

111TH CONGRESS
2^D SESSION

H. R. 6564

To promote the oil independence of the United States, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 21, 2010

Mr. INSLEE (for himself and Mr. CASTLE) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Ways and Means, Transportation and Infrastructure, the Budget, Science and Technology, Oversight and Government Reform, and Natural Resources, 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 promote the oil independence of the United States, 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 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Oil Independence for a Stronger America Act of 2010”.

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

Sec. 1. Short title.

Sec. 2. Definitions.

TITLE I—NATIONAL ENERGY SECURITY PROGRAM

- Sec. 101. National Energy Security Program.
- Sec. 102. National Energy Security Council.

TITLE II—VEHICLE FUEL ECONOMY

- Sec. 201. Fuel efficiency standards and greenhouse gas emissions limitations.

TITLE III—ELECTRIC VEHICLE DEPLOYMENT

- Sec. 301. Findings.
- Sec. 302. Definitions.
- Sec. 303. National electric drive vehicle deployment program.
- Sec. 304. National assessment and plan.
- Sec. 305. Technical assistance.
- Sec. 306. Workforce training.
- Sec. 307. Targeted electric drive vehicle deployment communities program.
- Sec. 308. Modifications to tax credits.
- Sec. 309. Qualified plug-in electric drive motor vehicle refueling property bonds.
- Sec. 310. Utility planning for plug-in electric drive vehicles.
- Sec. 311. Federal fleets.
- Sec. 312. Advanced Batteries for Tomorrow Prize.
- Sec. 313. Research and development program.
- Sec. 314. Study on the supply of raw materials.
- Sec. 315. Plug-in electric drive vehicle technical advisory committee.
- Sec. 316. Plug-in electric drive vehicle interagency task force.
- Sec. 317. Prohibition on disposing of advanced batteries in landfills.
- Sec. 318. Loan guarantees.
- Sec. 319. Model updating building codes, permitting and inspection processes, and zoning or parking rules.
- Sec. 320. Credit for grid-interactive plug-in vehicles.
- Sec. 321. Study on the collection, preservation, and access to data collected from plug-in electric drive vehicles.

TITLE IV—TRANSPORTATION INFRASTRUCTURE

Subtitle A—Transportation Options for Families and Businesses

- Sec. 401. Oil savings and greenhouse gas emission reductions through transportation efficiency.
- Sec. 402. Investing in transportation greenhouse gas emission reduction programs.
- Sec. 403. Commuter benefits equity.

Subtitle B—Freight Transportation

- Sec. 411. Freight transportation goal and plan.
- Sec. 412. Freight rail congestion grants.
- Sec. 413. Rail electrification study.

TITLE V—ALTERNATIVE TRANSPORTATION FUELS

Subtitle A—Advanced Biofuels

- Sec. 501. Allowance of investment tax credit for advanced biofuel facilities.
- Sec. 502. Grants for advanced biofuel facility property.
- Sec. 503. Inclusion of algae-based biofuel in definition of cellulosic biofuel.

- Sec. 504. Extension of next generation biofuel producer credit.
 Sec. 505. Modification of special allowance for next generation biofuel plant property.
 Sec. 506. Extension of incentives for biodiesel and renewable diesel.
 Sec. 507. Extension of alcohol fuels tax credits.
 Sec. 508. Excise tax credits and outlay payments for alternative fuel and alternative fuel mixtures.

Subtitle B—Powering Vehicles With Natural Gas

- Sec. 511. Credit for qualified natural gas motor vehicles.
 Sec. 512. Natural gas vehicle bonds.
 Sec. 513. Incentives for manufacturing facilities producing vehicles fueled by compressed or liquified natural gas.
 Sec. 514. Best management practices.
 Sec. 515. Study of increasing natural gas and liquefied petroleum gas vehicles in Federal fleet.

TITLE VI—HEATING OIL AND PROPANE CONSERVATION

- Sec. 601. Energy efficiency improvements for heating oil, propane, and kerosene use in homes and commercial buildings.
 Sec. 602. Renewable biomass thermal energy for commercial buildings.

TITLE VII—ENERGY GRANTS IN LIEU OF TAX CREDIT

- Sec. 701. Extension of grants for specified energy property in lieu of tax credits.
 Sec. 702. Expansion of grants for specified energy property in lieu of tax credits.

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) ADMINISTRATOR.—The term “Adminis-
 4 trator” means the Administrator of the Environ-
 5 mental Protection Agency.

6 (2) COUNCIL.—The term “Council” means the
 7 National Energy Security Council established by sec-
 8 tion 102.

9 (3) NATIONAL OIL INDEPENDENCE GOAL.—The
 10 term “national oil independence goal” means the na-
 11 tional oil independence goal established under sec-
 12 tion 101(c).

1 (4) NATIONAL OIL INDEPENDENCE PLAN.—The
2 term “national oil independence plan” means the na-
3 tional oil independence plan established under sec-
4 tion 101(d).

5 **TITLE I—NATIONAL ENERGY** 6 **SECURITY PROGRAM**

7 **SEC. 101. NATIONAL ENERGY SECURITY PROGRAM.**

8 (a) ESTABLISHMENT.—There is established in the
9 Executive Office of the President the national energy secu-
10 rity program.

11 (b) MISSION.—The mission of the national energy se-
12 curity program shall be to coordinate the activities and
13 policies of the Federal Government to ensure, to the max-
14 imum extent practicable, that the United States meets—

15 (1) goals for reducing oil dependence, oil im-
16 ports, and oil consumption; and

17 (2) other energy policy goals, including goals
18 for—

19 (A) enhancing the competitiveness of the
20 United States in clean energy technology;

21 (B) strengthening clean energy technology
22 manufacturing in the United States;

23 (C) reducing greenhouse gas emissions;
24 and

25 (D) reducing other environmental impacts.

1 (c) NATIONAL OIL INDEPENDENCE GOAL.—

2 (1) IN GENERAL.—Subject to paragraph (2), it
3 is the goal of the United States to reduce oil con-
4 sumption by 8,000,000 barrels per day by calendar
5 year 2030 (as compared to the rate of oil consump-
6 tion projected for calendar year 2030 as of the date
7 of enactment of this Act).

8 (2) ADJUSTMENTS.—The President, in con-
9 sultation with the Council—

10 (A) may adjust the goal established under
11 paragraph (1); and

12 (B) shall ensure that the goal represents
13 the maximum practicable oil savings achievable,
14 taking into account other benefits of reducing
15 oil consumption (including economic, security,
16 and environmental benefits) and costs or other
17 economic effects.

18 (d) NATIONAL OIL INDEPENDENCE PLAN.—

19 (1) IN GENERAL.—The President, in coordina-
20 tion with the Council and the Director of the Office
21 of Management and Budget, shall—

22 (A) develop a national oil independence
23 plan that describes programs and activities that
24 will be implemented to meet or exceed the na-
25 tional oil independence goal;

1 (B) submit the national oil independence
2 plan to Congress not later than 180 days after
3 the date of enactment of this Act; and

4 (C) submit an updated national oil inde-
5 pendence plan to Congress every 2 years there-
6 after.

7 (2) REVIEW OF FEDERAL POLICIES, PROGRAMS,
8 AND AUTHORITIES.—Not later than 120 days after
9 the date of enactment of this Act, the President, in
10 coordination with the Council and the Director of
11 the Office of Management and Budget, shall review
12 existing programs and authorities of the Federal
13 Government and other applicable policies (including
14 tax policies) to determine—

15 (A)(i) which programs, authorities, or poli-
16 cies could be used to accelerate reductions in oil
17 dependence; and

18 (ii) the manner by which the programs, au-
19 thorities, or policies could be used to maximize
20 reductions in oil dependence; and

21 (B)(i) which programs, authorities, or poli-
22 cies have the effect of increasing oil consump-
23 tion and oil dependence or otherwise create bar-
24 riers to reducing oil consumption and oil de-
25 pendence; and

1 (ii) the manner by which the programs, au-
2 thorities, or policies—

3 (I) have the effect of encouraging oil
4 consumption or oil dependence or otherwise
5 create barriers to reducing oil consumption
6 and oil dependence; and

7 (II) could be modified or eliminated to
8 help meet the goal of reducing oil con-
9 sumption and oil dependence.

10 (3) CONTENTS.—At a minimum, the national
11 oil independence plan shall—

12 (A) cover implementation of the measures
13 and programs established by this Act;

14 (B) describe the results and conclusions of
15 the review conducted under paragraph (2);

16 (C) as appropriate, include—

17 (i) the use of programs, authorities,
18 or policies described in paragraph (2)(A);
19 and

20 (ii) if existing authority allows, pro-
21 posals to modify or eliminate programs,
22 authorities, or policies described in para-
23 graph (2)(B);

24 (D) include recommendations to Congress
25 for legislation that would further—

1 (i) promote reductions in oil consump-
2 tion and oil dependence;

3 (ii) reduce barriers to reducing oil
4 consumption and oil dependence; and

5 (iii) help meet the energy policy goals
6 of the United States;

7 (E) include a timetable for achieving the
8 national oil independence goal, including in-
9 terim targets on not less than a biennial basis;

10 (F) a plan for coordinating actions across
11 the Federal Government, including measures
12 established under this Act, to ensure, to the
13 maximum extent practicable, that the national
14 oil independence goal is met; and

15 (G) a timeline for issuing rules, Executive
16 orders, or other policy instruments that will im-
17 plement the recommendations contained the na-
18 tional oil independence plan.

19 (e) ANNUAL REQUESTS TO CONGRESS.—When sub-
20 mitting annual budget requests to Congress, the President
21 shall include—

22 (1) requests for sufficient funding for such pro-
23 grams as are necessary to meet the national oil inde-
24 pendence goal;

1 (2) requests for additional authority or changes
2 to existing laws or authorities to implement the na-
3 tional oil independence plan; and

4 (3) a report on the oil consumption and imports
5 of the United States relative to the national oil inde-
6 pendence goal and the interim targets and timelines
7 established in the national oil independence plan.

8 **SEC. 102. NATIONAL ENERGY SECURITY COUNCIL.**

9 (a) **ESTABLISHMENT.**—There is established in the
10 Executive Office of the President a National Energy Secu-
11 rity Council.

12 (b) **MISSION.**—The mission of the Council shall be
13 to assist and advise the President in—

14 (1) setting and meeting the national oil inde-
15 pendence goal;

16 (2) developing the national oil independence
17 plan and the requests described in section 101(e);

18 (3) coordinating the policies, programs, and ac-
19 tivities of the Federal program in order to imple-
20 ment the national oil independence plan and meet
21 the national oil independence goal; and

22 (4) ensuring that policy decisions and programs
23 are consistent with the energy policy goals of the
24 United States.

1 (c) MEMBERSHIP.—The membership of the Council
2 shall consist of—

3 (1) the Secretary of Energy;

4 (2) the Secretary of Transportation;

5 (3) the Administrator;

6 (4) the Director of the National Economic
7 Council;

8 (5) the Secretary of Commerce;

9 (6) the Secretary of Labor;

10 (7) the Secretary of Agriculture;

11 (8) the Chair of the Council on Environmental
12 Quality;

13 (9) the Secretary of Housing and Urban Devel-
14 opment;

15 (10) the Secretary of State;

16 (11) the Director of the Office of Management
17 and Budget; and

18 (12) the Director of the Office of Science and
19 Technology Policy.

20 (d) CHAIR.—The President shall act as Chair of the
21 Council.

22 (e) AUTHORIZATION OF APPROPRIATIONS.—There is
23 authorized to be appropriated to carry out this section
24 \$8,000,000 for each fiscal year.

1 **TITLE II—VEHICLE FUEL**
2 **ECONOMY**

3 **SEC. 201. FUEL EFFICIENCY STANDARDS AND GREEN-**
4 **HOUSE GAS EMISSIONS LIMITATIONS.**

5 (a) AUTOMOBILES.—The Secretary of Transpor-
6 tation, pursuant to the authority provided under chapter
7 329 of title 49, United States Code, and the Administrator
8 of the Environmental Protection Agency, using the au-
9 thority provided under the Clean Air Act (42 U.S.C. 7401
10 et seq.), shall promulgate joint regulations establishing
11 fuel efficiency standards and greenhouse gas emissions
12 limitations for each class of automobiles subject to regula-
13 tions under such chapter and manufactured for each of
14 model years 2017 through 2030 to maximize reductions
15 in oil consumption and greenhouse gas emissions con-
16 sistent with the criteria under those authorities.

17 (b) FUEL ECONOMY AND GREENHOUSE GAS EMIS-
18 SIONS FOR NONROAD VEHICLES.—

19 (1) IN GENERAL.—Not later than 2 years after
20 the date of enactment of this Act, the Secretary of
21 Transportation and the Administrator of the Envi-
22 ronmental Protection Agency shall promulgate joint
23 regulations establishing fuel efficiency standards and
24 greenhouse gas emissions limitations for nonroad ve-

1 hicles to maximize reductions in oil consumption and
2 greenhouse gas emissions.

3 (2) NONROAD VEHICLES.—The nonroad vehi-
4 cles described in paragraph (1) shall include—

5 (A) passenger and freight rail engines;

6 (B) boat and other marine engines; and

7 (C) off-highway construction vehicles.

8 (3) EFFECTIVE DATE.—The standards and lim-
9 itations established under paragraph (1) shall take
10 effect not earlier than 2 years after the date on
11 which the applicable regulations are promulgated.

12 (4) REVISIONS AND UPDATES TO STAND-
13 ARDS.—The Secretary of Transportation and the
14 Administrator shall establish a timeline for updating
15 the standards and limitations established under
16 paragraph (1) to maximize reductions in oil con-
17 sumption and greenhouse gas emissions.

18 **TITLE III—ELECTRIC VEHICLE** 19 **DEPLOYMENT**

20 **SEC. 301. FINDINGS.**

21 Congress finds that—

22 (1) the United States is the largest consumer of
23 petroleum in the world, consuming 19,500,000 bar-
24 rels per day of petroleum products during 2008;

1 (2) high and volatile international oil prices rep-
2 resent a significant and ongoing threat to the eco-
3 nomic and national security of the United States;

4 (3) many of the nations on which the United
5 States relies for petroleum supplies or that signifi-
6 cantly affect the world petroleum market share nei-
7 ther the national interest nor the values of the
8 United States;

9 (4) the United States imports more than 50
10 percent of the petroleum needs of the country each
11 day;

12 (5) in 2008, the net deficit of the United States
13 in petroleum trade amounted to more than
14 \$380,000,000,000, or nearly 60 percent of the total
15 trade deficit;

16 (6) the transportation sector of the United
17 States accounts for over two-thirds of total national
18 petroleum consumption and is 94 percent reliant on
19 petroleum;

20 (7) the electrification of the transportation sec-
21 tor represents a direct pathway to significant reduc-
22 tion in petroleum dependence, because passenger
23 cars and light trucks account for more than 60 per-
24 cent of the transportation petroleum demand and

1 more than 40 percent of total petroleum demand in
2 the United States;

3 (8) the electrification of the transportation sec-
4 tor promotes national energy security because the
5 electric power sector uses a diverse range of domes-
6 tic electricity generation sources;

7 (9) electric drive vehicles, when running on elec-
8 tric power, produce no tailpipe emissions;

9 (10) the deployment of 700,000 plug-in electric
10 drive vehicles would result in a petroleum savings of
11 approximately 10,000,000 barrels per year compared
12 to the annual petroleum consumption as of the date
13 of enactment of this Act;

14 (11) in 2030, the United States could feasibly
15 deploy more than 100,000,000 plug-in electric drive
16 vehicles, which would result in a petroleum savings
17 of more than 1,000,000,000 barrels of petroleum per
18 year and greenhouse gas reductions of over
19 300,000,000 tons of carbon dioxide compared to the
20 annual petroleum consumption and greenhouse gas
21 emissions as of the date of enactment of this Act;
22 and

23 (12) a targeted deployment program for plug-in
24 electric drive vehicles that is focused on competi-
25 tively selected deployment communities—

1 (A) is a critical component of a com-
2 prehensive effort to speed plug-in electric drive
3 vehicle penetration rates;

4 (B) will contribute to the larger national
5 effort to deploy plug-in electric drive vehicles;

6 (C) will inform best practices for the wide-
7 scale deployment of plug-in electric drive vehi-
8 cles; and

9 (D) will substantially reduce the oil con-
10 sumption of the United States.

