

110TH CONGRESS
2D SESSION

H. R. 6937

To improve energy and water efficiencies and conservation throughout the Department of Veterans Affairs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 18, 2008

Mr. BUYER (for himself, Mr. MICHAUD, Mr. MILLER of Florida, Mr. BOOZMAN, Mr. LAMBORN, Mr. SALAZAR, Mr. WALZ of Minnesota, Mr. BILIRAKIS, Mr. BROWN of South Carolina, and Mr. HARE) introduced the following bill; which was referred to the Committee on Veterans' Affairs, and in addition to the Committee on Science and Technology, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To improve energy and water efficiencies and conservation throughout the Department of Veterans Affairs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

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

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Department of Veterans Affairs Energy Sustainability
6 Act of 2008”.

1 (b) TABLE OF CONTENTS.—The table of contents for
 2 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Department of Veterans Affairs Sustainability Program.
- Sec. 3. Database on energy and water usage and expenditures.
- Sec. 4. Annual energy usage audit requirements.
- Sec. 5. Office of Energy Management.
- Sec. 6. Advisory Committee on Energy Management and Sustainability.
- Sec. 7. Compliance with Executive Order 13423 and Department of Veterans Affairs Directive 0055.
- Sec. 8. Installation of fueling stations for alternative fuels.
- Sec. 9. Installation of energy efficient and renewable energy systems in Department buildings.
- Sec. 10. Use of electrical sub-metering of buildings of the Department of Veterans Affairs.
- Sec. 11. Energy Star acquisition requirements.
- Sec. 12. Grants for adaptive housing to encourage use of high efficiency systems and products and other energy reduction items.
- Sec. 13. Grants for adaptive vehicles to encourage purchase of alternative fuel vehicles.
- Sec. 14. Study on water and energy consumption by National Cemetery Administration.
- Sec. 15. Use by Department of Veterans Affairs of expertise of the national laboratories regarding energy and water efficient technologies.
- Sec. 16. Pilot program for the sale of air pollution emission reduction incentives and retention of proceeds from sales.

3 **SEC. 2. DEPARTMENT OF VETERANS AFFAIRS SUSTAIN-**
 4 **ABILITY PROGRAM.**

5 (a) SUSTAINABILITY PROGRAM.—Not later than two
 6 years after the date of the enactment of this Act, the Sec-
 7 retary of Veterans Affairs shall implement a comprehen-
 8 sive program (to be known as the “Energy Sustainability
 9 Program”) throughout the Department of Veterans Af-
 10 fairs for the purpose of using resources in a manner so
 11 that the resources are used in a manner that minimizes
 12 consumption and encourages the use of alternative sources
 13 of energy while still meeting the responsibilities of the De-
 14 partment.

1 (b) GOALS OF PROGRAM.—The goals of the Sustain-
2 ability Program are—

3 (1) to reduce overall energy consumption by the
4 Department of Veterans Affairs, per unit of measure
5 determined by the Secretary of Veterans Affairs;

6 (2) to reduce overall water usage by each of the
7 Veterans Health Administration, National Cemetery
8 Administration, and Veterans Benefits Administra-
9 tion, per unit of measure determined by the Sec-
10 retary;

11 (3) to reduce the non-biohazard and non-toxic
12 waste stream generated by activities of the Depart-
13 ment;

14 (4) to increase, whenever appropriate, the use
15 of products that promote and support an integrated
16 approach to sustainability; and

17 (5) to cooperate to the maximum extent pos-
18 sible with State and local jurisdictions in matters of
19 sustainability.

20 (c) OUTREACH.—The Secretary of Veterans Affairs
21 shall take immediate action to inform all personnel of the
22 Department of Veterans Affairs about the need for the
23 Sustainability Program and its goals and to encourage
24 feedback from Department personnel.

