost of renewable*
5 *resources.*

6 *The Secretary shall transmit the results of the evaluation*
7 *and any recommendations for modifications and improve-*
8 *ments to the program to Congress not later than January*
9 *1, 2016.*

10 *“(q) STATE RENEWABLE ENERGY AND ENERGY EFFI-*
11 *CIENCY ACCOUNT PROGRAM.—(1) There is established in*
12 *the Treasury a State renewable energy and energy efficiency*
13 *account program.*

14 *“(2) All money collected by the Secretary from the al-*
15 *ternative compliance payments under subsection (k) shall*
16 *be deposited into the State renewable energy and energy ef-*
17 *iciency account established pursuant to this subsection.*

18 *“(3) Proceeds deposited in the State renewable energy*
19 *and energy efficiency account shall be used by the Secretary,*
20 *subject to annual appropriations, for a program to provide*
21 *grants to the State agency responsible for administering a*
22 *fund to promote renewable energy generation and energy*
23 *efficiency for customers of the State, or an alternative agen-*
24 *cy designated by the State, or if no such agency exists, to*
25 *the State agency developing State energy conservation plans*

1 *under section 363 of the Energy Policy and Conservation*
2 *Act (42 U.S.C. 6322) for the purposes of promoting renew-*
3 *able energy production and providing energy assistance and*
4 *weatherization services to low-income consumers.*

5 “(4) *The Secretary may issue guidelines and criteria*
6 *for grants awarded under this subsection. At least 75 per-*
7 *cent of the funds provided to each State shall be used for*
8 *promoting renewable energy production and energy effi-*
9 *ciency through grants, production incentives or other state-*
10 *approved funding mechanisms. The funds shall be allocated*
11 *to the States on the basis of retail electric sales subject to*
12 *the Renewable electricity Standard under this section or*
13 *through voluntary participation. State agencies receiving*
14 *grants under this section shall maintain such records and*
15 *evidence of compliance as the Secretary may require.”.*

16 **(b) TABLE OF CONTENTS.**—*The table of contents for*
17 *such title is amended by adding the following new item at*
18 *the end:*

 “*Sec. 610. Federal renewable electricity standard*”.

19 **(c) SUNSET.**—*Section 610 of such title and the item*
20 *relating to such section 610 in the table of contents for such*
21 *title are each repealed as of December 31, 2039.*

1 **TITLE XV—CLEAN RENEWABLE**
2 **ENERGY AND CONSERVATION**
3 **TAX ACT OF 2007**

4 **SEC. 1500. SHORT TITLE; AMENDMENT OF 1986 CODE.**

5 (a) *SHORT TITLE.*—This title may be cited as the
6 “Clean Renewable Energy and Conservation Tax Act of
7 2007”.

8 (b) *AMENDMENT OF 1986 CODE.*—Except as otherwise
9 expressly provided, whenever in this title an amendment
10 or repeal is expressed in terms of an amendment to, or re-
11 peal of, a section or other provision, the reference shall be
12 considered to be made to a section or other provision of the
13 Internal Revenue Code of 1986.

14 **Subtitle A—Clean Renewable**
15 **Energy Production Incentives**

16 **PART I—PROVISIONS RELATING TO RENEWABLE**
17 **ENERGY**

18 **SEC. 1501. EXTENSION AND MODIFICATION OF RENEWABLE**
19 **ENERGY CREDIT.**

20 (a) *EXTENSION OF CREDIT.*—Each of the following
21 provisions of section 45(d) (relating to qualified facilities)
22 is amended by striking “January 1, 2009” and inserting
23 “January 1, 2013”:

24 (1) Paragraph (1).

25 (2) Clauses (i) and (ii) of paragraph (2)(A).

1 (3) *Clauses (i)(I) and (ii) of paragraph (3)(A).*

2 (4) *Paragraph (4).*

3 (5) *Paragraph (5).*

4 (6) *Paragraph (6).*

5 (7) *Paragraph (7).*

6 (8) *Subparagraphs (A) and (B) of paragraph*

7 (9).

8 (b) *MODIFICATION OF CREDIT PHASEOUT.—*

9 (1) *REPEAL OF PHASEOUT.—Subsection (b) of*
10 *section 45 is amended—*

11 (A) *by striking paragraph (1), and*

12 (B) *by striking “the 8 cent amount in para-*
13 *graph (1),” in paragraph (2) thereof.*

14 (2) *LIMITATION BASED ON INVESTMENT IN FA-*
15 *CILITY.—Subsection (b) of section 45 is amended by*
16 *inserting before paragraph (2) the following new*
17 *paragraph:*

18 “(1) *LIMITATION BASED ON INVESTMENT IN FA-*
19 *CILITY.—*

20 “(A) *IN GENERAL.—In the case of any*
21 *qualified facility originally placed in service*
22 *after December 31, 2008, the amount of the cred-*
23 *it determined under subsection (a) for any tax-*
24 *able year with respect to electricity produced at*
25 *such facility shall not exceed the product of—*

1 “(i) the applicable percentage with re-
2 spect to such facility, multiplied by

3 “(ii) the eligible basis of such facility.

4 “(B) CARRYFORWARD OF UNUSED LIMITA-
5 TION AND EXCESS CREDIT.—

6 “(i) UNUSED LIMITATION.—If the limi-
7 tation imposed under subparagraph (A)
8 with respect to any facility for any taxable
9 year exceeds the prelimitation credit for
10 such facility for such taxable year, the limi-
11 tation imposed under subparagraph (A)
12 with respect to such facility for the suc-
13 ceeding taxable year shall be increased by
14 the amount of such excess.

15 “(ii) EXCESS CREDIT.—If the
16 prelimitation credit with respect to any fa-
17 cility for any taxable year exceeds the limi-
18 tation imposed under subparagraph (A)
19 with respect to such facility for such taxable
20 year, the credit determined under subsection
21 (a) with respect to such facility for the suc-
22 ceeding taxable year (determined before the
23 application of subparagraph (A) for such
24 succeeding taxable year) shall be increased
25 by the amount of such excess. With respect

1 to any facility, no amount may be carried for-
2 ward under this clause to any taxable year
3 beginning after the 10-year period described
4 in subsection (a)(2)(A)(ii) with respect to
5 such facility.

6 “(iii) *PRELIMINATION CREDIT.*—The
7 term ‘prelimination credit’ with respect to
8 any facility for a taxable year means the
9 credit determined under subsection (a) with
10 respect to such facility for such taxable
11 year, determined without regard to sub-
12 paragraph (A) and after taking into ac-
13 count any increase for such taxable year
14 under clause (ii).

15 “(C) *APPLICABLE PERCENTAGE.*—For pur-
16 poses of this paragraph—

17 “(i) *IN GENERAL.*—The term ‘applica-
18 ble percentage’ means, with respect to any
19 facility, the appropriate percentage pre-
20 scribed by the Secretary for the month in
21 which such facility is originally placed in
22 service.

23 “(ii) *METHOD OF PRESCRIBING APPLI-*
24 *CABLE PERCENTAGES.*—The applicable per-
25 centages prescribed by the Secretary for any

1 month under clause (i) shall be percentages
2 which yield over a 10-year period amounts
3 of limitation under subparagraph (A) which
4 have a present value equal to 35 percent of
5 the eligible basis of the facility.

6 “(iii) *METHOD OF DISCOUNTING.*—The
7 present value under clause (ii) shall be de-
8 termined—

9 “(I) as of the last day of the 1st
10 year of the 10-year period referred to
11 in clause (ii),

12 “(II) by using a discount rate
13 equal to the greater of 110 percent of
14 the Federal long-term rate as in effect
15 under section 1274(d) for the month
16 preceding the month for which the ap-
17 plicable percentage is being prescribed,
18 or 4.5 percent, and

19 “(III) by taking into account the
20 limitation under subparagraph (A) for
21 any year on the last day of such year.

22 “(D) *ELIGIBLE BASIS.*—For purposes of
23 this paragraph—

1 “(i) *IN GENERAL.*—The term ‘eligible
2 basis’ means, with respect to any facility,
3 the sum of—

4 “(I) the basis of such facility de-
5 termined as of the time that such facil-
6 ity is originally placed in service, and

7 “(II) the portion of the basis of
8 any shared qualified property which is
9 properly allocable to such facility
10 under clause (i).

11 “(ii) *RULES FOR ALLOCATION.*—For
12 purposes of subclause (II) of clause (i), the
13 basis of shared qualified property shall be
14 allocated among all qualified facilities
15 which are projected to be placed in service
16 and which require utilization of such prop-
17 erty in proportion to projected generation
18 from such facilities.

19 “(iii) *SHARED QUALIFIED PROP-*
20 *ERTY.*—For purposes of this paragraph, the
21 term ‘shared qualified property’ means,
22 with respect to any facility, any property
23 described in section 168(e)(3)(B)(vi)—

1 “(I) which a qualified facility will
2 require for utilization of such facility,
3 and

4 “(II) which is not a qualified fa-
5 cility.

6 “(iv) *SPECIAL RULE RELATING TO*
7 *GEOHERMAL FACILITIES.—In the case of*
8 *any qualified facility using geothermal en-*
9 *ergy to produce electricity, the basis of such*
10 *facility for purposes of this paragraph shall*
11 *be determined as though intangible drilling*
12 *and development costs described in section*
13 *263(c) were capitalized rather than ex-*
14 *pensed.*

15 “(E) *SPECIAL RULE FOR FIRST AND LAST*
16 *YEAR OF CREDIT PERIOD.—In the case of any*
17 *taxable year any portion of which is not within*
18 *the 10-year period described in subsection*
19 *(a)(2)(A)(ii) with respect to any facility, the*
20 *amount of the limitation under subparagraph*
21 *(A) with respect to such facility shall be reduced*
22 *by an amount which bears the same ratio to the*
23 *amount of such limitation (determined without*
24 *regard to this subparagraph) as such portion of*

1 *the taxable year which is not within such period*
 2 *bears to the entire taxable year.*

3 “(F) *ELECTION TO TREAT ALL FACILITIES*
 4 *PLACED IN SERVICE IN A YEAR AS 1 FACILITY.—*
 5 *At the election of the taxpayer, all qualified fa-*
 6 *cilities which are part of the same project and*
 7 *which are placed in service during the same cal-*
 8 *endar year shall be treated for purposes of this*
 9 *section as 1 facility which is placed in service at*
 10 *the mid-point of such year or the first day of the*
 11 *following calendar year.”.*

12 (c) *EFFECTIVE DATE.—*

13 (1) *IN GENERAL.—Except as provided in para-*
 14 *graph (2), the amendments made by this section shall*
 15 *apply to property originally placed in service after*
 16 *December 31, 2008.*

17 (2) *REPEAL OF CREDIT PHASEOUT.—The*
 18 *amendments made by subsection (b)(1) shall apply to*
 19 *taxable years ending after December 31, 2008.*

20 **SEC. 1502. PRODUCTION CREDIT FOR ELECTRICITY PRO-**
 21 **DUCED FROM MARINE RENEWABLES.**

22 (a) *IN GENERAL.—Paragraph (1) of section 45(c) (re-*
 23 *lating to resources) is amended by striking “and” at the*
 24 *end of subparagraph (G), by striking the period at the end*

1 of subparagraph (H) and inserting “, and”, and by adding
2 at the end the following new subparagraph:

3 “(I) marine and hydrokinetic renewable en-
4 ergy.”.

5 (b) *MARINE RENEWABLES*.—Subsection (c) of section
6 45 is amended by adding at the end the following new para-
7 graph:

8 “(10) *MARINE AND HYDROKINETIC RENEWABLE*
9 *ENERGY*.—

10 “(A) *IN GENERAL*.—The term ‘marine and
11 hydrokinetic renewable energy’ means energy de-
12 rived from—

13 “(i) waves, tides, and currents in
14 oceans, estuaries, and tidal areas,

15 “(ii) free flowing water in rivers, lakes,
16 and streams,

17 “(iii) free flowing water in an irriga-
18 tion system, canal, or other man-made
19 channel, including projects that utilize non-
20 mechanical structures to accelerate the flow
21 of water for electric power production pur-
22 poses, or

23 “(iv) differentials in ocean temperature
24 (ocean thermal energy conversion).

1 “(B) *EXCEPTIONS.*—Such term shall not in-
 2 clude any energy which is derived from any
 3 source which utilizes a dam, diversionary struc-
 4 ture (except as provided in subparagraph
 5 (A)(iii)), or impoundment for electric power pro-
 6 duction purposes.”.

7 (c) *DEFINITION OF FACILITY.*—Subsection (d) of sec-
 8 tion 45 is amended by adding at the end the following new
 9 paragraph:

10 “(11) *MARINE AND HYDROKINETIC RENEWABLE*
 11 *ENERGY FACILITIES.*—In the case of a facility pro-
 12 ducing electricity from marine and hydrokinetic re-
 13 newable energy, the term ‘qualified facility’ means
 14 any facility owned by the taxpayer—

15 “(A) which has a nameplate capacity rat-
 16 ing of at least 150 kilowatts, and

17 “(B) which is originally placed in service
 18 on or after the date of the enactment of this
 19 paragraph and before January 1, 2013.”.

20 (d) *CREDIT RATE.*—Subparagraph (A) of section
 21 45(b)(4) is amended by striking “or (9)” and inserting “(9),
 22 or (11)”.

23 (e) *COORDINATION WITH SMALL IRRIGATION*
 24 *POWER.*—Paragraph (5) of section 45(d), as amended by

1 *this Act, is amended by striking “January 1, 2013” and*
2 *inserting “the date of the enactment of paragraph (11)”.*

3 (f) *EFFECTIVE DATE.*—*The amendments made by this*
4 *section shall apply to electricity produced and sold after*
5 *the date of the enactment of this Act, in taxable years end-*
6 *ing after such date.*

7 **SEC. 1503. EXTENSION AND MODIFICATION OF ENERGY**
8 **CREDIT.**

9 (a) *EXTENSION OF CREDIT.*—

10 (1) *SOLAR ENERGY PROPERTY.*—*Paragraphs*
11 *(2)(A)(i)(II) and (3)(A)(ii) of section 48(a) (relating*
12 *to energy credit) are each amended by striking “Jan-*
13 *uary 1, 2009” and inserting “January 1, 2017”.*

14 (2) *FUEL CELL PROPERTY.*—*Subparagraph (E)*
15 *of section 48(c)(1) (relating to qualified fuel cell prop-*
16 *erty) is amended by striking “December 31, 2008”*
17 *and inserting “December 31, 2016”.*

18 (3) *MICROTURBINE PROPERTY.*—*Subparagraph*
19 *(E) of section 48(c)(2) (relating to qualified microtur-*
20 *bine property) is amended by striking “December 31,*
21 *2008” and inserting “December 31, 2016”.*

22 (b) *ALLOWANCE OF ENERGY CREDIT AGAINST ALTER-*
23 *NATIVE MINIMUM TAX.*—*Subparagraph (B) of section*
24 *38(c)(4) (relating to specified credits) is amended by strik-*
25 *ing “and” at the end of clause (iii), by striking the period*

1 *at the end of clause (iv) and inserting “, and”, and by add-*
 2 *ing at the end the following new clause:*

3 “(v) the credit determined under sec-
 4 tion 46 to the extent that such credit is at-
 5 tributable to the energy credit determined
 6 under section 48.”.

7 (c) *ENERGY CREDIT FOR COMBINED HEAT AND*
 8 *POWER SYSTEM PROPERTY.—*

9 (1) *IN GENERAL.—Section 48(a)(3)(A) (defining*
 10 *energy property) is amended by striking “or” at the*
 11 *end of clause (iii), by inserting “or” at the end of*
 12 *clause (iv), and by adding at the end the following*
 13 *new clause:*

14 “(v) combined heat and power system
 15 property,”.

16 (2) *COMBINED HEAT AND POWER SYSTEM PROP-*
 17 *ERTY.—Section 48 (relating to energy credit; reforest-*
 18 *ation credit) is amended by adding at the end the fol-*
 19 *lowing new subsection:*

20 “(d) *COMBINED HEAT AND POWER SYSTEM PROP-*
 21 *ERTY.—For purposes of subsection (a)(3)(A)(v)—*

22 “(1) *COMBINED HEAT AND POWER SYSTEM PROP-*
 23 *ERTY.—The term ‘combined heat and power system*
 24 *property’ means property comprising a system—*

1 “(A) which uses the same energy source for
2 the simultaneous or sequential generation of elec-
3 trical power, mechanical shaft power, or both, in
4 combination with the generation of steam or
5 other forms of useful thermal energy (including
6 heating and cooling applications),

7 “(B) which produces—

8 “(i) at least 20 percent of its total use-
9 ful energy in the form of thermal energy
10 which is not used to produce electrical or
11 mechanical power (or combination thereof),
12 and

13 “(ii) at least 20 percent of its total
14 useful energy in the form of electrical or me-
15 chanical power (or combination thereof),

16 “(C) the energy efficiency percentage of
17 which exceeds 60 percent, and

18 “(D) which is placed in service before Janu-
19 ary 1, 2017.

20 “(2) LIMITATION.—

21 “(A) IN GENERAL.—In the case of combined
22 heat and power system property with an elec-
23 trical capacity in excess of the applicable capac-
24 ity placed in service during the taxable year, the
25 credit under subsection (a)(1) (determined with-

1 *out regard to this paragraph) for such year shall*
2 *be equal to the amount which bears the same*
3 *ratio to such credit as the applicable capacity*
4 *bears to the capacity of such property.*

5 “(B) *APPLICABLE CAPACITY.*—*For purposes*
6 *of subparagraph (A), the term ‘applicable capac-*
7 *ity’ means 15 megawatts or a mechanical energy*
8 *capacity of more than 20,000 horsepower or an*
9 *equivalent combination of electrical and mechan-*
10 *ical energy capacities.*

11 “(C) *MAXIMUM CAPACITY.*—*The term ‘com-*
12 *bined heat and power system property’ shall not*
13 *include any property comprising a system if*
14 *such system has a capacity in excess of 50*
15 *megawatts or a mechanical energy capacity in*
16 *excess of 67,000 horsepower or an equivalent*
17 *combination of electrical and mechanical energy*
18 *capacities.*

19 “(3) *SPECIAL RULES.*—

20 “(A) *ENERGY EFFICIENCY PERCENTAGE.*—
21 *For purposes of this subsection, the energy effi-*
22 *ciency percentage of a system is the fraction—*

23 “(i) *the numerator of which is the total*
24 *useful electrical, thermal, and mechanical*
25 *power produced by the system at normal*

1 *operating rates, and expected to be con-*
2 *sumed in its normal application, and*

3 *“(ii) the denominator of which is the*
4 *lower heating value of the fuel sources for*
5 *the system.*

6 *“(B) DETERMINATIONS MADE ON BTU*
7 *BASIS.—The energy efficiency percentage and the*
8 *percentages under paragraph (1)(B) shall be de-*
9 *termined on a Btu basis.*

10 *“(C) INPUT AND OUTPUT PROPERTY NOT IN-*
11 *CLUDED.—The term ‘combined heat and power*
12 *system property’ does not include property used*
13 *to transport the energy source to the facility or*
14 *to distribute energy produced by the facility.*

15 *“(4) SYSTEMS USING BIOMASS.—If a system is*
16 *designed to use biomass (within the meaning of para-*
17 *graphs (2) and (3) of section 45(c) without regard to*
18 *the last sentence of paragraph (3)(A)) for at least 90*
19 *percent of the energy source—*

20 *“(A) paragraph (1)(C) shall not apply, but*

21 *“(B) the amount of credit determined under*
22 *subsection (a) with respect to such system shall*
23 *not exceed the amount which bears the same*
24 *ratio to such amount of credit (determined with-*
25 *out regard to this paragraph) as the energy effi-*

1 *ciency percentage of such system bears to 60 per-*
2 *cent.”.*

3 *(d) INCREASE OF CREDIT LIMITATION FOR FUEL CELL*
4 *PROPERTY.—Subparagraph (B) of section 48(c)(1) is*
5 *amended by striking “\$500” and inserting “\$1,500”.*

6 *(e) PUBLIC ELECTRIC UTILITY PROPERTY TAKEN*
7 *INTO ACCOUNT.—*

8 *(1) IN GENERAL.—Paragraph (3) of section*
9 *48(a) is amended by striking the second sentence*
10 *thereof.*

11 *(2) CONFORMING AMENDMENTS.—*

12 *(A) Paragraph (1) of section 48(c) is*
13 *amended by striking subparagraph (D) and re-*
14 *designating subparagraph (E) as subparagraph*
15 *(D).*

16 *(B) Paragraph (2) of section 48(c) is*
17 *amended by striking subparagraph (D) and re-*
18 *designating subparagraph (E) as subparagraph*
19 *(D).*

20 *(f) CLERICAL AMENDMENTS.—Paragraphs (1)(B) and*
21 *(2)(B) of section 48(c) are each amended by striking “para-*
22 *graph (1)” and inserting “subsection (a)”.*

23 *(g) EFFECTIVE DATE.—*

24 *(1) IN GENERAL.—Except as otherwise provided*
25 *in this subsection, the amendments made by this sec-*

1 *tion shall take effect on the date of the enactment of*
2 *this Act.*

3 (2) *ALLOWANCE AGAINST ALTERNATIVE MINIMUM*
4 *TAX.—The amendments made by subsection (b) shall*
5 *apply to credits determined under section 46 of the*
6 *Internal Revenue Code of 1986 in taxable years begin-*
7 *ning after the date of the enactment of this Act and*
8 *to carrybacks of such credits.*

9 (3) *COMBINED HEAT AND POWER AND FUEL*
10 *CELL PROPERTY.—The amendments made by sub-*
11 *sections (c) and (d) shall apply to periods after the*
12 *date of the enactment of this Act, in taxable years*
13 *ending after such date, under rules similar to the*
14 *rules of section 48(m) of the Internal Revenue Code*
15 *of 1986 (as in effect on the day before the date of the*
16 *enactment of the Revenue Reconciliation Act of 1990).*

17 (4) *PUBLIC ELECTRIC UTILITY PROPERTY.—The*
18 *amendments made by subsection (e) shall apply to pe-*
19 *riods after June 20, 2007, in taxable years ending*
20 *after such date, under rules similar to the rules of sec-*
21 *tion 48(m) of the Internal Revenue Code of 1986 (as*
22 *in effect on the day before the date of the enactment*
23 *of the Revenue Reconciliation Act of 1990).*

1 **SEC. 1504. EXTENSION AND MODIFICATION OF CREDIT FOR**
2 **RESIDENTIAL ENERGY EFFICIENT PROPERTY.**

3 (a) *EXTENSION.*—Section 25D(g) (relating to termi-
4 nation) is amended by striking “December 31, 2008” and
5 inserting “December 31, 2014”.

6 (b) *MAXIMUM CREDIT FOR SOLAR ELECTRIC PROP-*
7 *ERTY.*—

8 (1) *IN GENERAL.*—Section 25D(b)(1)(A) (relat-
9 ing to maximum credit) is amended by striking
10 “\$2,000” and inserting “\$4,000”.

11 (2) *CONFORMING AMENDMENT.*—Section
12 25D(e)(4)(A)(i) is amended by striking “\$6,667” and
13 inserting “\$13,334”.

14 (c) *CREDIT FOR RESIDENTIAL WIND PROPERTY.*—

15 (1) *IN GENERAL.*—Section 25D(a) (relating to
16 allowance of credit) is amended by striking “and” at
17 the end of paragraph (2), by striking the period at the
18 end of paragraph (3) and inserting “, and”, and by
19 adding at the end the following new paragraph:

20 “(4) 30 percent of the qualified small wind en-
21 ergy property expenditures made by the taxpayer
22 during such year.”.

23 (2) *LIMITATION.*—Section 25D(b)(1) (relating to
24 maximum credit) is amended by striking “and” at
25 the end of subparagraph (B), by striking the period
26 at the end of subparagraph (C) and inserting “,

1 *and”, and by adding at the end the following new*
2 *subparagraph:*

3 *“(D) \$500 with respect to each half kilowatt*
4 *of capacity (not to exceed \$4,000) of wind tur-*
5 *bines for which qualified small wind energy*
6 *property expenditures are made.”.*

7 *(3) QUALIFIED SMALL WIND ENERGY PROPERTY*
8 *EXPENDITURES.—*

9 *(A) IN GENERAL.—Section 25D(d) (relating*
10 *to definitions) is amended by adding at the end*
11 *the following new paragraph:*

12 *“(4) QUALIFIED SMALL WIND ENERGY PROPERTY*
13 *EXPENDITURE.—The term ‘qualified small wind en-*
14 *ergy property expenditure’ means an expenditure for*
15 *property which uses a wind turbine to generate elec-*
16 *tricity for use in connection with a dwelling unit lo-*
17 *cated in the United States and used as a residence by*
18 *the taxpayer.”.*

19 *(B) NO DOUBLE BENEFIT.—Section*
20 *45(d)(1) (relating to wind facility) is amended*
21 *by adding at the end the following new sentence:*
22 *“Such term shall not include any facility with*
23 *respect to which any qualified small wind energy*
24 *property expenditure (as defined in subsection*

1 (d)(4) of section 25D) is taken into account in
2 determining the credit under such section.”.

3 (4) *MAXIMUM EXPENDITURES IN CASE OF JOINT*
4 *OCCUPANCY.*—Section 25D(e)(4)(A) (relating to max-
5 imum expenditures) is amended by striking “and” at
6 the end of clause (ii), by striking the period at the
7 end of clause (iii) and inserting “, and”, and by add-
8 ing at the end the following new clause:

9 “(iv) \$1,667 in the case of each half
10 kilowatt of capacity of wind turbines for
11 which qualified small wind energy property
12 expenditures are made.”.

13 (d) *CREDIT ALLOWED AGAINST ALTERNATIVE MIN-*
14 *IMUM TAX.*—

15 (1) *IN GENERAL.*—Subsection (c) of section 25D
16 is amended to read as follows:

17 “(c) *LIMITATION BASED ON AMOUNT OF TAX;*
18 *CARRYFORWARD OF UNUSED CREDIT.*—

19 “(1) *LIMITATION BASED ON AMOUNT OF TAX.*—
20 In the case of a taxable year to which section 26(a)(2)
21 does not apply, the credit allowed under subsection
22 (a) for the taxable year shall not exceed the excess
23 of—

1 “(A) the sum of the regular tax liability (as
2 defined in section 26(b)) plus the tax imposed by
3 section 55, over

4 “(B) the sum of the credits allowable under
5 this subpart (other than this section) and section
6 27 for the taxable year.

7 “(2) CARRYFORWARD OF UNUSED CREDIT.—

8 “(A) *RULE FOR YEARS IN WHICH ALL PER-*
9 *SONAL CREDITS ALLOWED AGAINST REGULAR*
10 *AND ALTERNATIVE MINIMUM TAX.—In the case of*
11 *a taxable year to which section 26(a)(2) applies,*
12 *if the credit allowable under subsection (a) ex-*
13 *ceeds the limitation imposed by section 26(a)(2)*
14 *for such taxable year reduced by the sum of the*
15 *credits allowable under this subpart (other than*
16 *this section), such excess shall be carried to the*
17 *succeeding taxable year and added to the credit*
18 *allowable under subsection (a) for such suc-*
19 *ceeding taxable year.*

20 “(B) *RULE FOR OTHER YEARS.—In the case*
21 *of a taxable year to which section 26(a)(2) does*
22 *not apply, if the credit allowable under sub-*
23 *section (a) exceeds the limitation imposed by*
24 *paragraph (1) for such taxable year, such excess*
25 *shall be carried to the succeeding taxable year*

1 *and added to the credit allowable under sub-*
2 *section (a) for such succeeding taxable year.”.*

3 (2) *CONFORMING AMENDMENTS.—*

4 (A) *Section 23(b)(4)(B) is amended by in-*
5 *serting “and section 25D” after “this section”.*

6 (B) *Section 24(b)(3)(B) is amended by*
7 *striking “and 25B” and inserting “, 25B, and*
8 *25D”.*

9 (C) *Section 25B(g)(2) is amended by strik-*
10 *ing “section 23” and inserting “sections 23 and*
11 *25D”.*

12 (D) *Section 26(a)(1) is amended by striking*
13 *“and 25B” and inserting “25B, and 25D”.*

14 (e) *EFFECTIVE DATES.—*

15 (1) *IN GENERAL.—Except as otherwise provided*
16 *in this subsection, the amendments made by this sec-*
17 *tion shall apply to expenditures after December 31,*
18 *2007.*

19 (2) *ALLOWANCE AGAINST ALTERNATIVE MINIMUM*
20 *TAX.—*

21 (A) *IN GENERAL.—The amendments made*
22 *by subsection (d) shall apply to taxable years be-*
23 *ginning after the date of the enactment of this*
24 *Act.*

1 (B) *APPLICATION OF EGTRRA SUNSET.*—The
2 amendments made by subparagraphs (A) and
3 (B) of subsection (d)(2) shall be subject to title
4 IX of the Economic Growth and Tax Relief Rec-
5 onciliation Act of 2001 in the same manner as
6 the provisions of such Act to which such amend-
7 ments relate.

8 **SEC. 1505. EXTENSION AND MODIFICATION OF SPECIAL**
9 **RULE TO IMPLEMENT FERC AND STATE ELEC-**
10 **TRIC RESTRUCTURING POLICY.**

11 (a) *EXTENSION FOR QUALIFIED ELECTRIC UTILI-*
12 *TIES.*—

13 (1) *IN GENERAL.*—Paragraph (3) of section
14 451(i) (relating to special rule for sales or disposi-
15 tions to implement Federal Energy Regulatory Com-
16 mission or State electric restructuring policy) is
17 amended by inserting “(before January 1, 2010, in
18 the case of a qualified electric utility)” after “Janu-
19 ary 1, 2008”.

20 (2) *QUALIFIED ELECTRIC UTILITY.*—Subsection
21 (i) of section 451 is amended by redesignating para-
22 graphs (6) through (10) as paragraphs (7) through
23 (11), respectively, and by inserting after paragraph
24 (5) the following new paragraph:

1 “(6) *QUALIFIED ELECTRIC UTILITY.*—*For pur-*
 2 *poses of this subsection, the term ‘qualified electric*
 3 *utility’ means a person that, as of the date of the*
 4 *qualifying electric transmission transaction, is*
 5 *vertically integrated, in that it is both—*

6 “(A) *a transmitting utility (as defined in*
 7 *section 3(23) of the Federal Power Act (16*
 8 *U.S.C. 796(23)) with respect to the transmission*
 9 *facilities to which the election under this sub-*
 10 *section applies, and*

11 “(B) *an electric utility (as defined in sec-*
 12 *tion 3(22) of the Federal Power Act (16 U.S.C.*
 13 *796(22)).”.*

14 (b) *EXTENSION OF PERIOD FOR TRANSFER OF OPER-*
 15 *ATIONAL CONTROL AUTHORIZED BY FERC.*—*Clause (ii) of*
 16 *section 451(i)(4)(B) is amended by striking “December 31,*
 17 *2007” and inserting “the date which is 4 years after the*
 18 *close of the taxable year in which the transaction occurs”.*

19 (c) *PROPERTY LOCATED OUTSIDE THE UNITED*
 20 *STATES NOT TREATED AS EXEMPT UTILITY PROPERTY.*—
 21 *Paragraph (5) of section 451(i) is amended by adding at*
 22 *the end the following new subparagraph:*

23 “(C) *EXCEPTION FOR PROPERTY LOCATED*
 24 *OUTSIDE THE UNITED STATES.*—*The term ‘ex-*
 25 *empt utility property’ shall not include any*

1 *property which is located outside the United*
 2 *States.”.*

3 *(d) EFFECTIVE DATES.—*

4 *(1) EXTENSION.—The amendments made by sub-*
 5 *section (a) shall apply to transactions after December*
 6 *31, 2007.*

7 *(2) TRANSFERS OF OPERATIONAL CONTROL.—*
 8 *The amendment made by subsection (b) shall take ef-*
 9 *fect as if included in section 909 of the American Jobs*
 10 *Creation Act of 2004.*

11 *(3) EXCEPTION FOR PROPERTY LOCATED OUT-*
 12 *SIDE THE UNITED STATES.—The amendment made by*
 13 *subsection (c) shall apply to transactions after the*
 14 *date of the enactment of this Act.*

15 **SEC. 1506. NEW CLEAN RENEWABLE ENERGY BONDS.**

16 *(a) IN GENERAL.—Part IV of subchapter A of chapter*
 17 *1 (relating to credits against tax) is amended by adding*
 18 *at the end the following new subpart:*

19 **“Subpart I—Qualified Tax Credit Bonds**

“Sec. 54A. Credit to holders of qualified tax credit bonds.