11 **SEC. 302. DEFINITIONS.**

12 In this title:

13 (1) AGENCY.—The term “agency” has the
14 meaning given the term “Executive agency” in sec-
15 tion 105 of title 5, United States Code.

16 (2) CHARGING INFRASTRUCTURE.—The term
17 “charging infrastructure” means any property (not
18 including a building) if the property is used for the
19 recharging of motor vehicles propelled by electricity,
20 including electrical panel upgrades, wiring, conduit,
21 trenching, pedestals, and related equipment.

22 (3) COMMITTEE.—The term “Committee”
23 means the Plug-in Electric Drive Vehicle Technical
24 Advisory Committee established by section 315.

1 (4) DEPLOYMENT COMMUNITY.—The term “de-
2 ployment community” means a community selected
3 by the Secretary to be part of the targeted plug-in
4 electric drive vehicles deployment communities pro-
5 gram under section 307.

6 (5) ELECTRIC DRIVE VEHICLE.—The term
7 “electric drive vehicle” means a vehicle that—

8 (A)(i) is—

9 (I) a light-duty vehicle (as the
10 term is defined in section 86.1803–01
11 of title 40, Code of Federal Regula-
12 tions, as in effect as of the date of en-
13 actment of this Act) that draws mo-
14 tive power from a battery with a ca-
15 pacity of at least 4 kilowatt-hours;

16 (II) a heavy-duty vehicle (as the
17 term is defined in section 86.1803–01
18 of title 40, Code of Federal Regula-
19 tions, as in effect as of the date of en-
20 actment of this Act) with a gross vehi-
21 cle weight rating greater than 8,500
22 pounds and less than 14,000 pounds
23 that draws motive power from a bat-
24 tery with a capacity of at least 8 kilo-
25 watt-hours;

1 (III) a heavy-duty vehicle (as the
2 term is defined in section 86.1803–01
3 of title 40, Code of Federal Regula-
4 tions, as in effect as of the date of en-
5 actment of this Act) with a gross vehi-
6 cle weight rating greater than 14,000
7 pounds and less than 33,000 pounds
8 that draws motive power from a bat-
9 tery with a capacity of at least 15 kil-
10 owatt-hours; or

11 (IV) a heavy-duty vehicle (as the
12 term is defined in section 86.1803–01
13 of title 40, Code of Federal Regula-
14 tions, as in effect as of the date of en-
15 actment of this Act) with a gross vehi-
16 cle weight rating greater than 33,000
17 pounds that draws motive power from
18 a battery with a capacity of at least
19 20 kilowatt-hours; and

20 (ii) can be recharged from an external
21 source of electricity for motive power; or

22 (B) is a motor vehicle (as the term is de-
23 fined in section 216 of the Clean Air Act (42
24 U.S.C. 7550)) that draws motive power from a
25 fuel cell (as the term is defined in section 803

1 of the Spark M. Matsunaga Hydrogen Act of
2 2005 (42 U.S.C. 16152)).

3 (6) ELECTRIC UTILITY.—The term “electric
4 utility” has the meaning given the term in section
5 3 of the Public Utility Regulatory Policies Act of
6 1978 (16 U.S.C. 2602).

7 (7) FEDERAL-AID SYSTEM OF HIGHWAYS.—The
8 term “Federal-aid system of highways” means a
9 highway system described in section 103 of title 23,
10 United States Code.

11 (8) PLUG-IN ELECTRIC DRIVE VEHICLE.—

12 (A) IN GENERAL.—The term “plug-in elec-
13 tric drive vehicle” has the meaning given the
14 term in section 131(a)(5) of the Energy Inde-
15 pendence and Security Act of 2007 (42 U.S.C.
16 17011(a)(5)).

17 (B) INCLUSIONS.—The term “plug-in elec-
18 tric drive vehicle” includes—

19 (i) a low speed plug-in electric drive
20 vehicles that meet the Federal Motor Vehi-
21 cle Safety Standards described in section
22 571.500 of title 49, Code of Federal Regu-
23 lations (or successor regulations); and

24 (ii) any other motor vehicles that can
25 be recharged from an external source of

1 motive power and that is authorized to
2 travel on the Federal-aid system of high-
3 ways.

4 (9) PRIZE.—The term “Prize” means the Ad-
5 vanced Batteries for Tomorrow Prize established by
6 section 312.

7 (10) SECRETARY.—The term “Secretary”
8 means the Secretary of Energy.

9 (11) TASK FORCE.—The term “Task Force”
10 means the Plug-in Electric Drive Vehicle Inter-
11 agency Task Force established by section 316.

12 **SEC. 303. NATIONAL ELECTRIC DRIVE VEHICLE DEPLOY-**
13 **MENT PROGRAM.**

14 (a) IN GENERAL.—There is established within the
15 Department of Energy a national plug-in electric drive ve-
16 hicle deployment program for the purpose of assisting in
17 the deployment of plug-in electric drive vehicles.

18 (b) GOALS.—The goals of the national program de-
19 scribed in subsection (a) include—

20 (1) the reduction and displacement of petro-
21 leum use by accelerating the deployment of plug-in
22 electric drive vehicles in the United States;

23 (2) the reduction of greenhouse gas emissions
24 by accelerating the deployment of plug-in electric
25 drive vehicles in the United States;

1 (3) the facilitation of the rapid deployment of
2 plug-in electric drive vehicles;

3 (4) the achievement of significant market pene-
4 trations by plug-in electric drive vehicles nationally;

5 (5) the establishment of models for the rapid
6 deployment of plug-in electric drive vehicles nation-
7 ally, including models for the deployment of residen-
8 tial, private, and publicly available charging infra-
9 structure;

10 (6) the increase of consumer knowledge and ac-
11 ceptance of plug-in electric drive vehicles;

12 (7) the encouragement of the innovation and in-
13 vestment necessary to achieve mass market deploy-
14 ment of plug-in electric drive vehicles;

15 (8) the facilitation of the integration of plug-in
16 electric drive vehicles into electricity distribution sys-
17 tems and the larger electric grid while maintaining
18 grid system performance and reliability;

19 (9) the provision of technical assistance to com-
20 munities across the United States to prepare for
21 plug-in electric drive vehicles; and

22 (10) the support of workforce training across
23 the United States relating to plug-in electric drive
24 vehicles.

1 (c) DUTIES.—In carrying out this title, the Secretary
2 shall—

3 (1) provide technical assistance to State, local,
4 and tribal governments that want to create deploy-
5 ment programs for plug-in electric drive vehicles in
6 the communities over which the governments have
7 jurisdiction;

8 (2) perform national assessments of the poten-
9 tial deployment of plug-in electric drive vehicles;

10 (3) synthesize and disseminate data from the
11 deployment of plug-in electric drive vehicles;

12 (4) develop best practices for the successful de-
13 ployment of plug-in electric drive vehicles;

14 (5) carry out workforce training under section
15 306;

16 (6) establish the targeted plug-in electric drive
17 vehicle deployment communities program under sec-
18 tion 307; and

19 (7) in conjunction with the Task Force, make
20 recommendations to Congress and the President on
21 methods to reduce the barriers to plug-in electric
22 drive vehicle deployment.

23 (d) REPORT.—Not later than 18 months after the
24 date of enactment of this Act and biennially thereafter,
25 the Secretary shall submit to the appropriate committees

1 of Congress a report on the progress made in imple-
2 menting the national program described in subsection (a)
3 that includes—

4 (1) a description of the progress made by—

5 (A) the technical assistance program under
6 section 305; and

7 (B) the workforce training program under
8 section 306; and

9 (2) any updated recommendations of the Sec-
10 retary for changes in Federal programs to promote
11 the purposes of this title.

12 (e) NATIONAL INFORMATION CLEARINGHOUSE.—
13 The Secretary shall make available to the public, in a
14 timely manner, information regarding—

15 (1) the cost, performance, usage data, and tech-
16 nical data regarding plug-in electric drive vehicles
17 and associated infrastructure, including information
18 from the deployment communities established under
19 section 307; and

20 (2) any other educational information that the
21 Secretary determines to be appropriate.

22 (f) AUTHORIZATION OF APPROPRIATIONS.—For the
23 period of fiscal years 2011 through 2016, there are au-
24 thorized to be appropriated \$100,000,000 to carry out sec-
25 tions 303 through 305.

1 **SEC. 304. NATIONAL ASSESSMENT AND PLAN.**

2 (a) IN GENERAL.—Not later than 2 years after the
3 date of enactment of this Act, the Secretary shall carry
4 out a national assessment and develop a national plan for
5 plug-in electric drive vehicle deployment that includes—

6 (1) an assessment of the maximum feasible de-
7 ployment of plug-in electric drive vehicles by 2020
8 and 2030;

9 (2) the establishment of national goals for mar-
10 ket penetration of plug-in electric drive vehicles by
11 2020 and 2030;

12 (3) a plan for integrating the successes and
13 barriers to deployment identified by the deployment
14 communities program established under section 307
15 to prepare communities across the Nation for the
16 rapid deployment of plug-in electric drive vehicles;

17 (4) a plan for providing technical assistance to
18 communities across the United States to prepare for
19 plug-in electric drive vehicle deployment;

20 (5) a plan for quantifying the reduction in pe-
21 troleum consumption and the net impact on green-
22 house gas emissions due to the deployment of plug-
23 in electric drive vehicles; and

24 (6) in consultation with the Task Force, any
25 recommendations to the President and to Congress

1 for changes in Federal programs (including laws,
2 regulations, and guidelines)—

3 (A) to better promote the deployment of
4 plug-in electric drive vehicles; and

5 (B) to reduce barriers to the deployment of
6 plug-in electric drive vehicles.

7 (b) UPDATES.—Not later than 2 years after the date
8 of development of the plan described in subsection (a), and
9 not less frequently than once every 2 years thereafter, the
10 Secretary shall use market data and information from the
11 targeted plug-in electric drive vehicle deployment commu-
12 nities program established under section 307 and other
13 relevant data to update the plan to reflect real world mar-
14 ket conditions.

15 **SEC. 305. TECHNICAL ASSISTANCE.**

16 (a) TECHNICAL ASSISTANCE TO STATE, LOCAL, AND
17 TRIBAL GOVERNMENTS.—

18 (1) IN GENERAL.—In carrying out this title, the
19 Secretary shall provide, at the request of a Gov-
20 ernor, mayor, county executive, or other appropriate
21 official (or the designee of such an official), technical
22 assistance to a State, local, or tribal government to
23 assist with the deployment of plug-in electric drive
24 vehicles.

1 (2) REQUIREMENTS.—The technical assistance
2 described in paragraph (1) shall include—

3 (A) training on codes and standards for
4 building and safety inspectors;

5 (B) training on best practices for exped-
6 iting permits and inspections;

7 (C) education and outreach on frequently
8 asked questions relating to the various types of
9 plug-in electric drive vehicles and associated in-
10 frastructure, battery technology, and disposal;
11 and

12 (D) the dissemination of information re-
13 garding best practices for the deployment of
14 plug-in electric drive vehicles.

15 (3) PRIORITY.—In providing technical assist-
16 ance under this subsection, the Secretary shall give
17 priority to—

18 (A) communities that have established
19 public and private partnerships, including part-
20 nerships comprised of—

21 (i) elected and appointed officials
22 from each of the participating State, local,
23 and tribal governments;

24 (ii) relevant generators and distribu-
25 tors of electricity;

1 (iii) public utility commissions;

2 (iv) departments of public works and
3 transportation;

4 (v) owners and operators of property
5 that will be essential to the deployment of
6 a sufficient level of publicly available
7 charging infrastructure (including pri-
8 vately-owned parking lots or structures
9 and commercial entities with public access
10 locations);

11 (vi) plug-in electric drive vehicle man-
12 ufacturers or retailers;

13 (vii) third-party providers of charging
14 infrastructure or services;

15 (viii) owners of any major fleet that
16 will participate in the program;

17 (ix) as appropriate, owners and opera-
18 tors of regional electric power distribution
19 and transmission facilities; and

20 (x) other existing community coali-
21 tions recognized by the Department of En-
22 ergy;

23 (B) communities that, as determined by
24 the Secretary, have best demonstrated that the
25 public is likely to embrace plug-in electric drive

1 vehicles, giving particular consideration to com-
2 munities that—

3 (i) have documented waiting lists to
4 purchase plug-in electric drive vehicles;

5 (ii) have developed projections of the
6 quantity of plug-in electric drive vehicles
7 supplied to dealers; and

8 (iii) have assessed the quantity of
9 charging infrastructure installed or for
10 which permits have been issued;

11 (C) communities that have shown a com-
12 mitment to serving diverse consumer charging
13 infrastructure needs, including the charging in-
14 frastructure needs for single-family and multi-
15 family housing and public and privately owned
16 commercial infrastructure; and

17 (D) communities that have established reg-
18 ulatory and educational efforts to facilitate con-
19 sumer acceptance of electric drive vehicles, in-
20 cluding by—

21 (i) adopting (or being in the process
22 of adopting) streamlined permitting and
23 inspections processes for residential charg-
24 ing infrastructure; and

1 (ii) providing customer informational
2 resources, including providing plug-in elec-
3 tric drive information on community or
4 other Web sites.

5 (4) BEST PRACTICES.—The Secretary shall col-
6 lect and disseminate information to State, local, and
7 tribal governments creating plans to deploy plug-in
8 electric drive vehicles on best practices (including
9 codes and standards) that uses data from—

10 (A) the program established by section
11 307;

12 (B) the activities carried out by the Task
13 Force; and

14 (C) existing academic and industry studies
15 of the factors that contribute to the successful
16 deployment of new technologies, particularly
17 studies relating to alternative fueled vehicles.

18 (5) GRANTS.—

19 (A) IN GENERAL.—The Secretary shall es-
20 tablish a program to provide grants to State,
21 local, and tribal governments to assist the gov-
22 ernments—

23 (i) in preparing a community deploy-
24 ment plan under section 307; and

1 (ii) in preparing and implementing
2 programs that support the deployment of
3 plug-in electric drive vehicles.

4 (B) APPLICATION.—A State, local, or trib-
5 al government that seeks to receive a grant
6 under this paragraph shall submit to the Sec-
7 retary an application for the grant at such
8 time, in such form, and containing such infor-
9 mation as the Secretary may prescribe.

10 (C) USE OF FUNDS.—A State, local, or
11 tribal government receiving a grant under this
12 paragraph shall use the funds—

13 (i) to develop a community deploy-
14 ment plan that shall be submitted to the
15 next available competition under section
16 307; and

17 (ii) to carry out activities that encour-
18 age the deployment of plug-in electric drive
19 vehicles, including—

20 (I) planning for and installing
21 charging infrastructure, particularly
22 to develop and demonstrate diverse
23 and cost-effective planning, installa-
24 tion, and operations options for de-
25 ployment of single family and multi-

1 family residential, workplace, and
2 publicly available charging infrastruc-
3 ture;

4 (II) updating building, zoning, or
5 parking codes and permitting or in-
6 spection processes;

7 (III) workforce training, includ-
8 ing the training of permitting offi-
9 cials;

10 (IV) public education described
11 in the proposed marketing plan;

12 (V) shifting State, local, or tribal
13 government fleets to plug-in electric
14 drive vehicles, at a rate in excess of
15 the existing alternative fueled fleet ve-
16 hicles acquisition requirements for
17 Federal fleets under section
18 303(b)(1)(D) of the Energy Policy
19 Act of 1992 (42 U.S.C.
20 13212(b)(1)(D)); and

21 (VI) any other activities, as de-
22 termined to be necessary by the Sec-
23 retary.