1 (d) MANAGEMENT ORGANIZATION.—Not later than
2 90 days after the date of the enactment of this Act, the
3 Secretary of Veterans Affairs shall establish a manage-
4 ment organization, to be led by the Assistant Secretary
5 for Management, to develop the Sustainability Program.
6 To assist the management organization, the Secretary
7 shall appoint an advisory council, to be comprised of Gov-
8 ernment employees, private persons, and industry officials
9 with experience and expertise in developing sustainability
10 programs.

11 (e) STRATEGIC PLAN.—

12 (1) PLAN REQUIRED.—As part of the Energy
13 Sustainability Program, the Secretary of Veterans
14 Affairs shall develop a strategic plan for energy sus-
15 tainability for the Department of Veterans Affairs.

16 (2) REPORT TO CONGRESS.—Not later than
17 180 days after the date of the enactment of this Act,
18 the Secretary shall submit to Congress a report on
19 the progress made by the Secretary in developing
20 the plan required by subsection (a).

21 **SEC. 3. DATABASE ON ENERGY AND WATER USAGE AND EX-**
22 **PENDITURES.**

23 (a) DATABASE REQUIRED.—The Secretary of Vet-
24 erans Affairs shall establish and maintain a database to
25 track and report on energy and water expenditures by the

1 Department of Veterans Affairs. The database will provide
2 a baseline to compare changes in Department energy and
3 water expenditures.

4 (b) DATABASE CATEGORIES.—At a minimum in
5 maintaining the database, the Secretary of Veterans Af-
6 fairs shall maintain summary statistics by facility type,
7 major census region, size and age of facility, and energy
8 and water source. In the case of health care facilities, the
9 Secretary shall use subcategories of inpatient, outpatient,
10 nursing home, and domiciliary care. Data on energy
11 sources shall include the percentage of energy supplied by
12 petroleum, natural gas, coal, and alternative energy.

13 **SEC. 4. ANNUAL ENERGY USAGE AUDIT REQUIREMENTS.**

14 (a) BASELINE.—

15 (1) ESTABLISHMENT.—Not later than Sep-
16 tember 30, 2009, the Secretary of Veterans Affairs
17 shall complete an audit of energy usage by the De-
18 partment of Veterans Affairs during fiscal year
19 2009.

20 (2) SUBMISSION.—Not later than March 30,
21 2010, the Secretary shall submit to Congress, in
22 electronic form, a report containing the results of
23 the energy audit.

24 (3) USE.—The energy audit shall serve as a
25 baseline for the Sustainability Program required by

1 section 2 and identify the potential impact of the
2 Sustainability Program on the budget of the Depart-
3 ment of Veterans Affairs.

4 (b) ANNUAL ENERGY AUDIT UPDATE AND RE-
5 PORT.—As part of the annual report required to be sub-
6 mitted under section 546(e)(b) of title 38, United States
7 Code, as added by section 5, the Secretary shall include
8 a report comparing energy usage by the Department of
9 Veterans Affairs during the last fiscal year that ended be-
10 fore the submission of the report to the fiscal year 2009
11 baseline.

12 **SEC. 5. OFFICE OF ENERGY MANAGEMENT.**

13 (a) ESTABLISHMENT OF OFFICE.—Chapter 3 of title
14 38, United States Code, is amended by adding at the end
15 the following new section:

16 **“§ 321. Office of Energy Management**

17 “(a) ESTABLISHMENT.—There is in the Department
18 an Office of Energy Management.

19 “(b) HEAD.—There is at the head of the Office a Di-
20 rector, who shall be a Deputy Assistant Secretary. The
21 Director reports directly to the Assistant Secretary for
22 Management.

23 “(c) RESPONSIBILITIES.—The Director is responsible
24 for—

1 “(1) the formulation of policy and planning re-
2 lated to, and the implementation of, energy manage-
3 ment programs of the Department; and

4 “(2) the monitoring of Department compliance
5 with—

6 “(A) Executive Orders, Department Direc-
7 tives, and statutory requirements relating to en-
8 ergy management;

9 “(B) Department energy audits; and

10 “(C) reporting requirements to Congress
11 relating to the Department energy policies; and

12 “(3) serving as the chair of the Advisory Com-
13 mittee on Energy Management and Sustainability
14 under section 546 of this title.

