

111TH CONGRESS
1ST SESSION

H. R. 3033

To authorize Federal agencies and legislative branch offices to purchase greenhouse gas offsets and renewable energy credits, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 24, 2009

Mr. WELCH introduced the following bill; which was referred to the Committee on Oversight and Government Reform, and in addition to the Committees on House Administration and Energy and Commerce, 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 authorize Federal agencies and legislative branch offices to purchase greenhouse gas offsets and renewable energy credits, 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.**

4 This Act may be cited as the “Carbon Neutral Gov-
5 ernment Act of 2009”.

1 **SEC. 2. AUTHORIZATION TO PURCHASE OFFSETS AND**
2 **CREDITS.**

3 (a) **FEDERAL AUTHORITIES.**—Subject to the require-
4 ments of this Act, each executive agency (as defined in
5 section 105 of title V of the United States Code) and each
6 legislative branch office is authorized to use appropriated
7 funds to purchase either or both of the following in any
8 open market transaction, that complies with all applicable
9 procurement rules and regulations and is approved in ac-
10 cordance with subsection (c):

11 (1) Qualified tradeable greenhouse gas offsets.

12 (2) Qualified tradeable renewable energy cred-
13 its.

14 (b) **QUALIFICATION OF OFFSETS AND CREDITS.**—A
15 tradeable greenhouse gas offset or renewable energy credit
16 shall be treated as qualified for purposes of this section
17 if the Secretary of Energy certifies the generator of such
18 offset or credit. Upon the application of any person gener-
19 ating or planning to generate any such offsets or credits,
20 the Secretary shall certify the generator if the Secretary
21 determines that the generator meets, or will, upon imple-
22 mentation, meet, such requirements as the Secretary
23 deems necessary, under rules promulgated by the Sec-
24 retary, to ensure that the offsets or credits generated will
25 represent the reduction of greenhouse gases as specified
26 or estimated in the offset (in the case of an offset) or in

1 the generation of the amount of renewable energy which
2 the credit represents or is estimated to represent (in the
3 case of a credit). A reduction in greenhouse gases that
4 the Secretary determines would have occurred in the ab-
5 sence of the opportunity to sell an offset for such reduc-
6 tion shall not be treated as a qualified offset for purposes
7 of this Act.

8 (c) APPROVAL OF OPEN MARKET TRANSACTIONS.—

9 The Secretary of Energy shall promulgate rules, after no-
10 tice and opportunity for comment, regarding the open
11 market transactions (involving qualified tradeable green-
12 house gas offsets and qualified tradeable renewable energy
13 credits) that will be treated as approved for purposes of
14 this Act. Such rules shall accommodate forward pur-
15 chasing and crediting of offsets and credits on an esti-
16 mated basis from small scale offset and renewable energy
17 generators, and other open market transactions that are
18 useful in enabling short-term purchases of greenhouse gas
19 offsets and renewable energy credits to contribute mean-
20 ingfully to the implementation of small scale offset and
21 renewable energy generators.

22 (d) DEFINITIONS.—For purposes of this Act:

23 (1) GREENHOUSE GAS OFFSET.—The term
24 “greenhouse gas offset” means the reduction in
25 emissions of greenhouse gases that results from an

1 action or actions undertaken for the purpose, among
2 others, of reducing greenhouse gas emissions (in-
3 cluding the generation of renewable energy), where:
4 (A) such action or actions would not have occurred
5 in the absence of the opportunity to sell an offset for
6 the resulting reductions; (B) the party claiming
7 credit for the reductions has acquired the exclusive
8 legal rights to claim credit for the reductions; and
9 (C) such exclusive legal rights can be verified and
10 approved by the Secretary through an auditable con-
11 tract path or other system established by the Sec-
12 retary.

13 (2) GREENHOUSE GAS.—The term “greenhouse
14 gas” includes carbon dioxide, methane, nitrous
15 oxide, and fluorinated gases.

16 (3) RENEWABLE ENERGY CREDIT.—The term
17 “renewable energy credit” means all of the environ-
18 mental attributes associated with a single unit of en-
19 ergy generated by a renewable energy source where:
20 (A) those attributes are transferred or recorded sep-
21 arately from that unit of energy; (B) the party
22 claiming ownership of the credit has acquired the ex-
23 clusive legal ownership of all, and not less than all,
24 the environmental attributes associated with that
25 unit of energy; and (C) exclusive legal ownership of

1 the credit can be verified and approved by the Sec-
2 retary through an auditable contract path or other
3 system established by the Secretary.

4 (4) RENEWABLE ENERGY.—The term “renew-
5 able energy” means electric energy generated from
6 solar, wind, biomass, landfill gas, ocean (including
7 tidal, wave, current, and thermal), geothermal, mu-
8 nicipal solid waste, or new hydroelectric generation
9 capacity achieved from increased efficiency or addi-
10 tions of new capacity at an existing hydroelectric
11 project.

12 (5) TRADEABLE.—The term “tradeable” when
13 used in connection with an offset or credit means
14 that the offset or credit is available for purchase and
15 sale in an open and transparent market.

16 (e) EFFECTIVE DATE.—The authority of section 1
17 shall take effect for fiscal years after the enactment of
18 this Act.

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