24 (D) CRITERIA.—The Secretary shall de-
25 velop and publish criteria for the selection of

1 technical assistance grants, including require-
2 ments for the submission of applications under
3 this paragraph.

4 (E) AUTHORIZATION OF APPROPRIA-
5 TIONS.—There are authorized to be appro-
6 priated such sums as are necessary to carry out
7 this paragraph.

8 (b) UPDATING MODEL BUILDING CODES, PERMIT-
9 TING AND INSPECTION PROCESSES, AND ZONING OR
10 PARKING RULES.—

11 (1) IN GENERAL.—Not later than 1 year after
12 the date of enactment of this Act, the Secretary, in
13 consultation with the American Society of Heating,
14 Refrigerating and Air-Conditioning Engineers, the
15 International Code Council, and any other organiza-
16 tions that the Secretary determines to be appro-
17 priate, shall develop and publish guidance for—

18 (A) model building codes for the inclusion
19 of separate circuits for charging infrastructure,
20 as appropriate, in new construction and major
21 renovations of private residences, buildings, or
22 other structures that could provide publicly
23 available charging infrastructure;

24 (B) model construction permitting or in-
25 spection processes that allow for the expedited

1 installation of charging infrastructure for pur-
2 chasers of plug-in electric drive vehicles (includ-
3 ing a permitting process that allows a vehicle
4 purchaser to have charging infrastructure in-
5 stalled not later than 1 week after a request);
6 and

7 (C) model zoning, parking rules, or other
8 local ordinances that—

9 (i) facilitate the installation of pub-
10 licly available charging infrastructure, in-
11 cluding commercial entities that provide
12 public access to infrastructure; and

13 (ii) allow for access to publicly avail-
14 able charging infrastructure.

15 (2) OPTIONAL ADOPTION.—An applicant for se-
16 lection for technical assistance under this section or
17 as a deployment community under section 307 shall
18 not be required to use the model building codes, per-
19 mitting and inspection processes, or zoning, parking
20 rules, or other ordinances included in the report
21 under paragraph (1).

22 (3) SMART GRID INTEGRATION.—In developing
23 the model codes or ordinances described in para-
24 graph (1), the Secretary shall consider smart grid
25 integration.

1 **SEC. 306. WORKFORCE TRAINING.**

2 (a) MAINTENANCE AND SUPPORT.—

3 (1) IN GENERAL.—The Secretary, in consulta-
4 tion with the Committee and the Task Force, shall
5 award grants to institutions of higher education and
6 other qualified training and education institutions
7 for the establishment of programs to provide train-
8 ing and education for vocational workforce develop-
9 ment through centers of excellence.

10 (2) PURPOSE.—Training funded under this
11 subsection shall be intended to ensure that the work-
12 force has the necessary skills needed to work on and
13 maintain plug-in electric drive vehicles and the infra-
14 structure required to support plug-in electric drive
15 vehicles.

16 (3) SCOPE.—Training funded under this sub-
17 section shall include training for—

18 (A) first responders;

19 (B) electricians and contractors who will
20 be installing infrastructure;

21 (C) engineers;

22 (D) code inspection officials; and

23 (E) dealers and mechanics.

24 (b) DESIGN.—The Secretary shall award grants to
25 institutions of higher education and other qualified train-
26 ing and education institutions for the establishment of

1 programs to provide training and education in designing
2 plug-in electric drive vehicles and associated components
3 and infrastructure to ensure that the United States can
4 lead the world in this field.

5 (c) AUTHORIZATION OF APPROPRIATIONS.—There is
6 authorized to be appropriated \$150,000,000 to carry out
7 this section.

8 **SEC. 307. TARGETED ELECTRIC DRIVE VEHICLE DEPLOY-**
9 **MENT COMMUNITIES PROGRAM.**

10 (a) ESTABLISHMENT.—

11 (1) IN GENERAL.—There is established within
12 the national electric drive deployment program es-
13 tablished under section 303 a targeted electric drive
14 vehicle deployment communities program (referred
15 to in this section as the “Program”).

16 (2) EXISTING ACTIVITIES.—In carrying out the
17 Program, the Secretary shall coordinate and supple-
18 ment, not supplant, any ongoing plug-in electric
19 drive deployment activities under section 131 of the
20 Energy Independence and Security Act of 2007 (42
21 U.S.C. 17011).

22 (3) PHASE 1.—

23 (A) IN GENERAL.—The Secretary shall es-
24 tablish a competitive process to select phase 1
25 deployment communities for the Program.

1 (B) ELIGIBLE ENTITIES.—In selecting
2 participants for the Program under paragraph
3 (1), the Secretary shall only consider applica-
4 tions submitted by State, tribal, or local govern-
5 ment entities (or groups of State, tribal, or
6 local government entities).

7 (C) SELECTION.—Not later than 1 year
8 after the date of enactment of this Act, the Sec-
9 retary shall select the phase 1 deployment com-
10 munities under this paragraph.

11 (D) TERMINATION.—Phase 1 of the Pro-
12 gram shall be carried out for a 3-year period
13 beginning on the date funding under this title
14 is first provided to the deployment community.

15 (4) PHASE 2.—Not later than 3 years after the
16 date of enactment of this Act, the Secretary shall
17 submit to Congress a report that analyzes the suc-
18 cess of phase 1 and, if, based on the phase 1 anal-
19 ysis, the Secretary determines that a phase 2 pro-
20 gram is warranted, makes recommendations and de-
21 scribes a plan for phase 2, including—

22 (A) recommendations regarding—

23 (i) the number of additional deploy-
24 ment communities that should be selected;

1 (ii) the manner in which criteria for
2 selection should be updated;

3 (iii) the manner in which incentive
4 structures for phase 2 deployment should
5 be changed; and

6 (iv) whether other forms of onboard
7 energy storage for electric drive vehicles,
8 such as fuel cells, should be included in
9 phase 2; and

10 (B) a request for appropriations to imple-
11 ment phase 2 of the Program.

12 (b) GOALS.—The goals of the Program are—

13 (1) to facilitate the rapid deployment of plug-
14 in electric drive vehicles, including—

15 (A) the deployment of 400,000 plug-in
16 electric drive vehicles in phase 1 in the deploy-
17 ment communities selected under paragraph
18 (2);

19 (B) the near-term achievement of signifi-
20 cant market penetration in deployment commu-
21 nities; and

22 (C) the achievement of significant market
23 penetration nationally;

24 (2) to establish models for the rapid deployment
25 of plug-in electric drive vehicles nationally, including

1 for the deployment of single-family and multifamily
2 residential, workplace, and publicly available charg-
3 ing infrastructure;

4 (3) to increase consumer knowledge and accept-
5 ance of plug-in electric drive vehicles;

6 (4) to encourage the innovation and investment
7 necessary to achieve mass market deployment of
8 plug-in electric drive vehicles;

9 (5) to demonstrate the integration of plug-in
10 electric drive vehicles into electricity distribution sys-
11 tems and the larger electric grid while maintaining
12 or improving grid system performance and reli-
13 ability;

14 (6) to demonstrate protocols and communica-
15 tion standards that facilitate vehicle integration into
16 the grid and provide seamless charging for con-
17 sumers traveling through multiple utility distribution
18 systems;

19 (7) to investigate differences among deployment
20 communities and to develop best practices for imple-
21 menting vehicle electrification in various commu-
22 nities, including best practices for planning for and
23 facilitating the construction of residential, work-
24 place, and publicly available infrastructure to sup-
25 port plug-in electric drive vehicles;

1 (8) to collect comprehensive data on the pur-
2 chase and use of plug-in electric vehicles, including
3 charging profile data at unit and aggregate levels, to
4 inform best practices for rapidly deploying plug-in
5 electric drive vehicles in other locations, including
6 for the installation of charging infrastructure;

7 (9) to reduce and displace petroleum use and
8 reduce greenhouse gas emissions by accelerating the
9 deployment of plug-in electric drive vehicles in the
10 United States; and

11 (10) to increase domestic manufacturing capac-
12 ity and commercialization in a manner that will es-
13 tablish the United States as a world leader in plug-
14 in electric drive vehicle technologies.

15 (c) PHASE 1 DEPLOYMENT COMMUNITY SELECTION
16 CRITERIA.—

17 (1) IN GENERAL.—The Secretary shall ensure,
18 to the maximum extent practicable, that selected de-
19 ployment communities in phase 1 serve as models of
20 deployment for various communities across the
21 United States.

22 (2) SELECTION.—In selecting communities
23 under this section, the Secretary—

24 (A) shall ensure, to the maximum extent
25 practicable, that—

1 (i) the combination of selected com-
2 munities is diverse in population density,
3 demographics, urban and suburban com-
4 position, typical commuting patterns, cli-
5 mate, and type of utility (including inves-
6 tor-owned, publicly owned, cooperatively
7 owned, distribution-only, and vertically in-
8 tegrated utilities);

9 (ii) the combination of selected com-
10 munities is diverse in geographic distribu-
11 tion, and at least 1 deployment community
12 is located in each Petroleum Administra-
13 tion for Defense District;

14 (iii) at least 1 community selected has
15 a population of less than 125,000;

16 (iv) grants are of a sufficient amount
17 such that each deployment community will
18 achieve significant market penetration; and

19 (v) the deployment communities are
20 representative of other communities across
21 the United States;

22 (B) is encouraged to select a combination
23 of deployment communities that includes mul-
24 tiple models or approaches for deploying plug-
25 in electric drive vehicles that the Secretary be-

1 believes are reasonably likely to be effective, in-
2 cluding multiple approaches to the deployment
3 of charging infrastructure;

4 (C) in addition to the criteria described in
5 subparagraph (A), may give preference to appli-
6 cants proposing a greater non-Federal cost
7 share; and

8 (D) when considering deployment commu-
9 nity plans, shall take into account previous De-
10 partment of Energy and other Federal invest-
11 ments to ensure that the maximum domestic
12 benefit from Federal investments is realized.

13 (3) CRITERIA.—

14 (A) IN GENERAL.—Not later than 120
15 days after the date of enactment of this Act,
16 and not later than 90 days after the date on
17 which any subsequent amounts are appro-
18 priated for the Program, the Secretary shall
19 publish criteria for the selection of deployment
20 communities that include requirements that ap-
21 plications be submitted by a State, tribal, or
22 local government entity (or groups of State,
23 tribal, or local government entities).

24 (B) APPLICATION REQUIREMENTS.—The
25 criteria published by the Secretary under sub-

1 paragraph (A) shall include application require-
2 ments that, at a minimum, include—

3 (i) goals for—

4 (I) the number of plug-in electric
5 drive vehicles to be deployed in the
6 community;

7 (II) the expected percentage of
8 light-duty vehicle sales that would be
9 sales of plug-in electric drive vehicles;

10 and

11 (III) the adoption of plug-in elec-
12 tric drive vehicles (including medium-
13 or heavy-duty vehicles) in private and
14 public fleets during the 3-year dura-
15 tion of the Program;

16 (ii) data that demonstrate that—

17 (I) the public is likely to embrace
18 plug-in electric drive vehicles, which
19 may include—

20 (aa) the quantity of plug-in
21 electric drive vehicles purchased;

22 (bb) the number of individ-
23 uals on a waiting list to purchase
24 a plug-in electric drive vehicle;

- 1 (cc) projections of the quan-
2 tity of plug-in electric drive vehi-
3 cles supplied to dealers; and
- 4 (dd) any assessment of the
5 quantity of charging infrastruc-
6 ture installed or for which per-
7 mits have been issued; and
- 8 (II) automobile manufacturers
9 and dealers will be able to provide and
10 service the targeted number of plug-in
11 electric drive vehicles in the commu-
12 nity for the duration of the program;
- 13 (iii) clearly defined geographic bound-
14 aries of the proposed deployment area;
- 15 (iv) a community deployment plan for
16 the deployment of plug-in electric drive ve-
17 hicles, charging infrastructure, and serv-
18 ices in the deployment community;
- 19 (v) assurances that a majority of the
20 vehicle deployments anticipated in the plan
21 will be for personal vehicles authorized to
22 travel on the United States Federal-aid
23 system of highways, and secondarily, pri-
24 vate, or public sector plug-in electric drive
25 fleet vehicles, but may also include—

1 (I) medium- and heavy-duty hy-
2 brid vehicles;

3 (II) low speed plug-in electric
4 drive vehicles that meet Federal
5 Motor Vehicle Safety Standards de-
6 scribed in section 571.500 of title 49,
7 Code of Federal Regulations; and

8 (III) any other plug-in electric
9 drive vehicle authorized to travel on
10 the United States Federal-aid system
11 of highways; and

12 (vi) any other merit-based criteria, as
13 determined by the Secretary.

14 (4) COMMUNITY DEPLOYMENT PLANS.—Plans
15 for the deployment of plug-in electric drive vehicles
16 shall include—

17 (A) a proposed level of cost sharing in ac-
18 cordance with subsection (d)(2)(C);

19 (B) documentation demonstrating a sub-
20 stantial partnership with relevant stakeholders,
21 including—

22 (i) a list of stakeholders that in-
23 cludes—

- 1 (I) elected and appointed officials
2 from each of the participating State,
3 local, and tribal governments;
- 4 (II) all relevant generators and
5 distributors of electricity;
- 6 (III) State utility regulatory au-
7 thorities;
- 8 (IV) departments of public works
9 and transportation;
- 10 (V) owners and operators of
11 property that will be essential to the
12 deployment of a sufficient level of
13 publicly available charging infrastruc-
14 ture (including privately owned park-
15 ing lots or structures and commercial
16 entities with public access locations);
- 17 (VI) plug-in electric drive vehicle
18 manufacturers or retailers;
- 19 (VII) third-party providers of
20 residential, private, and publicly avail-
21 able charging infrastructure or serv-
22 ices;
- 23 (VIII) owners of any major fleet
24 that will participate in the program;

1 (IX) as appropriate, owners and
2 operators of regional electric power
3 distribution and transmission facili-
4 ties; and

5 (X) as appropriate, other existing
6 community coalitions recognized by
7 the Department of Energy;

8 (ii) evidence of the commitment of the
9 stakeholders to participate in the partner-
10 ship;

11 (iii) a clear description of the role and
12 responsibilities of each stakeholder; and

13 (iv) a plan for continuing the engage-
14 ment and participation of the stakeholders,
15 as appropriate, throughout the implemen-
16 tation of the deployment plan;

17 (C) a description of the number of plug-in
18 electric drive vehicles anticipated to be plug-in
19 electric drive personal vehicles and the number
20 of plug-in electric drive vehicles anticipated to
21 be privately owned fleet or public fleet vehicles;

22 (D) a plan for deploying residential, pri-
23 vate, and publicly available charging infrastruc-
24 ture, including—