15 “(d) STAFF AND SUPPORT.—The Office shall employ
16 a sufficient number of personnel as are necessary to carry
17 out the responsibilities of the Office. The Secretary shall
18 ensure that the Office is furnished sufficient resources in
19 addition to personnel to enable the Office to carry out its
20 responsibilities in a timely manner.”.

21 (b) INCREASE IN MAXIMUM NUMBER OF DEPUTY
22 ASSISTANT SECRETARIES.—Section 308(d)(1) of such
23 title is amended by striking “not exceeding 19” and insert-
24 ing “not exceeding 20”.

1 (c) CLERICAL AMENDMENT.—The table of sections
2 at the beginning of such chapter is amended by adding
3 at the end the following new item:

“321. Office of Energy Management.”.

4 **SEC. 6. ADVISORY COMMITTEE ON ENERGY MANAGEMENT**
5 **AND SUSTAINABILITY.**

6 (a) ESTABLISHMENT.—Chapter 5 of title 38, United
7 States Code, is amended by adding at the end the fol-
8 lowing new section:

9 **“§ 546. Advisory Committee on Energy Management**
10 **and Sustainability**

11 “(a) ESTABLISHMENT.—There is in the Department
12 the Advisory Committee on Energy Management and Sus-
13 tainability (hereinafter in this section referred to as the
14 ‘Committee’). The chair of the Committee is the Director
15 of the Office of Energy Management under section 321
16 of this title.

17 “(b) MEMBERSHIP.—(1) The Committee shall consist
18 of members appointed by the Secretary from the general
19 public, including—

20 “(A) individuals who are recognized authorities
21 in fields pertinent to energy management and sus-
22 tainability; and

23 “(B) representatives of industries relating to
24 energy management and sustainability.

1 “(2) The Committee shall include, as ex officio mem-
2 bers, the following:

3 “(A) The Under Secretary for Health, or the
4 Under Secretary’s designee.

5 “(B) The Under Secretary for Benefits, or the
6 Under Secretary’s designee.

7 “(C) The Under Secretary for Memorial Af-
8 fairs, or the Under Secretary’s designee

9 “(D) The Assistant Secretary for Management,
10 or the Assistant Secretary’s designee.

11 “(E) The Chief Information Officer, or the
12 Chief Information Officer’s designee.

13 “(F) Such other officers of the Department as
14 the Secretary considers appropriate.

15 “(3) The Secretary shall ensure that the members of
16 the Committee have expertise in the areas covered by the
17 memorandum of understanding entitled ‘Federal Leader-
18 ship in High Performance and Sustainable Buildings’ en-
19 tered into on March 6, 2006, as in effect on the date of
20 the enactment of this section, namely—

21 “(A) employment of integrated design prin-
22 ciples;

23 “(B) optimization of energy performance;

24 “(C) protection and conservation of water;

1 “(D) enhancement of indoor environmental
2 quality; and

3 “(E) reduction of the environmental impact of
4 materials.

5 “(4) The Secretary shall determine the number,
6 terms of service, and pay and allowances of members of
7 the Committee appointed by the Secretary, except that a
8 term of service of any such member may not exceed three
9 years. The Secretary may reappoint any such member for
10 additional terms of service.

11 “(c) RESPONSIBILITIES.—(1) The Committee shall
12 provide advice, coordination, and recommendations related
13 to the implementation of the sustainability construction
14 projects for the Department of Veterans Affairs.

15 “(d) CONSULTATION.—(1) The Secretary shall, on a
16 regular basis, consult with and seek the advice of the Com-
17 mittee with respect to the implementation of energy and
18 sustainability programs at the Department.