“Sec. 54B. New clean renewable energy bonds.

20 **“SEC. 54A. CREDIT TO HOLDERS OF QUALIFIED TAX CREDIT**
 21 **BONDS.**

22 *“(a) ALLOWANCE OF CREDIT.—If a taxpayer holds a*
 23 *qualified tax credit bond on one or more credit allowance*
 24 *dates of the bond during any taxable year, there shall be*

1 *allowed as a credit against the tax imposed by this chapter*
2 *for the taxable year an amount equal to the sum of the cred-*
3 *its determined under subsection (b) with respect to such*
4 *dates.*

5 “(b) *AMOUNT OF CREDIT.*—

6 “(1) *IN GENERAL.*—*The amount of the credit de-*
7 *termined under this subsection with respect to any*
8 *credit allowance date for a qualified tax credit bond*
9 *is 25 percent of the annual credit determined with re-*
10 *spect to such bond.*

11 “(2) *ANNUAL CREDIT.*—*The annual credit deter-*
12 *mined with respect to any qualified tax credit bond*
13 *is the product of—*

14 “(A) *the applicable credit rate, multiplied*
15 *by*

16 “(B) *the outstanding face amount of the*
17 *bond.*

18 “(3) *APPLICABLE CREDIT RATE.*—*For purposes*
19 *of paragraph (2), the applicable credit rate is 70 per-*
20 *cent of the rate which the Secretary estimates will*
21 *permit the issuance of qualified tax credit bonds with*
22 *a specified maturity or redemption date without dis-*
23 *count and without interest cost to the qualified issuer.*
24 *The applicable credit rate with respect to any quali-*
25 *fied tax credit bond shall be determined as of the first*

1 *day on which there is a binding, written contract for*
2 *the sale or exchange of the bond.*

3 “(4) *SPECIAL RULE FOR ISSUANCE AND REDEMP-*
4 *TION.—In the case of a bond which is issued during*
5 *the 3-month period ending on a credit allowance date,*
6 *the amount of the credit determined under this sub-*
7 *section with respect to such credit allowance date*
8 *shall be a ratable portion of the credit otherwise deter-*
9 *mined based on the portion of the 3-month period*
10 *during which the bond is outstanding. A similar rule*
11 *shall apply when the bond is redeemed or matures.*

12 “(c) *LIMITATION BASED ON AMOUNT OF TAX.—*

13 “(1) *IN GENERAL.—The credit allowed under*
14 *subsection (a) for any taxable year shall not exceed*
15 *the excess of—*

16 “(A) *the sum of the regular tax liability (as*
17 *defined in section 26(b)) plus the tax imposed by*
18 *section 55, over*

19 “(B) *the sum of the credits allowable under*
20 *this part (other than subpart C and this sub-*
21 *part).*

22 “(2) *CARRYOVER OF UNUSED CREDIT.—If the*
23 *credit allowable under subsection (a) exceeds the limi-*
24 *tation imposed by paragraph (1) for such taxable*
25 *year, such excess shall be carried to the succeeding*

1 *taxable year and added to the credit allowable under*
2 *subsection (a) for such taxable year (determined be-*
3 *fore the application of paragraph (1) for such suc-*
4 *ceeding taxable year).*

5 “(d) *QUALIFIED TAX CREDIT BOND.*—*For purposes of*
6 *this section—*

7 “(1) *QUALIFIED TAX CREDIT BOND.*—*The term*
8 *‘qualified tax credit bond’ means a new clean renew-*
9 *able energy bond which is part of an issue that meets*
10 *the requirements of paragraphs (2), (3), (4), (5), and*
11 *(6).*

12 “(2) *SPECIAL RULES RELATING TO EXPENDI-*
13 *TURES.*—

14 “(A) *IN GENERAL.*—*An issue shall be treat-*
15 *ed as meeting the requirements of this paragraph*
16 *if, as of the date of issuance, the issuer reason-*
17 *ably expects—*

18 “(i) *100 percent or more of the avail-*
19 *able project proceeds to be spent for 1 or*
20 *more qualified purposes within the 3-year*
21 *period beginning on such date of issuance,*
22 *and*

23 “(ii) *a binding commitment with a*
24 *third party to spend at least 10 percent of*
25 *such available project proceeds will be in-*

1 *curred within the 6-month period beginning*
2 *on such date of issuance.*

3 “(B) *FAILURE TO SPEND REQUIRED*
4 *AMOUNT OF BOND PROCEEDS WITHIN 3 YEARS.—*

5 “(i) *IN GENERAL.—To the extent that*
6 *less than 100 percent of the available project*
7 *proceeds of the issue are expended by the*
8 *close of the expenditure period for 1 or more*
9 *qualified purposes, the issuer shall redeem*
10 *all of the nonqualified bonds within 90 days*
11 *after the end of such period. For purposes of*
12 *this paragraph, the amount of the non-*
13 *qualified bonds required to be redeemed*
14 *shall be determined in the same manner as*
15 *under section 142.*

16 “(ii) *EXPENDITURE PERIOD.—For*
17 *purposes of this subpart, the term ‘expendi-*
18 *ture period’ means, with respect to any*
19 *issue, the 3-year period beginning on the*
20 *date of issuance. Such term shall include*
21 *any extension of such period under clause*
22 *(iii).*

23 “(iii) *EXTENSION OF PERIOD.—Upon*
24 *submission of a request prior to the expira-*
25 *tion of the expenditure period (determined*

1 *without regard to any extension under this*
2 *clause), the Secretary may extend such pe-*
3 *riod if the issuer establishes that the failure*
4 *to expend the proceeds within the original*
5 *expenditure period is due to reasonable*
6 *cause and the expenditures for qualified*
7 *purposes will continue to proceed with due*
8 *diligence.*

9 “(C) *QUALIFIED PURPOSE.*—*For purposes*
10 *of this paragraph, the term ‘qualified purpose’*
11 *means a purpose specified in section 54B(a)(1).*

12 “(D) *REIMBURSEMENT.*—*For purposes of*
13 *this subtitle, available project proceeds of an*
14 *issue shall be treated as spent for a qualified*
15 *purpose if such proceeds are used to reimburse*
16 *the issuer for amounts paid for a qualified pur-*
17 *pose after the date that the Secretary makes an*
18 *allocation of bond limitation with respect to such*
19 *issue, but only if—*

20 “(i) *prior to the payment of the origi-*
21 *nal expenditure, the issuer declared its in-*
22 *tent to reimburse such expenditure with the*
23 *proceeds of a qualified tax credit bond,*

24 “(ii) *not later than 60 days after pay-*
25 *ment of the original expenditure, the issuer*

1 *adopts an official intent to reimburse the*
2 *original expenditure with such proceeds,*
3 *and*

4 *“(iii) the reimbursement is made not*
5 *later than 18 months after the date the*
6 *original expenditure is paid.*

7 “(3) *REPORTING.—An issue shall be treated as*
8 *meeting the requirements of this paragraph if the*
9 *issuer of qualified tax credit bonds submits reports*
10 *similar to the reports required under section 149(e).*

11 “(4) *SPECIAL RULES RELATING TO ARBI-*
12 *TRAGE.—*

13 “(A) *IN GENERAL.—An issue shall be treat-*
14 *ed as meeting the requirements of this paragraph*
15 *if the issuer satisfies the requirements of section*
16 *148 with respect to the proceeds of the issue.*

17 “(B) *SPECIAL RULE FOR INVESTMENTS*
18 *DURING EXPENDITURE PERIOD.—An issue shall*
19 *not be treated as failing to meet the requirements*
20 *of subparagraph (A) by reason of any investment*
21 *of available project proceeds during the expendi-*
22 *ture period.*

23 “(C) *SPECIAL RULE FOR RESERVE*
24 *FUNDS.—An issue shall not be treated as failing*
25 *to meet the requirements of subparagraph (A) by*

1 *reason of any fund which is expected to be used*
2 *to repay such issue if—*

3 “(i) *such fund is funded at a rate not*
4 *more rapid than equal annual installments,*

5 “(ii) *such fund is funded in a manner*
6 *reasonably expected to result in an amount*
7 *not greater than an amount necessary to*
8 *repay the issue, and*

9 “(iii) *the yield on such fund is not*
10 *greater than the discount rate determined*
11 *under paragraph (5)(B) with respect to the*
12 *issue.*

13 “(5) *MATURITY LIMITATION.—*

14 “(A) *IN GENERAL.—An issue shall be treat-*
15 *ed as meeting the requirements of this paragraph*
16 *if the maturity of any bond which is part of*
17 *such issue does not exceed the maximum term de-*
18 *termined by the Secretary under subparagraph*
19 *(B).*

20 “(B) *MAXIMUM TERM.—During each cal-*
21 *endar month, the Secretary shall determine the*
22 *maximum term permitted under this paragraph*
23 *for bonds issued during the following calendar*
24 *month. Such maximum term shall be the term*
25 *which the Secretary estimates will result in the*

1 *present value of the obligation to repay the prin-*
2 *cipal on the bond being equal to 50 percent of the*
3 *face amount of such bond. Such present value*
4 *shall be determined using as a discount rate the*
5 *average annual interest rate of tax-exempt obli-*
6 *gations having a term of 10 years or more which*
7 *are issued during the month. If the term as so*
8 *determined is not a multiple of a whole year,*
9 *such term shall be rounded to the next highest*
10 *whole year.*

11 “(6) *PROHIBITION ON FINANCIAL CONFLICTS OF*
12 *INTEREST.—An issue shall be treated as meeting the*
13 *requirements of this paragraph if the issuer certifies*
14 *that—*

15 “(A) *applicable State and local law require-*
16 *ments governing conflicts of interest are satisfied*
17 *with respect to such issue, and*

18 “(B) *if the Secretary prescribes additional*
19 *conflicts of interest rules governing the appro-*
20 *priate Members of Congress, Federal, State, and*
21 *local officials, and their spouses, such additional*
22 *rules are satisfied with respect to such issue.*

23 “(e) *OTHER DEFINITIONS.—For purposes of this sub-*
24 *chapter—*

1 “(1) *CREDIT ALLOWANCE DATE.*—*The term*
2 *‘credit allowance date’ means—*

3 “(A) *March 15,*

4 “(B) *June 15,*

5 “(C) *September 15, and*

6 “(D) *December 15.*

7 *Such term includes the last day on which the bond is*
8 *outstanding.*

9 “(2) *BOND.*—*The term ‘bond’ includes any obli-*
10 *gation.*

11 “(3) *STATE.*—*The term ‘State’ includes the Dis-*
12 *trict of Columbia and any possession of the United*
13 *States.*

14 “(4) *AVAILABLE PROJECT PROCEEDS.*—*The term*
15 *‘available project proceeds’ means—*

16 “(A) *the excess of—*

17 “(i) *the proceeds from the sale of an*
18 *issue, over*

19 “(ii) *the issuance costs financed by the*
20 *issue (to the extent that such costs do not*
21 *exceed 2 percent of such proceeds), and*

22 “(B) *the proceeds from any investment of*
23 *the excess described in subparagraph (A).*

24 “(f) *CREDIT TREATED AS INTEREST.*—*For purposes of*
25 *this subtitle, the credit determined under subsection (a)*

1 *shall be treated as interest which is includible in gross in-*
2 *come.*

3 “(g) *S CORPORATIONS AND PARTNERSHIPS.—In the*
4 *case of a tax credit bond held by an S corporation or part-*
5 *nership, the allocation of the credit allowed by this section*
6 *to the shareholders of such corporation or partners of such*
7 *partnership shall be treated as a distribution.*

8 “(h) *BONDS HELD BY REGULATED INVESTMENT COM-*
9 *PANIES AND REAL ESTATE INVESTMENT TRUSTS.—If any*
10 *qualified tax credit bond is held by a regulated investment*
11 *company or a real estate investment trust, the credit deter-*
12 *mined under subsection (a) shall be allowed to shareholders*
13 *of such company or beneficiaries of such trust (and any*
14 *gross income included under subsection (f) with respect to*
15 *such credit shall be treated as distributed to such share-*
16 *holders or beneficiaries) under procedures prescribed by the*
17 *Secretary.*

18 “(i) *CREDITS MAY BE STRIPPED.—Under regulations*
19 *prescribed by the Secretary—*

20 “(1) *IN GENERAL.—There may be a separation*
21 *(including at issuance) of the ownership of a qualified*
22 *tax credit bond and the entitlement to the credit*
23 *under this section with respect to such bond. In case*
24 *of any such separation, the credit under this section*
25 *shall be allowed to the person who on the credit allow-*

1 *ance date holds the instrument evidencing the entitle-*
2 *ment to the credit and not to the holder of the bond.*

3 *“(2) CERTAIN RULES TO APPLY.—In the case of*
4 *a separation described in paragraph (1), the rules of*
5 *section 1286 shall apply to the qualified tax credit*
6 *bond as if it were a stripped bond and to the credit*
7 *under this section as if it were a stripped coupon.*

8 **“SEC. 54B. NEW CLEAN RENEWABLE ENERGY BONDS.**

9 *“(a) NEW CLEAN RENEWABLE ENERGY BOND.—For*
10 *purposes of this subpart, the term ‘new clean renewable en-*
11 *ergy bond’ means any bond issued as part of an issue if—*

12 *“(1) 100 percent of the available project proceeds*
13 *of such issue are to be used for capital expenditures*
14 *incurred by public power providers, governmental*
15 *bodies, or cooperative electric companies for one or*
16 *more qualified renewable energy facilities,*

17 *“(2) the bond is issued by a qualified issuer, and*

18 *“(3) the issuer designates such bond for purposes*
19 *of this section.*

20 *“(b) LIMITATION ON AMOUNT OF BONDS DES-*
21 *IGNATED.—*

22 *“(1) IN GENERAL.—The maximum aggregate*
23 *face amount of bonds which may be designated under*
24 *subsection (a) by any issuer shall not exceed the limi-*

1 *tation amount allocated under this subsection to such*
2 *issuer.*

3 “(2) *NATIONAL LIMITATION ON AMOUNT OF*
4 *BONDS DESIGNATED.*—*There is a national new clean*
5 *renewable energy bond limitation of \$2,000,000,000*
6 *which shall be allocated by the Secretary as provided*
7 *in paragraph (3), except that—*

8 “(A) *not more than 33 1/3 percent thereof*
9 *may be allocated to qualified projects of public*
10 *power providers,*

11 “(B) *not more than 33 1/3 percent thereof*
12 *may be allocated to qualified projects of govern-*
13 *mental bodies, and*

14 “(C) *not more than 33 1/3 percent thereof*
15 *may be allocated to qualified projects of coopera-*
16 *tive electric companies.*

17 “(3) *METHOD OF ALLOCATION.*—

18 “(A) *ALLOCATION AMONG PUBLIC POWER*
19 *PROVIDERS.*—*After the Secretary determines the*
20 *qualified projects of public power providers*
21 *which are appropriate for receiving an alloca-*
22 *tion of the national new clean renewable energy*
23 *bond limitation, the Secretary shall, to the max-*
24 *imum extent practicable, make allocations*
25 *among such projects in such manner that the*

1 *amount allocated to each such project bears the*
2 *same ratio to the cost of such project as the limi-*
3 *tation under paragraph (2)(A) bears to the cost*
4 *of all such projects.*

5 “(B) *ALLOCATION AMONG GOVERNMENTAL*
6 *BODIES AND COOPERATIVE ELECTRIC COMPA-*
7 *NIES.—The Secretary shall make allocations of*
8 *the amount of the national new clean renewable*
9 *energy bond limitation described in paragraphs*
10 *(2)(B) and (2)(C) among qualified projects of*
11 *governmental bodies and cooperative electric*
12 *companies, respectively, in such manner as the*
13 *Secretary determines appropriate.*

14 “(c) *DEFINITIONS.—For purposes of this section—*

15 “(1) *QUALIFIED RENEWABLE ENERGY FACIL-*
16 *ITY.—The term ‘qualified renewable energy facility’*
17 *means a qualified facility (as determined under sec-*
18 *tion 45(d) without regard to paragraphs (8) and (10)*
19 *thereof and to any placed in service date) owned by*
20 *a public power provider, a governmental body, or a*
21 *cooperative electric company.*

22 “(2) *PUBLIC POWER PROVIDER.—The term ‘pub-*
23 *lic power provider’ means a State utility with a serv-*
24 *ice obligation, as such terms are defined in section*

1 217 of the Federal Power Act (as in effect on the date
2 of the enactment of this paragraph).

3 “(3) *GOVERNMENTAL BODY.*—The term ‘govern-
4 mental body’ means any State or Indian tribal gov-
5 ernment, or any political subdivision thereof.

6 “(4) *COOPERATIVE ELECTRIC COMPANY.*—The
7 term ‘cooperative electric company’ means a mutual
8 or cooperative electric company described in section
9 501(c)(12) or section 1381(a)(2)(C).

10 “(5) *CLEAN RENEWABLE ENERGY BOND LEND-*
11 *ER.*—The term ‘clean renewable energy bond lender’
12 means a lender which is a cooperative which is owned
13 by, or has outstanding loans to, 100 or more coopera-
14 tive electric companies and is in existence on Feb-
15 ruary 1, 2002, and shall include any affiliated entity
16 which is controlled by such lender.

17 “(6) *QUALIFIED ISSUER.*—The term ‘qualified
18 issuer’ means a public power provider, a govern-
19 mental body, a cooperative electric company, a clean
20 renewable energy bond lender, or a not-for-profit elec-
21 tric utility which has received a loan or loan guar-
22 antee under the Rural Electrification Act.”.

23 “(b) *REPORTING.*—Subsection (d) of section 6049 (relat-
24 ing to returns regarding payments of interest) is amended
25 by adding at the end the following new paragraph:

1 “(9) *REPORTING OF CREDIT ON QUALIFIED TAX*
2 *CREDIT BONDS.—*

3 “(A) *IN GENERAL.—For purposes of sub-*
4 *section (a), the term ‘interest’ includes amounts*
5 *includible in gross income under section 54A*
6 *and such amounts shall be treated as paid on the*
7 *credit allowance date (as defined in section*
8 *54A(e)(1)).*

9 “(B) *REPORTING TO CORPORATIONS, ETC.—*
10 *Except as otherwise provided in regulations, in*
11 *the case of any interest described in subpara-*
12 *graph (A) of this paragraph, subsection (b)(4) of*
13 *this section shall be applied without regard to*
14 *subparagraphs (A), (H), (I), (J), (K), and*
15 *(L)(i).*

16 “(C) *REGULATORY AUTHORITY.—The Sec-*
17 *retary may prescribe such regulations as are nec-*
18 *essary or appropriate to carry out the purposes*
19 *of this paragraph, including regulations which*
20 *require more frequent or more detailed report-*
21 *ing.”.*

22 (c) *CONFORMING AMENDMENTS.—*

23 (1) *Sections 54(c)(2) and 1400N(l)(3)(B) are*
24 *each amended by striking “subpart C” and inserting*
25 *“subparts C and I”.*

1 (2) Section 1397E(c)(2) is amended by striking
2 “subpart H” and inserting “subparts H and I”.

3 (3) Section 6401(b)(1) is amended by striking
4 “and H” and inserting “H, and I”.

5 (4) The heading of subpart H of part IV of sub-
6 chapter A of chapter 1 is amended by striking “**Cer-**
7 **tain Bonds**” and inserting “**Clean Renewable**
8 **Energy Bonds**”.

9 (5) The table of subparts for part IV of sub-
10 chapter A of chapter 1 is amended by striking the
11 item relating to subpart H and inserting the fol-
12 lowing new items:

 “SUBPART H. NONREFUNDABLE CREDIT TO HOLDERS OF CLEAN RENEWABLE
 ENERGY BONDS.

 “SUBPART I. QUALIFIED TAX CREDIT BONDS.”.

13 (d) APPLICATION OF CERTAIN LABOR STANDARDS ON
14 PROJECTS FINANCED UNDER TAX CREDIT BONDS.—Sub-
15 chapter IV of chapter 31 of title 40, United States Code,
16 shall apply to projects financed with the proceeds of any
17 tax credit bond (as defined in section 54A of the Internal
18 Revenue Code of 1986).

19 (e) EFFECTIVE DATES.—The amendments made by
20 this section shall apply to obligations issued after the date
21 of the enactment of this Act.

1 **PART II—PROVISIONS RELATING TO CARBON**

2 **MITIGATION AND COAL**

3 **SEC. 1507. EXPANSION AND MODIFICATION OF ADVANCED**

4 **COAL PROJECT INVESTMENT CREDIT.**

5 (a) *MODIFICATION OF CREDIT AMOUNT.*—Section
6 48A(a) (relating to qualifying advanced coal project credit)
7 is amended by striking “and” at the end of paragraph (1),
8 by striking the period at the end of paragraph (2) and in-
9 serting “, and”, and by adding at the end the following
10 the paragraph:

11 “(3) 30 percent of the qualified investment for
12 such taxable year in the case of projects described in
13 clauses (iii) or (iv) of subsection (d)(3)(B).”.

14 (b) *EXPANSION OF AGGREGATE CREDITS.*—Section
15 48A(d)(3)(A) (relating to aggregate credits) is amended by
16 striking “\$1,300,000,000” and inserting “\$2,800,000,000”.

17 (c) *AUTHORIZATION OF ADDITIONAL PROJECTS.*—

18 (1) *IN GENERAL.*—Subparagraph (B) of section
19 48A(d)(3) (relating to aggregate credits) is amended
20 to read as follows:

21 “(B) *PARTICULAR PROJECTS.*—Of the dollar
22 amount in subparagraph (A), the Secretary is
23 authorized to certify—

24 “(i) \$800,000,000 for integrated gasifi-
25 cation combined cycle projects the applica-

1 *tion for which is submitted during the pe-*
2 *riod described in paragraph (2)(A)(i),*

3 *“(ii) \$500,000,000 for projects which*
4 *use other advanced coal-based generation*
5 *technologies the application for which is*
6 *submitted during the period described in*
7 *paragraph (2)(A)(i),*

8 *“(iii) \$1,000,000,000 for integrated*
9 *gasification combined cycle projects the ap-*
10 *plication for which is submitted during the*
11 *period described in paragraph (2)(A)(ii),*
12 *and*

13 *“(iv) \$500,000,000 for other advanced*
14 *coal-based generation technology projects the*
15 *application for which is submitted during*
16 *the period described in paragraph*
17 *(2)(A)(ii).”.*

18 *(2) APPLICATION PERIOD FOR ADDITIONAL*
19 *PROJECTS.—Subparagraph (A) of section 48A(d)(2)*
20 *(relating to certification) is amended to read as fol-*
21 *lows:*

22 *“(A) APPLICATION PERIOD.—Each appli-*
23 *cant for certification under this paragraph shall*
24 *submit an application meeting the requirements*

1 of subparagraph (B). An applicant may only
2 submit an application—

3 “(i) for an allocation from the dollar
4 amount specified in clause (i) or (ii) of
5 paragraph (3)(A) during the 3-year period
6 beginning on the date the Secretary estab-
7 lishes the program under paragraph (1),
8 and

9 “(ii) for an allocation from the dollar
10 amount specified in clause (iii) or (iv) of
11 paragraph (3)(A) during the 3-year period
12 beginning at the earlier of the termination
13 of the period described in clause (i) or the
14 date prescribed by the Secretary.”.

15 (3) CAPTURE AND SEQUESTRATION OF CARBON
16 DIOXIDE EMISSIONS REQUIREMENT.—

17 (A) IN GENERAL.—Section 48A(e)(1) (relat-
18 ing to requirements) is amended by striking
19 “and” at the end of subparagraph (E), by strik-
20 ing the period at the end of subparagraph (F)
21 and inserting “; and”, and by adding at the end
22 the following new subparagraph:

23 “(G) in the case of any project the applica-
24 tion for which is submitted during the period de-
25 scribed in subsection (d)(2)(A)(ii), the project in-

1 *cludes equipment which separates and sequesters*
2 *at least 65 percent (70 percent in the case of an*
3 *application for reallocated credits under sub-*
4 *section (d)(4)) of such project's total carbon diox-*
5 *ide emissions.”.*

6 *(B) HIGHEST PRIORITY FOR PROJECTS*
7 *WHICH SEQUESTER CARBON DIOXIDE EMIS-*
8 *SIONS.—Section 48A(e)(3) is amended by strik-*
9 *ing “and” at the end of subparagraph (A)(iii),*
10 *by striking the period at the end of subpara-*
11 *graph (B)(3) and inserting “, and”, and by add-*
12 *ing at the end the following new subparagraph:*

13 *“(C) give highest priority to projects with*
14 *the greatest separation and sequestration per-*
15 *centage of total carbon dioxide emissions.”.*

16 *(C) RECAPTURE OF CREDIT FOR FAILURE*
17 *TO SEQUESTER.—Section 48A (relating to quali-*
18 *fying advanced coal project credit) is amended*
19 *by adding at the end the following new sub-*
20 *section:*

21 *“(h) RECAPTURE OF CREDIT FOR FAILURE TO SE-*
22 *QUESTER.—The Secretary shall provide for recapturing the*
23 *benefit of any credit allowable under subsection (a) with*
24 *respect to any project which fails to attain or maintain*

1 *the separation and sequestration requirements of subsection*
2 *(e)(1)(G).”.*

3 (4) *ADDITIONAL PRIORITY FOR RESEARCH PART-*
4 *NERSHIPS.—Section 48A(e)(3)(B), as amended by*
5 *paragraph (3)(B), is amended—*

6 (A) *by striking “and” at the end of clause*
7 *(ii),*

8 (B) *by redesignating clause (iii) as clause*
9 *(iv), and*

10 (C) *by inserting after clause (ii) the fol-*
11 *lowing new clause:*

12 “(iii) *applicant participants who have*
13 *a research partnership with an eligible edu-*
14 *cational institution (as defined in section*
15 *529(e)(5)), and”.*

16 (5) *CLERICAL AMENDMENT.—Section 48A(e)(3)*
17 *is amended by striking “INTEGRATED GASIFICATION*
18 *COMBINED CYCLE” in the heading and inserting*
19 *“CERTAIN”.*

20 (d) *COMPETITIVE CERTIFICATION AWARDS MODIFICA-*
21 *TION AUTHORITY.—Section 48A (relating to qualifying ad-*
22 *vanced coal project credit), as amended by subsection (c)(3),*
23 *is amended by adding at the end the following new sub-*
24 *section:*

1 “(i) *COMPETITIVE CERTIFICATION AWARDS MODIFICA-*
2 *TION AUTHORITY.*—*In implementing this section or section*
3 *48B, the Secretary is directed to modify the terms of any*
4 *competitive certification award and any associated closing*
5 *agreement where such modification—*

6 “(1) *is consistent with the objectives of such sec-*
7 *tion,*

8 “(2) *is requested by the recipient of the competi-*
9 *tive certification award, and*

10 “(3) *involves moving the project site to improve*
11 *the potential to capture and sequester carbon dioxide*
12 *emissions, reduce costs of transporting feedstock, and*
13 *serve a broader customer base,*

14 *unless the Secretary determines that the dollar amount of*
15 *tax credits available to the taxpayer under such section*
16 *would increase as a result of the modification or such modi-*
17 *fication would result in such project not being originally*
18 *certified. In considering any such modification, the Sec-*
19 *retary shall consult with other relevant Federal agencies,*
20 *including the Department of Energy.”.*

21 (e) *EFFECTIVE DATES.*—

22 (1) *IN GENERAL.*—*Except as otherwise provided*
23 *in this subsection, the amendments made by this sec-*
24 *tion shall apply to credits the application for which*
25 *is submitted during the period described in section*

1 48A(d)(2)(A)(ii) of the Internal Revenue Code of 1986
2 and which are allocated or reallocated after the date
3 of the enactment of this Act.

4 (2) *COMPETITIVE CERTIFICATION AWARDS MODI-*
5 *FICATION AUTHORITY.*—The amendment made by sub-
6 section (d) shall take effect on the date of the enact-
7 ment of this Act and is applicable to all competitive
8 certification awards entered into under section 48A or
9 48B of the Internal Revenue Code of 1986, whether
10 such awards were issued before, on, or after such date
11 of enactment.

12 (3) *TECHNICAL AMENDMENT.*—The amendment
13 made by subsection (c)(5) shall take effect as if in-
14 cluded in the amendment made by section 1307(b) of
15 the Energy Tax Incentives Act of 2005.

16 **SEC. 1508. EXPANSION AND MODIFICATION OF COAL GAS-**
17 **IFICATION INVESTMENT CREDIT.**

18 (a) *CREDIT RATE.*—Section 48B(a) (relating to quali-
19 fying gasification project credit) is amended by inserting
20 “(30 percent in the case of credits allocated under subsection
21 (d)(1)(B))” after “20 percent”.

22 (b) *EXPANSION OF AGGREGATE CREDITS.*—Section
23 48B(d)(1) (relating to qualifying gasification project pro-
24 gram) is amended by striking “shall not exceed

1 \$350,000,000” and all that follows and inserting “shall not
2 exceed—

3 “(A) \$350,000,000, plus

4 “(B) \$500,000,000 for qualifying gasifi-
5 cation projects that include equipment which
6 separates and sequesters at least 75 percent of
7 such a project’s total carbon dioxide emissions,
8 under rules similar to the rules of section 48A(d)(4).”.

9 (c) *RECAPTURE OF CREDIT FOR FAILURE TO SEQUES-*
10 *TER.*—Section 48B (relating to qualifying gasification
11 project credit) is amended by adding at the end the fol-
12 lowing new subsection:

13 “(f) *RECAPTURE OF CREDIT FOR FAILURE TO SE-*
14 *QUESTER.*—The Secretary shall provide for recapturing the
15 benefit of any credit allowable under subsection (a) with
16 respect to any project which fails to attain or maintain
17 the separation and sequestration requirements for such
18 project under subsection (d)(1).”.

19 (d) *SELECTION PRIORITIES.*—Section 48B(d) (relat-
20 ing to qualifying gasification project program) is amended
21 by adding at the end the following new paragraph:

22 “(4) *SELECTION PRIORITIES.*—In determining
23 which qualifying gasification projects to certify under
24 this section, the Secretary shall—

1 “(II) the original purpose of
2 which is to transport carbon dioxide,
3 and

4 “(III) which is placed in service
5 before January 1, 2011, and”.

6 (b) *DEFINITION OF QUALIFIED CARBON DIOXIDE*
7 *PIPELINE PROPERTY.*—Section 168(e) (relating to classi-
8 *fication of property*) is amended by inserting at the end
9 *the following new paragraph:*

10 “(8) *QUALIFIED CARBON DIOXIDE PIPELINE*
11 *PROPERTY.*—

12 “(A) *IN GENERAL.*—The term ‘qualified
13 *carbon dioxide pipeline property*’ means prop-
14 *erty which is used in the United States solely to*
15 *transmit qualified carbon dioxide from the point*
16 *of capture to a secure geological storage or the*
17 *point at which such qualified carbon dioxide is*
18 *used as a tertiary injectant.*

19 “(B) *DEFINITIONS AND SPECIAL RULES.*—
20 *For purposes of this paragraph—*

21 “(i) *QUALIFIED CARBON DIOXIDE.*—
22 *The term ‘qualified carbon dioxide’ means*
23 *carbon dioxide captured from an industrial*
24 *source which—*

1 “(I) would otherwise be released
2 into the atmosphere as industrial emis-
3 sion of greenhouse gas, and

4 “(II) is measured at the source of
5 capture and verified at the point of
6 disposal or injection.