- 1 (i) an assessment of the number of
2 consumers who will have access to private
3 residential charging infrastructure in sin-
4 gle-family or multifamily residences;
- 5 (ii) options for accommodating plug-in
6 electric drive vehicle owners who are not
7 able to charge vehicles at their place of
8 residence;
- 9 (iii) an assessment of the number of
10 consumers who will have access to work-
11 place charging infrastructure;
- 12 (iv) a plan for ensuring that the
13 charging infrastructure be able to send and
14 receive the information needed to interact
15 with the grid and be compatible with smart
16 grid technologies to the extent feasible;
- 17 (v) an estimate of the number and
18 dispersion of publicly and privately owned
19 charging stations that will be publicly or
20 commercially available;
- 21 (vi) an estimate of the quantity of
22 charging infrastructure that will be pri-
23 vately funded or located on private prop-
24 erty; and

1 (vii) a description of equipment to be
2 deployed, including assurances that, to the
3 maximum extent practicable, equipment to
4 be deployed will meet open, nonproprietary
5 standards for connecting to plug-in electric
6 drive vehicles that are either—

7 (I) commonly accepted by indus-
8 try at the time the equipment is being
9 acquired; or

10 (II) meet the standards developed
11 by the Director of the National Insti-
12 tute of Standards and Technology
13 under section 1305 of the Energy
14 Independence and Security Act of
15 2007 (42 U.S.C. 17385);

16 (E) a plan for effective marketing of and
17 consumer education relating to plug-in electric
18 drive vehicles, charging services, and infrastruc-
19 ture;

20 (F) descriptions of updated building codes
21 (or a plan to update building codes before or
22 during the grant period) to include charging in-
23 frastructure or dedicated circuits for charging
24 infrastructure, as appropriate, in new construc-
25 tion and major renovations;

1 (G) descriptions of updated construction
2 permitting or inspection processes (or a plan to
3 update construction permitting or inspection
4 processes) to allow for expedited installation of
5 charging infrastructure for purchasers of plug-
6 in electric drive vehicles, including a permitting
7 process that allows a vehicle purchaser to have
8 charging infrastructure installed in a timely
9 manner;

10 (H) descriptions of updated zoning, park-
11 ing rules, or other local ordinances as are nec-
12 essary to facilitate the installation of publicly
13 available charging infrastructure and to allow
14 for access to publicly available charging infra-
15 structure, as appropriate;

16 (I) a plan to ensure that each resident in
17 a deployment community who purchases and
18 registers a new plug-in electric drive vehicle
19 throughout the duration of the deployment com-
20 munity receives a minimum of \$2,500 in con-
21 sumer benefits, in addition to any Federal in-
22 centives, that may include—

23 (i) a rebate of part of the purchase
24 price of the vehicle;

1 (ii) reductions in sales taxes or reg-
2 istration fees;

3 (iii) rebates or reductions in the costs
4 of permitting, purchasing, or installing
5 home plug-in electric drive vehicle charging
6 infrastructure; and

7 (iv) rebates or reductions in State or
8 local toll road access charges;

9 (J) additional consumer benefits, such as
10 preferred parking spaces or single-rider access
11 to high-occupancy vehicle lanes for plug-in elec-
12 tric drive vehicles;

13 (K) a proposed plan for making necessary
14 utility and grid upgrades, including economi-
15 cally sound and cybersecure information tech-
16 nology upgrades and employee training, and a
17 plan for recovering the cost of the upgrades;

18 (L) a description of utility, grid operator,
19 or third-party charging service provider, policies
20 and plans for accommodating the deployment of
21 plug-in electric drive vehicles, including—

22 (i) rate structures or provisions and
23 billing protocols for the charging of plug-
24 in electric drive vehicles;

- 1 (ii) analysis of potential impacts to
2 the grid;
- 3 (iii) plans for using information tech-
4 nology or third-party aggregators—
- 5 (I) to minimize the effects of
6 charging on peak loads;
- 7 (II) to enhance reliability; and
- 8 (III) to provide other grid bene-
9 fits;
- 10 (iv) plans for working with smart grid
11 technologies or third-party aggregators for
12 the purposes of smart charging and for al-
13 lowing 2-way communication and elec-
14 tricity movement;
- 15 (M) a deployment timeline;
- 16 (N) a plan for monitoring and evaluating
17 the implementation of the plan, including
18 metrics for assessing the success of the deploy-
19 ment and an approach to updating the plan, as
20 appropriate; and
- 21 (O) a description of the manner in which
22 any grant funds applied for under subsection
23 (d) will be used and the proposed local cost
24 share for the funds;

1 (P) a plan to ensure that transmission and
2 distribution infrastructure investment costs are
3 minimized for utility customers;

4 (Q) a plan to encourage vehicle charging
5 during off peak hours and to minimize the need
6 for new electrical generating capacity builds;
7 and

8 (R) a plan to maximize the use of renew-
9 able energy in plug-in electric vehicle charging.

10 (d) PHASE 1 APPLICATIONS AND GRANTS.—

11 (1) APPLICATIONS.—

12 (A) IN GENERAL.—Not later than 150
13 days after the date of publication by the Sec-
14 retary of the selection criteria described in sub-
15 section (c)(3), any State, tribal, or local govern-
16 ment, or group of State, tribal, or local govern-
17 ments, may apply to the Secretary to become a
18 deployment community.

19 (B) JOINT SPONSORSHIP.—

20 (i) IN GENERAL.—An application sub-
21 mitted under subparagraph (A) may be
22 jointly sponsored by electric utilities, auto-
23 mobile manufacturers, technology pro-
24 viders, carsharing companies or organiza-
25 tions, third-party plug-in electric drive ve-

1 hicle service providers, or other appro-
2 priated entities.

3 (ii) DISBURSEMENT OF GRANTS.—A
4 grant provided under this subsection shall
5 only be disbursed to a State, tribal, or
6 local government, or group of State, tribal,
7 or local governments, regardless of whether
8 the application is jointly sponsored under
9 clause (i).

10 (2) GRANTS.—

11 (A) IN GENERAL.—In each application, the
12 applicant may request up to \$250,000,000 in fi-
13 nancial assistance from the Secretary to fund
14 projects in the deployment community.

15 (B) USE OF FUNDS.—Funds provided
16 through a grant under this paragraph may be
17 used to help implement the plan for the deploy-
18 ment of plug-in electric drive vehicles included
19 in the application, including—

20 (i) planning for and installing charg-
21 ing infrastructure, including offering addi-
22 tional incentives as described in subsection
23 (c)(4)(I);

24 (ii) updating building codes, zoning or
25 parking rules, or permitting or inspection

1 processes as described in subparagraphs
2 (F), (G), and (H) of subsection (c)(4);

3 (iii) reducing the cost and increasing
4 the consumer adoption of plug-in electric
5 drive vehicles through incentives as de-
6 scribed in subsection (c)(4)(I);

7 (iv) workforce training, including
8 training of permitting officials;

9 (v) public education and marketing
10 described in the proposed marketing plan;

11 (vi) shifting State, tribal, or local gov-
12 ernment fleets to plug-in electric drive ve-
13 hicles, at a rate in excess of the existing al-
14 ternative fueled fleet vehicle acquisition re-
15 quirements for Federal fleets under section
16 303(b)(1)(D) of the Energy Policy Act of
17 1992 (42 U.S.C. 13212(b)(1)(D)); and

18 (vii) necessary utility and grid up-
19 grades as described in subsection
20 (c)(4)(K);

21 (C) COST-SHARING.—

22 (i) IN GENERAL.—A grant provided
23 under this paragraph shall be subject to a
24 minimum non-Federal cost-sharing re-
25 quirement of 20 percent.

1 (ii) NON-FEDERAL SOURCES.—The
2 Secretary shall—

3 (I) determine the appropriate
4 cost share for each selected applicant;
5 and

6 (II) require that not less than 20
7 percent of the cost of an activity fund-
8 ed by a grant under this paragraph be
9 provided by a non-Federal source.

10 (iii) REDUCTION.—The Secretary may
11 reduce or eliminate the cost-sharing re-
12 quirement described in clause (i), as the
13 Secretary determines to be necessary.

14 (iv) CALCULATION OF AMOUNT.—In
15 calculating the amount of the non-Federal
16 share under this section, the Secretary—

17 (I) may include allowable costs in
18 accordance with the applicable cost
19 principles, including—

20 (aa) cash;

21 (bb) personnel costs;

22 (cc) the value of a service,
23 other resource, or third-party in-
24 kind contribution determined in
25 accordance with the applicable

1 circular of the Office of Manage-
2 ment and Budget;

3 (dd) indirect costs or facili-
4 ties and administrative costs; or

5 (ee) any funds received
6 under the power program of the
7 Tennessee Valley Authority or
8 any Power Marketing Adminis-
9 tration (except to the extent that
10 such funds are made available
11 under an annual appropriation
12 Act);

13 (II) shall include contributions
14 made by State, tribal, or local govern-
15 ment entities and private entities; and

16 (III) shall not include—

17 (aa) revenues or royalties
18 from the prospective operation of
19 an activity beyond the time con-
20 sidered in the grant;

21 (bb) proceeds from the pro-
22 spective sale of an asset of an ac-
23 tivity; or

24 (cc) other appropriated Fed-
25 eral funds.

1 (v) REPAYMENT OF FEDERAL
2 SHARE.—The Secretary shall not require
3 repayment of the Federal share of a cost-
4 shared activity under this section as a con-
5 dition of providing a grant.

6 (vi) TITLE TO PROPERTY.—The Sec-
7 retary may vest title or other property in-
8 terests acquired under projects funded
9 under this Act in any entity, including the
10 United States.

11 (3) SELECTION.—Not later than 120 days after
12 the application deadline established under paragraph
13 (1), the Secretary shall announce the names of the
14 deployment communities selected under this sub-
15 section.

16 (e) REPORTING REQUIREMENTS.—

17 (1) IN GENERAL.—The Secretary, in consulta-
18 tion with the Committee, shall—

19 (A) determine what data will be required
20 to be collected by participants in deployment
21 communities and submitted to the Department
22 to allow for analysis of the deployment commu-
23 nities;

24 (B) provide for the protection of consumer
25 privacy, as appropriate; and

1 (C) develop metrics to determine the suc-
2 cess of the deployment communities.

3 (2) PROVISION OF DATA.—As a condition of
4 participation in the Program, a deployment commu-
5 nity shall provide any data identified by the Sec-
6 retary under paragraph (1).

7 (3) REPORTS.—Not later than 3 years after the
8 date of enactment of this Act and again after the
9 completion of the Program, the Secretary shall sub-
10 mit to Congress a report that contains—

11 (A) a description of the status of—

12 (i) the deployment communities and
13 the implementation of the deployment plan
14 of each deployment community;

15 (ii) the rate of vehicle manufacturing
16 deployment and market penetration of
17 plug-in electric drive vehicles; and

18 (iii) the deployment of residential and
19 publicly available infrastructure;

20 (B) a description of the challenges experi-
21 enced and lessons learned from the program to
22 date, including the activities described in sub-
23 paragraph (A); and

24 (C) an analysis of the data collected under
25 this subsection.

1 (f) PROPRIETARY INFORMATION.—The Secretary
2 shall, as appropriate, provide for the protection of propri-
3 etary information and intellectual property rights.

4 (g) AUTHORIZATION OF APPROPRIATIONS.—There is
5 authorized to be appropriated to carry out this section
6 \$2,000,002,000.

7 (h) CONFORMING AMENDMENT.—Section 166(b)(5)
8 of title 23, United States Code, is amended—

9 (1) in subparagraph (A), by striking “Before
10 September 30, 2009, the State” and inserting “The
11 State”; and

12 (2) in subparagraph (B), by striking “Before
13 September 30, 2009, the State” and inserting “The
14 State”.

15 **SEC. 308. MODIFICATIONS TO TAX CREDITS.**

16 (a) CREDIT FOR NEW QUALIFIED PLUG-IN ELEC-
17 TRIC DRIVE MOTOR VEHICLES.—

18 (1) TRANSFERABILITY.—

19 (A) IN GENERAL.—Subsection (c) of sec-
20 tion 30D of the Internal Revenue Code of 1986
21 is amended by adding at the end the following
22 new paragraph:

23 “(3) REFUNDABLE PERSONAL CREDIT.—

24 “(A) IN GENERAL.—For purposes of this
25 title, in the case of a qualified deployment com-

1 community taxpayer, the credit allowed under sub-
2 section (a) for any taxable year (determined
3 after application of paragraph (1) and without
4 regard to paragraph (2)(B)) shall be treated as
5 a credit allowable under subpart C for such tax-
6 able year (and not allowed under subsection
7 (a)), and paragraph (2) shall not apply to such
8 credit.

9 “(B) QUALIFIED DEPLOYMENT COMMU-
10 NITY TAXPAYER.—For purposes of subpara-
11 graph (A), the term ‘qualified deployment com-
12 munity taxpayer’ means a taxpayer—

13 “(i) who purchases a new qualified
14 plug-in electric drive motor vehicle to
15 which paragraph (1) does not apply, and

16 “(ii) who resides within, and registers
17 such vehicle in, a deployment community
18 selected by the Secretary under the Tar-
19 geted Electric Vehicles Deployment Com-
20 munities Program under section 307 of the
21 Oil Independence for a Stronger America
22 Act of 2010.

23 For purposes of the preceding sentence, such a
24 deployment community shall only be treated as
25 a deployment community after the date on

1 which such community is so selected (without
2 regard to the date on which any funds under
3 such Act are provided with respect to such com-
4 munity) and before the date on which Phase 1
5 of such program terminates.

6 “(C) REFUNDABLE CREDIT MAY BE
7 TRANSFERRED.—

8 “(i) IN GENERAL.—A qualified de-
9 ployment community taxpayer may, in con-
10 nection with the purchase of a new quali-
11 fied plug-in electric drive motor vehicle,
12 transfer any refundable credit described in
13 subparagraph (A)—

14 “(I) to any person who is in the
15 trade or business of selling new quali-
16 fied plug-in electric drive motor vehi-
17 cles and who sold such vehicle to the
18 taxpayer, or

19 “(II) to any person who is in the
20 trade or business of financing the
21 sales of new qualified plug-in electric
22 drive motor vehicles and who financed
23 the taxpayer’s purchase of such vehi-
24 cle.

1 “(ii) DISCLOSURE.—A qualified de-
2 ployment community taxpayer may trans-
3 fer a refundable credit described in sub-
4 paragraph (A) to a person described in
5 clause (i)(I) only if such person clearly dis-
6 closes to such taxpayer, through the use of
7 a window sticker attached to the new
8 qualified plug-in electric drive motor vehi-
9 cle—

10 “(I) the amount of the refund-
11 able credit described in subparagraph
12 (A) with respect to such vehicle, and

13 “(II) a notification that the tax-
14 payer will not be eligible for any cred-
15 it under any other section of this title
16 with respect to such vehicle unless the
17 taxpayer elects not to have this sec-
18 tion apply with respect to such vehi-
19 cle.

20 “(iii) CERTIFICATION.—A transferee
21 of a refundable credit described in sub-
22 paragraph (A) may not claim such credit
23 unless such claim is accompanied by a cer-
24 tification to the Secretary that the trans-
25 feree reduced the price the taxpayer paid

1 or the balance due to the financier, which-
2 ever is applicable, for the new qualified
3 plug-in electric drive motor vehicle by the
4 entire amount of such refundable credit.

5 “(iv) CONSENT REQUIRED FOR REV-
6 OCATION.—Any transfer under clause (i)
7 may be revoked only with the consent of
8 the Secretary.

9 “(v) SPECIAL RULE FOR BULK PUR-
10 CHASERS.—A qualified deployment com-
11 munity taxpayer who purchases 10 or more
12 new qualified plug-in electric drive motor
13 vehicles during the taxable year may trans-
14 fer a refundable credit described in sub-
15 paragraph (A) to any person.