19 “(2) In providing advice to the Secretary under this
20 subsection, the Committee shall—

21 “(A) assemble and review information relating
22 to the needs of the Department as part of a whole
23 sustainability and energy savings program;

1 “(B) provide an assessment of the effectiveness
2 of the policies, organizational structures, and serv-
3 ices of the Department’s sustainability program; and

4 “(C) provide on-going advice on the most ap-
5 propriate means of responding to additional energy
6 and sustainability requirements as may be imposed
7 upon the Department through additional Acts of
8 Congress, or through Presidential Executive Orders
9 for each of the Department’s business lines.

10 “(e) ANNUAL REPORTS.—(1) Not later than Decem-
11 ber 31 of each year, the Committee shall submit to the
12 Secretary an electronic report on the programs and activi-
13 ties of the Department relating to sustainability programs
14 and energy efficiency programs developed by the Depart-
15 ment. Each such report shall include—

16 “(A) an assessment of the needs of each of the
17 Department’s business lines to enhance sustain-
18 ability programs within each administration;

19 “(B) a review of the programs and activities of
20 the Department designed to meet such needs; and

21 “(C) such recommendations (including rec-
22 ommendations for administrative and legislative ac-
23 tion) as the Committee considers appropriate.

24 “(2) Not later than 90 days after receipt of a report
25 under paragraph (1), the Secretary shall transmit elec-

1 tronically to the Committees on Veterans' Affairs of the
2 Senate and House of Representatives a copy of the report,
3 together with any comments and recommendations con-
4 cerning the report that the Secretary considers appro-
5 priate.

6 “(3) The Committee may also submit to the Sec-
7 retary such other reports and recommendations as the
8 Committee considers appropriate.

9 “(4) The Secretary shall submit with each annual re-
10 port submitted to the Congress pursuant to section 529
11 of this title a summary of all reports and recommendations
12 of the Committee submitted to the Secretary since the pre-
13 vious annual report of the Secretary submitted pursuant
14 to that section.

15 “(f) APPLICABILITY OF FEDERAL ADVISORY COM-
16 MITTEE ACT.—(1) Except as provided in paragraph (2),
17 the provisions of the Federal Advisory Committee Act (5
18 U.S.C. App.) shall apply to the activities of the Committee
19 under this section.

20 “(2) Section 14 of such Act shall not apply to the
21 Committee.”.

22 (b) STAFF AWARENESS CAMPAIGNS TO ENCOURAGE
23 SUPPORT AND ADOPTION OF ENERGY SAVINGS PRAC-
24 TICES.—The Secretary of Veterans Affairs shall conduct
25 a campaign to encourage personnel of the Department of

1 Veterans Affairs to support and adopt energy savings
2 practices.

3 (c) CLERICAL AMENDMENT.—The table of sections
4 at the beginning of such chapter is amended by adding
5 at the end the following new item:

“546. Advisory Committee on Energy Management and Sustainability.”.

6 **SEC. 7. COMPLIANCE WITH EXECUTIVE ORDER 13423 AND**
7 **DEPARTMENT OF VETERANS AFFAIRS DIREC-**
8 **TIVE 0055.**

9 (a) EXECUTIVE ORDER 13423.—The Secretary of
10 Veterans Affairs shall ensure that the Department of Vet-
11 erans Affairs complies with Executive Order 13423. Not
12 later than 30 days after the date of the enactment of this
13 Act, the Secretary shall notify Congress of the current sta-
14 tus of the Department’s compliance.

15 (b) DEPARTMENT OF VETERANS AFFAIRS DIREC-
16 TIVE 0055.—The Secretary of Veterans Affairs shall no-
17 tify Congress—

18 (1) of the anticipated completion dates for
19 meeting the energy objectives contained in Depart-
20 ment of Veterans Affairs Directive 0055 using the
21 management tools specified in that Directive; and

22 (2) of the actual completion date for meeting
23 each objective.