7 “(ii) *SECURE GEOLOGICAL STORAGE.*—
8 *The Secretary, in consultation with the Ad-*
9 *ministrator of the Environmental Protec-*
10 *tion Agency, shall establish regulations for*
11 *determining adequate security measures for*
12 *the geological storage of carbon dioxide*
13 *under subparagraph (A) such that the car-*
14 *bon dioxide does not escape into the atmos-*
15 *phere. Such term shall include storage at*
16 *deep saline formations and unminable coal*
17 *seams under such conditions as the Sec-*
18 *retary may determine under such regula-*
19 *tions.*

20 “(iii) *TERTIARY INJECTANT.*—*The*
21 *term ‘tertiary injectant’ has the same mean-*
22 *ing as when used within section 193(b)(1).’.*

23 “(c) *EFFECTIVE DATE.*—*The amendments made by this*
24 *section shall apply to property placed in service after the*
25 *date of the enactment of this Act.*

1 **SEC. 1510. SPECIAL RULES FOR REFUND OF THE COAL EX-**
2 **CISE TAX TO CERTAIN COAL PRODUCERS AND**
3 **EXPORTERS.**

4 (a) *REFUND.*—

5 (1) *COAL PRODUCERS.*—

6 (A) *IN GENERAL.*—*Notwithstanding sub-*
7 *sections (a)(1) and (c) of section 6416 and sec-*
8 *tion 6511 of the Internal Revenue Code of 1986,*
9 *if—*

10 (i) *a coal producer establishes that*
11 *such coal producer, or a party related to*
12 *such coal producer, exported coal produced*
13 *by such coal producer to a foreign country*
14 *or shipped coal produced by such coal pro-*
15 *ducer to a possession of the United States,*
16 *the export or shipment of which was other*
17 *than through an exporter who has filed a*
18 *claim for a refund under paragraph (2),*

19 (ii) *such coal producer filed a return*
20 *on or after October 1, 1990, and on or be-*
21 *fore the date of the enactment of this Act,*
22 *and*

23 (iii) *such coal producer files a claim*
24 *for refund not later than the close of the 30-*
25 *day period beginning on the date of the en-*
26 *actment of this Act,*

1 *then the Secretary of the Treasury shall pay to*
2 *such coal producer an amount equal to the tax*
3 *paid under section 4121 of such Code on such*
4 *coal exported by the coal producer or a party re-*
5 *lated to such coal producer.*

6 *(B) SPECIAL RULES FOR CERTAIN TAX-*
7 *PAYERS.—For purposes of this section—*

8 *(i) ESTABLISHMENT OF EXPORT.—If a*
9 *coal producer or a party related to a coal*
10 *producer has received a judgment described*
11 *in clause (iii), such coal producer shall be*
12 *deemed to have established the export of coal*
13 *to a foreign country or shipment of coal to*
14 *a possession of the United States under sub-*
15 *paragraph (A)(i).*

16 *(ii) AMOUNT OF PAYMENT.—If a tax-*
17 *payer described in clause (i) is entitled to*
18 *a payment under subparagraph (A), the*
19 *amount of such payment shall be reduced by*
20 *any amount awarded under the judgment*
21 *described in clause (iii).*

22 *(iii) JUDGMENT DESCRIBED.—A judg-*
23 *ment is described in this subparagraph if*
24 *such judgment—*

1 (I) is made by a court of com-
2 petent jurisdiction within the United
3 States,

4 (II) relates to the constitutionality
5 of any tax paid on exported coal under
6 section 4121 of the Internal Revenue
7 Code of 1986, and

8 (III) is in favor of the coal pro-
9 ducer or the party related to the coal
10 producer.

11 (iv) *RECAPTURE*.—In the case any
12 judgment described in clause (iii) is over-
13 turned, the coal producer shall pay to the
14 Secretary the amount of any payment re-
15 ceived under subparagraph (A) unless the
16 coal producer establishes the export of the
17 coal to a foreign country or shipment of
18 coal to a possession of the United States.

19 (2) *EXPORTERS*.—Notwithstanding subsections
20 (a)(1) and (c) of section 6416 and section 6511 of the
21 Internal Revenue Code of 1986, and a judgment de-
22 scribed in paragraph (1)(B)(iii) of this subsection,
23 if—

24 (A) an exporter establishes that such ex-
25 porter exported coal to a foreign country or

1 *shipped coal to a possession of the United States,*
2 *or caused such coal to be so exported or shipped,*

3 *(B) such exporter filed a return on or after*
4 *October 1, 1990, and on or before the date of the*
5 *enactment of this Act, and*

6 *(C) such exporter files a claim for refund*
7 *not later than the close of the 30-day period be-*
8 *ginning on the date of the enactment of this Act,*
9 *then the Secretary of the Treasury shall pay to such*
10 *exporter an amount equal to \$0.825 per ton of such*
11 *coal exported by the exporter or caused to be exported*
12 *by the exporter.*

13 *(b) LIMITATIONS.—Subsection (a) shall not apply with*
14 *respect to exported coal if a credit or refund of tax imposed*
15 *by section 4121 of such Code on such coal has been allowed*
16 *or made to, or if a settlement with the Federal Government*
17 *has been made with and accepted by, the coal producer, a*
18 *party related to such coal producer, or the exporter, of such*
19 *coal, as of the date that the claim is filed under this section*
20 *with respect to such exported coal. For purposes of this sub-*
21 *section, the term “settlement with the Federal Government”*
22 *shall not include any settlement or stipulation entered into*
23 *as of the date of the enactment of this Act, the terms of*
24 *which contemplate a judgment concerning which any party*

1 *has reserved the right to file an appeal, or has filed an ap-*
2 *peal.*

3 (c) *SUBSEQUENT REFUND PROHIBITED.*—*No refund*
4 *shall be made under this section to the extent that a credit*
5 *or refund of such tax on such exported coal has been paid*
6 *to any person.*

7 (d) *DEFINITIONS.*—*For purposes of this section—*

8 (1) *COAL PRODUCER.*—*The term “coal producer”*
9 *means the person in whom is vested ownership of the*
10 *coal immediately after the coal is severed from the*
11 *ground, without regard to the existence of any con-*
12 *tractual arrangement for the sale or other disposition*
13 *of the coal or the payment of any royalties between*
14 *the producer and third parties. The term includes any*
15 *person who extracts coal from coal waste refuse piles*
16 *or from the silt waste product which results from the*
17 *wet washing (or similar processing) of coal.*

18 (2) *EXPORTER.*—*The term “exporter” means a*
19 *person, other than a coal producer, who does not have*
20 *a contract, fee arrangement, or any other agreement*
21 *with a producer or seller of such coal to sell or export*
22 *such coal to a third party on behalf of the producer*
23 *or seller of such coal and—*

1 (A) is indicated in the shipper's export dec-
2 laration or other documentation as the exporter
3 of record, or

4 (B) actually exported such coal to a foreign
5 country or shipped such coal to a possession of
6 the United States, or caused such coal to be so
7 exported or shipped.

8 (3) *RELATED PARTY*.—The term “a party related
9 to such coal producer” means a person who—

10 (A) is related to such coal producer through
11 any degree of common management, stock owner-
12 ship, or voting control,

13 (B) is related (within the meaning of sec-
14 tion 144(a)(3) of such Code) to such coal pro-
15 ducer, or

16 (C) has a contract, fee arrangement, or any
17 other agreement with such coal producer to sell
18 such coal to a third party on behalf of such coal
19 producer.

20 (e) *TIMING OF REFUND*.—With respect to any claim
21 for refund filed pursuant to this section, the Secretary of
22 the Treasury shall determine whether the requirements of
23 this section are met not later than 180 days after such claim
24 is filed. If the Secretary determines that the requirements
25 of this section are met, the claim for refund shall be paid

1 *not later than 180 days after the Secretary makes such de-*
2 *termination.*

3 (f) *INTEREST.*—*Any refund paid pursuant to this sec-*
4 *tion shall be paid by the Secretary of the Treasury with*
5 *interest from the date of overpayment determined by using*
6 *the overpayment rate and method under section 6621 of*
7 *such Code.*

8 (g) *DENIAL OF DOUBLE BENEFIT.*—*The payment*
9 *under subsection (a) with respect to any coal shall not ex-*
10 *ceed—*

11 (1) *in the case of a payment to a coal producer,*
12 *the amount of tax paid under section 4121 of the In-*
13 *ternal Revenue Code of 1986 with respect to such coal*
14 *by such coal producer or a party related to such coal*
15 *producer, and*

16 (2) *in the case of a payment to an exporter, an*
17 *amount equal to \$0.825 per ton with respect to such*
18 *coal exported by the exporter or caused to be exported*
19 *by the exporter.*

20 (h) *APPLICATION OF SECTION.*—*This section applies*
21 *only to claims on coal exported on or after October 1, 1990,*
22 *through the date of the enactment of this Act.*

23 (i) *STANDING NOT CONFERRED.*—

24 (1) *EXPORTERS.*—*With respect to exporters, this*
25 *section shall not confer standing upon an exporter to*

1 commence, or intervene in, any judicial or adminis-
2 trative proceeding concerning a claim for refund by
3 a coal producer of any Federal or State tax, fee, or
4 royalty paid by the coal producer.

5 (2) *COAL PRODUCERS.*—With respect to coal pro-
6 ducers, this section shall not confer standing upon a
7 coal producer to commence, or intervene in, any judi-
8 cial or administrative proceeding concerning a claim
9 for refund by an exporter of any Federal or State tax,
10 fee, or royalty paid by the producer and alleged to
11 have been passed on to an exporter.

12 **SEC. 1511. EXTENSION OF TEMPORARY INCREASE IN COAL**
13 **EXCISE TAX.**

14 Paragraph (2) of section 4121(e) (relating to tem-
15 porary increase termination date) is amended—

16 (1) by striking “January 1, 2014” in clause (i)
17 and inserting “December 31, 2017”, and

18 (2) by striking “January 1 after 1981” in clause
19 (ii) and inserting “December 31 after 2007”.

20 **SEC. 1512. CARBON AUDIT OF THE TAX CODE.**

21 (a) *STUDY.*—The Secretary of the Treasury shall enter
22 into an agreement with the National Academy of Sciences
23 to undertake a comprehensive review of the Internal Rev-
24 enue Code of 1986 to identify the types of and specific tax
25 provisions that have the largest effects on carbon and other

1 *greenhouse gas emissions and to estimate the magnitude of*
 2 *those effects.*

3 (b) *REPORT.*—*Not later than 2 years after the date*
 4 *of enactment of this Act, the National Academy of Sciences*
 5 *shall submit to Congress a report containing the results of*
 6 *study authorized under this section.*

7 (c) *AUTHORIZATION OF APPROPRIATIONS.*—*There is*
 8 *authorized to be appropriated to carry out this section*
 9 *\$1,500,000 for the period of fiscal years 2008 and 2009.*

10 ***Subtitle B—Transportation and*** 11 ***Domestic Fuel Security***

12 ***PART I—BIOFUELS***

13 ***SEC. 1521. CREDIT FOR PRODUCTION OF CELLULOSIC BIO-*** 14 ***MASS ALCOHOL.***

15 (a) *IN GENERAL.*—*Subsection (a) of section 40 (relat-*
 16 *ing to alcohol used as fuel) is amended by striking “plus”*
 17 *at the end of paragraph (2), by striking the period at the*
 18 *end of paragraph (3) and inserting “, plus”, and by adding*
 19 *at the end the following new paragraph:*

20 “(4) *the cellulosic alcohol producer credit.*”.

21 (b) *CELLULOSIC ALCOHOL PRODUCER CREDIT.*—

22 (1) *IN GENERAL.*—*Subsection (b) of section 40 is*
 23 *amended by redesignating paragraph (5) as para-*
 24 *graph (6) and by inserting after paragraph (4) the*
 25 *following new paragraph:*

1 “(5) *CELLULOSIC ALCOHOL PRODUCER CRED-*
2 *IT.—*

3 “(A) *IN GENERAL.—The cellulosic alcohol*
4 *producer credit for the taxable year is an*
5 *amount equal to the applicable amount for each*
6 *gallon of qualified cellulosic alcohol production.*

7 “(B) *APPLICABLE AMOUNT.—For purposes*
8 *of subparagraph (A), the applicable amount*
9 *means the excess of—*

10 “(i) \$1.01, over

11 “(ii) *the amount of the credit in effect*
12 *for alcohol which is ethanol under sub-*
13 *section (b)(1) (without regard to subsection*
14 *(b)(3)) at the time of the qualified cellulosic*
15 *alcohol production.*

16 “(C) *LIMITATION.—*

17 “(i) *IN GENERAL.—No credit shall be*
18 *allowed to any taxpayer under subpara-*
19 *graph (A) with respect to any qualified cel-*
20 *lulosic alcohol production during the tax-*
21 *able year in excess of 60,000,000 gallons.*

22 “(ii) *AGGREGATION RULE.—For pur-*
23 *poses of clause (i), all members of the same*
24 *controlled group of corporations (within the*
25 *meaning of section 267(f)) and all persons*

1 *under common control (within the meaning*
2 *of section 52(b) but determined by treating*
3 *an interest of more than 50 percent as a*
4 *controlling interest) shall be treated as 1*
5 *person.*

6 “(iii) *PARTNERSHIP, S CORPORATIONS,*
7 *AND OTHER PASS-THRU ENTITIES.—In the*
8 *case of a partnership, trust, S corporation,*
9 *or other pass-thru entity, the limitation*
10 *contained in clause (i) shall be applied at*
11 *the entity level and at the partner or simi-*
12 *lar level.*

13 “(D) *QUALIFIED CELLULOSIC ALCOHOL*
14 *PRODUCTION.—For purposes of this section, the*
15 *term ‘qualified cellulosic alcohol production’*
16 *means any cellulosic biomass alcohol which is*
17 *produced by the taxpayer and which during the*
18 *taxable year—*

19 *“(i) is sold by the taxpayer to another*
20 *person—*

21 *“(I) for use by such other person*
22 *in the production of a qualified alcohol*
23 *mixture in such other person’s trade or*
24 *business (other than casual off-farm*
25 *production),*

1 “(II) for use by such other person
2 as a fuel in a trade or business, or

3 “(III) who sells such cellulosic bio-
4 mass alcohol at retail to another per-
5 son and places such cellulosic biomass
6 alcohol in the fuel tank of such other
7 person, or

8 “(ii) is used or sold by the taxpayer for
9 any purpose described in clause (i).

10 *The qualified cellulosic alcohol production of any*
11 *taxpayer for any taxable year shall not include*
12 *any alcohol which is purchased by the taxpayer*
13 *and with respect to which such producer in-*
14 *creases the proof of the alcohol by additional dis-*
15 *tillation.*

16 “(E) *CELLULOSIC BIOMASS ALCOHOL.*—

17 “(i) *IN GENERAL.*—*The term ‘cellulosic*
18 *biomass alcohol’ has the meaning given such*
19 *term under section 168(l)(3), but does not*
20 *include any alcohol with a proof of less*
21 *than 150.*

22 “(ii) *DETERMINATION OF PROOF.*—*The*
23 *determination of the proof of any alcohol*
24 *shall be made without regard to any added*
25 *denaturants.*

1 “(F) *COORDINATION WITH SMALL ETHANOL*
2 *PRODUCER CREDIT.*—No small ethanol producer
3 *credit shall be allowed with respect to any quali-*
4 *fied cellulosic alcohol production if credit is de-*
5 *termined with respect to such production under*
6 *this paragraph.*

7 “(G) *ALLOCATION OF CELLULOSIC PRO-*
8 *DUCER CREDIT TO PATRONS OF COOPERATIVE.*—
9 *Rules similar to the rules under subsection (g)(6)*
10 *shall apply for purposes of this paragraph.*

11 “(H) *APPLICATION OF PARAGRAPH.*—*This*
12 *paragraph shall apply with respect to qualified*
13 *cellulosic alcohol production after December 31,*
14 *2007, and before January 1, 2014.”.*

15 “(2) *TERMINATION DATE NOT TO APPLY.*—*Sub-*
16 *section (e) of section 40 (relating to termination) is*
17 *amended—*

18 (A) *by inserting “or subsection (b)(5)(H)”*
19 *after “by reason of paragraph (1)” in paragraph*
20 *(2), and*

21 (B) *by adding at the end the following new*
22 *paragraph:*

23 “(3) *EXCEPTION FOR CELLULOSIC ALCOHOL PRO-*
24 *DUCER CREDIT.*—*Paragraph (1) shall not apply to*

1 *the portion of the credit allowed under this section by*
2 *reason of subsection (a)(4).”.*

3 *(c) ALCOHOL NOT USED AS A FUEL, ETC.—*

4 *(1) IN GENERAL.—Paragraph (3) of section*
5 *40(d) is amended by redesignating subparagraph (D)*
6 *as subparagraph (E) and by inserting after subpara-*
7 *graph (C) the following new subparagraph:*

8 *“(D) CELLULOSIC ALCOHOL PRODUCER*
9 *CREDIT.—If—*

10 *“(i) any credit is determined under*
11 *subsection (a)(4), and*

12 *“(ii) any person does not use such fuel*
13 *for a purpose described in subsection*
14 *(b)(5)(D),*

15 *then there is hereby imposed on such person a*
16 *tax equal to the applicable amount for each gal-*
17 *lon of such cellulosic biomass alcohol.”.*

18 *(2) CONFORMING AMENDMENTS.—*

19 *(A) Subparagraph (C) of section 40(d)(3) is*
20 *amended by striking “PRODUCER” in the head-*
21 *ing and inserting “SMALL ETHANOL PRODUCER”.*

22 *(B) Subparagraph (E) of section 40(d)(3),*
23 *as redesignated by paragraph (1), is amended by*
24 *striking “or (C)” and inserting “(C), or (D)”.*

1 (d) *LIMITATION TO CELLULOSIC ALCOHOL WITH CON-*
 2 *NECTION TO THE UNITED STATES.*—Subsection (d) of sec-
 3 *tion 40, as amended by this Act, is amended by adding*
 4 *at the end the following new paragraph:*

5 “(7) *LIMITATION TO CELLULOSIC ALCOHOL WITH*
 6 *CONNECTION TO THE UNITED STATES.*—No cellulosic
 7 *alcohol producer credit shall be determined under sub-*
 8 *section (a) with respect to any alcohol unless such al-*
 9 *cohol is produced in the United States.”.*

10 (e) *EFFECTIVE DATE.*—The amendments made by this
 11 *section shall apply to fuel produced after December 31,*
 12 *2007.*

13 **SEC. 1522. EXPANSION OF SPECIAL ALLOWANCE TO CEL-**
 14 **LULOSIC BIOMASS ALCOHOL FUEL PLANT**
 15 **PROPERTY.**

16 (a) *IN GENERAL.*—Paragraph (3) of section 168(l) (re-
 17 *lating to special allowance for cellulosic biomass ethanol*
 18 *plant property) is amended to read as follows:*

19 “(3) *CELLULOSIC BIOMASS ALCOHOL.*—For pur-
 20 *poses of this subsection, the term ‘cellulosic biomass*
 21 *alcohol’ means any alcohol produced from any*
 22 *lignocellulosic or hemicellulosic matter that is avail-*
 23 *able on a renewable or recurring basis.”.*

24 (b) *CONFORMING AMENDMENTS.*—

1 (1) *Subsection (l) of section 168 is amended by*
2 *striking “cellulosic biomass ethanol” each place it ap-*
3 *pears and inserting “cellulosic biomass alcohol”.*

4 (2) *The heading of section 168(l) is amended by*
5 *striking “CELLULOSIC BIOMASS ETHANOL” and in-*
6 *serting “CELLULOSIC BIOMASS ALCOHOL”.*

7 (3) *The heading of paragraph (2) of section*
8 *168(l) is amended by striking “CELLULOSIC BIOMASS*
9 *ETHANOL” and inserting “CELLULOSIC BIOMASS AL-*
10 *COHOL”.*

11 (c) *EFFECTIVE DATE.—The amendments made by this*
12 *section shall apply to property placed in service after the*
13 *date of the enactment of this Act, in taxable years ending*
14 *after such date.*

15 **SEC. 1523. MODIFICATION OF ALCOHOL CREDIT.**

16 (a) *INCOME TAX CREDIT.—Subsection (h) of section*
17 *40 (relating to reduced credit for ethanol blenders) is*
18 *amended by adding at the end the following new paragraph:*

19 “(3) *REDUCED AMOUNT AFTER SALE OF*
20 *7,500,000,000 GALLONS.—*

21 “(A) *IN GENERAL.—In the case of any cal-*
22 *endar year beginning after the calendar year de-*
23 *scribed in subparagraph (B), the last row in the*
24 *table in paragraph (2) shall be applied by sub-*
25 *stituting ‘46 cents’ for ‘51 cents’.*

1 “(B) *CALENDAR YEAR DESCRIBED.*—The
2 *calendar year described in this subparagraph is*
3 *the first calendar year beginning after 2007 dur-*
4 *ing which 7,500,000,000 gallons of ethanol (in-*
5 *cluding cellulosic ethanol) have been produced in*
6 *or imported into the United States, as certified*
7 *by the Secretary, in consultation with the Ad-*
8 *ministrator of the Environmental Protection*
9 *Agency.”.*

10 (b) *EXCISE TAX CREDIT.*—

11 (1) *IN GENERAL.*—Paragraph (2) of section
12 6426(b) (relating to alcohol fuel mixture credit) is
13 amended by adding at the end the following new sub-
14 paragraph:

15 “(C) *REDUCED AMOUNT AFTER SALE OF*
16 *7,500,000,000 GALLONS.*—In the case of any alco-
17 *hol fuel mixture produced in a calendar year be-*
18 *ginning after the calendar year described in sec-*
19 *tion 40(h)(3)(B), subparagraph (A) shall be ap-*
20 *plied by substituting ‘46 cents’ for ‘51 cents’.”.*

21 (2) *CONFORMING AMENDMENT.*—Subparagraph
22 (A) of section 6426(b)(2) is amended by striking “sub-
23 paragraph (B)” and inserting “subparagraphs (B)
24 and (C)”.

1 (c) *EFFECTIVE DATE.*—*The amendments made by this*
2 *section shall take effect on the date of the enactment of this*
3 *Act.*

4 **SEC. 1524. EXTENSION AND MODIFICATION OF CREDITS**
5 **FOR BIODIESEL AND RENEWABLE DIESEL.**

6 (a) *IN GENERAL.*—*Sections 40A(g), 6426(c)(6), and*
7 *6427(e)(5)(B) are each amended by striking “December 31,*
8 *2008” and inserting “December 31, 2010”.*

9 (b) *UNIFORM TREATMENT OF DIESEL PRODUCED*
10 *FROM BIOMASS.*—*Paragraph (3) of section 40A(f) is*
11 *amended—*

12 (1) *by striking “using a thermal*
13 *depolymerization process”, and*

14 (2) *by striking “or D396” in subparagraph (B)*
15 *and inserting “or other equivalent standard approved*
16 *by the Secretary for fuels to be used in diesel-powered*
17 *highway vehicles”.*

18 (c) *ELIGIBILITY OF CERTAIN AVIATION FUEL.*—*Para-*
19 *graph (3) of section 40A(f) (defining renewable diesel) is*
20 *amended by adding at the end the following new flush sen-*
21 *tence:*

22 *“The term ‘renewable diesel’ also means fuel derived*
23 *from biomass which meets the requirements of a De-*
24 *partment of Defense specification for military jet fuel*

1 *or an American Society of Testing and Materials*
2 *specification for aviation turbine fuel.”.*

3 *(d) EFFECTIVE DATE.—*

4 *(1) IN GENERAL.—Except as provided in para-*
5 *graph (2), the amendments made by this section shall*
6 *apply to fuel produced, and sold or used, after the*
7 *date of the enactment of this Act.*

8 *(2) UNIFORM TREATMENT OF DIESEL PRODUCED*
9 *FROM BIOMASS.—The amendments made by sub-*
10 *section (b) shall apply to fuel produced, and sold or*
11 *used, after the date which is 30 days after the date*
12 *of the enactment of this Act.*

13 **SEC. 1525. CLARIFICATION OF ELIGIBILITY FOR RENEW-**
14 **ABLE DIESEL CREDIT.**

15 *(a) COPRODUCTION WITH PETROLEUM FEEDSTOCK.—*

16 *(1) IN GENERAL.—Paragraph (3) of section*
17 *40A(f) (defining renewable diesel), as amended by this*
18 *Act, is amended by adding at the end the following*
19 *sentence: “Such term does not include any fuel de-*
20 *derived from coprocessing biomass with a feedstock*
21 *which is not biomass. For purposes of this paragraph,*
22 *the term ‘biomass’ has the meaning given such term*
23 *by section 45K(c)(3).”*

1 (2) *CONFORMING AMENDMENT.—Paragraph (3)*
2 *of section 40A(f) is amended by striking “(as defined*
3 *in section 45K(c)(3))”.*

4 (b) *CLARIFICATION OF ELIGIBILITY FOR ALTERNATIVE*
5 *FUEL CREDIT.—*

6 (1) *IN GENERAL.—Subparagraph (F) of section*
7 *6426(d)(2) is amended by striking “hydrocarbons”*
8 *and inserting “fuel”.*

9 (2) *CONFORMING AMENDMENT.—Section 6426 is*
10 *amended by adding at the end the following new sub-*
11 *section:*

12 “(h) *DENIAL OF DOUBLE BENEFIT.—No credit shall*
13 *be determined under subsection (d) or (e) with respect to*
14 *any fuel with respect to which credit may be determined*
15 *under subsection (b) or (c) or under section 40 or 40A.”.*

16 (c) *EFFECTIVE DATE.—*

17 (1) *IN GENERAL.—Except as provided in para-*
18 *graph (2), the amendments made by this section shall*
19 *apply to fuel produced, and sold or used, after Decem-*
20 *ber 31, 2007.*

21 (2) *CLARIFICATION OF ELIGIBILITY FOR ALTER-*
22 *NATIVE FUEL CREDIT.—The amendment made by sub-*
23 *section (b) shall take effect as if included in section*
24 *11113 of the Safe, Accountable, Flexible, Efficient*
25 *Transportation Equity Act: A Legacy for Users.*

1 **SEC. 1526. PROVISIONS CLARIFYING TREATMENT OF FUELS**
2 **WITH NO NEXUS TO THE UNITED STATES.**

3 (a) *ALCOHOL FUELS CREDIT.*—Subsection (d) of sec-
4 tion 40 is amended by adding at the end the following new
5 paragraph:

6 “(6) *LIMITATION TO ALCOHOL WITH CONNECTION*
7 *TO THE UNITED STATES.*—No credit shall be deter-
8 mined under this section with respect to any alcohol
9 which is produced outside the United States for use
10 as a fuel outside the United States. For purposes of
11 this paragraph, the term ‘United States’ includes any
12 possession of the United States.”.

13 (b) *BIODIESEL FUELS CREDIT.*—Subsection (d) of sec-
14 tion 40A is amended by adding at the end the following
15 new paragraph:

16 “(5) *LIMITATION TO BIODIESEL WITH CONNEX-*
17 *ION TO THE UNITED STATES.*—No credit shall be de-
18 termined under this section with respect to any bio-
19 diesel which is produced outside the United States for
20 use as a fuel outside the United States. For purposes
21 of this paragraph, the term ‘United States’ includes
22 any possession of the United States.”.

23 (c) *EXCISE TAX CREDIT.*—

24 (1) *IN GENERAL.*—Section 6426, as amended by
25 this Act, is amended by adding at the end the fol-
26 lowing new subsection:

1 “(i) *LIMITATION TO FUELS WITH CONNECTION TO*
2 *THE UNITED STATES.*—

3 “(1) *ALCOHOL.*—*No credit shall be determined*
4 *under this section with respect to any alcohol which*
5 *is produced outside the United States for use as a fuel*
6 *outside the United States.*

7 “(2) *BIODIESEL AND ALTERNATIVE FUELS.*—*No*
8 *credit shall be determined under this section with re-*
9 *spect to any biodiesel or alternative fuel which is pro-*
10 *duced outside the United States for use as a fuel out-*
11 *side the United States.*

12 *For purposes of this subsection, the term ‘United States’ in-*
13 *cludes any possession of the United States.’.*

14 “(2) *CONFORMING AMENDMENT.*—*Subsection (e)*
15 *of section 6427 is amended by redesignating para-*
16 *graph (5) as paragraph (6) and by inserting after*
17 *paragraph (4) the following new paragraph:*

18 “(5) *LIMITATION TO FUELS WITH CONNECTION*
19 *TO THE UNITED STATES.*—*No amount shall be pay-*
20 *able under paragraph (1) or (2) with respect to any*
21 *mixture or alternative fuel if credit is not allowed*
22 *with respect to such mixture or alternative fuel by*
23 *reason of section 6426(i).’.*

24 “(d) *EFFECTIVE DATE.*—

1 (1) *IN GENERAL.*—*Except as otherwise provided*
2 *in this subsection, the amendments made by this sec-*
3 *tion shall take effect as if included in section 301 of*
4 *the American Jobs Creation Act of 2004.*

5 (2) *ALTERNATIVE FUEL CREDITS.*—*So much of*
6 *the amendments made by this section as relate to the*
7 *alternative fuel credit or the alternative fuel mixture*
8 *credit shall take effect as if included in section 11113*
9 *of the Safe, Accountable, Flexible, Efficient Transpor-*
10 *tation Equity Act: A Legacy for Users.*

11 (3) *RENEWABLE DIESEL.*—*So much of the*
12 *amendments made by this section as relate to renew-*
13 *able diesel shall take effect as if included in section*
14 *1346 of the Energy Policy Act of 2005.*

15 **SEC. 1527. COMPREHENSIVE STUDY OF BIOFUELS.**

16 (a) *STUDY.*—*The Secretary of the Treasury, in con-*
17 *sultation with the Secretary of Agriculture, the Secretary*
18 *of Energy, and the Administrator of the Environmental*
19 *Protection Agency, shall enter into an agreement with the*
20 *National Academy of Sciences to produce an analysis of*
21 *current scientific findings to determine—*

22 (1) *current biofuels production, as well as projec-*
23 *tions for future production,*

24 (2) *the maximum amount of biofuels production*
25 *capable on United States farmland,*

1 (3) *the domestic effects of a dramatic increase in*
2 *biofuels production on, for example—*

3 (A) *the price of fuel,*

4 (B) *the price of land in rural and suburban*
5 *communities,*

6 (C) *crop acreage and other land use,*

7 (D) *the environment, due to changes in crop*
8 *acreage, fertilizer use, runoff, water use, emis-*
9 *sions from vehicles utilizing biofuels, and other*
10 *factors,*

11 (E) *the price of feed,*

12 (F) *the selling price of grain crops,*

13 (G) *exports and imports of grains,*

14 (H) *taxpayers, through cost or savings to*
15 *commodity crop payments, and*

16 (I) *the expansion of refinery capacity,*

17 (4) *the ability to convert corn ethanol plants for*
18 *other uses, such as cellulosic ethanol or biodiesel,*

19 (5) *a comparative analysis of corn ethanol*
20 *versus other biofuels and renewable energy sources,*
21 *considering cost, energy output, and ease of imple-*
22 *mentation, and*

23 (6) *the need for additional scientific inquiry,*
24 *and specific areas of interest for future research.*

1 *the amounts determined under paragraphs (2) and*
2 *(3) with respect to such vehicle.*

3 *“(2) BASE AMOUNT.—The amount determined*
4 *under this paragraph is \$3,000.*

5 *“(3) BATTERY CAPACITY.—In the case of a vehi-*
6 *cle which draws propulsion energy from a battery*
7 *with not less than 5 kilowatt hours of capacity, the*
8 *amount determined under this paragraph is \$200,*
9 *plus \$200 for each kilowatt hour of capacity in excess*
10 *of 5 kilowatt hours. The amount determined under*
11 *this paragraph shall not exceed \$2,000.*

12 *“(c) APPLICATION WITH OTHER CREDITS.—*

13 *“(1) BUSINESS CREDIT TREATED AS PART OF*
14 *GENERAL BUSINESS CREDIT.—So much of the credit*
15 *which would be allowed under subsection (a) for any*
16 *taxable year (determined without regard to this sub-*
17 *section) that is attributable to property of a character*
18 *subject to an allowance for depreciation shall be treat-*
19 *ed as a credit listed in section 38(b) for such taxable*
20 *year (and not allowed under subsection (a)).*

21 *“(2) PERSONAL CREDIT.—*

22 *“(A) IN GENERAL.—For purposes of this*
23 *title, the credit allowed under subsection (a) for*
24 *any taxable year (determined after application*

1 of paragraph (1)) shall be treated as a credit al-
2 lowable under subpart A for such taxable year.

3 “(B) *LIMITATION BASED ON AMOUNT OF*
4 *TAX.*—In the case of a taxable year to which sec-
5 tion 26(a)(2) does not apply, the credit allowed
6 under subsection (a) for any taxable year (deter-
7 mined after application of paragraph (1)) shall
8 not exceed the excess of—

9 “(i) the sum of the regular tax liability
10 (as defined in section 26(b)) plus the tax
11 imposed by section 55, over

12 “(ii) the sum of the credits allowable
13 under subpart A (other than this section
14 and sections 23 and 25D) and section 27
15 for the taxable year.