16 “(vi) REGULATIONS.—The Secretary
17 may prescribe such regulations as nec-
18 essary—

19 “(I) to ensure that any refund-
20 able credit described in clause (i) is
21 claimed once and not retransferred by
22 a transferee, and

23 “(II) to provide a mechanism by
24 which the transferee may claim and
25 receive the credit within 3 months of

1 the sale of the new qualified plug-in
2 electric drive motor vehicle.”.

3 (B) DISPLAY OF CREDIT INFORMATION.—
4 Section 32908(b)(1) of title 49, United States
5 Code, is amended—

6 (i) by redesignating subparagraphs
7 (E) and (F) as subparagraphs (F) and
8 (G); and

9 (ii) by inserting after subparagraph
10 (D) the following new subparagraph:

11 “(E) the amount of the new qualified plug-
12 in electric drive motor vehicle credit allowable
13 with respect to the sale of the automobile under
14 section 30D of the Internal Revenue Code of
15 1986 (26 U.S.C. 30D).”.

16 (2) INCREASED CREDIT FOR TAXPAYERS IN DE-
17 PLOYMENT COMMUNITIES.—Subsection (f) of section
18 30D of such Code is amended by adding at the end
19 the following new paragraph:

20 “(8) INCREASED CREDIT FOR TAXPAYERS IN
21 DEPLOYMENT COMMUNITIES.—In the case of a
22 qualified deployment community taxpayer (within
23 the meaning of subsection (c)(3)(B)), subsection
24 (b)(2) shall be applied by substituting ‘\$5,000’ for
25 ‘\$2,500’.”.

1 (3) INCREASED PER MANUFACTURER CAP.—
2 Paragraph (2) of section 30D(e) of such Code is
3 amended by striking “200,000” and inserting
4 “300,000”.

5 (4) EXTENSION AND MODIFICATION OF NEW
6 QUALIFIED HYBRID MOTOR VEHICLE CREDIT.—

7 (A) EXTENSION.—Paragraph (3) of sec-
8 tion 30B(k) of such Code is amended by strik-
9 ing “December 31, 2009” and inserting “De-
10 cember 31, 2016”.

11 (B) QUALIFIED INCREMENTAL HYBRID
12 COST.—Clause (iii) of section 30B(d)(2)(B) of
13 such Code is amended by striking “does not ex-
14 ceed—” and all that follows and inserting “does
15 not exceed—

16 “(I) \$15,000, if such vehicle has
17 a gross vehicle weight rating of not
18 more than 14,000 pounds,

19 “(II) \$30,000, if such vehicle has
20 a gross vehicle weight rating of more
21 than 14,000 pounds but not more
22 than 26,000 pounds,

23 “(III) \$60,000, if such vehicle
24 has a gross vehicle weight rating of

1 more than 26,000 pounds but not
2 more than 33,000 pounds, and

3 “(IV) \$100,000, if such vehicle
4 has a gross vehicle weight rating of
5 more than 33,000 pounds.”.

6 (C) APPLICABLE PERCENTAGE FOR HEAVY
7 TRUCKS ACHIEVING 20 PERCENT INCREASE IN
8 CITY FUEL ECONOMY.—Clause (ii) of section
9 30B(d)(2)(B) of such Code is amended by re-
10 designating subclauses (I), (II), and (III) as
11 subclauses (II), (III), and (IV), respectively,
12 and by inserting before subclause (II) (as so re-
13 designated) the following new subclause:

14 “(I) 10 percent in the case of a vehicle to
15 which clause (iii)(IV) applies if such vehicle
16 achieves an increase in city fuel economy rel-
17 ative to a comparable vehicle of at least 20 per-
18 cent but less than 30 percent.”.

19 (D) DOLLAR LIMITATION.—Subparagraph
20 (B) of section 30B(d)(2) of such Code is
21 amended by adding at the end the following
22 new clause:

23 “(vi) LIMITATION.—The amount al-
24 lowed as a credit under subsection (a)(3)
25 with respect to a vehicle by reason of

1 clause (i) of this subparagraph shall not
2 exceed \$24,000.”.

3 (E) HEAVY ELECTRIC VEHICLES.—Para-
4 graph (3) of section 30B(d) of such Code is
5 amended by redesignating subparagraphs (B),
6 (C), and (D) as subparagraphs (C), (D), and
7 (E), respectively, and by inserting after sub-
8 paragraph (A) the following new subparagraph:

9 “(B) HEAVY ELECTRIC VEHICLES.—In the
10 case of a vehicle with a gross vehicle weight rat-
11 ing of not less than 8,500 pounds, the term
12 ‘new qualified hybrid motor vehicle’ includes a
13 motor vehicle—

14 “(i) which draws propulsion energy
15 exclusively from a rechargeable energy
16 storage system, and

17 “(ii) which meets the requirements of
18 clauses (iii), (v), (vi), and (vii) of subpara-
19 graph (A).”.

20 (F) CREDITS MAY BE TRANSFERRED.—
21 Subsection (d) of section 30B of such Code is
22 amended by adding at the end the following
23 new paragraph:

24 “(4) TRANSFERABILITY OF CREDIT.—

1 “(A) IN GENERAL.—A taxpayer who places
2 in service any vehicle may transfer the credit al-
3 lowed under this subsection with respect to
4 such vehicle through an assignment to the seller
5 of such vehicle. Such transfer may be revoked
6 only with the consent of the Secretary.

7 “(B) REGULATIONS.—The Secretary shall
8 prescribe such regulations as necessary to en-
9 sure that any credit transferred under subpara-
10 graph (A) is claimed once and not reassigned
11 by such other person.”.

12 (b) CREDIT FOR ALTERNATIVE FUEL VEHICLE RE-
13 FUELING PROPERTY.—

14 (1) EXTENSION OF INCREASED CREDIT FOR
15 ELECTRICITY.—

16 (A) IN GENERAL.—Paragraph (6) of sec-
17 tion 30C(e) of such Code is amended—

18 (i) by striking “DURING 2009 AND
19 2010” in the heading and inserting “DUR-
20 ING CERTAIN TAXABLE YEARS”;

21 (ii) by striking “and before January
22 1, 2011”;

23 (iii) by inserting “, which is placed in
24 service before January 1, 2011 (before
25 January 1, 2017, in the case of property

1 which relates to electricity)” after “hydro-
2 gen” in subparagraph (A); and

3 (iv) by inserting “, which is placed in
4 service before January 1, 2011” after “hy-
5 drogen” in subparagraph (B).

6 (B) EXTENSION OF CREDIT.—Subsection
7 (g) of section 30C of such Code is amended—

8 (i) by striking “and” at the end of
9 paragraph (1);

10 (ii) by redesignating paragraph (2) as
11 paragraph (3); and

12 (iii) by inserting after paragraph (1)
13 the following new paragraph:

14 “(2) in the case of property relating to elec-
15 tricity, after December 31, 2016, and”.

16 (2) MODIFICATION OF COST PROVISIONS.—Sub-
17 section (e) of section 30C of such Code is amended
18 by adding at the end the following new paragraph:

19 “(7) INSTALLATION OF ELECTRICITY PROP-
20 ERTY.—In the case of any qualified alternative fuel
21 vehicle refueling property which relates to electricity,
22 for purposes of subsection (a), the cost of such prop-
23 erty shall include the cost of the original installation
24 of such property.”.

1 (3) TRANSFERABILITY OF CREDIT.—Section
2 30C(e) of such Code, as amended by paragraph (2),
3 is amended by adding at the end the following new
4 paragraph:

5 “(8) TRANSFERABILITY OF CREDIT.—

6 “(A) IN GENERAL.—A person who places
7 any qualified alternative fuel vehicle refueling
8 property in service may transfer the credit
9 under this section through an assignment to
10 any other person. Such transfer may be revoked
11 only with the consent of the Secretary.

12 “(B) CERTIFICATION.—A transferee of a
13 credit described in subparagraph (A) may not
14 claim such credit unless such claim is accom-
15 panied by a certification to the Secretary that
16 the transferee reduced the price the transferor
17 paid for the qualified alternative fuel vehicle re-
18 fueling property by the entire amount of such
19 credit.

20 “(C) REGULATIONS.—The Secretary shall
21 prescribe such regulations as necessary to en-
22 sure that the credit transferred under subpara-
23 graph (A) is claimed once and not reassigned
24 by such other person.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to property placed in service after
3 the date of the enactment of this Act.

4 **SEC. 309. QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR VE-**
5 **HICLE REFUELING PROPERTY BONDS.**

6 (a) IN GENERAL.—Paragraph (1) of section 54A(d)
7 of the Internal Revenue Code of 1986 is amended—

8 (1) by striking “or” at the end of subparagraph
9 (D);

10 (2) by inserting “or” at the end of subpara-
11 graph (E); and

12 (3) by inserting after subparagraph (E) the fol-
13 lowing new subparagraph:

14 “(F) a qualified plug-in electric drive
15 motor vehicle refueling property bond,”.

16 (b) QUALIFIED PURPOSE.—Subparagraph (C) of sec-
17 tion 54A(d)(2) of such Code is amended—

18 (1) by striking “and” at the end of clause (iv);

19 (2) by striking the period at the end of clause
20 (v) and inserting “, and”; and

21 (3) by adding at the end the following new
22 clause:

23 “(vi) in the case of a qualified plug-
24 in electric drive motor vehicle refueling

1 property bond, a purpose specified in sec-
 2 tion 54G(a)(1).”.

3 (c) BONDS ALLOWED.—Subpart I of part IV of sub-
 4 chapter A of chapter 1 of such Code is amended by adding
 5 at the end the following new section:

6 **“SEC. 54G. QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR**
 7 **VEHICLE REFUELING PROPERTY BONDS.**

8 “(a) QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR
 9 VEHICLE REFUELING PROPERTY BOND.—For purposes
 10 of this subpart, the term ‘qualified plug-in electric drive
 11 motor vehicle refueling property bond’ means any bond
 12 issued as part of an issue if—

13 “(1) 100 percent of the available project pro-
 14 ceeds of such issue are to be used for capital expend-
 15 itures incurred by a qualified issuer for 1 or more
 16 qualified plug-in electric drive motor vehicle refuel-
 17 ing properties,

18 “(2) the bond is issued by a qualified issuer,
 19 and

20 “(3) the issuer designates such bond for pur-
 21 poses of this section.

22 “(b) REDUCED CREDIT AMOUNT.—Notwithstanding
 23 paragraph (2) of section 54A(b), the annual credit deter-
 24 mined with respect to any qualified plug-in electric drive
 25 motor vehicle refueling property bond is 70 percent of the

1 amount which would (but for this subsection) otherwise
2 be determined under such paragraph with respect to such
3 bond.

4 “(c) LIMITATION ON AMOUNT OF BONDS DES-
5 IGNATED.—The maximum aggregate face amount of
6 bonds which may be designated under subsection (a) by
7 any issuer shall not exceed the limitation amount allocated
8 to such issuer under subsection (e).

9 “(d) NATIONAL LIMITATION ON AMOUNT OF BONDS
10 DESIGNATED.—There is a national qualified plug-in elec-
11 tric drive motor vehicle refueling property bond limitation
12 of \$1,000,000,000.

13 “(e) ALLOCATIONS.—The Secretary shall make allo-
14 cations of the amount of the national qualified plug-in
15 electric drive motor vehicle refueling property bond limita-
16 tion described in subsection (d) among purposes described
17 in subsection (a)(1) in such manner as the Secretary de-
18 termines appropriate.

19 “(f) DEFINITIONS.—For purposes of this section—

20 “(1) QUALIFIED PLUG-IN ELECTRIC DRIVE
21 MOTOR VEHICLE REFUELING PROPERTY.—The term
22 ‘qualified plug-in electric drive motor vehicle refuel-
23 ing property’ means any qualified alternative fuel ve-
24 hicle refueling property (within the meaning of sec-
25 tion 30C) which relates to electricity.

1 “(2) QUALIFIED ISSUER.—

2 “(A) IN GENERAL.—The term ‘qualified
3 issuer’ means a public power provider, a cooper-
4 ative electric company, or a governmental body.

5 “(B) DENIAL OF DOUBLE BENEFIT.—With
6 respect to any issue, the term ‘qualified issuer’
7 shall not include any entity to which a credit
8 under section 30C is allowed for the taxable
9 year in which such issue is issued.

10 “(C) GOVERNMENTAL BODY.—The term
11 ‘governmental body’ means any State or Indian
12 tribal government, or any political subdivision
13 thereof.

14 “(D) PUBLIC POWER PROVIDER.—The
15 term ‘public power provider’ means a State util-
16 ity that has a service obligation to end-users or
17 to a distribution utility (within the meaning of
18 section 217 of the Federal Power Act, as in ef-
19 fect on the date of the enactment of this sec-
20 tion).

21 “(E) COOPERATIVE ELECTRIC COMPANY.—
22 The term ‘cooperative electric company’ means
23 a mutual or cooperative electric company de-
24 scribed in section 501(c)(12) or an organization
25 described in section 1381(a)(2)(C).”.

1 (d) CLERICAL AMENDMENT.—The table of sections
2 for subpart I of part IV of subchapter A of chapter 1 of
3 such Code is amended by adding at the end the following
4 new item:

“Sec. 54G. Qualified plug-in electric drive motor vehicle refueling property
bonds.”.

5 (e) EFFECTIVE DATE.—The amendments made by
6 subsections (a), (b), (c), and (d) shall apply to obligations
7 issued after the date of the enactment of this Act.

8 (f) LOAN GUARANTEES.—

9 (1) IN GENERAL.—Section 1705 of the Energy
10 Policy Act of 2005 (42 U.S.C. 16516) is amended—

11 (A) in subsection (a), by adding at the end
12 the following:

13 “(4) Charging infrastructure and networks of
14 charging infrastructure for plug-in drive electric ve-
15 hicles, if such charging infrastructure will be oper-
16 ational prior to December 31, 2016.”; and

17 (B) by striking subsection (e) and insert-
18 ing the following:

19 “(e) SUNSET.—The authority to enter into guaran-
20 tees under this section shall expire on September 30,
21 2011, except that for projects described in subsection
22 (a)(4), the authority to enter into guarantees shall expire
23 on December 31, 2016.”.

1 **SEC. 310. UTILITY PLANNING FOR PLUG-IN ELECTRIC**
2 **DRIVE VEHICLES.**

3 (a) IN GENERAL.—The Public Utility Regulatory
4 Policies Act of 1978 (16 U.S.C. 2601 et seq.) is amend-
5 ed—

6 (1) in section 111(d) (16 U.S.C. 2621(d)), by
7 adding at the end the following:

8 “(20) PLUG-IN ELECTRIC DRIVE VEHICLE
9 PLANNING.—

10 “(A) UTILITY PLAN FOR PLUG-IN ELEC-
11 TRIC DRIVE VEHICLES.—

12 “(i) IN GENERAL.—Each electric util-
13 ity shall develop a plan to support the use
14 of plug-in electric drive vehicles, including
15 medium- and heavy-duty hybrid electric ve-
16 hicles in the service area of the electric
17 utility.

18 “(ii) REQUIREMENTS.—A plan under
19 clause (i) shall investigate—

20 “(I) various levels of potential
21 penetration of plug-in electric drive
22 vehicles in the utility service area;

23 “(II) the potential impacts that
24 the various levels of penetration and
25 charging scenarios (including charging
26 rates and daily hours of charging)

1 would have on generation, distribution
2 infrastructure, and the operation of
3 the transmission grid; and

4 “(III) the role of third parties in
5 providing reliable and economical
6 charging services.

7 “(iii) WAIVER.—An electric utility
8 that determines that the electric utility will
9 have no meaningful penetration of plug-in
10 electric drive vehicles during the 5-year pe-
11 riod beginning on the date of enactment of
12 this paragraph may petition the Secretary
13 to waive clause (i) for 5 years.