1 **SEC. 8. INSTALLATION OF FUELING STATIONS FOR ALTERNATIVE FUELS.**
2

3 (a) INSTALLATION ON DEPARTMENT PROPERTY OF
4 FUELING STATIONS FOR ALTERNATIVE FUELS.—To provide fuel sources for alternate fuel vehicles acquired by the
5 Department of Veterans Affairs, the Secretary of Veterans
6 Affairs shall install alternative fueling stations on at least
7 35 Department of Veterans Affairs medical facility campuses.
8
9

10 (b) AUTHORIZATION OF APPROPRIATIONS.—There is
11 authorized to be appropriated \$7,000,000 to carry out
12 subsection (a).

13 **SEC. 9. INSTALLATION OF ENERGY EFFICIENT AND RENEWABLE ENERGY SYSTEMS IN DEPARTMENT BUILDINGS.**
14
15

16 (a) PLAN TO INCREASE USE OF RENEWABLE ENERGY AND ENERGY EFFICIENCY TECHNOLOGIES IN DEPARTMENT FACILITIES.—Not later than March 30, 2009,
17 the Secretary of Veterans Affairs shall submit to Congress, in electronic form, a detailed plan for increasing the
18 use of energy efficient and renewable energy technologies
19 in Department of Veterans Affairs facilities and operations, including—
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21
22
23

24 (1) qualified solar technologies such as distributed amorphous, crystalline and nano-photovoltaic
25 technologies systems, solar heating systems, solar
26

1 cooling systems, solar hot water systems, solar light-
2 ing systems, and hybrid technologies that incor-
3 porate one or more of such systems; and

4 (2) qualified energy efficient roof and building
5 envelope systems such as systems with high solar re-
6 flectance or thermal emittance, including high albedo
7 systems, systems with high thermal resistance, in-
8 cluding use of enhanced roof insulation, systems
9 with high thermal inertia, including use of ballasted
10 or vegetated roof systems.

11 (b) AUTHORIZATION OF APPROPRIATIONS.—There is
12 authorized to be appropriated \$150,000,000 to carry out
13 subsection (a).

14 **SEC. 10. USE OF ELECTRICAL SUB-METERING OF BUILD-**
15 **INGS OF THE DEPARTMENT OF VETERANS**
16 **AFFAIRS.**

17 (a) INSTALLATION REQUIRED.—The Secretary of
18 Veterans Affairs shall provide for the installation of indi-
19 vidual electrical sub-metering equipment for—

20 (1) each boiler plant, chiller building, energy
21 center, and laundry of the Department of Veterans
22 Affairs, whether in existence as of the date of the
23 enactment of this Act or constructed after the date
24 of the enactment of this Act; and

1 (2) all other buildings of the Department of
2 Veterans Affairs constructed after the date of the
3 enactment of this Act.

4 (b) PURPOSE.—The sub-metering required by this
5 section is intended to record building electrical energy con-
6 sumption for economic analysis and energy conservation
7 measures.

8 (c) INSTALLATION LOCATION.—

9 (1) IN GENERAL.—In the case of boiler plants,
10 chiller buildings, energy centers, and laundry build-
11 ings, the sub-metering equipment shall be installed
12 at the building's low-voltage switchboard. If high-
13 voltage chillers are used, additional sub-metering
14 equipment for the chillers shall be installed. The me-
15 ters for boiler plants shall be located separately from
16 the energy center, where feasible.

17 (2) NEW SEPARATE BUILDINGS.—In the case of
18 buildings described in subsection (a)(2), the sub-me-
19 tering equipment shall be installed with the build-
20 ing's utilization voltage equipment.

21 (3) METER FUNCTIONS.—At a minimum, the
22 meter shall monitor voltage, current, kW, kW de-
23 mand, kW hours, kVA, kVAR, and power factor.