16 “(d) *NEW QUALIFIED PLUG-IN ELECTRIC DRIVE*
17 *MOTOR VEHICLE.*—For purposes of this section—

18 “(1) *IN GENERAL.*—The term ‘new qualified
19 plug-in electric drive motor vehicle’ means a motor
20 vehicle (as defined in section 30(c)(2))—

21 “(A) the original use of which commences
22 with the taxpayer,

23 “(B) which is acquired for use or lease by
24 the taxpayer and not for resale,

25 “(C) which is made by a manufacturer,

1 “(D) which has a gross vehicle weight rat-
2 ing of less than 14,000 pounds,

3 “(E) which has received a certificate of con-
4 formity under the Clean Air Act and meets or
5 exceeds the Bin 5 Tier II emission standard es-
6 tablished in regulations prescribed by the Ad-
7 ministrator of the Environmental Protection
8 Agency under section 202(i) of the Clean Air Act
9 for that make and model year vehicle, and

10 “(F) which is propelled to a significant ex-
11 tent by an electric motor which draws electricity
12 from a battery which—

13 “(i) has a capacity of not less than 4
14 kilowatt hours, and

15 “(ii) is capable of being recharged from
16 an external source of electricity.

17 “(2) *EXCEPTION.*—The term ‘new qualified plug-
18 in electric drive motor vehicle’ shall not include any
19 vehicle which is not a passenger automobile or light
20 truck if such vehicle has a gross vehicle weight rating
21 of less than 8,500 pounds.

22 “(3) *OTHER TERMS.*—The terms ‘passenger auto-
23 mobile’, ‘light truck’, and ‘manufacturer’ have the
24 meanings given such terms in regulations prescribed
25 by the Administrator of the Environmental Protection

1 *Agency for purposes of the administration of title II*
2 *of the Clean Air Act (42 U.S.C. 7521 et seq.).*

3 “(4) *BATTERY CAPACITY.*—*The term ‘capacity’*
4 *means, with respect to any battery, the quantity of*
5 *electricity which the battery is capable of storing, ex-*
6 *pressed in kilowatt hours, as measured from a 100*
7 *percent state of charge to a 0 percent state of charge.*

8 “(e) *LIMITATION ON NUMBER OF NEW QUALIFIED*
9 *PLUG-IN ELECTRIC DRIVE MOTOR VEHICLES ELIGIBLE*
10 *FOR CREDIT.*—

11 “(1) *IN GENERAL.*—*In the case of a new quali-*
12 *fied plug-in electric drive motor vehicle sold during*
13 *the phaseout period, only the applicable percentage of*
14 *the credit otherwise allowable under subsection (a)*
15 *shall be allowed.*

16 “(2) *PHASEOUT PERIOD.*—*For purposes of this*
17 *subsection, the phaseout period is the period begin-*
18 *ning with the second calendar quarter following the*
19 *calendar quarter which includes the first date on*
20 *which the number of new qualified plug-in electric*
21 *drive motor vehicles manufactured by the manufac-*
22 *turer of the vehicle referred to in paragraph (1) sold*
23 *for use in the United States after the date of the en-*
24 *actment of this section, is at least 60,000.*

1 “(3) *APPLICABLE PERCENTAGE.*—For purposes
2 of paragraph (1), the applicable percentage is—

3 “(A) 50 percent for the first 2 calendar
4 quarters of the phaseout period,

5 “(B) 25 percent for the 3d and 4th calendar
6 quarters of the phaseout period, and

7 “(C) 0 percent for each calendar quarter
8 thereafter.

9 “(4) *CONTROLLED GROUPS.*—Rules similar to
10 the rules of section 30B(f)(4) shall apply for purposes
11 of this subsection.

12 “(f) *SPECIAL RULES.*—

13 “(1) *BASIS REDUCTION.*—The basis of any prop-
14 erty for which a credit is allowable under subsection
15 (a) shall be reduced by the amount of such credit (de-
16 termined without regard to subsection (c)).

17 “(2) *RECAPTURE.*—The Secretary shall, by regu-
18 lations, provide for recapturing the benefit of any
19 credit allowable under subsection (a) with respect to
20 any property which ceases to be property eligible for
21 such credit.

22 “(3) *PROPERTY USED OUTSIDE UNITED STATES,*
23 *ETC., NOT QUALIFIED.*—No credit shall be allowed
24 under subsection (a) with respect to any property re-
25 ferred to in section 50(b)(1) or with respect to the

1 *portion of the cost of any property taken into account*
2 *under section 179.*

3 *“(4) ELECTION NOT TO TAKE CREDIT.—No credit*
4 *shall be allowed under subsection (a) for any vehicle*
5 *if the taxpayer elects to not have this section apply*
6 *to such vehicle.*

7 *“(5) PROPERTY USED BY TAX-EXEMPT ENTITY;*
8 *INTERACTION WITH AIR QUALITY AND MOTOR VEHICLE*
9 *SAFETY STANDARDS.—Rules similar to the rules of*
10 *paragraphs (6) and (10) of section 30B(h) shall apply*
11 *for purposes of this section.”.*

12 *(b) COORDINATION WITH ALTERNATIVE MOTOR VEHI-*
13 *CLE CREDIT.—Section 30B(d)(3) is amended by adding at*
14 *the end the following new subparagraph:*

15 *“(D) EXCLUSION OF PLUG-IN VEHICLES.—*
16 *Any vehicle with respect to which a credit is al-*
17 *lowable under section 30D (determined without*
18 *regard to subsection (c) thereof) shall not be*
19 *taken into account under this section.”.*

20 *(c) CREDIT MADE PART OF GENERAL BUSINESS*
21 *CREDIT.—Section 38(b), as amended by this Act, is amend-*
22 *ed—*

23 *(1) by striking “and” each place it appears at*
24 *the end of any paragraph,*

1 (2) by striking “plus” each place it appears at
2 the end of any paragraph,

3 (3) by striking the period at the end of para-
4 graph (31) and inserting “, plus”, and

5 (4) by adding at the end the following new para-
6 graph:

7 “(32) the portion of the new qualified plug-in
8 electric drive motor vehicle credit to which section
9 30D(c)(1) applies.”.

10 (d) CONFORMING AMENDMENTS.—

11 (1)(A) Section 24(b)(3)(B), as amended by this
12 Act, is amended by striking “and 25D” and inserting
13 “25D, and 30D”.

14 (B) Section 25(e)(1)(C)(ii) is amended by insert-
15 ing “30D,” after “25D,”.

16 (C) Section 25B(g)(2), as amended by this Act,
17 is amended by striking “and 25D” and inserting “,
18 25D, and 30D”.

19 (D) Section 26(a)(1), as amended by this Act, is
20 amended by striking “and 25D” and inserting “25D,
21 and 30D”.

22 (E) Section 1400C(d)(2) is amended by striking
23 “and 25D” and inserting “25D, and 30D”.

24 (2) Section 1016(a) is amended by striking
25 “and” at the end of paragraph (36), by striking the

1 *period at the end of paragraph (37) and inserting “,*
 2 *and”, and by adding at the end the following new*
 3 *paragraph:*

4 *“(38) to the extent provided in section*
 5 *30D(f)(1).”.*

6 *(3) Section 6501(m) is amended by inserting*
 7 *“30D(f)(4),” after “30C(e)(5),”.*

8 *(4) The table of sections for subpart B of part IV*
 9 *of subchapter A of chapter 1 is amended by adding*
 10 *at the end the following new item:*

“Sec. 30D. New qualified plug-in electric drive motor vehicles.”.

11 *(e) TREATMENT OF ALTERNATIVE MOTOR VEHICLE*

12 *CREDIT AS A PERSONAL CREDIT.—*

13 *(1) IN GENERAL.—Paragraph (2) of section*
 14 *30B(g) is amended to read as follows:*

15 *“(2) PERSONAL CREDIT.—The credit allowed*
 16 *under subsection (a) for any taxable year (after ap-*
 17 *plication of paragraph (1)) shall be treated as a cred-*
 18 *it allowable under subpart A for such taxable year.”.*

19 *(2) CONFORMING AMENDMENTS.—*

20 *(A) Subparagraph (A) of section 30C(d)(2)*
 21 *is amended by striking “sections 27, 30, and*
 22 *30B” and inserting “sections 27 and 30”.*

23 *(B) Paragraph (3) of section 55(c) is*
 24 *amended by striking “30B(g)(2),”.*

25 *(f) EFFECTIVE DATE.—*

1 (1) *IN GENERAL.*—*Except as otherwise provided*
2 *in this subsection, the amendments made by this sec-*
3 *tion shall apply to taxable years beginning after De-*
4 *cember 31, 2007.*

5 (2) *TREATMENT OF ALTERNATIVE MOTOR VEHI-*
6 *CLE CREDIT AS PERSONAL CREDIT.*—*The amendments*
7 *made by subsection (e) shall apply to taxable years*
8 *beginning after December 31, 2006.*

9 (g) *APPLICATION OF EGTRRA SUNSET.*—*The amend-*
10 *ment made by subsection (d)(1)(A) shall be subject to title*
11 *IX of the Economic Growth and Tax Relief Reconciliation*
12 *Act of 2001 in the same manner as the provision of such*
13 *Act to which such amendment relates.*

14 **SEC. 1529. EXCLUSION FROM HEAVY TRUCK TAX FOR**
15 **IDLING REDUCTION UNITS AND ADVANCED**
16 **INSULATION.**

17 (a) *IN GENERAL.*—*Section 4053 (relating to exemp-*
18 *tions) is amended by adding at the end the following new*
19 *paragraphs:*

20 “(9) *IDLING REDUCTION DEVICE.*—*Any device or*
21 *system of devices which—*

22 “(A) *is designed to provide to a vehicle*
23 *those services (such as heat, air conditioning, or*
24 *electricity) that would otherwise require the oper-*
25 *ation of the main drive engine while the vehicle*

1 *is temporarily parked or remains stationary*
2 *using either—*

3 “(i) *an all electric unit, such as a bat-*
4 *tery powered unit or from grid-supplied*
5 *electricity, or*

6 “(ii) *a dual fuel unit powered by diesel*
7 *or other fuels, and capable of providing such*
8 *services from grid-supplied electricity or on-*
9 *truck batteries alone, and*

10 “(B) *is certified by the Secretary of Energy,*
11 *in consultation with the Administrator of the*
12 *Environmental Protection Agency and the Sec-*
13 *retary of Transportation, to reduce long-dura-*
14 *tion idling of such vehicle at a motor vehicle rest*
15 *stop or other location where such vehicles are*
16 *temporarily parked or remain stationary.*

17 *For purposes of subparagraph (B), the term ‘long-du-*
18 *ration idling’ means the operation of a main drive*
19 *engine, for a period greater than 15 consecutive min-*
20 *utes, where the main drive engine is not engaged in*
21 *gear. Such term does not apply to routine stoppages*
22 *associated with traffic movement or congestion.*

23 “(10) *ADVANCED INSULATION.—Any insulation*
24 *that has an R value of not less than R35 per inch.”.*

1 (b) *EFFECTIVE DATE.*—*The amendment made by this*
 2 *section shall apply to sales or installations after December*
 3 *31, 2007.*

4 **PART III—OTHER TRANSPORTATION PROVISIONS**

5 **SEC. 1530. RESTRUCTURING OF NEW YORK LIBERTY ZONE**
 6 **TAX CREDITS.**

7 (a) *IN GENERAL.*—*Part I of subchapter Y of chapter*
 8 *1 is amended by redesignating section 1400L as section*
 9 *1400K and by adding at the end the following new section:*
 10 **“SEC. 1400L. NEW YORK LIBERTY ZONE TAX CREDITS.**

11 “(a) *IN GENERAL.*—*In the case of a New York Liberty*
 12 *Zone governmental unit, there shall be allowed as a credit*
 13 *against any taxes imposed for any payroll period by section*
 14 *3402 for which such governmental unit is liable under sec-*
 15 *tion 3403 an amount equal to so much of the portion of*
 16 *the qualifying project expenditure amount allocated under*
 17 *subsection (b)(3) to such governmental unit for the calendar*
 18 *year as is allocated by such governmental unit to such pe-*
 19 *riod under subsection (b)(4).*

20 “(b) **QUALIFYING PROJECT EXPENDITURE AMOUNT.**—
 21 *For purposes of this section—*

22 “(1) *IN GENERAL.*—*The term ‘qualifying project*
 23 *expenditure amount’ means, with respect to any cal-*
 24 *endar year, the sum of—*

1 “(A) *the total expenditures paid or incurred*
2 *during such calendar year by all New York Lib-*
3 *erty Zone governmental units and the Port Au-*
4 *thority of New York and New Jersey for any*
5 *portion of qualifying projects located wholly*
6 *within the City of New York, New York, and*

7 “(B) *any such expenditures—*

8 “(i) *paid or incurred in any preceding*
9 *calendar year which begins after the date of*
10 *enactment of this section, and*

11 “(ii) *not previously allocated under*
12 *paragraph (3).*

13 “(2) *QUALIFYING PROJECT.—The term ‘quali-*
14 *fying project’ means any transportation infrastruc-*
15 *ture project, including highways, mass transit sys-*
16 *tems, railroads, airports, ports, and waterways, in or*
17 *connecting with the New York Liberty Zone (as de-*
18 *defined in section 1400K(h)), which is designated as a*
19 *qualifying project under this section jointly by the*
20 *Governor of the State of New York and the Mayor of*
21 *the City of New York, New York.*

22 “(3) *GENERAL ALLOCATION.—*

23 “(A) *IN GENERAL.—The Governor of the*
24 *State of New York and the Mayor of the City of*
25 *New York, New York, shall jointly allocate to*

1 *each New York Liberty Zone governmental unit*
2 *the portion of the qualifying project expenditure*
3 *amount which may be taken into account by*
4 *such governmental unit under subsection (a) for*
5 *any calendar year in the credit period.*

6 “(B) *AGGREGATE LIMIT.*—*The aggregate*
7 *amount which may be allocated under subpara-*
8 *graph (A) for all calendar years in the credit pe-*
9 *riod shall not exceed \$2,000,000,000.*

10 “(C) *ANNUAL LIMIT.*—*The aggregate*
11 *amount which may be allocated under subpara-*
12 *graph (A) for any calendar year in the credit pe-*
13 *riod shall not exceed the sum of—*

14 “(i) *\$115,000,000 (\$425,000,000 in the*
15 *case of the last 2 years in the credit period),*
16 *plus*

17 “(ii) *the aggregate amount authorized*
18 *to be allocated under this paragraph for all*
19 *preceding calendar years in the credit pe-*
20 *riod which was not so allocated.*

21 “(D) *UNALLOCATED AMOUNTS AT END OF*
22 *CREDIT PERIOD.*—*If, as of the close of the credit*
23 *period, the amount under subparagraph (B) ex-*
24 *ceeds the aggregate amount allocated under sub-*
25 *paragraph (A) for all calendar years in the cred-*

1 *it period, the Governor of the State of New York*
 2 *and the Mayor of the City of New York, New*
 3 *York, may jointly allocate to New York Liberty*
 4 *Zone governmental units for any calendar year*
 5 *in the 5-year period following the credit period*
 6 *an amount equal to—*

7 “(i) *the lesser of—*

8 “(I) *such excess, or*

9 “(II) *the qualifying project ex-*
 10 *penditure amount for such calendar*
 11 *year, reduced by*

12 “(ii) *the aggregate amount allocated*
 13 *under this subparagraph for all preceding*
 14 *calendar years.*

15 “(4) *ALLOCATION TO PAYROLL PERIODS.—Each*
 16 *New York Liberty Zone governmental unit which has*
 17 *been allocated a portion of the qualifying project ex-*
 18 *penditure amount under paragraph (3) for a cal-*
 19 *endar year may allocate such portion to payroll peri-*
 20 *ods beginning in such calendar year as such govern-*
 21 *mental unit determines appropriate.*

22 “(c) *CARRYOVER OF UNUSED ALLOCATIONS.—*

23 “(1) *IN GENERAL.—Except as provided in para-*
 24 *graph (2), if the amount allocated under subsection*
 25 *(b)(3) to a New York Liberty Zone governmental unit*

1 *for any calendar year exceeds the aggregate taxes im-*
2 *posed by section 3402 for which such governmental*
3 *unit is liable under section 3403 for periods begin-*
4 *ning in such year, such excess shall be carried to the*
5 *succeeding calendar year and added to the allocation*
6 *of such governmental unit for such succeeding cal-*
7 *endar year.*

8 “(2) *REALLOCATION.*—*If a New York Liberty*
9 *Zone governmental unit does not use an amount allo-*
10 *cated to it under subsection (b)(3) within the time*
11 *prescribed by the Governor of the State of New York*
12 *and the Mayor of the City of New York, New York,*
13 *then such amount shall after such time be treated for*
14 *purposes of subsection (b)(3) in the same manner as*
15 *if it had never been allocated.*

16 “(d) *DEFINITIONS AND SPECIAL RULES.*—*For pur-*
17 *poses of this section—*

18 “(1) *CREDIT PERIOD.*—*The term ‘credit period’*
19 *means the 12-year period beginning on January 1,*
20 *2008.*

21 “(2) *NEW YORK LIBERTY ZONE GOVERNMENTAL*
22 *UNIT.*—*The term ‘New York Liberty Zone govern-*
23 *mental unit’ means—*

24 “(A) *the State of New York,*

25 “(B) *the City of New York, New York, and*

1 “(C) *any agency or instrumentality of such*
2 *State or City.*

3 “(3) *TREATMENT OF FUNDS.—Any expenditure*
4 *for a qualifying project taken into account for pur-*
5 *poses of the credit under this section shall be consid-*
6 *ered State and local funds for the purpose of any Fed-*
7 *eral program.*

8 “(4) *TREATMENT OF CREDIT AMOUNTS FOR PUR-*
9 *POSES OF WITHHOLDING TAXES.—For purposes of*
10 *this title, a New York Liberty Zone governmental*
11 *unit shall be treated as having paid to the Secretary,*
12 *on the day on which wages are paid to employees, an*
13 *amount equal to the amount of the credit allowed to*
14 *such entity under subsection (a) with respect to such*
15 *wages, but only if such governmental unit deducts*
16 *and withholds wages for such payroll period under*
17 *section 3401 (relating to wage withholding).*

18 “(e) *REPORTING.—The Governor of the State of New*
19 *York and the Mayor of the City of New York, New York,*
20 *shall jointly submit to the Secretary an annual report—*

21 “(1) *which certifies—*

22 “(A) *the qualifying project expenditure*
23 *amount for the calendar year, and*

1 “(B) the amount allocated to each New York
2 Liberty Zone governmental unit under sub-
3 section (b)(3) for the calendar year, and

4 “(2) includes such other information as the Sec-
5 retary may require to carry out this section.

6 “(f) GUIDANCE.—The Secretary may prescribe such
7 guidance as may be necessary or appropriate to ensure com-
8 pliance with the purposes of this section.”.

9 (b) TERMINATION OF SPECIAL ALLOWANCE AND EX-
10 PENSING.—Subparagraph (A) of section 1400K(b)(2), as re-
11 designated by subsection (a), is amended by striking the
12 parenthetical therein and inserting “(in the case of nonresi-
13 dential real property and residential rental property, the
14 date of the enactment of the Clean Renewable Energy and
15 Conservation Tax Act of 2007 or, if acquired pursuant to
16 a binding contract in effect on such enactment date, Decem-
17 ber 31, 2009)”.

18 (c) CONFORMING AMENDMENTS.—

19 (1) Section 38(c)(3)(B) is amended by striking
20 “section 1400L(a)” and inserting “section 1400K(a)”.

21 (2) Section 168(k)(2)(D)(ii) is amended by strik-
22 ing “section 1400L(c)(2)” and inserting “section
23 1400K(c)(2)”.

24 (3) The table of sections for part I of subchapter
25 Y of chapter 1 is amended by redesignating the item

1 relating to section 1400L as an item relating to sec-
 2 tion 1400K and by inserting after such item the fol-
 3 lowing new item:

“Sec. 1400L. New York Liberty Zone tax credits.”.

4 (d) *EFFECTIVE DATE.*—The amendments made by this
 5 section shall take effect on the date of the enactment of this
 6 Act.

7 **SEC. 1531. EXTENSION OF TRANSPORTATION FRINGE BEN-**
 8 **EFIT TO BICYCLE COMMUTERS.**

9 (a) *IN GENERAL.*—Paragraph (1) of section 132(f) of
 10 the Internal Revenue Code of 1986 (relating to general rule
 11 for qualified transportation fringe) is amended by adding
 12 at the end the following:

13 “(D) Any qualified bicycle commuting re-
 14 imbursement.”.

15 (b) *LIMITATION ON EXCLUSION.*—Paragraph (2) of
 16 section 132(f) of such Code is amended by striking “and”
 17 at the end of subparagraph (A), by striking the period at
 18 the end of subparagraph (B) and inserting “, and”, and
 19 by adding at the end the following new subparagraph:

20 “(C) the applicable annual limitation in
 21 the case of any qualified bicycle commuting re-
 22 imbursement.”.

23 (c) *DEFINITIONS.*—Paragraph (5) of section 132(f) of
 24 such Code (relating to definitions) is amended by adding
 25 at the end the following:

1 “(F) *DEFINITIONS RELATED TO BICYCLE*
2 *COMMUTING REIMBURSEMENT.*—

3 “(i) *QUALIFIED BICYCLE COMMUTING*
4 *REIMBURSEMENT.*—*The term ‘qualified bi-*
5 *cycle commuting reimbursement’ means,*
6 *with respect to any calendar year, any em-*
7 *ployer reimbursement during the 15-month*
8 *period beginning with the first day of such*
9 *calendar year for reasonable expenses in-*
10 *curring by the employee during such cal-*
11 *endar year for the purchase of a bicycle and*
12 *bicycle improvements, repair, and storage,*
13 *if such bicycle is regularly used for travel*
14 *between the employee’s residence and place*
15 *of employment.*

16 “(ii) *APPLICABLE ANNUAL LIMITA-*
17 *TION.*—*The term ‘applicable annual limita-*
18 *tion’ means, with respect to any employee*
19 *for any calendar year, the product of \$20*
20 *multiplied by the number of qualified bicy-*
21 *cle commuting months during such year.*

22 “(iii) *QUALIFIED BICYCLE COMMUTING*
23 *MONTH.*—*The term ‘qualified bicycle com-*
24 *muting month’ means, with respect to any*

1 employee, any month during which such
2 employee—

3 “(I) regularly uses the bicycle for
4 a substantial portion of the travel be-
5 tween the employee’s residence and
6 place of employment, and

7 “(II) does not receive any benefit
8 described in subparagraph (A), (B), or
9 (C) of paragraph (1).”.

10 (d) *CONSTRUCTIVE RECEIPT OF BENEFIT.*—Para-
11 graph (4) of section 132(f) is amended by inserting “(other
12 than a qualified bicycle commuting reimbursement)” after
13 “qualified transportation fringe”.

14 (e) *EFFECTIVE DATE.*—The amendments made by this
15 section shall apply to taxable years beginning after Decem-
16 ber 31, 2007.

17 ***Subtitle C—Energy Conservation***
18 ***and Efficiency***

19 ***PART I—CONSERVATION TAX CREDIT BONDS***

20 ***SEC. 1541. QUALIFIED ENERGY CONSERVATION BONDS.***

21 (a) *IN GENERAL.*—Subpart I of part IV of subchapter
22 A of chapter 1, as added by this title, is amended by adding
23 at the end the following new section:

1 **“SEC. 54C. QUALIFIED ENERGY CONSERVATION BONDS.**

2 “(a) *QUALIFIED ENERGY CONSERVATION BOND.*—For
3 purposes of this subchapter, the term ‘qualified energy con-
4 servation bond’ means any bond issued as part of an issue
5 if—

6 “(1) 100 percent of the available project proceeds
7 of such issue are to be used for one or more qualified
8 conservation purposes,

9 “(2) the bond is issued by a State or local gov-
10 ernment, and

11 “(3) the issuer designates such bond for purposes
12 of this section.

13 “(b) *LIMITATION ON AMOUNT OF BONDS DES-*
14 *IGNATED.*—The maximum aggregate face amount of bonds
15 which may be designated under subsection (a) by any issuer
16 shall not exceed the limitation amount allocated to such
17 issuer under subsection (d).

18 “(c) *NATIONAL LIMITATION ON AMOUNT OF BONDS*
19 *DESIGNATED.*—There is a national qualified energy con-
20 servation bond limitation of \$3,000,000,000.

21 “(d) *ALLOCATIONS.*—

22 “(1) *IN GENERAL.*—The limitation applicable
23 under subsection (c) shall be allocated by the Sec-
24 retary among the States in proportion to the popu-
25 lation of the States.

1 “(2) *ALLOCATIONS TO LARGEST LOCAL GOVERN-*
2 *MENTS.—*

3 “(A) *IN GENERAL.—In the case of any*
4 *State in which there is a large local government,*
5 *each such local government shall be allocated a*
6 *portion of such State’s allocation which bears the*
7 *same ratio to the State’s allocation (determined*
8 *without regard to this subparagraph) as the pop-*
9 *ulation of such large local government bears to*
10 *the population of such State.*

11 “(B) *ALLOCATION OF UNUSED LIMITATION*
12 *TO STATE.—The amount allocated under this*
13 *subsection to a large local government may be re-*
14 *allocated by such local government to the State*
15 *in which such local government is located.*

16 “(C) *LARGE LOCAL GOVERNMENT.—For*
17 *purposes of this section, the term ‘large local gov-*
18 *ernment’ means any municipality or county if*
19 *such municipality or county has a population of*
20 *100,000 or more.*

21 “(3) *ALLOCATION TO ISSUERS; RESTRICTION ON*
22 *PRIVATE ACTIVITY BONDS.—Any allocation under this*
23 *subsection to a State or large local government shall*
24 *be allocated by such State or large local government*
25 *to issuers within the State in a manner that results*

1 *in not less than 70 percent of the allocation to such*
2 *State or large local government being used to des-*
3 *ignate bonds which are not private activity bonds.*

4 “(e) *QUALIFIED CONSERVATION PURPOSE.*—*For pur-*
5 *poses of this section—*

6 “(1) *IN GENERAL.*—*The term ‘qualified conserva-*
7 *tion purpose’ means any of the following:*

8 “(A) *Capital expenditures incurred for pur-*
9 *poses of—*

10 “(i) *reducing energy consumption in*
11 *publicly-owned buildings by at least 20 per-*
12 *cent,*

13 “(ii) *implementing green community*
14 *programs, or*

15 “(iii) *rural development involving the*
16 *production of electricity from renewable en-*
17 *ergy resources.*

18 “(B) *Expenditures with respect to research*
19 *facilities, and research grants, to support re-*
20 *search in—*

21 “(i) *development of cellulosic ethanol*
22 *or other nonfossil fuels,*

23 “(ii) *technologies for the capture and*
24 *sequestration of carbon dioxide produced*
25 *through the use of fossil fuels,*

1 “(iii) increasing the efficiency of exist-
2 ing technologies for producing nonfossil
3 fuels,

4 “(iv) automobile battery technologies
5 and other technologies to reduce fossil fuel
6 consumption in transportation, or

7 “(v) technologies to reduce energy use
8 in buildings.

9 “(C) Mass commuting facilities and related
10 facilities that reduce the consumption of energy,
11 including expenditures to reduce pollution from
12 vehicles used for mass commuting.

13 “(D) Demonstration projects designed to
14 promote the commercialization of—

15 “(i) green building technology,

16 “(ii) conversion of agricultural waste
17 for use in the production of fuel or other-
18 wise,

19 “(iii) advanced battery manufacturing
20 technologies,

21 “(iv) technologies to reduce peak use of
22 electricity, or

23 “(v) technologies for the capture and
24 sequestration of carbon dioxide emitted from

1 *combusting fossil fuels in order to produce*
2 *electricity.*

3 “(E) *Public education campaigns to pro-*
4 *mote energy efficiency.*

5 “(2) *SPECIAL RULES FOR PRIVATE ACTIVITY*
6 *BONDS.—For purposes of this section, in the case of*
7 *any private activity bond, the term ‘qualified con-*
8 *servation purposes’ shall not include any expenditure*
9 *which is not a capital expenditure.*

10 “(f) *POPULATION.—*

11 “(1) *IN GENERAL.—The population of any State*
12 *or local government shall be determined for purposes*
13 *of this section as provided in section 146(j) for the*
14 *calendar year which includes the date of the enact-*
15 *ment of this section.*

16 “(2) *SPECIAL RULE FOR COUNTIES.—In deter-*
17 *mining the population of any county for purposes of*
18 *this section, any population of such county which is*
19 *taken into account in determining the population of*
20 *any municipality which is a large local government*
21 *shall not be taken into account in determining the*
22 *population of such county.*

23 “(g) *APPLICATION TO INDIAN TRIBAL GOVERN-*
24 *MENTS.—An Indian tribal government shall be treated for*

1 *purposes of this section in the same manner as a large local*
2 *government, except that—*

3 “(1) *an Indian tribal government shall be treat-*
4 *ed for purposes of subsection (d) as located within a*
5 *State to the extent of so much of the population of*
6 *such government as resides within such State, and*

7 “(2) *any bond issued by an Indian tribal gov-*
8 *ernment shall be treated as a qualified energy con-*
9 *servation bond only if issued as part of an issue the*
10 *available project proceeds of which are used for pur-*
11 *poses for which such Indian tribal government could*
12 *issue bonds to which section 103(a) applies.”.*

13 *(b) CONFORMING AMENDMENTS.—*

14 (1) *Paragraph (1) of section 54A(d), as added by*
15 *this title, is amended to read as follows:*

16 “(1) *QUALIFIED TAX CREDIT BOND.—The term*
17 *‘qualified tax credit bond’ means—*

18 “(A) *a new clean renewable energy bond, or*

19 “(B) *a qualified energy conservation bond,*
20 *which is part of an issue that meets requirements of*
21 *paragraphs (2), (3), (4), and (5).”.*

22 (2) *Subparagraph (C) of section 54A(d)(2), as*
23 *added by this title, is amended to read as follows:*

1 “(C) *QUALIFIED PURPOSE.*—For purposes
2 of this paragraph, the term ‘qualified purpose’
3 means—

4 “(i) in the case of a new clean renew-
5 able energy bond, a purpose specified in sec-
6 tion 54B(a)(1), and

7 “(ii) in the case of a qualified energy
8 conservation bond, a purpose specified in
9 section 54C(a)(1).”.

10 (3) *The table of sections for subpart I of part IV*
11 *of subchapter A of chapter 1, as amended by this title,*
12 *is amended by adding at the end the following new*
13 *item:*

 “Sec. 54C. *Qualified energy conservation bonds.*”.

14 (c) *EFFECTIVE DATE.*—The amendments made by this
15 section shall apply to obligations issued after the date of
16 the enactment of this Act.

17 **SEC. 1542. QUALIFIED FORESTRY CONSERVATION BONDS.**

18 (a) *IN GENERAL.*—Subpart I of part IV of subchapter
19 A of chapter 1, as added by this title, is amended by adding
20 at the end the following new section:

21 **“SEC. 54D. QUALIFIED FORESTRY CONSERVATION BONDS.**

22 “(a) *QUALIFIED FORESTRY CONSERVATION BOND.*—
23 For purposes of this subchapter, the term ‘qualified forestry
24 conservation bond’ means any bond issued as part of an
25 issue if—

1 “(1) 100 percent of the available proceeds of such
2 issue are to be used for one or more qualified forestry
3 conservation projects,

4 “(2) the bond is issued by a qualified issuer, and

5 “(3) the issuer designates such bond for purposes
6 of this section.

7 “(b) *LIMITATION ON AMOUNT OF BONDS DES-*
8 *IGNATED.*—The maximum aggregate face amount of bonds
9 which may be designated under subsection (a) by any issuer
10 shall not exceed the limitation amount allocated to such
11 issuer under subsection (d).

12 “(c) *NATIONAL LIMITATION ON AMOUNT OF BONDS*
13 *DESIGNATED.*—There is a national qualified forestry con-
14 servation bond limitation of \$500,000,000.

15 “(d) *ALLOCATIONS.*—

16 “(1) *IN GENERAL.*—The Secretary shall make al-
17 locations of the amount of the national qualified for-
18 estry conservation bond limitation described in sub-
19 section (c) among qualified forestry conservation
20 projects in such manner as the Secretary determines
21 appropriate so as to ensure that all of such limitation
22 is allocated before the date which is 24 months after
23 the date of the enactment of this section.