14 “(iv) UPDATES.—

15 “(I) IN GENERAL.—Each electric
16 utility shall update the plan of the
17 electric utility every 5 years.

18 “(II) RESUBMISSION OF WAIV-
19 ER.—An electric utility that received a
20 waiver under clause (iii) and wants
21 the waiver to continue after the expi-
22 ration of the waiver shall resubmit the
23 waiver.

24 “(v) EXEMPTION.—If the Secretary
25 determines that a plan required by a State

1 regulatory authority meets the require-
2 ments of this paragraph, the Secretary
3 may accept that plan and exempt the elec-
4 tric utility submitting the plan from the re-
5 quirements of clause (i).

6 “(B) SUPPORT REQUIREMENTS.—Each
7 State regulatory authority (in the case of each
8 electric utility for which the authority has rate-
9 making authority) and each nonregulated utility
10 shall—

11 “(i) participate in any local plan for
12 the deployment of recharging infrastruc-
13 ture in communities located in the foot-
14 print of the authority or utility;

15 “(ii) require that charging infrastruc-
16 ture deployed be interoperable with prod-
17 ucts of all auto manufacturers to the max-
18 imum extent practicable; and

19 “(iii) consider adopting minimum re-
20 quirements for deployment of electrical
21 charging infrastructure and other appro-
22 priate requirements necessary to support
23 the use of plug-in electric drive vehicles.

24 “(C) COST RECOVERY.—Each State regu-
25 latory authority (in the case of each electric

1 utility for which the authority has ratemaking
2 authority) and each nonregulated utility may
3 consider whether, and to what extent, to allow
4 cost recovery for plans and implementation of
5 plans.”;

6 (2) in section 112(b) (16 U.S.C. 2622(b), by
7 adding at the end the following:

8 “(7)(A) Not later than 2 years after the date
9 of enactment of this paragraph, each State regu-
10 latory authority (with respect to each electric utility
11 for which it has ratemaking authority) and each
12 nonregulated utility shall commence the consider-
13 ation referred to in section 111, or set a hearing
14 date for consideration, with respect to the standards
15 established by paragraph (20) of section 111(d).

16 “(B) Not later than 3 years after the date of
17 the enactment of this paragraph, each State regu-
18 latory authority (with respect to each electric utility
19 for which it has ratemaking authority), and each
20 nonregulated electric utility, shall complete the con-
21 sideration, and shall make the determination, re-
22 ferred to in section 111 with respect to the stand-
23 ards established by paragraph (20) of section
24 111(d).”;

25 (3) in section 112(c) (16 U.S.C. 2622(c))—

1 (A) in the first sentence, by striking “Each
2 State” and inserting the following:

3 “(1) IN GENERAL.—Each State”;

4 (B) in the second sentence, by striking “In
5 the case” and inserting the following:

6 “(2) SPECIFIC STANDARDS.—

7 “(A) NET METERING AND FOSSIL FUEL
8 GENERATION EFFICIENCY.—In the case”;

9 (C) in the third sentence, by striking “In
10 the case” and inserting the following:

11 “(B) TIME-BASED METERING AND COMMU-
12 NICATIONS.—In the case”;

13 (D) in the fourth sentence—

14 (i) by striking “In the case” and in-
15 serting the following:

16 “(C) INTERCONNECTION.—In the case”;

17 and

18 (ii) by striking “paragraph (15)” and
19 inserting “paragraph (15) of section
20 111(d)”;

21 (E) in the fifth sentence, by striking “In
22 the case” and inserting the following:

23 “(D) INTEGRATED RESOURCE PLANNING,
24 RATE DESIGN MODIFICATIONS, SMART GRID IN-

1 VESTMENTS, SMART GRID INFORMATION.—In
2 the case”; and

3 (F) by adding at the end the following:

4 “(E) PLUG-IN ELECTRIC DRIVE VEHICLE
5 PLANNING.—In the case of the standards estab-
6 lished by paragraph (20) of section 111(d), the
7 reference contained in this subsection to the
8 date of enactment of this Act shall be deemed
9 to be a reference to the date of enactment of
10 that paragraph.”; and

11 (4) in section 112(d) (16 U.S.C. 2622(d)), in
12 the matter preceding paragraph (1), by striking
13 “(19)” and inserting “(20)”.

14 (b) REPORT.—

15 (1) IN GENERAL.—The Secretary, in consulta-
16 tion with the Technical Advisory Committee, shall
17 convene a group of utility stakeholders, charging in-
18 frastructure providers, third-party aggregators, and
19 others, as appropriate, to discuss and determine the
20 potential models for the technically and logistically
21 challenging issues involved in using electricity as a
22 fuel for vehicles, including—

23 (A) accommodation for billing for charging
24 a plug-in electric drive vehicle, both at home

1 and at publicly available charging infrastruc-
2 ture;

3 (B) plans for anticipating vehicle to grid
4 applications that will allow batteries in cars as
5 well as banks of batteries to be used for grid
6 storage, ancillary services provision, and backup
7 power;

8 (C) integration of plug-in electric drive ve-
9 hicles with smart grid, including protocols and
10 standards, necessary equipment, and informa-
11 tion technology systems; and

12 (D) any other barriers to installing suffi-
13 cient and appropriate charging infrastructure.

14 (2) REPORT.—Not later than 2 years after the
15 date of enactment of this Act, and biennially there-
16 after, the Secretary shall submit to the appropriate
17 committees of Congress a report that includes infor-
18 mation on—

19 (A) the issues and model solutions de-
20 scribed in paragraph (1); and

21 (B) any other issues that the Task Force
22 and Secretary determine to be appropriate

23 **SEC. 311. FEDERAL FLEETS.**

24 (a) IN GENERAL.—Electricity consumed by Federal
25 agencies to fuel plug-in electric drive vehicles—

1 (1) is an alternative fuel (as defined in section
2 301 of the Energy Policy Act of 1992 (42 U.S.C.
3 13218)); and

4 (2) shall be accounted for under Federal fleet
5 management reporting requirements, not under Fed-
6 eral building management reporting requirements.

7 (b) ASSESSMENT AND REPORT.—Not later than 180
8 days after the date of enactment of this Act, and every
9 3 years thereafter, the Federal Energy Management Pro-
10 gram and the General Services Administration, in con-
11 sultation with the Task Force, shall complete an assess-
12 ment of Federal Government fleets, including the Postal
13 Service and the Department of Defense, and submit a re-
14 port to Congress that describes—

15 (1) for each Federal agency, which types of ve-
16 hicles the agency uses that would or would not be
17 suitable for near-term and medium-term conversion
18 to plug-in electric drive vehicles, taking into account
19 the types of vehicles for which plug-in electric drive
20 vehicles could provide comparable functionality and
21 lifecycle costs;

22 (2) how many plug-in electric drive vehicles
23 could be deployed by the Federal Government in 5
24 years and in 10 years, assuming that plug-in electric
25 drive vehicles are available and are purchased when

1 new vehicles are needed or existing vehicles are re-
2 placed;

3 (3) the estimated cost to the Federal Govern-
4 ment for vehicle purchases under paragraph (2) for
5 each fiscal year; and

6 (4) a description of any updates to the assess-
7 ment and plan based on new market data.

8 (c) INVENTORY AND DATA COLLECTION.—

9 (1) IN GENERAL.—In carrying out the assess-
10 ment and report under subsection (b), the Federal
11 Energy Management Program, in consultation with
12 the General Services Administration, shall—

13 (A) develop an information request for
14 each agency that operates a fleet of at least 20
15 motor vehicles; and

16 (B) establish guidelines for each agency to
17 use in developing a plan to deploy plug-in elec-
18 tric drive vehicles.

19 (2) AGENCY RESPONSES.—Each agency that
20 operates a fleet of at least 20 motor vehicles shall—

21 (A) collect information on the vehicle fleet
22 of the agency in response to the information re-
23 quest described in paragraph (1); and

24 (B) develop a plan to deploy plug-in elec-
25 tric drive vehicles.

1 (3) ANALYSIS OF RESPONSES.—The Federal
2 Energy Management Program shall—

3 (A) analyze the information submitted by
4 each agency under paragraph (2);

5 (B) approve or suggest amendments to the
6 plan of each agency to ensure that the plan is
7 consistent with the goals and requirements of
8 this title; and

9 (C) submit a plan to Congress and the
10 General Services Administration to be used in
11 developing the pilot program described in sub-
12 section (e).

13 (d) BUDGET REQUEST.—Each agency of the Federal
14 Government shall include plug-in electric drive vehicle pur-
15 chases identified in the report under subsection (b) in the
16 budget of the agency to be included in the budget of the
17 United States Government submitted by the President
18 under section 1105 of title 31, United States Code.

19 (e) PILOT PROGRAM TO DEPLOY PLUG-IN ELECTRIC
20 DRIVE VEHICLES IN THE FEDERAL FLEET.—

21 (1) IN GENERAL.—The Administrator of Gen-
22 eral Services shall acquire plug-in electric drive vehi-
23 cles and the requisite charging infrastructure to be
24 deployed in a range of locations in the Federal fleet

1 during the 5-year period beginning on the date of
2 enactment of this Act.

3 (2) DATA COLLECTION.—The Administrator of
4 General Services shall collect data regarding—

5 (A) the cost, performance, and use of plug-
6 in electric drive vehicles in the Federal fleet;

7 (B) the deployment and integration of
8 plug-in electric drive vehicles in the Federal
9 fleet; and

10 (C) the contribution of plug-in electric
11 drive vehicles in the Federal fleet toward reduc-
12 ing the use of fossil fuels and greenhouse gas
13 emissions.

14 (3) REPORT.—Not later than 6 years after the
15 date of enactment of this Act, the Administrator of
16 General Services shall submit to the appropriate
17 committees of Congress a report that—

18 (A) describes the status of plug-in electric
19 drive vehicles in the Federal fleet; and

20 (B) includes an analysis of the data col-
21 lected under this subsection.

22 (4) PUBLIC WEB SITE.—The Federal Energy
23 Management Program shall maintain and regularly
24 update a publicly available Web site that provides in-

1 formation on the status of plug-in electric vehicles in
2 the Federal fleet.

3 (f) ACQUISITION PRIORITY.—Section 507(g) of the
4 Energy Policy Act of 1992 (42 U.S.C. 13257(g)) is
5 amended by adding at the end the following:

6 “(5) PRIORITY.—The Secretary, to the max-
7 imum extent practicable, shall prioritize the acquisi-
8 tion of plug-in electric drive vehicles (as defined in
9 section 131(a) of the Energy Independence and Se-
10 curity Act of 2007 (42 U.S.C. 17011(a)) over non-
11 electric alternative fueled vehicles.”.

12 (g) AUTHORIZATION OF APPROPRIATIONS.—There is
13 authorized to be appropriated for the Federal Government
14 to pay for incremental costs to purchase or lease plug-
15 in electric drive vehicles and the requisite charging infra-
16 structure for Federal fleets \$25,000,000.

17 **SEC. 312. ADVANCED BATTERIES FOR TOMORROW PRIZE.**

18 (a) IN GENERAL.—Not later than 1 year after the
19 date of enactment of this Act, as part of the program de-
20 scribed in section 1008 of the Energy Policy Act of 2005
21 (42 U.S.C. 16396), the Secretary shall establish the Ad-
22 vanced Batteries for Tomorrow Prize to competitively
23 award cash prizes in accordance with this section to ad-
24 vance the research, development, demonstration, and com-
25 mercial application of a 500-mile vehicle battery.

1 (b) BATTERY SPECIFICATIONS.—

2 (1) IN GENERAL.—To be eligible for the Prize,
3 a battery submitted by an entrant shall be—

4 (A) able to power a plug-in electric drive
5 vehicle authorized to travel on the United
6 States Federal-aid system of highways for at
7 least 500 miles before recharging;

8 (B) of a size that would not be cost-prohib-
9 itive or create space constraints, if mass-pro-
10 duced; and

11 (C) cost-effective (measured in cost per kil-
12 owatt hour), if mass-produced.

13 (2) ADDITIONAL REQUIREMENTS.—The Sec-
14 retary, in consultation with the Committee, shall es-
15 tablish any additional battery specifications that the
16 Secretary and the Committee determine to be nec-
17 essary.

18 (c) PRIVATE FUNDS.—

19 (1) IN GENERAL.—Subject to paragraph (2)
20 and notwithstanding section 3302 of title 31, United
21 States Code, the Secretary may accept, retain, and
22 use funds contributed by any person, government
23 entity, or organization for purposes of carrying out
24 this subsection—

25 (A) without further appropriation; and

1 (B) without fiscal year limitation.

2 (2) RESTRICTION ON PARTICIPATION.—An enti-
3 ty providing private funds for the Prize may not
4 participate in the competition for the Prize.

5 (d) TECHNICAL REVIEW.—The Secretary, in con-
6 sultation with the Committee, shall establish a technical
7 review committee composed of non-Federal officers to re-
8 view data submitted by Prize entrants under this section
9 and determine whether the data meets the prize specifica-
10 tions described in subsection (b).

11 (e) THIRD-PARTY ADMINISTRATION.—The Secretary
12 may select, on a competitive basis, a third party to admin-
13 ister awards provided under this section.

14 (f) ELIGIBILITY.—To be eligible for an award under
15 this section—

16 (1) in the case of a private entity, the entity
17 shall be incorporated in and maintain a primary
18 place of business in the United States; and

19 (2) in the case of an individual (whether par-
20 ticipating as a single individual or in a group), the
21 individual shall be a citizen or lawful permanent
22 resident of the United States.

23 (g) AWARD AMOUNTS.—

1 (1) IN GENERAL.—Subject to the availability of
2 funds to carry out this section, the amount of the
3 Prize shall be \$10,000,000.

4 (2) BREAKTHROUGH ACHIEVEMENT AWARDS.—
5 In addition to the award described in paragraph (1),
6 the Secretary, in consultation with the technical re-
7 view committee established under subsection (d),
8 may award cash prizes, in amounts determined by
9 the Secretary, in recognition of breakthrough
10 achievements in research, development, demonstra-
11 tion, and commercial application of—

12 (A) activities described in subsection (b);

13 or

14 (B) advances in battery durability, energy
15 density, and power density.

16 (h) 500-MILE BATTERY AWARD FUND.—

17 (1) ESTABLISHMENT.—There is established in
18 the Treasury of the United States a fund to be
19 known as the “500-mile Battery Fund” (referred to
20 in this section as the “Fund”), to be administered
21 by the Secretary, to be available without fiscal year
22 limitation and subject to appropriation, to award
23 amounts under this section.

24 (2) TRANSFERS TO FUND.—The Fund shall
25 consist of—

1 (A) such amounts as are appropriated to
2 the Fund under subsection (i); and

3 (B) such amounts as are described in sub-
4 section (c) and that are provided for the Fund.

5 (3) PROHIBITION.—Amounts in the Fund may
6 not be made available for any purpose other than a
7 purposes described in subsection (a).

8 (4) ANNUAL REPORTS.—

9 (A) IN GENERAL.—Not later than 60 days
10 after the end of each fiscal year beginning with
11 fiscal year 2012, the Secretary shall submit a
12 report on the operation of the Fund during the
13 fiscal year to—

14 (i) the Committees on Appropriations
15 of the House of Representatives and of the
16 Senate;

17 (ii) the Committee on Energy and
18 Natural Resources of the Senate; and

19 (iii) the Committee on Energy and
20 Commerce of the House of Representa-
21 tives.

22 (B) CONTENTS.—Each report shall in-
23 clude, for the fiscal year covered by the report,
24 the following:

1 (i) A statement of the amounts depos-
2 ited into the Fund.