1 **SEC. 11. ENERGY STAR ACQUISITION REQUIREMENTS.**

2 The Secretary of Veterans Affairs shall ensure, to the
3 maximum extent practicable, that energy efficient prod-
4 ucts meeting the requirements of the Department of Vet-
5 erans Affairs are purchased whenever the Department
6 purchases items that consume electricity. In determining
7 the energy efficiency of products, the Secretary shall con-
8 sider products that—

9 (1) meet or exceed Energy Star specifications;

10 or

11 (2) are listed on the Federal Energy Manage-
12 ment Program Product Energy Efficiency Rec-
13 ommendations product list of the Department of En-
14 ergy.

15 **SEC. 12. GRANTS FOR ADAPTIVE HOUSING TO ENCOURAGE**
16 **USE OF HIGH EFFICIENCY SYSTEMS AND**
17 **PRODUCTS AND OTHER ENERGY REDUCTION**
18 **ITEMS.**

19 Section 2102 of title 38, United States Code, is
20 amended by adding at the end the following new sub-
21 section:

22 “(e) The dollar limitations specified in subsections (b)
23 and (d) may be increased by the lesser of—

24 “(1) an amount equal to the actual cost of any
25 high efficiency systems or products or other energy-

1 use reduction items incorporated into the housing
2 unit; or

3 “(2) \$10,000.”.

4 **SEC. 13. GRANTS FOR ADAPTIVE VEHICLES TO ENCOURAGE**
5 **PURCHASE OF ALTERNATIVE FUEL VEHI-**
6 **CLES.**

7 Section 3902(a) of title 38, United States Code, is
8 amended by adding at the end the following new sentence:
9 “The amount otherwise available to an eligible individual
10 under this subsection may be increased by an amount
11 equal to the difference between the cost of an alternative
12 fuel vehicle and the cost of a comparable gas or diesel
13 model of the vehicle if the eligible person elects to pur-
14 chase an alternative fuel vehicle.”.

15 **SEC. 14. STUDY ON WATER AND ENERGY CONSUMPTION BY**
16 **NATIONAL CEMETERY ADMINISTRATION.**

17 (a) WATER CONSUMPTION STUDY.—The Secretary of
18 Veterans Affairs shall conduct a study on water consump-
19 tion by activities of the National Cemetery Administration
20 and ways to reduce water consumption. The study shall
21 also examine the extent to which the use of grasses and
22 other vegetation that is not native to the location of a na-
23 tional cemetery affects water consumption and evaluate
24 the feasibility of composting grass clippings and other
25 vegetation collected during cleanup of national cemeteries.

1 (b) FUEL CONSUMPTION STUDY.—The Secretary of
2 Veterans Affairs shall conduct a study on fuel consump-
3 tion by equipment of the National Cemetery Administra-
4 tion used in maintaining national cemeteries and ways to
5 improve fuel efficiency at cemeteries and other facilities
6 under the control of the National Cemetery Administra-
7 tion.

8 (c) DEADLINE FOR COMPLETION OF STUDIES.—The
9 Secretary of Veterans Affairs shall complete the studies
10 required under subsections (a) and (b) by not later than
11 September 30, 2009.

12 (d) REPORT.—Not later than March 31, 2010, the
13 Secretary of Veterans Affairs shall submit to the Commit-
14 tees on Veterans' Affairs of the Senate and House of Rep-
15 resentatives a report on the studies conducted under this
16 section.

17 **SEC. 15. USE BY DEPARTMENT OF VETERANS AFFAIRS OF**
18 **EXPERTISE OF THE NATIONAL LABORA-**
19 **TORIES REGARDING ENERGY AND WATER EF-**
20 **FICIENT TECHNOLOGIES.**

21 (a) MEMORANDUM OF UNDERSTANDING.—The Sec-
22 retary of Veterans Affairs and the Secretary of Energy
23 shall enter into a memorandum of understanding for the
24 purpose of improving and facilitating the use by the De-
25 partment of Veterans Affairs of the expertise of the na-

1 tional laboratories to evaluate energy and water efficient
2 technologies for use by the Department to implement this
3 Act.