24 “(2) *SOLICITATION OF APPLICATIONS.*—The Sec-
25 retary shall solicit applications for allocations of the

1 *national qualified forestry conservation bond limita-*
2 *tion described in subsection (c) not later than 90 days*
3 *after the date of the enactment of this section.*

4 “(e) **QUALIFIED FORESTRY CONSERVATION**
5 **PROJECT.**—*For purposes of this section, the term ‘qualified*
6 *forestry conservation project’ means the acquisition by a*
7 *State or 501(c)(3) organization (as defined in section*
8 *150(a)(4)) from an unrelated person of forest and forest*
9 *land that meets the following qualifications:*

10 “(1) *Some portion of the land acquired must be*
11 *adjacent to United States Forest Service Land.*

12 “(2) *At least half of the land acquired must be*
13 *transferred to the United States Forest Service at no*
14 *net cost to the United States and not more than half*
15 *of the land acquired may either remain with or be do-*
16 *nated to a State.*

17 “(3) *All of the land must be subject to a native*
18 *fish habitat conservation plan approved by the United*
19 *States Fish and Wildlife Service.*

20 “(4) *The amount of acreage acquired must be at*
21 *least 40,000 acres.*

22 “(f) **QUALIFIED ISSUER.**—*For purposes of this section,*
23 *the term ‘qualified issuer’ means a State or 501(c)(3) orga-*
24 *nization (as defined in section 150(a)(4)).*

1 “(g) *SPECIAL ARBITRAGE RULE.*—*In the case of any*
 2 *qualified forestry conservation bond issued as part of an*
 3 *issue, section 54A(d)(4)(C) shall be applied to such issue*
 4 *without regard to clause (i).”.*

5 (b) *CONFORMING AMENDMENTS.*—

6 (1) *Paragraph (1) of section 54A(d), as added by*
 7 *this title, is amended to read as follows:*

8 “(1) *QUALIFIED TAX CREDIT BOND.*—*The term*
 9 *‘qualified tax credit bond’ means—*

10 “(A) *a new clean renewable energy bond,*

11 “(B) *a qualified energy conservation bond,*

12 *or*

13 “(C) *a qualified forestry conservation bond,*
 14 *which is part of an issue that meets requirements of*
 15 *paragraphs (2), (3), (4), and (5).”.*

16 (2) *Subparagraph (C) of section 54A(d)(2), as*
 17 *added by this title, is amended to read as follows:*

18 “(C) *QUALIFIED PURPOSE.*—*For purposes*
 19 *of this paragraph, the term ‘qualified purpose’*
 20 *means—*

21 “(i) *in the case of a new clean renew-*
 22 *able energy bond, a purpose specified in sec-*
 23 *tion 54B(a)(1),*

1 “(ii) in the case of a qualified energy
2 conservation bond, a purpose specified in
3 section 54C(a)(1), and

4 “(iii) in the case of a qualified forestry
5 conservation bond, a purpose specified in
6 section 54D(a)(1).”.

7 (3) The table of sections for subpart I of part IV
8 of subchapter A of chapter 1, as amended by this title,
9 is amended by adding at the end the following new
10 item:

 “Sec. 54C. Qualified forestry conservation bonds.”.

11 (c) *EFFECTIVE DATE.*—The amendments made by this
12 section shall apply to obligations issued after the date of
13 the enactment of this Act.

14 **PART II—EFFICIENCY**

15 **SEC. 1543. EXTENSION AND MODIFICATION OF ENERGY EF-** 16 **FICIENT EXISTING HOMES CREDIT.**

17 (a) *EXTENSION OF CREDIT.*—Section 25C(g) (relating
18 to termination) is amended by striking “December 31,
19 2007” and inserting “December 31, 2008”.

20 (b) *QUALIFIED BIOMASS FUEL PROPERTY.*—

21 (1) *IN GENERAL.*—Section 25C(d)(3) is amend-
22 ed—

23 (A) by striking “and” at the end of sub-
24 paragraph (D),

1 (B) by striking the period at the end of sub-
2 paragraph (E) and inserting “, and”, and

3 (C) by adding at the end the following new
4 subparagraph:

5 “(F) a stove which uses the burning of bio-
6 mass fuel to heat a dwelling unit located in the
7 United States and used as a residence by the
8 taxpayer, or to heat water for use in such a
9 dwelling unit, and which has a thermal effi-
10 ciency rating of at least 75 percent.”.

11 (2) *BIOMASS FUEL*.—Section 25C(d) (relating to
12 residential energy property expenditures) is amended
13 by adding at the end the following new paragraph:

14 “(6) *BIOMASS FUEL*.—The term ‘biomass fuel’
15 means any plant-derived fuel available on a renew-
16 able or recurring basis, including agricultural crops
17 and trees, wood and wood waste and residues (includ-
18 ing wood pellets), plants (including aquatic plants),
19 grasses, residues, and fibers.”.

20 (c) *EFFECTIVE DATE*.—The amendments made this
21 section shall apply to expenditures made after December 31,
22 2007.

1 **SEC. 1544. EXTENSION AND MODIFICATION OF ENERGY EF-**
2 **FICIENT COMMERCIAL BUILDINGS DEDUC-**
3 **TION.**

4 *Subsection (h) of section 179D (relating to termi-*
5 *nation) is amended by striking “December 31, 2008” and*
6 *inserting “December 31, 2013”.*

7 **SEC. 1545. MODIFICATIONS OF ENERGY EFFICIENT APPLI-**
8 **ANCE CREDIT FOR APPLIANCES PRODUCED**
9 **AFTER 2007.**

10 *(a) IN GENERAL.—Subsection (b) of section 45M (re-*
11 *lating to applicable amount) is amended to read as follows:*

12 *“(b) APPLICABLE AMOUNT.—For purposes of sub-*
13 *section (a)—*

14 *“(1) DISHWASHERS.—The applicable amount*
15 *is—*

16 *“(A) \$45 in the case of a dishwasher which*
17 *is manufactured in calendar year 2008 or 2009*
18 *and which uses no more than 324 kilowatt hours*
19 *per year and 5.8 gallons per cycle, and*

20 *“(B) \$75 in the case of a dishwasher which*
21 *is manufactured in calendar year 2008, 2009, or*
22 *2010 and which uses no more than 307 kilowatt*
23 *hours per year and 5.0 gallons per cycle (5.5 gal-*
24 *lons per cycle for dishwashers designed for great-*
25 *er than 12 place settings).*

1 “(2) *CLOTHES WASHERS.*—*The applicable*
2 *amount is—*

3 “(A) *\$75 in the case of a residential top-*
4 *loading clothes washer manufactured in calendar*
5 *year 2008 which meets or exceeds a 1.72 modi-*
6 *fied energy factor and does not exceed a 8.0*
7 *water consumption factor,*

8 “(B) *\$125 in the case of a residential top-*
9 *loading clothes washer manufactured in calendar*
10 *year 2008 or 2009 which meets or exceeds a 1.8*
11 *modified energy factor and does not exceed a 7.5*
12 *water consumption factor,*

13 “(C) *\$150 in the case of a residential or*
14 *commercial clothes washer manufactured in cal-*
15 *endar year 2008, 2009 or 2010 which meets or*
16 *exceeds 2.0 modified energy factor and does not*
17 *exceed a 6.0 water consumption factor, and*

18 “(D) *\$250 in the case of a residential or*
19 *commercial clothes washer manufactured in cal-*
20 *endar year 2008, 2009, or 2010 which meets or*
21 *exceeds 2.2 modified energy factor and does not*
22 *exceed a 4.5 water consumption factor.*

23 “(3) *REFRIGERATORS.*—*The applicable amount*
24 *is—*

1 “(A) \$50 in the case of a refrigerator which
2 is manufactured in calendar year 2008, and con-
3 sumes at least 20 percent but not more than 22.9
4 percent less kilowatt hours per year than the
5 2001 energy conservation standards,

6 “(B) \$75 in the case of a refrigerator which
7 is manufactured in calendar year 2008 or 2009,
8 and consumes at least 23 percent but no more
9 than 24.9 percent less kilowatt hours per year
10 than the 2001 energy conservation standards,

11 “(C) \$100 in the case of a refrigerator
12 which is manufactured in calendar year 2008,
13 2009, or 2010, and consumes at least 25 percent
14 but not more than 29.9 percent less kilowatt
15 hours per year than the 2001 energy conserva-
16 tion standards, and

17 “(D) \$200 in the case of a refrigerator man-
18 ufactured in calendar year 2008, 2009, or 2010
19 and which consumes at least 30 percent less en-
20 ergy than the 2001 energy conservation stand-
21 ards.”.

22 (b) *ELIGIBLE PRODUCTION.*—

23 (1) *SIMILAR TREATMENT FOR ALL APPLI-*
24 *ANCES.*—Subsection (c) of section 45M (relating to el-
25 igible production) is amended—

1 (A) by striking paragraph (2),

2 (B) by striking “(1) *IN GENERAL*” and all
3 that follows through “the eligible” and inserting
4 “*The eligible*”, and

5 (C) by moving the text of such subsection in
6 line with the subsection heading and redesignig-
7 nating subparagraphs (A) and (B) as para-
8 graphs (1) and (2), respectively.

9 (2) *MODIFICATION OF BASE PERIOD.*—Para-
10 graph (2) of section 45M(c), as amended by para-
11 graph (1) of this section, is amended by striking “3-
12 calendar year” and inserting “2-calendar year”.

13 (c) *TYPES OF ENERGY EFFICIENT APPLIANCES.*—Sub-
14 section (d) of section 45M (defining types of energy efficient
15 appliances) is amended to read as follows:

16 “(d) *TYPES OF ENERGY EFFICIENT APPLIANCE.*—For
17 purposes of this section, the types of energy efficient appli-
18 ances are—

19 “(1) dishwashers described in subsection (b)(1),

20 “(2) clothes washers described in subsection
21 (b)(2), and

22 “(3) refrigerators described in subsection (b)(3).”

23 (d) *AGGREGATE CREDIT AMOUNT ALLOWED.*—

1 (1) *INCREASE IN LIMIT.*—Paragraph (1) of sec-
2 tion 45M(e) (relating to aggregate credit amount al-
3 lowed) is amended to read as follows:

4 “(1) *AGGREGATE CREDIT AMOUNT ALLOWED.*—
5 The aggregate amount of credit allowed under sub-
6 section (a) with respect to a taxpayer for any taxable
7 year shall not exceed \$75,000,000 reduced by the
8 amount of the credit allowed under subsection (a) to
9 the taxpayer (or any predecessor) for all prior taxable
10 years beginning after December 31, 2007.”.

11 (2) *EXCEPTION FOR CERTAIN REFRIGERATOR*
12 *AND CLOTHES WASHERS.*—Paragraph (2) of section
13 45M(e) is amended to read as follows:

14 “(2) *AMOUNT ALLOWED FOR CERTAIN REFRIG-*
15 *ERATORS AND CLOTHES WASHERS.*—Refrigerators de-
16 scribed in subsection (b)(3)(D) and clothes washers
17 described in subsection (b)(2)(D) shall not be taken
18 into account under paragraph (1).”.

19 (e) *QUALIFIED ENERGY EFFICIENT APPLIANCES.*—

20 (1) *IN GENERAL.*—Paragraph (1) of section
21 45M(f) (defining qualified energy efficient appliance)
22 is amended to read as follows:

23 “(1) *QUALIFIED ENERGY EFFICIENT APPLI-*
24 *ANCE.*—The term ‘qualified energy efficient appliance’
25 means—

1 “(A) any dishwasher described in subsection
2 (b)(1),

3 “(B) any clothes washer described in sub-
4 section (b)(2), and

5 “(C) any refrigerator described in sub-
6 section (b)(3).”.

7 (2) *CLOTHES WASHER*.—Section 45M(f)(3) (de-
8 fining clothes washer) is amended by inserting “com-
9 mercial” before “residential” the second place it ap-
10 pears.

11 (3) *TOP-LOADING CLOTHES WASHER*.—Sub-
12 section (f) of section 45M (relating to definitions) is
13 amended by redesignating paragraphs (4), (5), (6),
14 and (7) as paragraphs (5), (6), (7), and (8), respec-
15 tively, and by inserting after paragraph (3) the fol-
16 lowing new paragraph:

17 “(4) *TOP-LOADING CLOTHES WASHER*.—The
18 term ‘top-loading clothes washer’ means a clothes
19 washer which has the clothes container compartment
20 access located on the top of the machine and which
21 operates on a vertical axis.”.

22 (4) *REPLACEMENT OF ENERGY FACTOR*.—Section
23 45M(f)(7), as redesignated by paragraph (3), is
24 amended to read as follows:

1 “(7) *MODIFIED ENERGY FACTOR.*—*The term*
2 *‘modified energy factor’ means the modified energy*
3 *factor established by the Department of Energy for*
4 *compliance with the Federal energy conservation*
5 *standard.’.*”

6 (5) *GALLONS PER CYCLE; WATER CONSUMPTION*
7 *FACTOR.*—*Section 45M(f) (relating to definitions) is*
8 *amended by adding at the end the following:*

9 “(9) *GALLONS PER CYCLE.*—*The term ‘gallons*
10 *per cycle’ means, with respect to a dishwasher, the*
11 *amount of water, expressed in gallons, required to*
12 *complete a normal cycle of a dishwasher.*”

13 “(10) *WATER CONSUMPTION FACTOR.*—*The term*
14 *‘water consumption factor’ means, with respect to a*
15 *clothes washer, the quotient of the total weighted per-*
16 *cycle water consumption divided by the cubic foot (or*
17 *liter) capacity of the clothes washer.’.*”

18 (f) *EFFECTIVE DATE.*—*The amendments made by this*
19 *section shall apply to appliances produced after December*
20 *31, 2007.*

21 **SEC. 1546. SEVEN-YEAR APPLICABLE RECOVERY PERIOD**
22 **FOR DEPRECIATION OF QUALIFIED ENERGY**
23 **MANAGEMENT DEVICES.**

24 (a) *IN GENERAL.*—*Section 168(e)(3)(C) (relating to 7-*
25 *year property), as amended by this Act, is amended by*

1 striking “and” at the end of clause (v), by redesignating
 2 clause (vi) as clause (vii), and by inserting after clause (v)
 3 the following new clause:

4 “(vi) any qualified energy manage-
 5 ment device, and”.

6 (b) *DEFINITION OF QUALIFIED ENERGY MANAGEMENT*
 7 *DEVICE.*—Section 168(i) (relating to definitions and spe-
 8 cial rules) is amended by inserting at the end the following
 9 new paragraph:

10 “(18) *QUALIFIED ENERGY MANAGEMENT DE-*
 11 *VICE.*—

12 “(A) *IN GENERAL.*—The term ‘qualified en-
 13 ergy management device’ means any energy
 14 management device which is installed on real
 15 property of a customer of the taxpayer and is
 16 placed in service by a taxpayer who—

17 “(i) is a supplier of electric energy or
 18 a provider of electric energy services, and

19 “(ii) provides all commercial and resi-
 20 dential customers of such supplier or pro-
 21 vider with net metering upon the request of
 22 such customer.

23 “(B) *ENERGY MANAGEMENT DEVICE.*—For
 24 purposes of subparagraph (A), the term ‘energy
 25 management device’ means any time-based meter

1 *and related communication equipment which is*
2 *capable of being used by the taxpayer as part of*
3 *a system that—*

4 “(i) *measures and records electricity*
5 *usage data on a time-differentiated basis in*
6 *at least 24 separate time segments per day,*

7 “(ii) *provides for the exchange of infor-*
8 *mation between supplier or provider and*
9 *the customer’s energy management device in*
10 *support of time-based rates or other forms of*
11 *demand response, and*

12 “(iii) *provides data to such supplier or*
13 *provider so that the supplier or provider*
14 *can provide energy usage information to*
15 *customers electronically.*

16 “(C) *NET METERING.—For purposes of sub-*
17 *paragraph (A), the term ‘net metering’ means al-*
18 *lowing customers a credit for providing elec-*
19 *tricity to the supplier or provider.”.*

20 (c) *EFFECTIVE DATE.—The amendments made by this*
21 *section shall apply to property placed in service after De-*
22 *cember 31, 2007.*

1 **Subtitle D—Other Provisions**

2 **PART I—FORESTRY PROVISIONS**

3 **SEC. 1551. DEDUCTION FOR QUALIFIED TIMBER GAIN.**

4 (a) *IN GENERAL.*—Part I of subchapter P of chapter
5 1 is amended by adding at the end the following new sec-
6 tion:

7 **“SEC. 1203. DEDUCTION FOR QUALIFIED TIMBER GAIN.**

8 “(a) *IN GENERAL.*—In the case of a taxpayer which
9 elects the application of this section for a taxable year, there
10 shall be allowed a deduction against gross income in an
11 amount equal to 60 percent of the lesser of—

12 “(1) the taxpayer’s qualified timber gain for
13 such year, or

14 “(2) the taxpayer’s net capital gain for such
15 year.

16 “(b) *QUALIFIED TIMBER GAIN.*—For purposes of this
17 section, the term ‘qualified timber gain’ means, with respect
18 to any taxpayer for any taxable year, the excess (if any)
19 of—

20 “(1) the sum of the taxpayer’s gains described in
21 subsections (a) and (b) of section 631 for such year,
22 over

23 “(2) the sum of the taxpayer’s losses described in
24 such subsections for such year.

25 “(c) *SPECIAL RULES FOR PASS-THRU ENTITIES.*—

1 “(1) *In the case of any qualified timber gain of*
2 *a pass-thru entity (as defined in section 1(h)(10))*
3 *other than a real estate investment trust, the election*
4 *under this section shall be made separately by each*
5 *taxpayer subject to tax on such gain.*

6 “(2) *In the case of any qualified timber gain of*
7 *a real estate investment trust, the election under this*
8 *section shall be made by the real estate investment*
9 *trust.*

10 “(d) *ELECTION.—An election under this section may*
11 *be made only with respect to the first taxable year begin-*
12 *ning after the date of the enactment of this section.”.*

13 (b) *COORDINATION WITH MAXIMUM CAPITAL GAINS*
14 *RATES.—*

15 (1) *TAXPAYERS OTHER THAN CORPORATIONS.—*
16 *Paragraph (2) of section 1(h) is amended to read as*
17 *follows:*

18 “(2) *REDUCTION OF NET CAPITAL GAIN.—For*
19 *purposes of this subsection, the net capital gain for*
20 *any taxable year shall be reduced (but not below zero)*
21 *by the sum of—*

22 “(A) *the amount which the taxpayer takes*
23 *into account as investment income under section*
24 *163(d)(4)(B)(iii), and*

1 “(B) in the case of a taxable year with re-
2 spect to which an election is in effect under sec-
3 tion 1203, the taxpayer’s qualified timber gain
4 (as defined in section 1203(b)).”.

5 (2) CORPORATIONS.—Section 1201 is amended
6 by redesignating subsection (b) as subsection (c) and
7 inserting after subsection (a) the following new sub-
8 section:

9 “(b) QUALIFIED TIMBER GAIN NOT TAKEN INTO AC-
10 COUNT.—For purposes of this section, in the case of a cor-
11 poration with respect to which an election is in effect under
12 section 1203, the net capital gain for any taxable year shall
13 be reduced (but not below zero) by the corporation’s quali-
14 fied timber gain (as defined in section 1203(b)).”.

15 (c) DEDUCTION ALLOWED WHETHER OR NOT INDI-
16 VIDUAL ITEMIZES OTHER DEDUCTIONS.—Subsection (a) of
17 section 62 is amended by inserting before the last sentence
18 the following new paragraph:

19 “(22) QUALIFIED TIMBER GAINS.—The deduction
20 allowed by section 1203.”.

21 (d) DEDUCTION ALLOWED IN COMPUTING ADJUSTED
22 CURRENT EARNINGS.—Subparagraph (C) of section
23 56(g)(4) is amended by adding at the end the following new
24 clause:

1 “(vii) *DEDUCTION FOR QUALIFIED*
2 *TIMBER GAIN.*—*Clause (i) shall not apply*
3 *to any deduction allowed under section*
4 *1203.*”.

5 (e) *DEDUCTION ALLOWED IN COMPUTING TAXABLE IN-*
6 *COME OF ELECTING SMALL BUSINESS TRUSTS.*—*Subpara-*
7 *graph (C) of section 641(c)(2) is amended by inserting after*
8 *clause (iv) the following new clause:*

9 “(v) *The deduction allowed under sec-*
10 *tion 1203.*”.

11 (f) *TREATMENT OF QUALIFIED TIMBER GAIN OF REAL*
12 *ESTATE INVESTMENT TRUSTS.*—*Paragraph (3) of section*
13 *857(b) is amended by inserting after subparagraph (F) the*
14 *following new subparagraph:*

15 “(G) *TREATMENT OF QUALIFIED TIMBER*
16 *GAIN.*—*For purposes of this part, in the case of*
17 *a real estate investment trust with respect to*
18 *which an election is in effect under section*
19 *1203—*

20 “(i) *REDUCTION OF NET CAPITAL*
21 *GAIN.*—*The net capital gain of the real es-*
22 *tate investment trust for any taxable year*
23 *shall be reduced (but not below zero) by the*
24 *real estate investment trust’s qualified tim-*
25 *ber gain (as defined in section 1203(b)).*

1 “(i) *ADJUSTMENT TO SHAREHOLDER’S*
2 *BASIS ATTRIBUTABLE TO DEDUCTION FOR*
3 *QUALIFIED TIMBER GAINS.—*

4 “(I) *IN GENERAL.—The adjusted*
5 *basis of shares in the hands of the*
6 *shareholder shall be increased by the*
7 *amount of the deduction allowable*
8 *under section 1203(a) as provided in*
9 *subclauses (II) and (III).*

10 “(II) *ALLOCATION OF BASIS IN-*
11 *CREASE FOR DISTRIBUTIONS MADE*
12 *DURING TAXABLE YEAR.—For any tax-*
13 *able year of a real estate investment*
14 *trust for which an election is in effect*
15 *under section 1203, in the case of a*
16 *distribution made with respect to*
17 *shares during such taxable year of*
18 *amounts attributable to the deduction*
19 *allowable under section 1203(a), the*
20 *adjusted basis of such shares shall be*
21 *increased by the amount of such dis-*
22 *tributions.*

23 “(III) *ALLOCATION OF EXCESS.—*
24 *If the deduction allowable under sec-*
25 *tion 1203(a) for a taxable year exceeds*

1 *the amount of distributions described*
2 *in subclause (II), the excess shall be al-*
3 *located to every shareholder of the real*
4 *estate investment trust at the close of*
5 *the trust's taxable year in the same*
6 *manner as if a distribution of such ex-*
7 *cess were made with respect to such*
8 *shares.*

9 “(IV) *DESIGNATIONS.*—*To the ex-*
10 *tent provided in regulations, a real es-*
11 *tate investment trust shall designate*
12 *the amounts described in subclauses*
13 *(II) and (III) in a manner similar to*
14 *the designations provided with respect*
15 *to capital gains described in subpara-*
16 *graphs (C) and (D).*

17 “(V) *DEFINITIONS.*—*As used in*
18 *this subparagraph, the terms ‘share’*
19 *and ‘shareholder’ shall include bene-*
20 *ficial interests and holders of beneficial*
21 *interests, respectively.*

22 “(iii) *EARNINGS AND PROFITS DEDUC-*
23 *TION FOR QUALIFIED TIMBER GAINS.*—*The*
24 *deduction allowable under section 1203(a)*
25 *for a taxable year shall be allowed as a de-*

1 *duction in computing the earnings and*
2 *profits of the real estate investment trust for*
3 *such taxable year. The earnings and profits*
4 *of any such shareholder which is a corpora-*
5 *tion shall be appropriately adjusted in ac-*
6 *cordance with regulations prescribed by the*
7 *Secretary.”.*

8 *(g) LOSS ATTRIBUTABLE TO BASIS ADJUSTMENT FOR*
9 *DEDUCTION FOR QUALIFIED TIMBER GAIN OF REAL ES-*
10 *TATE INVESTMENT TRUSTS.—*

11 *(1) Section 857(b)(8) is amended by redesign-*
12 *ating subparagraphs (B) and (C) as subparagraphs*
13 *(C) and (D), respectively, and by inserting after sub-*
14 *paragraph (A) the following new subparagraph:*

15 *“(B) LOSS ATTRIBUTABLE TO BASIS AD-*
16 *JUSTMENT FOR DEDUCTION FOR QUALIFIED TIM-*
17 *BER GAIN.—If—*

18 *“(i) a shareholder of a real estate in-*
19 *vestment trust receives a basis adjustment*
20 *provided under subsection (b)(3)(G)(ii), and*

21 *“(ii) the taxpayer has held such share*
22 *or interest for 6 months or less,*

23 *then any loss on the sale or exchange of such*
24 *share or interest shall, to the extent of the*
25 *amount described in clause (i), be disallowed.”.*

1 (2) *Subparagraph (D) of section 857(b)(8), as*
2 *redesignated by paragraph (1), is amended by strik-*
3 *ing “subparagraph (A)” and inserting “subpara-*
4 *graphs (A) and (B)”.*

5 (h) *CONFORMING AMENDMENTS.—*

6 (1) *Subparagraph (B) of section 172(d)(2) is*
7 *amended to read as follows:*

8 *“(B) the exclusion under section 1202, and*
9 *the deduction under section 1203, shall not be al-*
10 *lowed.”.*

11 (2) *Paragraph (4) of section 642(c) is amended*
12 *by striking the first sentence and inserting “To the*
13 *extent that the amount otherwise allowable as a de-*
14 *duction under this subsection consists of gain de-*
15 *scribed in section 1202(a) or qualified timber gain*
16 *(as defined in section 1203(b)), proper adjustment*
17 *shall be made for any exclusion allowable to the estate*
18 *or trust under section 1202 and for any deduction al-*
19 *lowable to the estate or trust under section 1203.”*

20 (3) *Paragraph (3) of section 643(a) is amended*
21 *by striking the last sentence and inserting “The exclu-*
22 *sion under section 1202 and the deduction under sec-*
23 *tion 1203 shall not be taken into account.”.*

24 (4) *Subparagraph (C) of section 643(a)(6) is*
25 *amended to read as follows:*

1 “(C) Paragraph (3) shall not apply to a
2 foreign trust. In the case of such a trust—

3 “(i) there shall be included gains from
4 the sale or exchange of capital assets, re-
5 duced by losses from such sales or exchanges
6 to the extent such losses do not exceed gains
7 from such sales or exchanges, and

8 “(ii) the deduction under section 1203
9 shall not be taken into account.”.

10 (5) Paragraph (4) of section 691(c) is amended
11 by inserting “1203,” after “1202,”.

12 (6) Paragraph (2) of section 871(a) is amended
13 by inserting “or 1203,” after “1202,”.

14 (7) The table of sections for part I of subchapter
15 P of chapter 1 is amended by adding at the end the
16 following new item:

“Sec. 1203. Deduction for qualified timber gain.”.

17 (i) *EFFECTIVE DATE.*—The amendments made by this
18 section shall apply to taxable years beginning after the date
19 of the enactment of this Act.

20 **SEC. 1552. EXCISE TAX NOT APPLICABLE TO SECTION 1203**

21 **DEDUCTION OF REAL ESTATE INVESTMENT**
22 **TRUSTS.**

23 (a) *IN GENERAL.*—

24 (1) *ORDINARY INCOME.*—Subparagraph (B) of
25 section 4981(e)(1) is amended to read as follows:

1 “(B) by not taking into account—

2 “(i) any gain or loss from the sale or
3 exchange of capital assets (determined with-
4 out regard to any reduction that would be
5 applied for purposes of section
6 857(b)(3)(G)(i)), and

7 “(ii) any deduction allowable under
8 section 1203, and”.

9 (2) **CAPITAL GAIN NET INCOME.**—Section
10 4981(e)(2) is amended by adding at the end the fol-
11 lowing new subparagraph:

12 “(D) **QUALIFIED TIMBER GAIN.**—The
13 amount determined under subparagraph (A)
14 shall be determined without regard to any reduc-
15 tion that would be applied for purposes of sec-
16 tion 857(b)(3)(G)(i) but shall be reduced for any
17 deduction allowable under section 1203 for such
18 calendar year.”.

19 (b) **EFFECTIVE DATE.**—The amendments made by this
20 section shall apply to taxable years beginning after the date
21 of the enactment of this Act.

22 **SEC. 1553. TIMBER REIT MODERNIZATION.**

23 (a) **IN GENERAL.**—Section 856(c)(5) is amended by
24 adding after subparagraph (G) the following new subpara-
25 graph:

1 “(H) *TREATMENT OF TIMBER GAINS.*—

2 “(i) *IN GENERAL.*—Gain from the sale
3 of real property described in paragraph
4 (2)(D) and (3)(C) shall include gain which
5 is—

6 “(I) *recognized by an election*
7 *under section 631(a) from timber*
8 *owned by the real estate investment*
9 *trust, the cutting of which is provided*
10 *by a taxable REIT subsidiary of the*
11 *real estate investment trust;*

12 “(II) *recognized under section*
13 *631(b); or*

14 “(III) *income which would con-*
15 *stitute gain under subclause (I) or (II)*
16 *but for the failure to meet the 1-year*
17 *holding period requirement.*

18 “(ii) *SPECIAL RULES.*—

19 “(I) *For purposes of this subtitle,*
20 *cut timber, the gain of which is recog-*
21 *nized by a real estate investment trust*
22 *pursuant to an election under section*
23 *631(a) described in clause (i)(I) or so*
24 *much of clause (i)(III) as relates to*
25 *clause (i)(I), shall be deemed to be sold*

1 to the taxable REIT subsidiary of the
2 real estate investment trust on the first
3 day of the taxable year.

4 “(II) For purposes of this subtitle,
5 income described in this subparagraph
6 shall not be treated as gain from the
7 sale of property described in section
8 1221(a)(1).

9 “(iii) *TERMINATION*.—This subpara-
10 graph shall not apply to dispositions after
11 the termination date.”.

12 (b) *TERMINATION DATE*.—Subsection (c) of section
13 856 is amended by adding at the end the following new
14 paragraph:

15 “(8) *TERMINATION DATE*.—For purposes of this
16 subsection, the term ‘termination date’ means the last
17 day of the first taxable year beginning after the date
18 of the enactment of this paragraph.”.

19 (c) *EFFECTIVE DATE*.—The amendments made by sub-
20 section (a) shall apply to dispositions in taxable years be-
21 ginning after the date of the enactment of this Act.

22 **SEC. 1554. MINERAL ROYALTY INCOME QUALIFYING IN-**
23 **COME FOR TIMBER REITS.**

24 (a) *IN GENERAL*.—Section 856(c)(2) is amended by
25 striking “and” at the end of subparagraph (G), by inserting

1 “and” at the end of subparagraph (H), and by adding after
2 subparagraph (H) the following new subparagraph:

3 “(I) mineral royalty income earned in the
4 first taxable year beginning after the date of the
5 enactment of this subparagraph from real prop-
6 erty owned by a timber real estate investment
7 trust held, or once held, in connection with the
8 trade or business of producing timber by such
9 real estate investment trust;”.

10 (b) *TIMBER REAL ESTATE INVESTMENT TRUST.*—Sec-
11 tion 856(c)(5), as amended by this Act, is amended by add-
12 ing after subparagraph (H) the following new subpara-
13 graph:

14 “(I) *TIMBER REAL ESTATE INVESTMENT*
15 *TRUST.*—The term ‘timber real estate investment
16 trust’ means a real estate investment trust in
17 which more than 50 percent in value of its total
18 assets consists of real property held in connection
19 with the trade or business of producing timber.”.

20 (c) *EFFECTIVE DATE.*—The amendments by this sec-
21 tion shall apply to taxable years beginning after the date
22 of the enactment of this Act.

1 **SEC. 1555. MODIFICATION OF TAXABLE REIT SUBSIDIARY**
2 **ASSET TEST FOR TIMBER REITS.**

3 (a) *IN GENERAL.*—Section 856(c)(4)(B)(ii) is amend-
4 ed by inserting “(in the case of a quarter which closes on
5 or before the termination date, 25 percent in the case of
6 a timber real estate investment trust)” after “not more than
7 20 percent of the value of its total assets is represented by
8 securities of one or more taxable REIT subsidiaries”.

9 (b) *EFFECTIVE DATE.*—The amendment made by this
10 section shall apply to taxable years beginning after the date
11 of the enactment of this Act.

12 **SEC. 1556. SAFE HARBOR FOR TIMBER PROPERTY.**

13 (a) *IN GENERAL.*—Section 857(b)(6) (relating to in-
14 come from prohibited transactions) is amended by adding
15 at the end the following new subparagraph:

16 “(G) *SPECIAL RULES FOR SALES TO QUALI-*
17 *FIED ORGANIZATIONS.*—

18 “(i) *IN GENERAL.*—In the case of sale
19 of a real estate asset (as defined in section
20 856(c)(5)(B)) to a qualified organization
21 (as defined in section 170(h)(3)) exclusively
22 for conservation purposes (within the mean-
23 ing of section 170(h)(1)(C)), subparagraph
24 (D) shall be applied—

25 “(I) by substituting ‘2 years’ for
26 ‘4 years’ in clause (i), and

1 “(II) by substituting ‘2-year pe-
2 riod’ for ‘4-year period’ in clauses (ii)
3 and (iii).