3 (ii) A description of the expenditures
4 made from the Fund for the fiscal year, in-
5 cluding the purpose of the expenditures.

6 (iii) Recommendations for additional
7 authorities to fulfill the purpose of the
8 Fund.

9 (iv) A statement of the balance re-
10 maining in the Fund at the end of the fis-
11 cal year.

12 (5) SEPARATE APPROPRIATIONS ACCOUNT.—
13 Section 1105(a) of title 31, United States Code, is
14 amended—

15 (A) by redesignating paragraphs (35) and
16 (36) as paragraphs (36) and (37), respectively;

17 (B) by redesignating the second paragraph
18 (33) (relating to obligational authority and out-
19 lays requested for homeland security) as para-
20 graph (35); and

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

22 “(38) a separate statement for the 500-mile
23 Battery Fund established under section 8(h) of the
24 ‘Oil Independence for a Stronger America Act of
25 2010’, which shall include the estimated amount of

1 deposits into the Fund, obligations, and outlays from
2 the Fund.”.

3 (i) AUTHORIZATION OF APPROPRIATIONS.—There is
4 authorized to be appropriated—

5 (1) \$10,000,000 to carry out subsection (g)(1);

6 and

7 (2) \$1,000,000 to carry out subsection (g)(2).

8 **SEC. 313. RESEARCH AND DEVELOPMENT PROGRAM.**

9 (a) RESEARCH AND DEVELOPMENT PROGRAM.—

10 (1) IN GENERAL.—The Secretary, in consulta-
11 tion with the Committee, shall establish a program
12 to fund research and development in advanced bat-
13 teries, plug-in electric drive vehicle components,
14 plug-in electric drive vehicle infrastructure, and
15 other technologies supporting the development, man-
16 ufacture, and deployment of plug-in electric drive ve-
17 hicles and charging infrastructure.

18 (2) USE OF FUNDS.—The program may include
19 funding for—

20 (A) the development of low-cost, smart-
21 charging and vehicle-to-grid connectivity tech-
22 nology;

23 (B) the benchmarking and assessment of
24 open software systems using nationally estab-
25 lished evaluation criteria;

1 (C) new technologies in electricity storage
2 for vehicles; and

3 (D) new financing or business models that
4 will help reduce the initial costs of energy stor-
5 age components or ownership costs for vehicles.

6 (3) REPORT.—Not later than 4 years after the
7 date of enactment of this Act, the Secretary shall
8 submit to Congress a report describing the status of
9 the program described in paragraph (1).

10 (b) SECONDARY USE APPLICATIONS PROGRAM.—

11 (1) IN GENERAL.—The Secretary, in consulta-
12 tion with the Committee, shall carry out a research,
13 development, and demonstration program that builds
14 upon any work carried out under section 915 of the
15 Energy Policy Act of 2005 (42 U.S.C. 16195) and—

16 (A) identifies possible uses of a vehicle bat-
17 tery after the useful life of the battery in a ve-
18 hicle has been exhausted;

19 (B) assesses the potential for markets for
20 uses described in subparagraph (A) to develop,
21 as well as any barriers to the development of
22 the markets;

23 (C) identifies the infrastructure, tech-
24 nology, and equipment needed to manage the

1 charging activity of the batteries used in sta-
2 tionary sources; and

3 (D) identifies the potential uses of a vehi-
4 cle battery—

5 (i) with the most promise for market
6 development; and

7 (ii) for which market development
8 would be aided by a demonstration project.

9 (2) REPORT.—Not later than 2 years after the
10 date of enactment of this Act, the Secretary shall
11 submit to the appropriate committees of Congress
12 an initial report on the findings of the program de-
13 scribed in paragraph (1), including recommendations
14 for stationary energy storage and other potential ap-
15 plications for batteries used in plug-in electric drive
16 vehicles.

17 (c) SECONDARY USE DEMONSTRATION PROJECTS.—

18 (1) IN GENERAL.—Based on the results of the
19 program described in subsection (b), the Secretary,
20 in consultation with the Committee, shall develop
21 guidelines for projects that demonstrate the sec-
22 ondary uses of vehicle batteries.

23 (2) PUBLICATION OF GUIDELINES.—Not later
24 than 30 months after the date of enactment of this
25 Act, the Secretary shall—

1 (A) publish the guidelines described in
2 paragraph (1); and

3 (B) solicit applications for funding for
4 demonstration projects.

5 (3) GRANT PROGRAM.—Not later than 38
6 months after the date of enactment of this Act, the
7 Secretary shall select proposals for grant funding
8 under this section, based on an assessment of which
9 proposals are mostly likely to contribute to the devel-
10 opment of a secondary market for batteries.

11 (d) MATERIALS RECYCLING STUDY.—

12 (1) IN GENERAL.—The Secretary, in consulta-
13 tion with the Committee, shall carry out a study on
14 the recycling of materials from plug-in electric drive
15 vehicles and the batteries used in plug-in electric
16 drive vehicles.

17 (2) REPORT.—Not later than 2 years after the
18 date of enactment of this Act, the Secretary shall
19 submit to the appropriate committees of Congress a
20 report on the findings of the study described in
21 paragraph (1).

22 (e) AUTHORIZATION OF APPROPRIATIONS.—There is
23 authorized to be appropriated to carry out this section
24 \$1,530,000,000, including—

1 (1) \$1,500,000,000 for use in conducting the
2 program described in subsection (a) for fiscal years
3 2011 through 2020;

4 (2) \$5,000,000 for use in conducting the pro-
5 gram described in subsection (b) for fiscal years
6 2011 through 2016;

7 (3) \$25,000,000 for use in providing grants de-
8 scribed in subsection (c) for fiscal years 2011
9 through 2020; and

10 (4) \$5,000,000 for use in conducting the study
11 described in subsection (d) for fiscal years 2011
12 through 2013.

13 **SEC. 314. STUDY ON THE SUPPLY OF RAW MATERIALS.**

14 (a) IN GENERAL.—The Secretary of the Interior, in
15 consultation with the Secretary and the Task Force, shall
16 conduct a study that—

17 (1) identifies the raw materials needed for the
18 manufacture of plug-in electric drive vehicles, bat-
19 teries, and other components for plug-in electric
20 drive vehicles, and for the infrastructure needed to
21 support plug-in electric drive vehicles;

22 (2) describes the primary or original sources
23 and known reserves and resources of those raw ma-
24 terials;

1 (3) assesses, in consultation with the National
2 Academy of Sciences, the degree of risk to the man-
3 ufacture, maintenance, deployment, and use of plug-
4 in electric drive vehicles associated with the supply
5 of those raw materials; and

6 (4) identifies pathways to securing reliable and
7 resilient supplies of those raw materials.

8 (b) REPORT.—Not later than 3 years after the date
9 of enactment of this Act, the Secretary of the Interior
10 shall submit to Congress a report that describes the re-
11 sults of the study.

12 (c) AUTHORIZATION OF APPROPRIATIONS.—There is
13 authorized to be appropriated to carry out this subsection
14 \$1,500,000.

15 **SEC. 315. PLUG-IN ELECTRIC DRIVE VEHICLE TECHNICAL**
16 **ADVISORY COMMITTEE.**

17 (a) IN GENERAL.—There is established the Plug-in
18 Electric Drive Vehicle Technical Advisory Committee to
19 advise the Secretary on the programs and activities under
20 this Act.

21 (b) MISSION.—The mission of the Committee shall
22 be to advise the Secretary on technical matters, includ-
23 ing—

24 (1) the priorities for research and development;

1 (2) means of accelerating the deployment of
2 safe, economical, and efficient plug-in electric drive
3 vehicles for mass market adoption;

4 (3) the development and deployment of charg-
5 ing infrastructure;

6 (4) the development of uniform codes, stand-
7 ards, and safety protocols for plug-in electric drive
8 vehicles and charging infrastructure; and

9 (5) reporting on the competitiveness of the
10 United States in plug-in electric drive vehicle and in-
11 frastructure research, manufacturing, and deploy-
12 ment.

13 (c) MEMBERSHIP.—

14 (1) MEMBERS.—

15 (A) IN GENERAL.—The Committee shall
16 consist of not less than 12, but not more than
17 25, members.

18 (B) REPRESENTATION.—The Secretary
19 shall appoint the members to Committee from
20 among representatives of—

21 (i) domestic industry;

22 (ii) institutions of higher education;

23 (iii) professional societies;

1 (iv) Federal, State, and local govern-
2 mental agencies (including the National
3 Laboratories); and

4 (v) financial, transportation, labor, en-
5 vironmental, or other appropriate organiza-
6 tions, as the Secretary determines to be
7 necessary.

8 (2) TERMS.—

9 (A) IN GENERAL.—The term of a Com-
10 mittee member shall not be longer than 3 years.

11 (B) STAGGERED TERMS.—The Secretary
12 may appoint members to the Committee for dif-
13 fering term lengths to ensure continuity in the
14 functioning of the Committee.

15 (C) REAPPOINTMENTS.—A member of the
16 Committee whose term is expiring may be re-
17 appointed.

18 (3) CHAIRPERSON.—The Committee shall have
19 a chairperson, who shall be elected by and from the
20 members.

21 (d) REVIEW.—The Committee shall review and make
22 recommendations to the Secretary on the implementation
23 of programs and activities under this title.

24 (e) RESPONSE.—

1 (1) IN GENERAL.—The Secretary shall consider
2 and may adopt any recommendation of the Com-
3 mittee under subsection (c).

4 (2) BIENNIAL REPORT.—

5 (A) IN GENERAL.—Not later than 2 years
6 after the date of enactment of this Act and
7 every 2 years thereafter, the Secretary shall
8 submit to the appropriate committees of Con-
9 gress a report describing any new recommenda-
10 tions of the Committee.

11 (B) CONTENTS.—The report shall in-
12 clude—

13 (i) a description of the manner in
14 which the Secretary has implemented or
15 plans to implement the recommendations
16 of the Committee; or

17 (ii) an explanation of the reason that
18 a recommendation of the Committee has
19 not been implemented.

20 (C) TIMING.—The report described in this
21 paragraph shall be submitted by the Secretary
22 at the same time the President submits the
23 budget proposal for the Department of Energy
24 to Congress.

1 (f) COORDINATION.—The Committee shall hold joint
2 annual meetings with the Hydrogen and Fuel Cell Tech-
3 nical Advisory Committee established by section 807 of the
4 Energy Policy Act of 2005 (42 U.S.C. 16156) to help co-
5 ordinate the work and recommendations of the Commit-
6 tees.

7 (g) SUPPORT.—The Secretary shall provide to the
8 Committee the resources necessary to carry out this sec-
9 tion, as determined to be necessary by the Secretary.

10 **SEC. 316. PLUG-IN ELECTRIC DRIVE VEHICLE INTER-**
11 **AGENCY TASK FORCE.**

12 (a) IN GENERAL.—Not later than 120 days after the
13 date of enactment of this Act, the President shall establish
14 the Plug-in Electric Drive Vehicle Interagency Task
15 Force, to be chaired by the Secretary and which shall con-
16 sist of at least 1 representative from each of—

- 17 (1) the Office of Science and Technology Policy;
- 18 (2) the Council on Environmental Quality;
- 19 (3) the Department of Energy;
- 20 (4) the Department of Transportation;
- 21 (5) the Department of Defense;
- 22 (6) the Department of Commerce (including the
23 National Institute of Standards and Technology);
- 24 (7) the Environmental Protection Agency;
- 25 (8) the General Services Administration; and

1 (9) any other Federal agencies that the Presi-
2 dent determines to be appropriate.

3 (b) MISSION.—The mission of the Task Force shall
4 be to ensure awareness, coordination, and integration of
5 the activities of the Federal Government relating to elec-
6 tric drive vehicles, including—

7 (1) plug-in electric drive vehicle research and
8 development (including necessary components);

9 (2) the development of widely accepted smart-
10 grid standards and protocols for charging infrastruc-
11 ture;

12 (3) the relationship of plug-in electric drive ve-
13 hicle charging practices to electric utility regulation;

14 (4) the relationship of plug-in electric drive ve-
15 hicle deployment to system reliability and security;

16 (5) the general deployment of plug-in electric
17 drive vehicles in the Federal, State, and local gov-
18 ernments and for private use;

19 (6) the development of uniform codes, stand-
20 ards, and safety protocols for plug-in electric drive
21 vehicles and charging infrastructure; and

22 (7) the alignment of international plug-in elec-
23 tric drive vehicle standards.

24 (c) ACTIVITIES.—

1 (1) IN GENERAL.—In carrying out this section,
2 the Task Force may—

3 (A) organize workshops and conferences;

4 (B) issue publications; and

5 (C) create databases.

6 (2) MANDATORY ACTIVITIES.—In carrying out
7 this section, the Task Force shall—

8 (A) foster the exchange of generic, non-
9 proprietary information and technology among
10 industry, academia, and the Federal Govern-
11 ment;

12 (B) integrate and disseminate technical
13 and other information made available as a re-
14 sult of the programs and activities under this
15 title;

16 (C) support education about plug-in elec-
17 tric drive vehicles;

18 (D) monitor, analyze, and report on the ef-
19 fects of plug-in electric drive vehicle deployment
20 on the environment and public health, including
21 air emissions from vehicles and electricity gen-
22 erating units; and

23 (E) review and report on—

24 (i) opportunities to use Federal pro-
25 grams (including laws, regulations, and

1 guidelines) to promote the deployment of
2 plug-in electric drive vehicles; and

3 (ii) any barriers to the deployment of
4 plug-in electric drive vehicles, including
5 barriers that are attributable to Federal
6 programs (including laws, regulations, and
7 guidelines).

8 (d) AGENCY COOPERATION.—A Federal agency—

9 (1) shall cooperate with the Task Force; and

10 (2) provide, on request of the Task Force, ap-
11 propriate assistance in carrying out this section, in
12 accordance with applicable Federal laws (including
13 regulations).

14 **SEC. 317. PROHIBITION ON DISPOSING OF ADVANCED BAT-**
15 **TERIES IN LANDFILLS.**

16 (a) DEFINITION OF ADVANCED BATTERY.—

17 (1) IN GENERAL.—In this section, the term
18 “advanced battery” means a battery that is a sec-
19 ondary (rechargeable) electrochemical energy storage
20 device that has enhanced energy capacity.

21 (2) EXCLUSIONS.—The term “advanced bat-
22 tery” does not include—

23 (A) a primary (nonrechargeable) battery;

24 or

1 (B) a lead-acid battery that is used to
2 start or serve as the principal electrical power
3 source for a plug-in electric drive vehicle.

4 (b) REQUIREMENT.—An advanced battery from a
5 plug-in electric drive vehicle shall be disposed of in accord-
6 ance with the Solid Waste Disposal Act (42 U.S.C. 6901
7 et seq.) (commonly known as the “Resource Conservation
8 and Recovery Act of 1976”).

9 **SEC. 318. LOAN GUARANTEES.**

10 (a) LOAN GUARANTEES FOR ADVANCED BATTERY
11 PURCHASES FOR USE IN STATIONARY APPLICATIONS.—
12 Subtitle B of title I of the Energy Independence and Secu-
13 rity Act of 2007 (42 U.S.C. 17011 et seq.) is amended
14 by adding at the end the following:

15 **“SEC. 137. LOAN GUARANTEES FOR ADVANCED BATTERY**
16 **PURCHASES.**

17 “(a) DEFINITIONS.—In this section:

18 “(1) QUALIFIED AUTOMOTIVE BATTERY.—The
19 term ‘qualified automotive battery’ means a battery
20 that—

21 “(A) has at least 4 kilowatt hours of bat-
22 tery capacity; and

23 “(B) is designed for use in qualified plug-
24 in electric drive motor vehicles but is purchased
25 for nonautomotive applications.