4 (b) ASSISTANCE.—The memorandum of under-
5 standing shall provide that the Secretary of Veterans Af-
6 fairs shall request assistance from the national labora-
7 tories with respect to energy and water efficient tech-
8 nologies as the Secretary of Veterans Affairs and the Sec-
9 retary of Energy determine can be provided through the
10 technical skills and experience of the national laboratories,
11 using such financial arrangements as the Secretaries de-
12 termine are appropriate.

13 (c) ACTIVITIES.—The memorandum of under-
14 standing shall provide that the national laboratories shall
15 carry out those activities necessary to respond to requests
16 for assistance from the Secretary of Veterans Affairs re-
17 ferred to in subsection (b).

18 (d) NATIONAL LABORATORIES.—In this section, the
19 term “national laboratory” has the meaning given that
20 term in section 2 of the Energy Policy Act of 2005 (42
21 U.S.C. 15801).

1 **SEC. 16. PILOT PROGRAM FOR THE SALE OF AIR POLLU-**
2 **TION EMISSION REDUCTION INCENTIVES**
3 **AND RETENTION OF PROCEEDS FROM SALES.**

4 (a) **AUTHORITY.**—The Secretary of Veterans Affairs,
5 in consultation with the Administrator of General Serv-
6 ices, may carry out a pilot program to sell economic incen-
7 tives for the reduction of emission of air pollutants attrib-
8 utable to a facility of the Department of Veterans Affairs.

9 (b) **INCENTIVES AVAILABLE FOR SALE.**—Under the
10 program, the Secretary of Veterans Affairs may sell eco-
11 nomic incentives for the reduction of emission of air pol-
12 lutants attributable to a facility of the Department only
13 if such incentives are not otherwise required for the activi-
14 ties or operations of the Department.

15 (c) **USE OF PROCEEDS.**—

16 (1) **CREDIT TO DEPARTMENT FACILITIES.**—The
17 proceeds of sale of economic incentives attributable
18 to a facility of the Department shall be credited to
19 the funds available to the facility for the costs of
20 identifying, quantifying, or valuing economic incen-
21 tives for the reduction of emission of air pollutants.
22 The amount credited shall be equal to the cost in-
23 curred in identifying, quantifying, or valuing the
24 economic incentives sold.

25 (2) **ALLOCATION TO DEPARTMENT PROGRAMS,**
26 **PROJECTS, AND ACTIVITIES.**—If after crediting

1 under paragraph (1) a balance remains, the amount
2 of such balance shall be available to the Department
3 for allocation by the Secretary of Veterans Affairs
4 for programs, projects, and activities of the Depart-
5 ment necessary for compliance with Federal environ-
6 mental laws, including the purchase of economic in-
7 centives for the reduction of emission of air pollut-
8 ants. To the extent practicable, amounts allocated
9 under this paragraph shall be made available to the
10 facilities that generated the economic incentives pro-
11 viding the basis for the amounts.

12 (3) TREATMENT OF PROCEEDS.—Funds cred-
13 ited under paragraph (1) or allocated under para-
14 graph (2) shall be merged with the funds to which
15 credited or allocated, as the case may be, and shall
16 be available for the same purposes and for the same
17 period as the funds with which merged.

18 (d) DEFINITION.—In this section, the term “eco-
19 nomic incentives for the reduction of emission of air pol-
20 lutants” means any transferable economic incentives (in-
21 cluding marketable permits and emission rights) necessary
22 or appropriate to meet air quality requirements under the
23 Clean Air Act (42 U.S.C. 7401 et seq.).

1 (e) TERMINATION.—The authority to carry out a
2 pilot program under this section shall terminate on Sep-
3 tember 30, 2010.

○