4 “(i) *TERMINATION*.—This subpara-
5 graph shall not apply to sales after the ter-
6 mination date.”.

7 (b) *PROHIBITED TRANSACTIONS*.—Section
8 857(b)(6)(D)(v) is amended by inserting “or, in the case
9 of a sale on or before the termination date, a taxable REIT
10 subsidiary” after “independent contractor (as defined in
11 section 856(d)(3)) from whom the trust itself does not derive
12 or receive any income”.

13 (c) *SALES THAT ARE NOT PROHIBITED TRANS-*
14 *ACTIONS*.—Section 857(b)(6), as amended by subsection (a),
15 is amended by adding at the end the following new subpara-
16 graph:

17 “(H) *SALES OF PROPERTY THAT ARE NOT A*
18 *PROHIBITED TRANSACTION*.—In the case of a sale
19 on or before the termination date, the sale of
20 property which is not a prohibited transaction
21 through application of subparagraph (D) shall
22 be considered property held for investment or for
23 use in a trade or business and not property de-
24 scribed in section 1221(a)(1) for all purposes of
25 this subtitle.”.

1 (d) *TERMINATION DATE.*—Section 857(b)(6), as
 2 amended by subsections (a) and (c), is amended by adding
 3 at the end the following new subparagraph:

4 “(I) *TERMINATION DATE.*—For purposes of
 5 this paragraph, the term ‘termination date’
 6 means the last day of the first taxable year be-
 7 ginning after the date of the enactment of this
 8 subparagraph.”.

9 (e) *EFFECTIVE DATE.*—The amendments made by this
 10 section shall apply to dispositions in taxable years begin-
 11 ning after the date of the enactment of this Act.

12 **PART II—EXXON VALDEZ**

13 **SEC. 1557. INCOME AVERAGING FOR AMOUNTS RECEIVED**
 14 **IN CONNECTION WITH THE EXXON VALDEZ**
 15 **LITIGATION.**

16 (a) *INCOME AVERAGING OF AMOUNTS RECEIVED FROM*
 17 *THE EXXON VALDEZ LITIGATION.*—For purposes of section
 18 1301 of the Internal Revenue Code of 1986—

19 (1) any qualified taxpayer who receives any
 20 qualified settlement income in any taxable year shall
 21 be treated as engaged in a fishing business (deter-
 22 mined without regard to the commercial nature of the
 23 business), and

1 (2) *such qualified settlement income shall be*
2 *treated as income attributable to such a fishing busi-*
3 *ness for such taxable year.*

4 **(b) CONTRIBUTIONS OF AMOUNTS RECEIVED TO RE-**
5 **TIREMENT ACCOUNTS.—**

6 (1) *IN GENERAL.—Any qualified taxpayer who*
7 *receives qualified settlement income during the tax-*
8 *able year may, at any time before the end of the tax-*
9 *able year in which such income was received, make*
10 *one or more contributions to an eligible retirement*
11 *plan of which such qualified taxpayer is a beneficiary*
12 *in an aggregate amount not to exceed the lesser of—*

13 (A) *\$100,000 (reduced by the amount of*
14 *qualified settlement income contributed to an eli-*
15 *gible retirement plan in prior taxable years pur-*
16 *suant to this subsection), or*

17 (B) *the amount of qualified settlement in-*
18 *come received by the individual during the tax-*
19 *able year.*

20 (2) *TIME WHEN CONTRIBUTIONS DEEMED*
21 *MADE.—For purposes of paragraph (1), a qualified*
22 *taxpayer shall be deemed to have made a contribution*
23 *to an eligible retirement plan on the last day of the*
24 *taxable year in which such income is received if the*
25 *contribution is made on account of such taxable year*

1 *and is made not later than the time prescribed by law*
2 *for filing the return for such taxable year (not includ-*
3 *ing extensions thereof).*

4 (3) *TREATMENT OF CONTRIBUTIONS TO ELIGIBLE*
5 *RETIREMENT PLANS.—For purposes of the Internal*
6 *Revenue Code of 1986, if a contribution is made pur-*
7 *suant to paragraph (1) with respect to qualified set-*
8 *tlement income, then—*

9 (A) *except as provided in paragraph (4)—*

10 (i) *to the extent of such contribution,*
11 *the qualified settlement income shall not be*
12 *included in taxable income, and*

13 (ii) *for purposes of section 72 of such*
14 *Code, such contribution shall not be consid-*
15 *ered to be investment in the contract,*

16 (B) *the qualified taxpayer shall, to the ex-*
17 *tent of the amount of the contribution, be treat-*
18 *ed—*

19 (i) *as having received the qualified set-*
20 *tlement income—*

21 (I) *in the case of a contribution to*
22 *an individual retirement plan (as de-*
23 *finied under section 7701(a)(37) of such*
24 *Code), in a distribution described in*
25 *section 408(d)(3) of such Code, and*

1 (ii) in the case of any other eligi-
2 ble retirement plan, in an eligible roll-
3 over distribution (as defined under sec-
4 tion 402(f)(2) of such Code), and

5 (i) as having transferred the amount
6 to the eligible retirement plan in a direct
7 trustee to trustee transfer within 60 days of
8 the distribution,

9 (C) section 408(d)(3)(B) of the Internal
10 Revenue Code of 1986 shall not apply with re-
11 spect to amounts treated as a rollover under this
12 paragraph, and

13 (D) section 408A(c)(3)(B) of the Internal
14 Revenue Code of 1986 shall not apply with re-
15 spect to amounts contributed to a Roth IRA (as
16 defined under section 408A(b) of such Code) or
17 a designated Roth contribution to an applicable
18 retirement plan (within the meaning of section
19 402A of such Code) under this paragraph.

20 (4) SPECIAL RULE FOR ROTH IRAS AND ROTH
21 401(k)s.—For purposes of the Internal Revenue Code
22 of 1986, if a contribution is made pursuant to para-
23 graph (1) with respect to qualified settlement income
24 to a Roth IRA (as defined under section 408A(b) of
25 such Code) or as a designated Roth contribution to an

1 applicable retirement plan (within the meaning of
2 section 402A of such Code), then—

3 (A) the qualified settlement income shall be
4 includible in taxable income, and

5 (B) for purposes of section 72 of such Code,
6 such contribution shall be considered to be in-
7 vestment in the contract.

8 (5) *ELIGIBLE RETIREMENT PLAN.*—For purpose
9 of this subsection, the term “eligible retirement plan”
10 has the meaning given such term under section
11 402(c)(8)(B) of the Internal Revenue Code of 1986.

12 (c) *TREATMENT OF QUALIFIED SETTLEMENT INCOME*
13 *UNDER EMPLOYMENT TAXES.*—

14 (1) *SECA.*—For purposes of chapter 2 of the In-
15 ternal Revenue Code of 1986 and section 211 of the
16 Social Security Act, no portion of qualified settlement
17 income received by a qualified taxpayer shall be treat-
18 ed as self-employment income.

19 (2) *FICA.*—For purposes of chapter 21 of the In-
20 ternal Revenue Code of 1986 and section 209 of the
21 Social Security Act, no portion of qualified settlement
22 income received by a qualified taxpayer shall be treat-
23 ed as wages.

24 (d) *QUALIFIED TAXPAYER.*—For purposes of this sec-
25 tion, the term “qualified taxpayer” means—

1 (1) *any individual who is a plaintiff in the civil*
2 *action In re Exxon Valdez, No. 89–095–CV (HRH)*
3 *(Consolidated) (D. Alaska); or*

4 (2) *any individual who is a beneficiary of the es-*
5 *tate of such a plaintiff who—*

6 (A) *acquired the right to receive qualified*
7 *settlement income from that plaintiff; and*

8 (B) *was the spouse or an immediate relative*
9 *of that plaintiff.*

10 (e) *QUALIFIED SETTLEMENT INCOME.—For purposes*
11 *of this section, the term “qualified settlement income”*
12 *means any interest and punitive damage awards which*
13 *are—*

14 (1) *otherwise includible in taxable income, and*

15 (2) *received (whether as lump sums or periodic*
16 *payments) in connection with the civil action In re*
17 *Exxon Valdez, No. 89–095–CV (HRH) (Consolidated)*
18 *(D. Alaska) (whether pre- or post-judgment and*
19 *whether related to a settlement or judgment).*

1 ***Subtitle E—Revenue Provisions***

2 ***SEC. 1561. LIMITATION OF DEDUCTION FOR INCOME AT-***
 3 ***TRIBUTABLE TO DOMESTIC PRODUCTION OF***
 4 ***OIL, GAS, OR A PRIMARY PRODUCTS THERE-***
 5 ***OF.***

6 *(a) DENIAL OF DEDUCTION FOR MAJOR INTEGRATED*
 7 *OIL COMPANIES FOR INCOME ATTRIBUTABLE TO DOMESTIC*
 8 *PRODUCTION OF OIL, GAS, OR PRIMARY PRODUCTS*
 9 *THEREOF.—*

10 *(1) IN GENERAL.—Subparagraph (B) of section*
 11 *199(c)(4) (relating to exceptions) is amended by strik-*
 12 *ing “or” at the end of clause (ii), by striking the pe-*
 13 *riod at the end of clause (iii) and inserting “, or”,*
 14 *and by inserting after clause (iii) the following new*
 15 *clause:*

16 *“(iv) in the case of any major inte-*
 17 *grated oil company (as defined in section*
 18 *167(h)(5)(B)), the production, refining,*
 19 *processing, transportation, or distribution*
 20 *of oil, gas, or any primary product thereof*
 21 *during any taxable year described in sec-*
 22 *tion 167(h)(5)(B).”.*

23 *(2) PRIMARY PRODUCT.—Section 199(c)(4)(B) is*
 24 *amended by adding at the end the following flush sen-*
 25 *tence:*

1 *“For purposes of clause (iv), the term ‘primary*
2 *product’ has the same meaning as when used in*
3 *section 927(a)(2)(C), as in effect before its re-*
4 *peal.”.*

5 ***(b) LIMITATION ON OIL RELATED QUALIFIED PRO-***
6 ***DUCTION ACTIVITIES INCOME FOR TAXPAYERS OTHER***
7 ***THAN MAJOR INTEGRATED OIL COMPANIES.—***

8 ***(1) IN GENERAL.—Section 199(d) is amended by***
9 ***redesignating paragraph (9) as paragraph (10) and***
10 ***by inserting after paragraph (8) the following new***
11 ***paragraph:***

12 ***“(9) SPECIAL RULE FOR TAXPAYERS WITH OIL***
13 ***RELATED QUALIFIED PRODUCTION ACTIVITIES IN-***
14 ***COME.—***

15 ***“(A) IN GENERAL.—If a taxpayer (other***
16 ***than a major integrated oil company (as defined***
17 ***in section 167(h)(5)(B))) has oil related qualified***
18 ***production activities income for any taxable***
19 ***year beginning after 2009, the amount of the de-***
20 ***duction under subsection (a) shall be reduced by***
21 ***3 percent of the least of—***

22 ***“(i) the oil related qualified production***
23 ***activities income of the taxpayer for the***
24 ***taxable year,***

1 “(ii) the qualified production activities
2 income of the taxpayer for the taxable year,
3 or

4 “(iii) taxable income (determined with-
5 out regard to this section).

6 “(B) OIL RELATED QUALIFIED PRODUCTION
7 ACTIVITIES INCOME.—The term ‘oil related
8 qualified production activities income’ means for
9 any taxable year the qualified production activi-
10 ties income which is attributable to the produc-
11 tion, refining, processing, transportation, or dis-
12 tribution of oil, gas, or any primary product
13 thereof during such taxable year.”.

14 (2) CONFORMING AMENDMENT.—Section
15 199(d)(2) (relating to application to individuals) is
16 amended by striking “subsection (a)(1)(B)” and in-
17 serting “subsections (a)(1)(B) and (d)(9)(A)(iii)”.

18 (c) EFFECTIVE DATE.—The amendments made by this
19 section shall apply to taxable years beginning after Decem-
20 ber 31, 2007.

1 **SEC. 1562. ELIMINATION OF THE DIFFERENT TREATMENT**
2 **OF FOREIGN OIL AND GAS EXTRACTION IN-**
3 **COME AND FOREIGN OIL RELATED INCOME**
4 **FOR PURPOSES OF THE FOREIGN TAX CRED-**
5 **IT.**

6 (a) *IN GENERAL.*—Subsections (a) and (b) of section
7 907 (relating to special rules in case of foreign oil and gas
8 income) are amended to read as follows:

9 “(a) *REDUCTION IN AMOUNT ALLOWED AS FOREIGN*
10 *TAX UNDER SECTION 901.*—In applying section 901, the
11 amount of any foreign oil and gas taxes paid or accrued
12 (or deemed to have been paid) during the taxable year
13 which would (but for this subsection) be taken into account
14 for purposes of section 901 shall be reduced by the amount
15 (if any) by which the amount of such taxes exceeds the prod-
16 uct of—

17 “(1) the amount of the combined foreign oil and
18 gas income for the taxable year,

19 “(2) multiplied by—

20 “(A) in the case of a corporation, the per-
21 centage which is equal to the highest rate of tax
22 specified under section 11(b), or

23 “(B) in the case of an individual, a fraction
24 the numerator of which is the tax against which
25 the credit under section 901(a) is taken and the

1 *denominator of which is the taxpayer's entire*
2 *taxable income.*

3 “(b) *COMBINED FOREIGN OIL AND GAS INCOME; FOR-*
4 *EIGN OIL AND GAS TAXES.—For purposes of this section—*

5 “(1) *COMBINED FOREIGN OIL AND GAS IN-*
6 *COME.—The term ‘combined foreign oil and gas in-*
7 *come’ means, with respect to any taxable year, the*
8 *sum of—*

9 “(A) *foreign oil and gas extraction income,*
10 *and*

11 “(B) *foreign oil related income.*

12 “(2) *FOREIGN OIL AND GAS TAXES.—The term*
13 *‘foreign oil and gas taxes’ means, with respect to any*
14 *taxable year, the sum of—*

15 “(A) *oil and gas extraction taxes, and*

16 “(B) *any income, war profits, and excess*
17 *profits taxes paid or accrued (or deemed to have*
18 *been paid or accrued under section 902 or 960)*
19 *during the taxable year with respect to foreign*
20 *oil related income (determined without regard to*
21 *subsection (c)(4)) or loss which would be taken*
22 *into account for purposes of section 901 without*
23 *regard to this section.”.*

24 “(b) *RECAPTURE OF FOREIGN OIL AND GAS LOSSES.—*
25 *Paragraph (4) of section 907(c) (relating to recapture of*

1 *foreign oil and gas extraction losses by recharacterizing*
2 *later extraction income) is amended to read as follows:*

3 “(4) *RECAPTURE OF FOREIGN OIL AND GAS*
4 *LOSSES BY RECHARACTERIZING LATER COMBINED*
5 *FOREIGN OIL AND GAS INCOME.—*

6 “(A) *IN GENERAL.—The combined foreign*
7 *oil and gas income of a taxpayer for a taxable*
8 *year (determined without regard to this para-*
9 *graph) shall be reduced—*

10 “(i) *first by the amount determined*
11 *under subparagraph (B), and*

12 “(ii) *then by the amount determined*
13 *under subparagraph (C).*

14 *The aggregate amount of such reductions shall be*
15 *treated as income (from sources without the*
16 *United States) which is not combined foreign oil*
17 *and gas income.*

18 “(B) *REDUCTION FOR PRE-2008 FOREIGN*
19 *OIL EXTRACTION LOSSES.—The reduction under*
20 *this paragraph shall be equal to the lesser of—*

21 “(i) *the foreign oil and gas extraction*
22 *income of the taxpayer for the taxable year*
23 *(determined without regard to this para-*
24 *graph), or*

25 “(ii) *the excess of—*

1 “(I) the aggregate amount of for-
2 eign oil extraction losses for preceding
3 taxable years beginning after December
4 31, 1982, and before January 1, 2008,
5 over

6 “(II) so much of such aggregate
7 amount as was recharacterized under
8 this paragraph (as in effect before and
9 after the date of the enactment of the
10 Clean Renewable Energy and Con-
11 servation Tax Act of 2007) for pre-
12 ceding taxable years beginning after
13 December 31, 1982.

14 “(C) *REDUCTION FOR POST-2007 FOREIGN*
15 *OIL AND GAS LOSSES.*—The reduction under this
16 paragraph shall be equal to the lesser of—

17 “(i) the combined foreign oil and gas
18 income of the taxpayer for the taxable year
19 (determined without regard to this para-
20 graph), reduced by an amount equal to the
21 reduction under subparagraph (A) for the
22 taxable year, or

23 “(ii) the excess of—

24 “(I) the aggregate amount of for-
25 eign oil and gas losses for preceding

1 *taxable years beginning after December*
2 *31, 2007, over*

3 *“(II) so much of such aggregate*
4 *amount as was recharacterized under*
5 *this paragraph for preceding taxable*
6 *years beginning after December 31,*
7 *2007.*

8 *“(D) FOREIGN OIL AND GAS LOSS DE-*
9 *FINED.—*

10 *“(i) IN GENERAL.—For purposes of*
11 *this paragraph, the term ‘foreign oil and*
12 *gas loss’ means the amount by which—*

13 *“(I) the gross income for the tax-*
14 *able year from sources without the*
15 *United States and its possessions*
16 *(whether or not the taxpayer chooses*
17 *the benefits of this subpart for such*
18 *taxable year) taken into account in de-*
19 *termining the combined foreign oil and*
20 *gas income for such year, is exceeded*
21 *by*

22 *“(II) the sum of the deductions*
23 *properly apportioned or allocated*
24 *thereto.*

1 “(i) *NET OPERATING LOSS DEDUCTION*
2 *NOT TAKEN INTO ACCOUNT.*—For purposes
3 of clause (i), the net operating loss deduc-
4 tion allowable for the taxable year under
5 section 172(a) shall not be taken into ac-
6 count.

7 “(iii) *EXPROPRIATION AND CASUALTY*
8 *LOSSES NOT TAKEN INTO ACCOUNT.*—For
9 purposes of clause (i), there shall not be
10 taken into account—

11 “(I) any foreign expropriation
12 loss (as defined in section 172(h) (as in
13 effect on the day before the date of the
14 enactment of the Revenue Reconcili-
15 ation Act of 1990)) for the taxable
16 year, or

17 “(II) any loss for the taxable year
18 which arises from fire, storm, ship-
19 wreck, or other casualty, or from theft,
20 to the extent such loss is not compensated
21 for by insurance or otherwise.

22 “(iv) *FOREIGN OIL EXTRACTION*
23 *LOSS.*—For purposes of subparagraph
24 (B)(i)(I), foreign oil extraction losses shall
25 be determined under this paragraph as in

1 *effect on the day before the date of the enact-*
2 *ment of the Clean Renewable Energy and*
3 *Conservation Tax Act of 2007.”.*

4 (c) *CARRYBACK AND CARRYOVER OF DISALLOWED*
5 *CREDITS.—Section 907(f) (relating to carryback and carry-*
6 *over of disallowed credits) is amended—*

7 (1) *by striking “oil and gas extraction taxes”*
8 *each place it appears and inserting “foreign oil and*
9 *gas taxes”, and*

10 (2) *by adding at the end the following new para-*
11 *graph:*

12 “(4) *TRANSITION RULES FOR PRE-2008 AND 2008*
13 *DISALLOWED CREDITS.—*

14 “(A) *PRE-2008 CREDITS.—In the case of*
15 *any unused credit year beginning before Janu-*
16 *ary 1, 2008, this subsection shall be applied to*
17 *any unused oil and gas extraction taxes carried*
18 *from such unused credit year to a year begin-*
19 *ning after December 31, 2007—*

20 “(i) *by substituting ‘oil and gas extrac-*
21 *tion taxes’ for ‘foreign oil and gas taxes’*
22 *each place it appears in paragraphs (1),*
23 *(2), and (3), and*

24 “(ii) *by computing, for purposes of*
25 *paragraph (2)(A), the limitation under sub-*

1 companies) is amended by striking “5-year” and inserting
2 “7-year”.

3 (b) *EFFECTIVE DATE.*—The amendment made by this
4 section shall apply to amounts paid or incurred after the
5 date of the enactment of this Act.

6 **SEC. 1564. BROKER REPORTING OF CUSTOMER’S BASIS IN**
7 **SECURITIES TRANSACTIONS.**

8 (a) *IN GENERAL.*—

9 (1) *BROKER REPORTING FOR SECURITIES TRANS-*
10 *ACTIONS.*—Section 6045 (relating to returns of bro-
11 kers) is amended by adding at the end the following
12 new subsection:

13 “(g) *ADDITIONAL INFORMATION REQUIRED IN THE*
14 *CASE OF SECURITIES TRANSACTIONS.*—

15 “(1) *IN GENERAL.*—If a broker is otherwise re-
16 quired to make a return under subsection (a) with re-
17 spect to the gross proceeds of the sale of a covered se-
18 curity, the broker shall include in such return the in-
19 formation described in paragraph (2).

20 “(2) *ADDITIONAL INFORMATION REQUIRED.*—

21 “(A) *IN GENERAL.*—The information re-
22 quired under paragraph (1) to be shown on a re-
23 turn with respect to a covered security of a cus-
24 tomer shall include the customer’s adjusted basis
25 in such security and whether any gain or loss

1 *with respect to such security is long-term or*
2 *short-term (within the meaning of section 1222).*

3 “(B) *DETERMINATION OF ADJUSTED*
4 *BASIS.—For purposes of subparagraph (A)—*

5 “(i) *IN GENERAL.—The customer’s ad-*
6 *justed basis shall be determined—*

7 “(I) *in the case of any stock (other*
8 *than any stock in an open-end fund),*
9 *in accordance with the first-in first-out*
10 *method unless the customer notifies the*
11 *broker by means of making an ade-*
12 *quate identification of the stock sold or*
13 *transferred,*

14 “(II) *in the case of any stock in*
15 *an open-end fund acquired before Jan-*
16 *uary 1, 2011, in accordance with any*
17 *acceptable method under section 1012*
18 *with respect to the account in which*
19 *such interest is held,*

20 “(III) *in the case of any stock in*
21 *an open-end fund acquired after De-*
22 *cember 31, 2010, in accordance with*
23 *the broker’s default method unless the*
24 *customer notifies the broker that he*
25 *elects another acceptable method under*

1 *section 1012 with respect to the ac-*
2 *count in which such interest is held,*
3 *and*

4 *“(IV) in any other case, under the*
5 *method for making such determination*
6 *under section 1012.*

7 *“(i) EXCEPTION FOR WASH SALES.—*
8 *Except as otherwise provided by the Sec-*
9 *retary, the customer’s adjusted basis shall be*
10 *determined without regard to section 1091*
11 *(relating to loss from wash sales of stock or*
12 *securities) unless the transactions occur in*
13 *the same account with respect to identical*
14 *securities.*

15 *“(3) COVERED SECURITY.—For purposes of this*
16 *subsection—*

17 *“(A) IN GENERAL.—The term ‘covered secu-*
18 *rity’ means any specified security acquired on or*
19 *after the applicable date if such security—*

20 *“(i) was acquired through a trans-*
21 *action in the account in which such security*
22 *is held, or*

23 *“(ii) was transferred to such account*
24 *from an account in which such security was*
25 *a covered security, but only if the broker re-*

1 *ceived a statement under section 6045A*
2 *with respect to the transfer.*

3 “(B) *SPECIFIED SECURITY.*—*The term*
4 *‘specified security’ means—*

5 “(i) *any share of stock in a corpora-*
6 *tion,*

7 “(ii) *any note, bond, debenture, or*
8 *other evidence of indebtedness,*

9 “(iii) *any commodity, or contract or*
10 *derivative with respect to such commodity,*
11 *if the Secretary determines that adjusted*
12 *basis reporting is appropriate for purposes*
13 *of this subsection, and*

14 “(iv) *any other financial instrument*
15 *with respect to which the Secretary deter-*
16 *mines that adjusted basis reporting is ap-*
17 *propriate for purposes of this subsection.*

18 “(C) *APPLICABLE DATE.*—*The term ‘appli-*
19 *cable date’ means—*

20 “(i) *January 1, 2009, in the case of*
21 *any specified security which is stock in a*
22 *corporation, and*

23 “(ii) *January 1, 2011, or such later*
24 *date determined by the Secretary in the case*
25 *of any other specified security.*

1 “(4) *OPEN-END FUND.*—For purposes of this sub-
2 section, the term ‘open-end fund’ means a regulated
3 investment company (as defined in section 851)
4 which is offering for sale or has outstanding any re-
5 deemable security of which it is the issuer and the
6 shares of which are not traded on an established secu-
7 rities exchange.

8 “(5) *TREATMENT OF S CORPORATIONS.*—In the
9 case of the sale of a covered security acquired by an
10 *S* corporation (other than a financial institution)
11 after December 31, 2010, such *S* corporation shall be
12 treated in the same manner as a partnership for pur-
13 poses of this section.

14 “(6) *SPECIAL RULES FOR SHORT SALES.*—

15 “(A) *IN GENERAL.*—Notwithstanding sub-
16 section (a), in the case of a short sale under sec-
17 tion 1233, reporting under this section shall be
18 made for the year in which such sale is closed.

19 “(B) *EXCEPTION FOR CONSTRUCTIVE*
20 *SALES.*—Subparagraph (A) shall not apply to
21 any short sale which results in a constructive
22 sale under section 1259 with respect to property
23 held in the account in which the short sale is en-
24 tered into.”.

1 (2) *BROKER INFORMATION REQUIRED WITH RE-*
2 *SPECT TO OPTIONS.*—Section 6045, as amended by
3 *subsection (a), is amended by adding at the end the*
4 *following new subsection:*

5 “(h) *APPLICATION TO OPTIONS ON SECURITIES.*—

6 “(1) *EXERCISE OF OPTION.*—For purposes of
7 *this section, in the case of any exercise of an option*
8 *on a covered security where the option was granted*
9 *or acquired in the same account as the covered secu-*
10 *rity, the amount received or paid with respect to such*
11 *exercise shall be treated as an adjustment to gross*
12 *proceeds or as an adjustment to basis, as the case*
13 *may be.*

14 “(2) *LAPSE OR CLOSING TRANSACTION.*—For
15 *purposes of this section, in the case of the lapse (or*
16 *closing transaction (as defined in section*
17 *1234(b)(2)(A))) of an option on a specified security*
18 *where the taxpayer is the grantor of the option, this*
19 *section shall apply as if the premium received for*
20 *such option were gross proceeds received on the date*
21 *of the lapse or closing transaction, and the cost (if*
22 *any) of the closing transaction shall be taken into ac-*
23 *count as adjusted basis. In the case of an option on*
24 *a specified security where the taxpayer is the grantee*
25 *of such option, this section shall apply as if the grant-*

1 *ee received gross proceeds of zero on the date of the*
2 *lapse.*

3 “(3) *PROSPECTIVE APPLICATION.*—*Paragraphs*
4 *(1) and (2) shall not apply to any option which is*
5 *granted or acquired before January 1, 2011.*

6 “(4) *DEFINITIONS.*—*For purposes of this sub-*
7 *section, the terms ‘covered security’ and ‘specified se-*
8 *curity’ shall have the meanings given such terms in*
9 *subsection (g)(3).”.*

10 (3) *EXTENSION OF PERIOD FOR STATEMENTS*
11 *SENT TO CUSTOMERS.*—

12 (A) *IN GENERAL.*—*Subsection (b) of section*
13 *6045 is amended by striking “January 31” and*
14 *inserting “February 15 (January 31 in the case*
15 *of returns for calendar years before 2010)”.*

16 (B) *STATEMENTS RELATED TO SUBSTITUTE*
17 *PAYMENTS.*—*Subsection (d) of section 6045 is*
18 *amended—*

19 (i) *by striking “at such time and”, and*

20 (ii) *by inserting after “other item.” the*

21 *following new sentence: “In the case of a*

22 *payment made during any calendar year*

23 *after 2009, the written statement required*

24 *under the preceding sentence shall be fur-*

25 *nished on or before February 15 of the year*

1 *following the calendar year in which the*
2 *payment was made.”.*

3 (C) *OTHER STATEMENTS.*—Subsection (b)
4 *of section 6045 is amended by adding at the end*
5 *the following: “In the case of a consolidated re-*
6 *porting statement (as defined in regulations)*
7 *with respect to any account which includes the*
8 *statement required by this subsection, any state-*
9 *ment which would otherwise be required to be*
10 *furnished on or before January 31 of a calendar*
11 *year after 2010 under section 6042(c),*
12 *6049(c)(2)(A), or 6050N(b) with respect to any*
13 *item in such account shall instead be required to*
14 *be furnished on or before February 15 of such*
15 *calendar year if furnished as part of such con-*
16 *solidated reporting statement.”.*

17 (b) *DETERMINATION OF BASIS OF CERTAIN SECURI-*
18 *TIES ON ACCOUNT BY ACCOUNT METHOD.*—Section 1012
19 *(relating to basis of property—cost) is amended—*

20 (1) *by striking “The basis of property” and in-*
21 *serting the following:*

22 “*(a) IN GENERAL.*—*The basis of property”*,

23 (2) *by striking “The cost of real property” and*
24 *inserting the following:*

1 “(b) *SPECIAL RULE FOR APPORTIONED REAL ESTATE*
2 *TAXES.—The cost of real property*”, and

3 (3) *by adding at the end the following new sub-*
4 *section:*

5 “(c) *DETERMINATIONS BY ACCOUNT.—*

6 “(1) *IN GENERAL.—In the case of the sale, ex-*
7 *change, or other disposition of a specified security on*
8 *or after the applicable date, the conventions pre-*
9 *scribed by regulations under this section shall be ap-*
10 *plied on an account by account basis.*

11 “(2) *APPLICATION TO OPEN-END FUNDS.—*

12 “(A) *IN GENERAL.—Except as provided in*
13 *subparagraph (B), any stock in an open-end*
14 *fund acquired before January 1, 2009, shall be*
15 *treated as a separate account from any such*
16 *stock acquired on or after such date.*

17 “(B) *ELECTION BY OPEN-END FUND FOR*
18 *TREATMENT AS SINGLE ACCOUNT.—If an open-*
19 *end fund elects (at such time and in such form*
20 *and manner as the Secretary may prescribe) to*
21 *have this subparagraph apply with respect to*
22 *one or more of its stockholders—*

23 “(i) *subparagraph (A) shall not apply*
24 *with respect to any stock in such fund held*
25 *by such stockholders, and*

1 “(ii) all stock in such fund which is
2 held by such stockholders shall be treated as
3 covered securities described in section
4 6045(g)(3) without regard to the date of the
5 acquisition of such stock.

6 A rule similar to the rule of the preceding sen-
7 tence shall apply with respect to a broker holding
8 stock in an open-end fund as a nominee.

9 “(3) DEFINITIONS.—For purposes of this section,
10 the terms ‘specified security’, ‘applicable date’, and
11 ‘open-end fund’ shall have the meaning given such
12 terms in section 6045(g).”.

13 (c) INFORMATION BY TRANSFERORS TO AID BRO-
14 KERS.—

15 (1) IN GENERAL.—Subpart B of part III of sub-
16 chapter A of chapter 61 is amended by inserting after
17 section 6045 the following new section:

18 **“SEC. 6045A. INFORMATION REQUIRED IN CONNECTION**
19 **WITH TRANSFERS OF COVERED SECURITIES**
20 **TO BROKERS.**

21 “(a) FURNISHING OF INFORMATION.—Every applica-
22 ble person which transfers to a broker (as defined in section
23 6045(c)(1)) a security which is a covered security (as de-
24 fined in section 6045(g)(3)) in the hands of such applicable
25 person shall furnish to such broker a written statement in

1 *such manner and setting forth such information as the Sec-*
2 *retary may by regulations prescribe for purposes of ena-*
3 *bling such broker to meet the requirements of section*
4 *6045(g).*

5 “(b) *APPLICABLE PERSON.*—*For purposes of sub-*
6 *section (a), the term ‘applicable person’ means—*

7 “(1) *any broker (as defined in section*
8 *6045(c)(1)), and*

9 “(2) *any other person as provided by the Sec-*
10 *retary in regulations.*

11 “(c) *TIME FOR FURNISHING STATEMENT.*—*Any state-*
12 *ment required by subsection (a) shall be furnished not later*
13 *than the earlier of—*

14 “(1) *45 days after the date of the transfer de-*
15 *scribed in subsection (a), or*

16 “(2) *January 15 of the year following the cal-*
17 *endar year during which such transfer occurred.”.*

18 (2) *ASSESSABLE PENALTIES.*—*Paragraph (2) of*
19 *section 6724(d) (defining payee statement) is amend-*
20 *ed by redesignating subparagraphs (I) through (CC)*
21 *as subparagraphs (J) through (DD), respectively, and*
22 *by inserting after subparagraph (H) the following*
23 *new subparagraph:*

1 “(I) section 6045A (relating to information
2 required in connection with transfers of covered
3 securities to brokers).”.

4 (3) *CLERICAL AMENDMENT.*—The table of sec-
5 tions for subpart B of part III of subchapter A of
6 chapter 61 is amended by inserting after the item re-
7 lating to section 6045 the following new item:

“Sec. 6045A. Information required in connection with transfers of covered securi-
ties to brokers.”.

8 (d) *ADDITIONAL ISSUER INFORMATION TO AID BRO-*
9 *KERS.*—

10 (1) *IN GENERAL.*—Subpart B of part III of sub-
11 chapter A of chapter 61 of the Internal Revenue Code
12 of 1986, as amended by subsection (b), is amended by
13 inserting after section 6045A the following new sec-
14 tion:

15 “**SEC. 6045B. RETURNS RELATING TO ACTIONS AFFECTING**
16 **BASIS OF SPECIFIED SECURITIES.**

17 “(a) *IN GENERAL.*—According to the forms or regula-
18 tions prescribed by the Secretary, any issuer of a specified
19 security shall make a return setting forth—

20 “(1) a description of any organizational action
21 which affects the basis of such specified security of
22 such issuer,

23 “(2) the quantitative effect on the basis of such
24 specified security resulting from such action, and

1 “(3) *such other information as the Secretary*
2 *may prescribe.*

3 “(b) *TIME FOR FILING RETURN.*—*Any return required*
4 *by subsection (a) shall be filed not later than the earlier*
5 *of—*

6 “(1) *45 days after the date of the action de-*
7 *scribed in subsection (a), or*

8 “(2) *January 15 of the year following the cal-*
9 *endar year during which such action occurred.*

10 “(c) *STATEMENTS TO BE FURNISHED TO HOLDERS OF*
11 *SPECIFIED SECURITIES OR THEIR NOMINEES.*—*According*
12 *to the forms or regulations prescribed by the Secretary,*
13 *every person required to make a return under subsection*
14 *(a) with respect to a specified security shall furnish to the*
15 *nominee with respect to the specified security (or certificate*
16 *holder if there is no nominee) a written statement show-*
17 *ing—*

18 “(1) *the name, address, and phone number of the*
19 *information contact of the person required to make*
20 *such return,*

21 “(2) *the information required to be shown on*
22 *such return with respect to such security, and*

23 “(3) *such other information as the Secretary*
24 *may prescribe.*

1 *The written statement required under the preceding sen-*
2 *tence shall be furnished to the holder on or before January*
3 *15 of the year following the calendar year during which*
4 *the action described in subsection (a) occurred.*

5 “(d) *SPECIFIED SECURITY.*—*For purposes of this sec-*
6 *tion, the term ‘specified security’ has the meaning given*
7 *such term by section 6045(g)(3)(B). No return shall be re-*
8 *quired under this section with respect to actions described*
9 *in subsection (a) with respect to a specified security which*
10 *occur before the applicable date (as defined in section*
11 *6045(g)(3)(C)) with respect to such security.*

12 “(e) *PUBLIC REPORTING IN LIEU OF RETURN.*—*The*
13 *Secretary may waive the requirements under subsections*
14 *(a) and (c) with respect to a specified security, if the person*
15 *required to make the return under subsection (a) makes*
16 *publicly available, in such form and manner as the Sec-*
17 *retary determines necessary to carry out the purposes of this*
18 *section—*

19 “(1) *the name, address, phone number, and*
20 *email address of the information contact of such per-*
21 *son, and*

22 “(2) *the information described in paragraphs*
23 *(1), (2), and (3) of subsection (a).”.*

24 “(2) *ASSESSABLE PENALTIES.*—

1 (A) Subparagraph (B) of section 6724(d)(1)
2 of such Code (defining information return) is
3 amended by redesignating clauses (iv) through
4 (xix) as clauses (v) through (xx), respectively,
5 and by inserting after clause (iii) the following
6 new clause:

7 “(iv) section 6045B(a) (relating to re-
8 turns relating to actions affecting basis of
9 specified securities),”.

10 (B) Paragraph (2) of section 6724(d) of
11 such Code (defining payee statement), as amend-
12 ed by subsection (c)(2), is amended by redesignig-
13 nating subparagraphs (J) through (DD) as sub-
14 paragraphs (K) through (EE), respectively, and
15 by inserting after subparagraph (I) the following
16 new subparagraph:

17 “(J) subsections (c) and (e) of section
18 6045B (relating to returns relating to actions af-
19 fecting basis of specified securities).”.

20 (3) CLERICAL AMENDMENT.—The table of sec-
21 tions for subpart B of part III of subchapter A of
22 chapter 61 of such Code, as amended by subsection
23 (b)(3), is amended by inserting after the item relating
24 to section 6045A the following new item:

“Sec. 6045B. Returns relating to actions affecting basis of specified securities.”.

1 (e) *EFFECTIVE DATE.*—*The amendments made by this*
2 *section shall take effect on January 1, 2009.*

3 (f) *STUDY REGARDING INFORMATION RETURNS.*—

4 (1) *IN GENERAL.*—*The Secretary of the Treasury*
5 *shall study the effect and feasibility of delaying the*
6 *date for furnishing statements under sections 6042(c),*
7 *6045, 6049(c)(2)(A), and 6050N(b) of the Internal*
8 *Revenue Code of 1986 until February 15 following the*
9 *year to which such statements relate.*

10 (2) *REPORT.*—*Not later than 6 months after the*
11 *date of the enactment of this Act, the Secretary of the*
12 *Treasury shall report to Congress on the results of the*
13 *study conducted under paragraph (1). Such report*
14 *shall include the Secretary’s findings regarding—*

15 (A) *the effect on tax administration of such*
16 *delay, and*

17 (B) *other administrative or legislative op-*
18 *tions to improve compliance and ease burdens on*
19 *taxpayers and brokers with respect to such state-*
20 *ments.*

21 **SEC. 1565. EXTENSION OF ADDITIONAL 0.2 PERCENT FUTA**
22 **SURTAX.**

23 (a) *IN GENERAL.*—*Section 3301 (relating to rate of*
24 *tax) is amended—*

1 (1) by striking “2007” in paragraph (1) and in-
2 serting “2008”, and

3 (2) by striking “2008” in paragraph (2) and in-
4 serting “2009”.

5 (b) *EFFECTIVE DATE.*—The amendments made by this
6 section shall apply to wages paid after December 31, 2007.

7 **SEC. 1566. TERMINATION OF TREATMENT OF NATURAL GAS**
8 **DISTRIBUTION LINES AS 15-YEAR PROPERTY.**

9 (a) *IN GENERAL.*—Section 168(e)(3)(E)(viii) of the
10 *Internal Revenue Code of 1986* is amended by striking
11 “January 1, 2011” and inserting “December 4, 2007”.

12 (b) *EFFECTIVE DATE.*—

13 (1) *IN GENERAL.*—The amendments made by
14 this section shall apply to property placed in service
15 after December 3, 2007.

16 (2) *EXCEPTION.*—The amendments made by this
17 section shall not apply to any property with respect
18 to which the taxpayer or a related party has entered
19 into a binding contract for the construction thereof on
20 or before December 3, 2007, or, in the case of self-con-
21 structed property, has started construction on or be-
22 fore such date.

1 **SEC. 1567. TIME FOR PAYMENT OF CORPORATE ESTIMATED**
2 **TAXES.**

3 *The percentage under subparagraph (B) of section*
4 *401(1) of the Tax Increase Prevention and Reconciliation*
5 *Act of 2005 in effect on the date of the enactment of this*
6 *Act is increased by 6.25 percentage points.*

7 **SEC. 1568. MODIFICATION OF PENALTY FOR FAILURE TO**
8 **FILE PARTNERSHIP RETURNS.**

9 (a) *EXTENSION OF TIME LIMITATION.*—Section
10 6698(a) (relating to failure to file partnership returns) is
11 amended by striking “5 months” and inserting “12
12 months”.

13 (b) *INCREASE IN PENALTY AMOUNT.*—Paragraph (1)
14 of section 6698(b) is amended by striking “\$50” and insert-
15 ing “\$80”.

16 (c) *EFFECTIVE DATE.*—The amendments made by this
17 section shall apply to returns required to be filed after the
18 date of the enactment of this Act.

19 **Subtitle F—Secure Rural Schools**

20 **SEC. 1571. SECURE RURAL SCHOOLS AND COMMUNITY**
21 **SELF-DETERMINATION PROGRAM.**

22 (a) *REAUTHORIZATION OF THE SECURE RURAL*
23 *SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT OF*
24 *2000.*—The Secure Rural Schools and Community Self-De-
25 *termination Act of 2000 (16 U.S.C. 500 note; Public Law*

1 106–393) is amended by striking sections 1 through 403
2 and inserting the following:

3 **“SECTION 1. SHORT TITLE.**

4 *“This Act may be cited as the ‘Secure Rural Schools*
5 *and Community Self-Determination Act of 2000’.*

6 **“SEC. 2. PURPOSES.**

7 *“The purposes of this Act are—*

8 *“(1) to stabilize and transition payments to*
9 *counties to provide funding for schools and roads that*
10 *supplements other available funds;*

11 *“(2) to make additional investments in, and cre-*
12 *ate additional employment opportunities through,*
13 *projects that—*

14 *“(A)(i) improve the maintenance of existing*
15 *infrastructure;*

16 *“(ii) implement stewardship objectives that*
17 *enhance forest ecosystems; and*

18 *“(iii) restore and improve land health and*
19 *water quality;*

20 *“(B) enjoy broad-based support; and*

21 *“(C) have objectives that may include—*

22 *“(i) road, trail, and infrastructure*
23 *maintenance or obliteration;*

24 *“(ii) soil productivity improvement;*

1 “(iii) improvements in forest ecosystem
2 health;

3 “(iv) watershed restoration and main-
4 tenance;

5 “(v) the restoration, maintenance, and
6 improvement of wildlife and fish habitat;

7 “(vi) the control of noxious and exotic
8 weeds; and

9 “(vii) the reestablishment of native spe-
10 cies; and

11 “(3) to improve cooperative relationships
12 among—

13 “(A) the people that use and care for Fed-
14 eral land; and

15 “(B) the agencies that manage the Federal
16 land.

17 **“SEC. 3. DEFINITIONS.**

18 *“In this Act:*

19 “(1) *ADJUSTED SHARE.*—The term ‘adjusted
20 share’ means the number equal to the quotient ob-
21 tained by dividing—

22 “(A) the number equal to the quotient ob-
23 tained by dividing—

24 “(i) the base share for the eligible coun-
25 ty; by

1 “(i) the income adjustment for the eli-
2 gible county; by

3 “(B) the number equal to the sum of the
4 quotients obtained under subparagraph (A) and
5 paragraph (8)(A) for all eligible counties.

6 “(2) *BASE SHARE*.—The term ‘base share’ means
7 the number equal to the average of—

8 “(A) the quotient obtained by dividing—

9 “(i) the number of acres of Federal
10 land described in paragraph (7)(A) in each
11 eligible county; by

12 “(ii) the total number acres of Federal
13 land in all eligible counties in all eligible
14 States; and

15 “(B) the quotient obtained by dividing—

16 “(i) the amount equal to the average of
17 the 3 highest 25-percent payments and safe-
18 ty net payments made to each eligible State
19 for each eligible county during the eligi-
20 bility period; by

21 “(ii) the amount equal to the sum of
22 the amounts calculated under clause (i) and
23 paragraph (9)(B)(i) for all eligible counties
24 in all eligible States during the eligibility
25 period.

1 “(3) *COUNTY PAYMENT.*—*The term ‘county pay-*
2 *ment’ means the payment for an eligible county cal-*
3 *culated under section 101(b).*

4 “(4) *ELIGIBLE COUNTY.*—*The term ‘eligible*
5 *county’ means any county that—*

6 “(A) *contains Federal land (as defined in*
7 *paragraph (7)); and*

8 “(B) *elects to receive a share of the State*
9 *payment or the county payment under section*
10 *102(b).*

11 “(5) *ELIGIBILITY PERIOD.*—*The term ‘eligibility*
12 *period’ means fiscal year 1986 through fiscal year*
13 *1999.*

14 “(6) *ELIGIBLE STATE.*—*The term ‘eligible State’*
15 *means a State or territory of the United States that*
16 *received a 25-percent payment for 1 or more fiscal*
17 *years of the eligibility period.*

18 “(7) *FEDERAL LAND.*—*The term ‘Federal land’*
19 *means—*

20 “(A) *land within the National Forest Sys-*
21 *tem, as defined in section 11(a) of the Forest and*
22 *Rangeland Renewable Resources Planning Act of*
23 *1974 (16 U.S.C. 1609(a)) exclusive of the Na-*
24 *tional Grasslands and land utilization projects*
25 *designated as National Grasslands administered*

1 *pursuant to the Act of July 22, 1937 (7 U.S.C.*
2 *1010–1012); and*

3 “(B) *such portions of the revested Oregon*
4 *and California Railroad and reconveyed Coos*
5 *Bay Wagon Road grant land as are or may*
6 *hereafter come under the jurisdiction of the De-*
7 *partment of the Interior, which have heretofore*
8 *or may hereafter be classified as timberlands,*
9 *and power-site land valuable for timber, that*
10 *shall be managed, except as provided in the*
11 *former section 3 of the Act of August 28, 1937*
12 *(50 Stat. 875; 43 U.S.C. 1181c), for permanent*
13 *forest production.*

14 “(8) *50-PERCENT ADJUSTED SHARE.—The term*
15 *‘50-percent adjusted share’ means the number equal to*
16 *the quotient obtained by dividing—*

17 “(A) *the number equal to the quotient ob-*
18 *tained by dividing—*

19 “(i) *the 50-percent base share for the*
20 *eligible county; by*

21 “(ii) *the income adjustment for the eli-*
22 *gible county; by*

23 “(B) *the number equal to the sum of the*
24 *quotients obtained under subparagraph (A) and*
25 *paragraph (1)(A) for all eligible counties.*

1 “(9) *50-PERCENT BASE SHARE.*—*The term ‘50-*
2 *percent base share’ means the number equal to the av-*
3 *erage of—*

4 “(A) *the quotient obtained by dividing—*

5 “(i) *the number of acres of Federal*
6 *land described in paragraph (7)(B) in each*
7 *eligible county; by*

8 “(ii) *the total number acres of Federal*
9 *land in all eligible counties in all eligible*
10 *States; and*

11 “(B) *the quotient obtained by dividing—*

12 “(i) *the amount equal to the average of*
13 *the 3 highest 50-percent payments made to*
14 *each eligible county during the eligibility*
15 *period; by*

16 “(ii) *the amount equal to the sum of*
17 *the amounts calculated under clause (i) and*
18 *paragraph (2)(B)(i) for all eligible counties*
19 *in all eligible States during the eligibility*
20 *period.*

21 “(10) *50-PERCENT PAYMENT.*—*The term ‘50-per-*
22 *cent payment’ means the payment that is the sum of*
23 *the 50-percent share otherwise paid to a county pur-*
24 *suant to title II of the Act of August 28, 1937 (chap-*
25 *ter 876; 50 Stat. 875; 43 U.S.C. 1181f), and the pay-*

1 *ment made to a county pursuant to the Act of May*
2 *24, 1939 (chapter 144; 53 Stat. 753; 43 U.S.C. 1181f-*
3 *1 et seq.).*

4 *“(11) FULL FUNDING AMOUNT.—The term ‘full*
5 *funding amount’ means—*

6 *“(A) \$500,000,000 for fiscal year 2008; and*

7 *“(B) for fiscal year 2009 and each fiscal*
8 *year thereafter, the amount that is equal to 85*
9 *percent of the full funding amount for the pre-*
10 *ceding fiscal year.*

11 *“(12) INCOME ADJUSTMENT.—The term ‘income*
12 *adjustment’ means the square of the quotient obtained*
13 *by dividing—*

14 *“(A) the per capita personal income for*
15 *each eligible county; by*

16 *“(B) the median per capita personal income*
17 *of all eligible counties.*

18 *“(13) PER CAPITA PERSONAL INCOME.—The*
19 *term ‘per capita personal income’ means the most re-*
20 *cent per capita personal income data, as determined*
21 *by the Bureau of Economic Analysis.*

22 *“(14) SAFETY NET PAYMENTS.—The term ‘safety*
23 *net payments’ means the special payment amounts*
24 *paid to States and counties required by section 13982*
25 *or 13983 of the Omnibus Budget Reconciliation Act*

1 of 1993 (Public Law 103–66; 16 U.S.C. 500 note; 43
2 U.S.C. 1181f note).

3 “(15) *SECRETARY CONCERNED*.—The term ‘Sec-
4 retary concerned’ means—

5 “(A) the Secretary of Agriculture or the des-
6 ignee of the Secretary of Agriculture with respect
7 to the Federal land described in paragraph
8 (7)(A); and

9 “(B) the Secretary of the Interior or the des-
10 ignee of the Secretary of the Interior with respect
11 to the Federal land described in paragraph
12 (7)(B).

13 “(16) *STATE PAYMENT*.—The term ‘State pay-
14 ment’ means the payment for an eligible State cal-
15 culated under section 101(a).

16 “(17) *25-PERCENT PAYMENT*.—The term ‘25-per-
17 cent payment’ means the payment to States required
18 by the sixth paragraph under the heading of ‘FOR-
19 EST SERVICE’ in the Act of May 23, 1908 (35 Stat.
20 260; 16 U.S.C. 500), and section 13 of the Act of
21 March 1, 1911 (36 Stat. 963; 16 U.S.C. 500).

1 **“TITLE I—SECURE PAYMENTS**
2 **FOR STATES AND COUNTIES**
3 **CONTAINING FEDERAL LAND**

4 **“SEC. 101. SECURE PAYMENTS FOR STATES CONTAINING**
5 **FEDERAL LAND.**

6 *“(a) STATE PAYMENT.—For each of fiscal years 2008*
7 *through 2011, the Secretary of Agriculture shall calculate*
8 *for each eligible State an amount equal to the sum of the*
9 *products obtained by multiplying—*

10 *“(1) the adjusted share for each eligible county*
11 *within the eligible State; by*

12 *“(2) the full funding amount for the fiscal year.*

13 *“(b) COUNTY PAYMENT.—For each of fiscal years 2008*
14 *through 2011, the Secretary of the Interior shall calculate*
15 *for each eligible county that received a 50-percent payment*
16 *during the eligibility period an amount equal to the product*
17 *obtained by multiplying—*

18 *“(1) the 50-percent adjusted share for the eligible*
19 *county; by*

20 *“(2) the full funding amount for the fiscal year.*

21 **“SEC. 102. PAYMENTS TO STATES AND COUNTIES.**

22 *“(a) PAYMENT AMOUNTS.—Except as provided in sec-*
23 *tion 103, the Secretary of the Treasury shall pay to—*

24 *“(1) a State or territory of the United States an*
25 *amount equal to the sum of the amounts elected under*

1 *subsection (b) by each county within the State or ter-*
 2 *ritory for—*

3 *“(A) if the county is eligible for the 25-per-*
 4 *cent payment, the share of the 25-percent pay-*
 5 *ment; or*

6 *“(B) the share of the State payment of the*
 7 *eligible county; and*

8 *“(2) a county an amount equal to the amount*
 9 *elected under subsection (b) by each county for—*

10 *“(A) if the county is eligible for the 50-per-*
 11 *cent payment, the 50-percent payment; or*

12 *“(B) the county payment for the eligible*
 13 *county.*

14 *“(b) ELECTION TO RECEIVE PAYMENT AMOUNT.—*

15 *“(1) ELECTION; SUBMISSION OF RESULTS.—*

16 *“(A) IN GENERAL.—The election to receive*
 17 *a share of the State payment, the county pay-*
 18 *ment, a share of the State payment and the*
 19 *county payment, a share of the 25-percent pay-*
 20 *ment, the 50-percent payment, or a share of the*
 21 *25-percent payment and the 50-percent payment,*
 22 *as applicable, shall be made at the discretion of*
 23 *each affected county by August 1, 2008, and Au-*
 24 *gust 1 of each second fiscal year thereafter, in ac-*
 25 *cordance with paragraph (2), and transmitted to*

1 *the Secretary concerned by the Governor of each*
2 *eligible State.*

3 “(B) *FAILURE TO TRANSMIT.*—*If an elec-*
4 *tion for an affected county is not transmitted to*
5 *the Secretary concerned by the date specified*
6 *under subparagraph (A), the affected county*
7 *shall be considered to have elected to receive a*
8 *share of the State payment, the county payment,*
9 *or a share of the State payment and the county*
10 *payment, as applicable.*

11 “(2) *DURATION OF ELECTION.*—

12 “(A) *IN GENERAL.*—*A county election to re-*
13 *ceive a share of the 25-percent payment or 50-*
14 *percent payment, as applicable, shall be effective*
15 *for 2 fiscal years.*

16 “(B) *FULL FUNDING AMOUNT.*—*If a county*
17 *elects to receive a share of the State payment or*
18 *the county payment, the election shall be effective*
19 *for all subsequent fiscal years through fiscal year*
20 *2011.*

21 “(3) *SOURCE OF PAYMENT AMOUNTS.*—*The pay-*
22 *ment to an eligible State or eligible county under this*
23 *section for a fiscal year shall be derived from—*

24 “(A) *any revenues, fees, penalties, or mis-*
25 *cellaneous receipts, exclusive of deposits to any*

1 *relevant trust fund, special account, or perma-*
2 *nent operating funds, received by the Federal*
3 *Government from activities by the Bureau of*
4 *Land Management or the Forest Service on the*
5 *applicable Federal land; and*

6 “(B) *to the extent of any shortfall, out of*
7 *any amounts in the Treasury of the United*
8 *States not otherwise appropriated.*

9 “(c) *DISTRIBUTION AND EXPENDITURE OF PAY-*
10 *MENTS.—*

11 “(1) *DISTRIBUTION METHOD.—A State that re-*
12 *ceives a payment under subsection (a) for Federal*
13 *land described in section 3(7)(A) shall distribute the*
14 *appropriate payment amount among the appropriate*
15 *counties in the State in accordance with—*

16 “(A) *the Act of May 23, 1908 (16 U.S.C.*
17 *500); and*

18 “(B) *section 13 of the Act of March 1, 1911*
19 *(36 Stat. 963; 16 U.S.C. 500).*

20 “(2) *EXPENDITURE PURPOSES.—Subject to sub-*
21 *section (d), payments received by a State under sub-*
22 *section (a) and distributed to counties in accordance*
23 *with paragraph (1) shall be expended as required by*
24 *the laws referred to in paragraph (1).*

1 “(d) *EXPENDITURE RULES FOR ELIGIBLE COUN-*
2 *TIES.—*

3 “(1) *ALLOCATIONS.—*

4 “(A) *USE OF PORTION IN SAME MANNER AS*
5 *25-PERCENT PAYMENT OR 50-PERCENT PAYMENT,*
6 *AS APPLICABLE.—Except as provided in para-*
7 *graph (3)(B), if an eligible county elects to re-*
8 *ceive its share of the State payment or the coun-*
9 *ty payment, not less than 80 percent, but not*
10 *more than 85 percent, of the funds shall be ex-*
11 *pended in the same manner in which the 25-per-*
12 *cent payments or 50-percent payment, as appli-*
13 *able, are required to be expended.*

14 “(B) *ELECTION AS TO USE OF BALANCE.—*
15 *Except as provided in subparagraph (C), an eli-*
16 *gible county shall elect to do 1 or more of the fol-*
17 *lowing with the balance of any funds not ex-*
18 *pended pursuant to subparagraph (A):*

19 “(i) *Reserve any portion of the balance*
20 *for projects in accordance with title II.*

21 “(ii) *Reserve not more than 7 percent*
22 *of the total share for the eligible county of*
23 *the State payment or the county payment*
24 *for projects in accordance with title III.*

1 “(iii) Return the portion of the balance
2 not reserved under clauses (i) and (ii) to the
3 Treasury of the United States.

4 “(C) COUNTIES WITH MODEST DISTRIBUTIONS.—In the case of each eligible county to
5 which more than \$100,000, but less than
6 \$350,000, is distributed for any fiscal year pur-
7 suant to either or both of paragraphs (1)(B) and
8 (2)(B) of subsection (a), the eligible county, with
9 respect to the balance of any funds not expended
10 pursuant to subparagraph (A) for that fiscal
11 year, shall—
12

13 “(i) reserve any portion of the balance
14 for—

15 “(I) carrying out projects under
16 title II;

17 “(II) carrying out projects under
18 title III; or

19 “(III) a combination of the pur-
20 poses described in subclauses (I) and
21 (II); or

22 “(ii) return the portion of the balance
23 not reserved under clause (i) to the Treas-
24 ury of the United States.

25 “(2) DISTRIBUTION OF FUNDS.—

1 “(A) *IN GENERAL.*—*Funds reserved by an*
2 *eligible county under subparagraph (B)(i) or*
3 *(C)(i) of paragraph (1) for carrying out projects*
4 *under title II shall be deposited in a special ac-*
5 *count in the Treasury of the United States.*

6 “(B) *AVAILABILITY.*—*Amounts deposited*
7 *under subparagraph (A) shall—*

8 “(i) *be available for expenditure by the*
9 *Secretary concerned, without further appro-*
10 *priation; and*

11 “(ii) *remain available until expended*
12 *in accordance with title II.*

13 “(3) *ELECTION.*—

14 “(A) *NOTIFICATION.*—

15 “(i) *IN GENERAL.*—*An eligible county*
16 *shall notify the Secretary concerned of an*
17 *election by the eligible county under this*
18 *subsection not later than September 30 of*
19 *each fiscal year.*

20 “(ii) *FAILURE TO ELECT.*—*Except as*
21 *provided in subparagraph (B), if the eligi-*
22 *ble county fails to make an election by the*
23 *date specified in clause (i), the eligible*
24 *county shall—*

1 *in effect on September 29, 2006) for the eli-*
2 *gible counties in the covered State that have*
3 *elected under section 102(b) to receive a*
4 *share of the State payment for fiscal year*
5 *2008; and*

6 *“(ii) the sum of the amounts paid for*
7 *fiscal year 2006 under section 103(a)(2) (as*
8 *in effect on September 29, 2006) for the eli-*
9 *gible counties in the State of Oregon that*
10 *have elected under section 102(b) to receive*
11 *the county payment for fiscal year 2008;*

12 *“(B) for fiscal year 2009, 76 percent of—*

13 *“(i) the sum of the amounts paid for*
14 *fiscal year 2006 under section 102(a)(2) (as*
15 *in effect on September 29, 2006) for the eli-*
16 *gible counties in the covered State that have*
17 *elected under section 102(b) to receive a*
18 *share of the State payment for fiscal year*
19 *2009; and*

20 *“(ii) the sum of the amounts paid for*
21 *fiscal year 2006 under section 103(a)(2) (as*
22 *in effect on September 29, 2006) for the eli-*
23 *gible counties in the State of Oregon that*
24 *have elected under section 102(b) to receive*

1 *the county payment for fiscal year 2009;*
2 *and*

3 “(C) *for fiscal year 2010, 65 percent of—*

4 “(i) *the sum of the amounts paid for*
5 *fiscal year 2006 under section 102(a)(2) (as*
6 *in effect on September 29, 2006) for the eli-*
7 *gible counties in the covered State that have*
8 *elected under section 102(b) to receive a*
9 *share of the State payment for fiscal year*
10 *2010; and*

11 “(ii) *the sum of the amounts paid for*
12 *fiscal year 2006 under section 103(a)(2) (as*
13 *in effect on September 29, 2006) for the eli-*
14 *gible counties in the State of Oregon that*
15 *have elected under section 102(b) to receive*
16 *the county payment for fiscal year 2010.*

17 “(2) *COVERED STATE.—The term ‘covered State’*
18 *means each of the States of California, Oregon, and*
19 *Washington.*

20 “(b) *TRANSITION PAYMENTS.—For each of fiscal years*
21 *2008 through 2010, in lieu of the payment amounts that*
22 *otherwise would have been made under paragraphs (1)(B)*
23 *and (2)(B) of section 102(a), the Secretary of the Treasury*
24 *shall pay the adjusted amount to each covered State and*
25 *the eligible counties within the covered State, as applicable.*

1 “(c) *DISTRIBUTION OF ADJUSTED AMOUNT IN OREGON*
2 *AND WASHINGTON.—It is the intent of Congress that the*
3 *method of distributing the payments under subsection (b)*
4 *among the counties in the States of Oregon and Washington*
5 *for each of fiscal years 2008 through 2010 be in the same*
6 *proportion that the payments were distributed to the eligi-*
7 *ble counties in fiscal year 2006.*

8 “(d) *DISTRIBUTION OF PAYMENTS IN CALIFORNIA.—*
9 *The following payments shall be distributed among the eli-*
10 *gible counties in the State of California in the same propor-*
11 *tion that payments under section 102(a)(2) (as in effect on*
12 *September 29, 2006) were distributed to the eligible counties*
13 *for fiscal year 2006:*

14 “(1) *Payments to the State of California under*
15 *subsection (b).*

16 “(2) *The shares of the eligible counties of the*
17 *State payment for California under section 102 for*
18 *fiscal year 2011.*

19 “(e) *TREATMENT OF PAYMENTS.—For purposes of this*
20 *Act, any payment made under subsection (b) shall be con-*
21 *sidered to be a payment made under section 102(a).*

22 **“TITLE II—SPECIAL PROJECTS**
23 **ON FEDERAL LAND**

24 **“SEC. 201. DEFINITIONS.**

25 *“In this title:*

1 “(1) *PARTICIPATING COUNTY*.—The term ‘par-
2 *ticipating county*’ means an eligible county that elects
3 under section 102(d) to expend a portion of the Fed-
4 eral funds received under section 102 in accordance
5 with this title.

6 “(2) *PROJECT FUNDS*.—The term ‘project funds’
7 means all funds an eligible county elects under section
8 102(d) to reserve for expenditure in accordance with
9 this title.

10 “(3) *RESOURCE ADVISORY COMMITTEE*.—The
11 term ‘resource advisory committee’ means—

12 “(A) an advisory committee established by
13 the Secretary concerned under section 205; or

14 “(B) an advisory committee determined by
15 the Secretary concerned to meet the requirements
16 of section 205.

17 “(4) *RESOURCE MANAGEMENT PLAN*.—The term
18 ‘resource management plan’ means—

19 “(A) a land use plan prepared by the Bu-
20 reau of Land Management for units of the Fed-
21 eral land described in section 3(7)(B) pursuant
22 to section 202 of the Federal Land Policy and
23 Management Act of 1976 (43 U.S.C. 1712); or

24 “(B) a land and resource management plan
25 prepared by the Forest Service for units of the

1 *National Forest System pursuant to section 6 of*
2 *the Forest and Rangeland Renewable Resources*
3 *Planning Act of 1974l (16 U.S.C. 1604).*

4 **“SEC. 202. GENERAL LIMITATION ON USE OF PROJECT**
5 **FUNDS.**

6 “(a) *LIMITATION.—Project funds shall be expended*
7 *solely on projects that meet the requirements of this title.*

8 “(b) *AUTHORIZED USES.—Project funds may be used*
9 *by the Secretary concerned for the purpose of entering into*
10 *and implementing cooperative agreements with willing*
11 *Federal agencies, State and local governments, private and*
12 *nonprofit entities, and landowners for protection, restora-*
13 *tion, and enhancement of fish and wildlife habitat, and*
14 *other resource objectives consistent with the purposes of this*
15 *Act on Federal land and on non-Federal land where projects*
16 *would benefit the resources on Federal land.*

17 **“SEC. 203. SUBMISSION OF PROJECT PROPOSALS.**

18 “(a) *SUBMISSION OF PROJECT PROPOSALS TO SEC-*
19 *RETARY CONCERNED.—*

20 “(1) *PROJECTS FUNDED USING PROJECT*
21 *FUNDS.—Not later than September 30 for fiscal year*
22 *2008, and each September 30 thereafter for each suc-*
23 *ceeding fiscal year through fiscal year 2011, each re-*
24 *source advisory committee shall submit to the Sec-*
25 *retary concerned a description of any projects that the*

1 *resource advisory committee proposes the Secretary*
2 *undertake using any project funds reserved by eligible*
3 *counties in the area in which the resource advisory*
4 *committee has geographic jurisdiction.*

5 *“(2) PROJECTS FUNDED USING OTHER FUNDS.—*
6 *A resource advisory committee may submit to the Sec-*
7 *retary concerned a description of any projects that the*
8 *committee proposes the Secretary undertake using*
9 *funds from State or local governments, or from the*
10 *private sector, other than project funds and funds ap-*
11 *propriated and otherwise available to do similar*
12 *work.*

13 *“(3) JOINT PROJECTS.—Participating counties*
14 *or other persons may propose to pool project funds or*
15 *other funds, described in paragraph (2), and jointly*
16 *propose a project or group of projects to a resource*
17 *advisory committee established under section 205.*

18 *“(b) REQUIRED DESCRIPTION OF PROJECTS.—In sub-*
19 *mitting proposed projects to the Secretary concerned under*
20 *subsection (a), a resource advisory committee shall include*
21 *in the description of each proposed project the following in-*
22 *formation:*

23 *“(1) The purpose of the project and a description*
24 *of how the project will meet the purposes of this title.*

25 *“(2) The anticipated duration of the project.*

1 “(3) *The anticipated cost of the project.*

2 “(4) *The proposed source of funding for the*
3 *project, whether project funds or other funds.*

4 “(5)(A) *Expected outcomes, including how the*
5 *project will meet or exceed desired ecological condi-*
6 *tions, maintenance objectives, or stewardship objec-*
7 *tives.*

8 “(B) *An estimate of the amount of any timber,*
9 *forage, and other commodities and other economic ac-*
10 *tivity, including jobs generated, if any, anticipated as*
11 *part of the project.*

12 “(6) *A detailed monitoring plan, including fund-*
13 *ing needs and sources, that—*

14 “(A) *tracks and identifies the positive or*
15 *negative impacts of the project, implementation,*
16 *and provides for validation monitoring; and*

17 “(B) *includes an assessment of the fol-*
18 *lowing:*

19 “(i) *Whether or not the project met or*
20 *exceeded desired ecological conditions; cre-*
21 *ated local employment or training opportu-*
22 *nities, including summer youth jobs pro-*
23 *grams such as the Youth Conservation*
24 *Corps where appropriate.*

1 “(ii) Whether the project improved the
2 use of, or added value to, any products re-
3 moved from land consistent with the pur-
4 poses of this title.

5 “(7) An assessment that the project is to be in
6 the public interest.

7 “(c) *AUTHORIZED PROJECTS.*—Projects proposed
8 under subsection (a) shall be consistent with section 2.

9 “**SEC. 204. EVALUATION AND APPROVAL OF PROJECTS BY**
10 **SECRETARY CONCERNED.**

11 “(a) *CONDITIONS FOR APPROVAL OF PROPOSED*
12 *PROJECT.*—The Secretary concerned may make a decision
13 to approve a project submitted by a resource advisory com-
14 mittee under section 203 only if the proposed project satis-
15 fies each of the following conditions:

16 “(1) The project complies with all applicable
17 Federal laws (including regulations).

18 “(2) The project is consistent with the applicable
19 resource management plan and with any watershed
20 or subsequent plan developed pursuant to the resource
21 management plan and approved by the Secretary
22 concerned.

23 “(3) The project has been approved by the re-
24 source advisory committee in accordance with section

1 205, including the procedures issued under subsection
2 (e) of that section.

3 “(4) A project description has been submitted by
4 the resource advisory committee to the Secretary con-
5 cerned in accordance with section 203.

6 “(5) The project will improve the maintenance of
7 existing infrastructure, implement stewardship objec-
8 tives that enhance forest ecosystems, and restore and
9 improve land health and water quality.

10 “(b) ENVIRONMENTAL REVIEWS.—

11 “(1) REQUEST FOR PAYMENT BY COUNTY.—The
12 Secretary concerned may request the resource advi-
13 sory committee submitting a proposed project to agree
14 to the use of project funds to pay for any environ-
15 mental review, consultation, or compliance with ap-
16 plicable environmental laws required in connection
17 with the project.

18 “(2) CONDUCT OF ENVIRONMENTAL REVIEW.—If
19 a payment is requested under paragraph (1) and the
20 resource advisory committee agrees to the expenditure
21 of funds for this purpose, the Secretary concerned
22 shall conduct environmental review, consultation, or
23 other compliance responsibilities in accordance with
24 Federal laws (including regulations).

25 “(3) EFFECT OF REFUSAL TO PAY.—

1 “(A) *IN GENERAL.*—If a resource advisory
2 committee does not agree to the expenditure of
3 funds under paragraph (1), the project shall be
4 deemed withdrawn from further consideration by
5 the Secretary concerned pursuant to this title.

6 “(B) *EFFECT OF WITHDRAWAL.*—A with-
7 drawal under subparagraph (A) shall be deemed
8 to be a rejection of the project for purposes of sec-
9 tion 207(c).

10 “(c) *DECISIONS OF SECRETARY CONCERNED.*—

11 “(1) *REJECTION OF PROJECTS.*—

12 “(A) *IN GENERAL.*—A decision by the Sec-
13 retary concerned to reject a proposed project
14 shall be at the sole discretion of the Secretary
15 concerned.

16 “(B) *NO ADMINISTRATIVE APPEAL OR JUDI-*
17 *CIAL REVIEW.*—Notwithstanding any other pro-
18 vision of law, a decision by the Secretary con-
19 cerned to reject a proposed project shall not be
20 subject to administrative appeal or judicial re-
21 view.

22 “(C) *NOTICE OF REJECTION.*—Not later
23 than 30 days after the date on which the Sec-
24 retary concerned makes the rejection decision, the
25 Secretary concerned shall notify in writing the

1 *resource advisory committee that submitted the*
2 *proposed project of the rejection and the reasons*
3 *for rejection.*

4 “(2) *NOTICE OF PROJECT APPROVAL.*—*The Sec-*
5 *retary concerned shall publish in the Federal Register*
6 *notice of each project approved under subsection (a)*
7 *if the notice would be required had the project origi-*
8 *nated with the Secretary.*

9 “(d) *SOURCE AND CONDUCT OF PROJECT.*—*Once the*
10 *Secretary concerned accepts a project for review under sec-*
11 *tion 203, the acceptance shall be deemed a Federal action*
12 *for all purposes.*

13 “(e) *IMPLEMENTATION OF APPROVED PROJECTS.*—

14 “(1) *COOPERATION.*—*Notwithstanding chapter*
15 *63 of title 31, United States Code, using project funds*
16 *the Secretary concerned may enter into contracts,*
17 *grants, and cooperative agreements with States and*
18 *local governments, private and nonprofit entities, and*
19 *landowners and other persons to assist the Secretary*
20 *in carrying out an approved project.*

21 “(2) *BEST VALUE CONTRACTING.*—

22 “(A) *IN GENERAL.*—*For any project involv-*
23 *ing a contract authorized by paragraph (1) the*
24 *Secretary concerned may elect a source for per-*
25 *formance of the contract on a best value basis.*

1 “(B) *FACTORS.*—*The Secretary concerned*
2 *shall determine best value based on such factors*
3 *as—*

4 “(i) *the technical demands and com-*
5 *plexity of the work to be done;*

6 “(ii)(I) *the ecological objectives of the*
7 *project; and*

8 “(II) *the sensitivity of the resources*
9 *being treated;*

10 “(iii) *the past experience by the con-*
11 *tractor with the type of work being done,*
12 *using the type of equipment proposed for*
13 *the project, and meeting or exceeding de-*
14 *sired ecological conditions; and*

15 “(iv) *the commitment of the contractor*
16 *to hiring highly qualified workers and local*
17 *residents.*

18 “(3) *MERCHANTABLE TIMBER CONTRACTING*
19 *PILOT PROGRAM.—*

20 “(A) *ESTABLISHMENT.*—*The Secretary con-*
21 *cerned shall establish a pilot program to imple-*
22 *ment a certain percentage of approved projects*
23 *involving the sale of merchantable timber using*
24 *separate contracts for—*

1 “(i) *the harvesting or collection of mer-*
2 *chantable timber; and*

3 “(ii) *the sale of the timber.*

4 “(B) *ANNUAL PERCENTAGES.—Under the*
5 *pilot program, the Secretary concerned shall en-*
6 *sure that, on a nationwide basis, not less than*
7 *the following percentage of all approved projects*
8 *involving the sale of merchantable timber are*
9 *implemented using separate contracts:*

10 “(i) *For fiscal year 2008, 35 percent.*

11 “(ii) *For fiscal year 2009, 45 percent.*

12 “(iii) *For each of fiscal years 2010 and*
13 *2011, 50 percent.*

14 “(C) *INCLUSION IN PILOT PROGRAM.—The*
15 *decision whether to use separate contracts to im-*
16 *plement a project involving the sale of merchant-*
17 *able timber shall be made by the Secretary con-*
18 *cerned after the approval of the project under*
19 *this title.*

20 “(D) *ASSISTANCE.—*

21 “(i) *IN GENERAL.—The Secretary con-*
22 *cerned may use funds from any appro-*
23 *priated account available to the Secretary*
24 *for the Federal land to assist in the admin-*

1 *istration of projects conducted under the*
2 *pilot program.*

3 “(ii) *MAXIMUM AMOUNT OF ASSIST-*
4 *ANCE.—The total amount obligated under*
5 *this subparagraph may not exceed*
6 *\$1,000,000 for any fiscal year during which*
7 *the pilot program is in effect.*

8 “(E) *REVIEW AND REPORT.—*

9 “(i) *INITIAL REPORT.—Not later than*
10 *September 30, 2010, the Comptroller Gen-*
11 *eral shall submit to the Committees on Ag-*
12 *riculture, Nutrition, and Forestry and En-*
13 *ergy and Natural Resources of the Senate*
14 *and the Committees on Agriculture and*
15 *Natural Resources of the House of Rep-*
16 *resentatives a report assessing the pilot pro-*
17 *gram.*

18 “(ii) *ANNUAL REPORT.—The Secretary*
19 *concerned shall submit to the Committees on*
20 *Agriculture, Nutrition, and Forestry and*
21 *Energy and Natural Resources of the Senate*
22 *and the Committees on Agriculture and*
23 *Natural Resources of the House of Rep-*
24 *resentatives an annual report describing the*
25 *results of the pilot program.*

1 “(f) *REQUIREMENTS FOR PROJECT FUNDS.*—*The Sec-*
2 *retary shall ensure that at least 50 percent of all project*
3 *funds be used for projects that are primarily dedicated—*

4 “(1) *to road maintenance, decommissioning, or*
5 *obliteration; or*

6 “(2) *to restoration of streams and watersheds.*

7 **“SEC. 205. RESOURCE ADVISORY COMMITTEES.**

8 “(a) *ESTABLISHMENT AND PURPOSE OF RESOURCE*
9 *ADVISORY COMMITTEES.*—

10 “(1) *ESTABLISHMENT.*—*The Secretary concerned*
11 *shall establish and maintain resource advisory com-*
12 *mittees to perform the duties in subsection (b), except*
13 *as provided in paragraph (4).*

14 “(2) *PURPOSE.*—*The purpose of a resource advi-*
15 *sory committee shall be—*

16 “(A) *to improve collaborative relationships;*
17 *and*

18 “(B) *to provide advice and recommenda-*
19 *tions to the land management agencies consistent*
20 *with the purposes of this title.*

21 “(3) *ACCESS TO RESOURCE ADVISORY COMMIT-*
22 *TEES.*—*To ensure that each unit of Federal land has*
23 *access to a resource advisory committee, and that*
24 *there is sufficient interest in participation on a com-*
25 *mittee to ensure that membership can be balanced in*

1 *terms of the points of view represented and the func-*
2 *tions to be performed, the Secretary concerned may,*
3 *establish resource advisory committees for part of, or*
4 *1 or more, units of Federal land.*

5 “(4) *EXISTING ADVISORY COMMITTEES.—*

6 “(A) *IN GENERAL.—An advisory committee*
7 *that meets the requirements of this section, a re-*
8 *source advisory committee established before Sep-*
9 *tember 29, 2006, or an advisory committee deter-*
10 *mined by the Secretary concerned before Sep-*
11 *tember 29, 2006, to meet the requirements of this*
12 *section may be deemed by the Secretary con-*
13 *cerned to be a resource advisory committee for*
14 *the purposes of this title.*

15 “(B) *CHARTER.—A charter for a committee*
16 *described in subparagraph (A) that was filed on*
17 *or before September 29, 2006, shall be considered*
18 *to be filed for purposes of this Act.*

19 “(C) *BUREAU OF LAND MANAGEMENT ADVI-*
20 *SORY COMMITTEES.—The Secretary of the Inte-*
21 *rior may deem a resource advisory committee*
22 *meeting the requirements of subpart 1784 of part*
23 *1780 of title 43, Code of Federal Regulations, as*
24 *a resource advisory committee for the purposes of*
25 *this title.*

1 “(b) *DUTIES.*—*A resource advisory committee shall—*

2 “(1) *review projects proposed under this title by*
3 *participating counties and other persons;*

4 “(2) *propose projects and funding to the Sec-*
5 *retary concerned under section 203;*

6 “(3) *provide early and continuous coordination*
7 *with appropriate land management agency officials*
8 *in recommending projects consistent with purposes of*
9 *this Act under this title;*

10 “(4) *provide frequent opportunities for citizens,*
11 *organizations, tribes, land management agencies, and*
12 *other interested parties to participate openly and*
13 *meaningfully, beginning at the early stages of the*
14 *project development process under this title;*

15 “(5)(A) *monitor projects that have been approved*
16 *under section 204; and*

17 “(B) *advise the designated Federal official on the*
18 *progress of the monitoring efforts under subparagraph*
19 *(A); and*

20 “(6) *make recommendations to the Secretary*
21 *concerned for any appropriate changes or adjustments*
22 *to the projects being monitored by the resource advi-*
23 *sory committee.*

24 “(c) *APPOINTMENT BY THE SECRETARY.*—

25 “(1) *APPOINTMENT AND TERM.*—

1 “(A) *IN GENERAL.*—*The Secretary con-*
2 *cerned, shall appoint the members of resource ad-*
3 *visory committees for a term of 4 years begin-*
4 *ning on the date of appointment.*

5 “(B) *REAPPOINTMENT.*—*The Secretary con-*
6 *cerned may reappoint members to subsequent 4-*
7 *year terms.*

8 “(2) *BASIC REQUIREMENTS.*—*The Secretary con-*
9 *cerned shall ensure that each resource advisory com-*
10 *mittee established meets the requirements of subsection*
11 *(d).*

12 “(3) *INITIAL APPOINTMENT.*—*Not later than 180*
13 *days after the date of the enactment of this Act, the*
14 *Secretary concerned shall make initial appointments*
15 *to the resource advisory committees.*

16 “(4) *VACANCIES.*—*The Secretary concerned shall*
17 *make appointments to fill vacancies on any resource*
18 *advisory committee as soon as practicable after the*
19 *vacancy has occurred.*

20 “(5) *COMPENSATION.*—*Members of the resource*
21 *advisory committees shall not receive any compensa-*
22 *tion.*

23 “(d) *COMPOSITION OF ADVISORY COMMITTEE.*—

24 “(1) *NUMBER.*—*Each resource advisory com-*
25 *mittee shall be comprised of 15 members.*

1 “(2) *COMMUNITY INTERESTS REPRESENTED.*—
2 *Committee members shall be representative of the in-*
3 *terests of the following 3 categories:*

4 “(A) *5 persons that—*

5 “(i) *represent organized labor or non-*
6 *timber forest product harvester groups;*

7 “(ii) *represent developed outdoor recre-*
8 *ation, off highway vehicle users, or commer-*
9 *cial recreation activities;*

10 “(iii) *represent—*

11 “(I) *energy and mineral develop-*
12 *ment interests; or*

13 “(II) *commercial or recreational*
14 *fishing interests;*

15 “(iv) *represent the commercial timber*
16 *industry; or*

17 “(v) *hold Federal grazing or other land*
18 *use permits, or represent nonindustrial pri-*
19 *ivate forest land owners, within the area for*
20 *which the committee is organized.*

21 “(B) *5 persons that represent—*

22 “(i) *nationally recognized environ-*
23 *mental organizations;*

24 “(ii) *regionally or locally recognized*
25 *environmental organizations;*

1 “(iii) dispersed recreational activities;

2 “(iv) archaeological and historical in-
3 terests; or

4 “(v) nationally or regionally recog-
5 nized wild horse and burro interest groups,
6 wildlife or hunting organizations, or water-
7 shed associations.

8 “(C) 5 persons that—

9 “(i) hold State elected office (or a des-
10 ignee);

11 “(ii) hold county or local elected office;

12 “(iii) represent American Indian tribes
13 within or adjacent to the area for which the
14 committee is organized;

15 “(iv) are school officials or teachers; or

16 “(v) represent the affected public at
17 large.

18 “(3) *BALANCED REPRESENTATION.*—*In appoint-*
19 *ing committee members from the 3 categories in para-*
20 *graph (2), the Secretary concerned shall provide for*
21 *balanced and broad representation from within each*
22 *category.*

23 “(4) *GEOGRAPHIC DISTRIBUTION.*—*The members*
24 *of a resource advisory committee shall reside within*
25 *the State in which the committee has jurisdiction*

1 *and, to extent practicable, the Secretary concerned*
2 *shall ensure local representation in each category in*
3 *paragraph (2).*

4 “(5) *CHAIRPERSON.*—*A majority on each re-*
5 *source advisory committee shall select the chairperson*
6 *of the committee.*

7 “(e) *APPROVAL PROCEDURES.*—

8 “(1) *IN GENERAL.*—*Subject to paragraph (3),*
9 *each resource advisory committee shall establish pro-*
10 *cedures for proposing projects to the Secretary con-*
11 *cerned under this title.*

12 “(2) *QUORUM.*—*A quorum must be present to*
13 *constitute an official meeting of the committee.*

14 “(3) *APPROVAL BY MAJORITY OF MEMBERS.*—*A*
15 *project may be proposed by a resource advisory com-*
16 *mittee to the Secretary concerned under section*
17 *203(a), if the project has been approved by a majority*
18 *of members of the committee from each of the 3 cat-*
19 *egories in subsection (d)(2).*

20 “(f) *OTHER COMMITTEE AUTHORITIES AND REQUIRE-*
21 *MENTS.*—

22 “(1) *STAFF ASSISTANCE.*—*A resource advisory*
23 *committee may submit to the Secretary concerned a*
24 *request for periodic staff assistance from Federal em-*
25 *ployees under the jurisdiction of the Secretary.*

1 “(2) *MEETINGS.*—*All meetings of a resource ad-*
2 *visory committee shall be announced at least 1 week*
3 *in advance in a local newspaper of record and shall*
4 *be open to the public.*

5 “(3) *RECORDS.*—*A resource advisory committee*
6 *shall maintain records of the meetings of the com-*
7 *mittee and make the records available for public in-*
8 *spection.*

9 **“SEC. 206. USE OF PROJECT FUNDS.**

10 “(a) *AGREEMENT REGARDING SCHEDULE AND COST*
11 *OF PROJECT.*—

12 “(1) *AGREEMENT BETWEEN PARTIES.*—*The Sec-*
13 *retary concerned may carry out a project submitted*
14 *by a resource advisory committee under section*
15 *203(a) using project funds or other funds described in*
16 *section 203(a)(2), if, as soon as practicable after the*
17 *issuance of a decision document for the project and*
18 *the exhaustion of all administrative appeals and judi-*
19 *cial review of the project decision, the Secretary con-*
20 *cerned and the resource advisory committee enter into*
21 *an agreement addressing, at a minimum, the fol-*
22 *lowing:*

23 “(A) *The schedule for completing the*
24 *project.*

1 “(B) *The total cost of the project, including*
2 *the level of agency overhead to be assessed*
3 *against the project.*

4 “(C) *For a multiyear project, the estimated*
5 *cost of the project for each of the fiscal years in*
6 *which it will be carried out.*

7 “(D) *The remedies for failure of the Sec-*
8 *retary concerned to comply with the terms of the*
9 *agreement consistent with current Federal law.*

10 “(2) *LIMITED USE OF FEDERAL FUNDS.—The*
11 *Secretary concerned may decide, at the sole discretion*
12 *of the Secretary concerned, to cover the costs of a por-*
13 *tion of an approved project using Federal funds ap-*
14 *propriated or otherwise available to the Secretary for*
15 *the same purposes as the project.*

16 “(b) *TRANSFER OF PROJECT FUNDS.—*

17 “(1) *INITIAL TRANSFER REQUIRED.—As soon as*
18 *practicable after the agreement is reached under sub-*
19 *section (a) with regard to a project to be funded in*
20 *whole or in part using project funds, or other funds*
21 *described in section 203(a)(2), the Secretary con-*
22 *cerned shall transfer to the applicable unit of Na-*
23 *tional Forest System land or Bureau of Land Man-*
24 *agement District an amount of project funds equal*
25 *to—*

1 “(A) *in the case of a project to be completed*
2 *in a single fiscal year, the total amount specified*
3 *in the agreement to be paid using project funds,*
4 *or other funds described in section 203(a)(2); or*

5 “(B) *in the case of a multiyear project, the*
6 *amount specified in the agreement to be paid*
7 *using project funds, or other funds described in*
8 *section 203(a)(2) for the first fiscal year.*

9 “(2) *CONDITION ON PROJECT COMMENCEMENT.—*

10 *The unit of National Forest System land or Bureau*
11 *of Land Management District concerned, shall not*
12 *commence a project until the project funds, or other*
13 *funds described in section 203(a)(2) required to be*
14 *transferred under paragraph (1) for the project, have*
15 *been made available by the Secretary concerned.*

16 “(3) *SUBSEQUENT TRANSFERS FOR MULTIYEAR*
17 *PROJECTS.—*

18 “(A) *IN GENERAL.—For the second and sub-*
19 *sequent fiscal years of a multiyear project to be*
20 *funded in whole or in part using project funds,*
21 *the unit of National Forest System land or Bu-*
22 *reau of Land Management District concerned*
23 *shall use the amount of project funds required to*
24 *continue the project in that fiscal year according*

1 to the agreement entered into under subsection
2 (a).

3 “(B) *SUSPENSION OF WORK.*—The Sec-
4 retary concerned shall suspend work on the
5 project if the project funds required by the agree-
6 ment in the second and subsequent fiscal years
7 are not available.

8 **“SEC. 207. AVAILABILITY OF PROJECT FUNDS.**

9 “(a) *SUBMISSION OF PROPOSED PROJECTS TO OBLI-*
10 *GATE FUNDS.*—By September 30 of each fiscal year through
11 fiscal year 2011, a resource advisory committee shall submit
12 to the Secretary concerned pursuant to section 203(a)(1) a
13 sufficient number of project proposals that, if approved,
14 would result in the obligation of at least the full amount
15 of the project funds reserved by the participating county
16 in the preceding fiscal year.

17 “(b) *USE OR TRANSFER OF UNOBLIGATED FUNDS.*—
18 Subject to section 208, if a resource advisory committee fails
19 to comply with subsection (a) for a fiscal year, any project
20 funds reserved by the participating county in the preceding
21 fiscal year and remaining unobligated shall be available for
22 use as part of the project submissions in the next fiscal year.

23 “(c) *EFFECT OF REJECTION OF PROJECTS.*—Subject
24 to section 208, any project funds reserved by a partici-
25 pating county in the preceding fiscal year that are unobli-

1 *gated at the end of a fiscal year because the Secretary con-*
2 *cerned has rejected one or more proposed projects shall be*
3 *available for use as part of the project submissions in the*
4 *next fiscal year.*

5 *“(d) EFFECT OF COURT ORDERS.—*

6 *“(1) IN GENERAL.—If an approved project under*
7 *this Act is enjoined or prohibited by a Federal court,*
8 *the Secretary concerned shall return the unobligated*
9 *project funds related to the project to the partici-*
10 *parting county or counties that reserved the funds.*

11 *“(2) EXPENDITURE OF FUNDS.—The returned*
12 *funds shall be available for the county to expend in*
13 *the same manner as the funds reserved by the county*
14 *under subparagraph (B) or (C)(i) of section*
15 *102(d)(1).*

16 **“SEC. 208. TERMINATION OF AUTHORITY.**

17 *“(a) IN GENERAL.—The authority to initiate projects*
18 *under this title shall terminate on September 30, 2011.*

19 *“(b) DEPOSITS IN TREASURY.—Any project funds not*
20 *obligated by September 30, 2012, shall be deposited in the*
21 *Treasury of the United States.*

22 **“TITLE III—COUNTY FUNDS**

23 **“SEC. 301. DEFINITIONS.**

24 *“In this title:*

1 “(1) *COUNTY FUNDS.*—The term ‘county funds’
2 *means all funds an eligible county elects under section*
3 *102(d) to reserve for expenditure in accordance with*
4 *this title.*

5 “(2) *PARTICIPATING COUNTY.*—The term ‘par-
6 *ticipating county’ means an eligible county that elects*
7 *under section 102(d) to expend a portion of the Fed-*
8 *eral funds received under section 102 in accordance*
9 *with this title.*

10 **“SEC. 302. USE.**

11 “(a) *AUTHORIZED USES.*—A participating county,
12 *including any applicable agencies of the participating*
13 *county, shall use county funds, in accordance with this title,*
14 *only—*

15 “(1) *to carry out activities under the Firewise*
16 *Communities program to provide to homeowners in*
17 *fire-sensitive ecosystems education on, and assistance*
18 *with implementing, techniques in home siting, home*
19 *construction, and home landscaping that can increase*
20 *the protection of people and property from wildfires;*

21 “(2) *to reimburse the participating county for*
22 *search and rescue and other emergency services, in-*
23 *cluding firefighting, that are—*

1 “(A) performed on Federal land after the
2 date on which the use was approved under sub-
3 section (b);

4 “(B) paid for by the participating county;
5 and

6 “(3) to develop community wildfire protection
7 plans in coordination with the appropriate Secretary
8 concerned.

9 “(b) PROPOSALS.—A participating county shall use
10 county funds for a use described in subsection (a) only after
11 a 45-day public comment period, at the beginning of which
12 the participating county shall—

13 “(1) publish in any publications of local record
14 a proposal that describes the proposed use of the coun-
15 ty funds; and

16 “(2) submit the proposal to any resource advi-
17 sory committee established under section 205 for the
18 participating county.

19 **“SEC. 303. CERTIFICATION.**

20 “(a) IN GENERAL.—Not later than February 1 of the
21 year after the year in which any county funds were ex-
22 pended by a participating county, the appropriate official
23 of the participating county shall submit to the Secretary
24 concerned a certification that the county funds expended in
25 the applicable year have been used for the uses authorized

1 *under section 302(a), including a description of the*
2 *amounts expended and the uses for which the amounts were*
3 *expended.*

4 “(b) *REVIEW.*—*The Secretary concerned shall review*
5 *the certifications submitted under subsection (a) as the Sec-*
6 *retary concerned determines to be appropriate.*

7 **“SEC. 304. TERMINATION OF AUTHORITY.**

8 “(a) *IN GENERAL.*—*The authority to initiate projects*
9 *under this title terminates on September 30, 2011.*

10 “(b) *AVAILABILITY.*—*Any county funds not obligated*
11 *by September 30, 2012, shall be returned to the Treasury*
12 *of the United States.*

13 **“TITLE IV—MISCELLANEOUS**
14 **PROVISIONS**

15 **“SEC. 401. REGULATIONS.**

16 “*The Secretary of Agriculture and the Secretary of the*
17 *Interior shall issue regulations to carry out the purposes*
18 *of this Act.*

19 **“SEC. 402. AUTHORIZATION OF APPROPRIATIONS.**

20 “*There are authorized to be appropriated such sums*
21 *as are necessary to carry out this Act for each of fiscal years*
22 *2008 through 2011.*

23 **“SEC. 403. TREATMENT OF FUNDS AND REVENUES.**

24 “(a) *RELATION TO OTHER APPROPRIATIONS.*—*Funds*
25 *made available under section 402 and funds made available*

1 *to a Secretary concerned under section 206 shall be in addi-*
2 *tion to any other annual appropriations for the Forest*
3 *Service and the Bureau of Land Management.*

4 “(b) *DEPOSIT OF REVENUES AND OTHER FUNDS.—*
5 *All revenues generated from projects pursuant to title II,*
6 *including any interest accrued from the revenues, shall be*
7 *deposited in the Treasury of the United States.”.*

8 (b) *FOREST RECEIPT PAYMENTS TO ELIGIBLE STATES*
9 *AND COUNTIES.—*

10 (1) *ACT OF MAY 23, 1908.—The sixth paragraph*
11 *under the heading “FOREST SERVICE” in the Act*
12 *of May 23, 1908 (16 U.S.C. 500) is amended in the*
13 *first sentence by striking “twenty-five percentum”*
14 *and all that follows through “shall be paid” and in-*
15 *serting the following: “an amount equal to the annual*
16 *average of 25 percent of all amounts received for the*
17 *applicable fiscal year and each of the preceding 6 fis-*
18 *cal years from each national forest shall be paid”.*

19 (2) *WEEKS LAW.—Section 13 of the Act of*
20 *March 1, 1911 (commonly known as the “Weeks*
21 *Law”)* (16 U.S.C. 500) *is amended in the first sen-*
22 *tence by striking “twenty-five percentum” and all*
23 *that follows through “shall be paid” and inserting the*
24 *following: “an amount equal to the annual average of*
25 *25 percent of all amounts received for the applicable*

1 *fiscal year and each of the preceding 6 fiscal years*
 2 *from each national forest shall be paid”.*

3 *(c) PAYMENTS IN LIEU OF TAXES.—*

4 *(1) IN GENERAL.—Section 6906 of title 31,*
 5 *United States Code, is amended to read as follows:*

6 **“§ 6906. Funding**

7 *“For fiscal year 2009—*

8 *“(1) each county or other eligible unit of local*
 9 *government shall be entitled to payment under this*
 10 *chapter; and*

11 *“(2) sums shall be made available to the Sec-*
 12 *retary of the Interior for obligation or expenditure in*
 13 *accordance with this chapter.”.*

14 *(2) CONFORMING AMENDMENT.—The table of sec-*
 15 *tions for chapter 69 of title 31, United States Code,*
 16 *is amended by striking the item relating to section*
 17 *6906 and inserting the following:*

“6906. Funding.”.

18 *(3) BUDGET SCOREKEEPING.—*

19 *(A) IN GENERAL.—Notwithstanding the*
 20 *Budget Scorekeeping Guidelines and the accom-*
 21 *panying list of programs and accounts set forth*
 22 *in the joint explanatory statement of the com-*
 23 *mittee of conference accompanying Conference*
 24 *Report 105–217, the amendment made by para-*
 25 *graph (1) shall be treated in the baseline for pur-*

1 poses of section 257 of the *Balanced Budget and*
2 *Emergency Deficit Control Act of 1985 (2 U.S.C.*
3 *907) (as in effect before September 30, 2002), by*
4 *the Chairpersons of the Committee on the Budget*
5 *of the House of Representatives and the Com-*
6 *mittee on the Budget of the Senate, as appro-*
7 *priate, for purposes of budget enforcement in the*
8 *House of Representatives and the Senate, and*
9 *under the Congressional Budget Act of 1974 (2*
10 *U.S.C. 601 et seq.) as if Payment in Lieu of*
11 *Taxes (14-1114-0-1-806) were an account des-*
12 *ignated as Appropriated Entitlements and*
13 *Mandatories for Fiscal Year 1997 in the joint ex-*
14 *planatory statement of the committee of con-*
15 *ference accompanying Conference Report 105-*
16 *217.*

17 (B) *EFFECTIVE DATE.*—*This paragraph*
18 *shall—*

19 (i) *be effective beginning on the date of*
20 *enactment of this Act; and*

21 (ii) *remain in effect for any fiscal year*
22 *for which the entitlement in section 6906 of*
23 *title 31, United States Code (as amended by*
24 *paragraph (1)), applies.*

In lieu of the matter proposed to be inserted by the amendment of the Senate to the title of the bill, amend the title so as to read: “An Act to move the United States toward greater energy independence and security, to increase the production of clean renewable fuels, to protect consumers, to increase the efficiency of products, buildings, and vehicles, to promote research on and deploy greenhouse gas capture and storage options, and to improve the energy performance of the Federal Government, and for other purposes.”.

Attest:

Clerk.

110TH CONGRESS
1ST SESSION

H.R. 6

**HOUSE AMENDMENTS
TO SENATE
AMENDMENTS**