1 “(2) ELIGIBLE ENTITY.—The term ‘eligible en-
2 tity’ means—

3 “(A) an original equipment manufacturer;

4 “(B) an electric utility;

5 “(C) any provider of range extension infra-
6 structure; or

7 “(D) any other qualified entity, as deter-
8 mined by the Secretary.

9 “(b) LOAN GUARANTEES.—

10 “(1) IN GENERAL.—The Secretary shall guar-
11 antee loans made to eligible entities for the aggre-
12 gate purchase of not less than 200 qualified auto-
13 motive batteries in a calendar year that have a total
14 minimum power rating of 1 megawatt and use ad-
15 vanced battery technology.

16 “(2) RESTRICTION.—As a condition of receiving
17 a loan guarantee under this section, an entity pur-
18 chasing qualified automotive batteries with loan
19 funds guaranteed under this section shall comply
20 with the provisions of the Buy American Act (41
21 U.S.C. 10a et seq.).

22 “(c) REGULATIONS.—The Secretary shall promulgate
23 such regulations as are necessary to carry out this section.

1 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
2 is authorized to be appropriated to carry out this section
3 \$50,000,000.”.

4 (b) LOAN GUARANTEES FOR CHARGING INFRA-
5 STRUCTURE.—Section 1705(a) of the Energy Policy Act
6 of 2005 (42 U.S.C. 16516(a)) is amended by adding at
7 the end the following:

8 “(4) Charging infrastructure and networks of
9 charging infrastructure for plug-in drive electric ve-
10 hicles, if the charging infrastructure will be oper-
11 ational prior to December 31, 2016.”.

12 **SEC. 319. MODEL UPDATING BUILDING CODES, PERMIT-**
13 **TING AND INSPECTION PROCESSES, AND**
14 **ZONING OR PARKING RULES.**

15 (a) IN GENERAL.—Not later than 180 days after the
16 date of enactment of this Act, the Secretary shall develop
17 and publish—

18 (1) model building codes for the inclusion of
19 separate circuits for charging infrastructure, as ap-
20 propriate, in new construction and major renova-
21 tions of private residences, buildings, or other struc-
22 tures that could provide publicly available charging
23 infrastructure;

24 (2) model construction permitting or inspection
25 processes that allow for the expedited installation of

1 charging infrastructure for purchasers of electric
2 drive vehicles (including a permitting process that
3 allows a vehicle purchaser to have charging infra-
4 structure installed the same day a vehicle is pur-
5 chased); and

6 (3) model zoning, parking rules, or other local
7 ordinances that—

8 (A) facilitate the installation of publicly
9 available charging infrastructure; and

10 (B) allow for access to publicly available
11 charging infrastructure.

12 (b) OPTIONAL ADOPTION.—An applicant for selec-
13 tion as a deployment community under section 303 shall
14 not be required to use the model building codes, permit-
15 ting and inspection processes, or zoning, parking rules, or
16 other ordinances described in the report published under
17 subsection (a).

18 (c) SMART GRID INTEGRATION.—In developing the
19 model codes or ordinances described in subsection (a), the
20 Secretary shall take into account smart grid integration.

21 (d) AUTHORIZATION OF APPROPRIATIONS.—There is
22 authorized to be appropriated to carry out this section
23 \$1,000,000.

1 **SEC. 320. CREDIT FOR GRID-INTERACTIVE PLUG-IN VEHI-**
2 **CLES.**

3 (a) IN GENERAL.—Subpart B of part IV of sub-
4 chapter A of chapter 1 of the Internal Revenue Code of
5 1986 is amended by adding at the end the following new
6 section:

7 **“SEC. 30E. QUALIFIED GRID-INTERACTIVE PLUG-IN VEHI-**
8 **CLES.**

9 “(a) IN GENERAL.—There shall be allowed as a cred-
10 it against the tax imposed by this chapter for the taxable
11 year an amount equal to the lesser of—

12 “(1) 50 percent of the cost of any qualified
13 grid-interactive plug-in vehicle placed in service by
14 the taxpayer during the taxable year, or

15 “(2) \$25,000.

16 “(b) LIMITATION ON NUMBER OF QUALIFIED GRID-
17 INTERACTIVE PLUG-IN VEHICLES.—No credit shall be al-
18 lowed with respect to any qualified grid-interactive plug-
19 in vehicle placed in service after the calendar quarter in
20 which the number of qualified grid-interactive vehicles
21 placed in service in the United States after the date of
22 the enactment of this section is at least 6,000.

23 “(c) APPLICATION WITH OTHER CREDITS.—

24 “(1) BUSINESS CREDIT TREATED AS PART OF
25 GENERAL BUSINESS CREDIT.—So much of the credit
26 which would be allowed under subsection (a) for any

1 taxable year (determined without regard to this sub-
2 section) that is attributable to property of a char-
3 acter subject to an allowance for depreciation shall
4 be treated as a credit listed in section 38(b) for such
5 taxable year (and not allowed under subsection (a)).

6 “(2) PERSONAL CREDIT.—

7 “(A) IN GENERAL.—For purposes of this
8 title, the credit allowed under subsection (a) for
9 any taxable year (determined after application
10 of paragraph (1)) shall be treated as a credit
11 allowable under subpart A for such taxable
12 year.

13 “(B) LIMITATION BASED ON AMOUNT OF
14 TAX.—In the case of a taxable year to which
15 section 26(a)(2) does not apply, the credit al-
16 lowed under subsection (a) for any taxable year
17 (determined after application of paragraph (1))
18 shall not exceed the excess of—

19 “(i) the sum of the regular tax liabil-
20 ity (as defined in section 26(b)) plus the
21 tax imposed by section 55, over

22 “(ii) the sum of the credits allowable
23 under subpart A (other than this section
24 and sections 25D, 30, and 30D) and sec-
25 tion 27 for the taxable year.

1 “(d) QUALIFIED GRID-INTERACTIVE PLUG-IN VEHI-
2 CLE.—For purposes of this section, the term ‘qualified
3 grid-interactive plug-in vehicle’ means any vehicle—

4 “(1) which—

5 “(A) is made by a manufacturer and origi-
6 nally placed in service by the taxpayer, or

7 “(B) has been modified to meet the re-
8 quirements of paragraphs (3) and (4) by a
9 qualified vehicle converter and originally placed
10 in service as a modified vehicle by the taxpayer,

11 “(2) which is acquired for use or lease by the
12 taxpayer and not for resale,

13 “(3) which is propelled to a significant extent
14 by an electric motor which draws electricity from a
15 traction battery which—

16 “(A) has not less than 20 kilowatt hours
17 of traction battery storage, and

18 “(B) has not less than 12 kilowatt hours
19 of charging and discharging power capability at
20 240 volts,

21 “(4) which has hardware and software in place
22 on the vehicle necessary to allow a qualified
23 aggregator to control battery charging from and dis-
24 charging to the electrical grid, and

1 “(5) with respect to which the taxpayer has en-
2 tered into a contract or agreement with a qualified
3 aggregator to provide grid services for not less than
4 3 years.

5 “(e) OTHER DEFINITIONS.—For purposes of this
6 section—

7 “(1) MANUFACTURER.—The term ‘manufac-
8 turer’ has the meaning given such term under sec-
9 tion 30B.

10 “(2) QUALIFIED VEHICLE CONVERTER.—The
11 term ‘qualified vehicle converter’ means any person
12 who is in the trade or business of installing electric
13 drive or grid interface components in existing vehi-
14 cles.

15 “(3) QUALIFIED AGGREGATOR.—The term
16 ‘qualified aggregator’ means any person who—

17 “(A) is in the trade or business of control-
18 ling multiple qualified grid-interactive plug-in
19 vehicles to provide valuable grid services and
20 paying owners of those vehicles for the ability
21 to control charging and discharging of vehicle
22 battery storage systems to the grid, and

23 “(B) is either—

1 “(i) an Independent System Operator
2 as defined in section 3 of the Federal
3 Power Act (16 U.S.C. 796),

4 “(ii) a Regional Transmission Organi-
5 zation as defined in such section 3,

6 “(iii) a load-serving entity, or

7 “(iv) an independent company who ac-
8 cumulates grid services from a collection of
9 qualified grid-interactive plug-in vehicles.

10 “(4) LOAD-SERVING ENTITY.—The term ‘load-
11 serving entity’ means an electricity distribution com-
12 pany or utility company that provides distribution
13 and energy services for electricity and electric cus-
14 tomer services.

15 “(f) SPECIAL RULES.—

16 “(1) BASIS REDUCTION.—For purposes of this
17 subtitle, the basis of any property for which a credit
18 is allowable under subsection (a) shall be reduced by
19 the amount of such credit so allowed.

20 “(2) NO DOUBLE BENEFIT.—

21 “(A) COORDINATION WITH CREDIT FOR
22 NEW QUALIFIED PLUG-IN ELECTRIC VEHI-
23 CLES.—No credit shall be allowed under sub-
24 section (a) with respect to any vehicle for which
25 a credit is allowed under section 30D.

1 “(B) OTHER PROVISIONS.—The amount of
2 any deduction or credit (other than the credit
3 allowed under section 30D) allowable under this
4 chapter for a new qualified grid-interactive
5 plug-in vehicle shall be reduced by the amount
6 of credit allowed under subsection (a) for such
7 vehicle.

8 “(3) PROPERTY USED OUTSIDE UNITED STATES
9 NOT QUALIFIED.—No credit shall be allowable under
10 subsection (a) with respect to any property referred
11 to in section 50(b)(1).

12 “(4) RECAPTURE.—The Secretary shall, by reg-
13 ulations, provide for recapturing the benefit of any
14 credit allowable under subsection (a) with respect to
15 any property which ceases to be property eligible for
16 such credit.

17 “(5) ELECTION NOT TO TAKE CREDIT.—No
18 credit shall be allowed under subsection (a) for any
19 vehicle if the taxpayer elects to not have this section
20 apply to such vehicle.

21 “(g) TERMINATION.—This section shall not apply to
22 property placed in service after December 31, 2015.”.

23 (b) CONFORMING AMENDMENTS.—

24 (1) Section 38(a) of such Code is amended by
25 striking “plus” at the end of paragraph (35), by

1 striking the period at the end of paragraph (36) and
2 inserting “, plus”, and by adding at the end the fol-
3 lowing new paragraph:

4 “(37) the portion of the qualified grid-inter-
5 active plug-in vehicle credit to which section
6 30E(c)(1) applies.”.

7 (2) Section 1016(a) of such Code is amended
8 by striking “and” at the end of paragraph (36), by
9 striking the period at the end of paragraph (37) and
10 inserting “, and”, and by adding at the end the fol-
11 lowing new paragraph:

12 “(38) to the extent provided in section
13 30E(f)(1).”.

14 (3) Section 6501(m) of such Code is amended
15 by inserting “30E(f)(5),” after “30D(e)(4),”.

16 (4) The table of sections for subpart B of part
17 IV of subchapter A of chapter 1 of such Code is
18 amended by adding at the end the following new
19 item:

“Sec. 30E. Qualified grid-interactive plug-in vehicles.”.

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to property placed in service after
22 the date of the enactment of this Act.

1 **SEC. 321. STUDY ON THE COLLECTION, PRESERVATION,**
2 **AND ACCESS TO DATA COLLECTED FROM**
3 **PLUG-IN ELECTRIC DRIVE VEHICLES.**

4 (a) **IN GENERAL.**—Not later than 90 days after the
5 date of enactment of this Act, the Secretary, in consulta-
6 tion with the Committee, shall enter into an agreement
7 with the National Academy of Sciences under which the
8 Academy shall conduct a study that—

9 (1) identifies—

10 (A) the data that may be collected from
11 plug-in electric drive vehicles, including data on
12 the location, charging patterns, and usage of
13 plug-in electric drive vehicles;

14 (B) the scientific, economic, commercial,
15 security, and historic potential of the data de-
16 scribed in subparagraph (A); and

17 (C) any laws or regulations that relate to
18 the data described in subparagraph (A); and

19 (2) analyzes and provides recommendations on
20 matters that include procedures, technologies, and
21 rules relating to the collection, storage, and preser-
22 vation of the data described in paragraph (1)(A).

23 (b) **REPORT.**—Not later than 15 months after the
24 date of an agreement between the Secretary and the Acad-
25 emy under subsection (a), the National Academy of
26 Sciences shall submit to the appropriate committees of

1 Congress a report that describes the results of the study
2 under subsection (a).

3 (c) AUTHORIZATION OF APPROPRIATIONS.—There is
4 authorized to be appropriated to carry out this section
5 \$1,000,000.

6 **TITLE IV—TRANSPORTATION**
7 **INFRASTRUCTURE**
8 **Subtitle A—Transportation Options**
9 **for Families and Businesses**

10 **SEC. 401. OIL SAVINGS AND GREENHOUSE GAS EMISSION**
11 **REDUCTIONS THROUGH TRANSPORTATION**
12 **EFFICIENCY.**

13 (a) ENVIRONMENTAL PROTECTION AGENCY.—Part
14 A of title II of the Clean Air Act (42 U.S.C. 7521 et seq.)
15 is amended by adding at the end the following:

16 **“SEC. 220. OIL SAVINGS AND GREENHOUSE GAS EMISSION**
17 **REDUCTIONS THROUGH TRANSPORTATION**
18 **EFFICIENCY.**

19 “(a) IN GENERAL.—The Administrator, in consulta-
20 tion with the Secretary of Transportation (referred to in
21 this section as the ‘Secretary’), shall promulgate, and up-
22 date from time to time, regulations to establish—

23 “(1) national transportation-related goals for
24 reducing oil consumption and greenhouse gas emis-
25 sions that are commensurate with the emission re-

1 duction targets established under the Oil Independ-
2 ence for a Stronger America Act of 2010 and the
3 amendments made by that Act;

4 “(2) standardized models and related methods,
5 to be used by States, metropolitan planning organi-
6 zations, and air quality agencies to address oil sav-
7 ings and emission reduction goals, including—

8 “(A) the development of surface transpor-
9 tation-related oil savings and greenhouse gas
10 emission reduction targets pursuant to sections
11 134 and 135 of title 23, and sections 5303 and
12 5304 of title 49, United States Code;

13 “(B) the assessment of projected surface
14 transportation-related oil consumption and
15 greenhouse gas emissions from transportation
16 strategies;

17 “(C) the assessment of projected surface
18 transportation-related oil consumption and
19 greenhouse gas emissions from State and re-
20 gional transportation plans;

21 “(D) the establishment of surface trans-
22 portation-related oil consumption and green-
23 house gas emission baselines at national, State,
24 and regional levels; and

1 “(E) the measurement and assessment of
2 actual surface transportation-related oil con-
3 sumption and emissions to assess progress to-
4 ward achievement of oil savings and emission
5 targets at the State and regional levels;

6 “(3) methods for collection of data on transpor-
7 tation-related oil consumption and greenhouse gas
8 emissions; and

9 “(4) publication and distribution of successful
10 strategies employed by States, Indian tribes, metro-
11 politan planning organizations, and other entities to
12 reduce transportation-related oil consumption and
13 greenhouse gas emissions.

14 “(b) ROLE OF DEPARTMENT OF TRANSPOR-
15 TATION.—The Secretary, in consultation with the Admin-
16 istrator, shall promulgate, and update from time to time,
17 regulations—

18 “(1) to improve the ability of transportation
19 planning models and tools, including travel demand
20 models, to address oil consumption and greenhouse
21 gas emissions;

22 “(2) to assess projected surface transportation-
23 related travel activity and transportation strategies
24 from State and regional transportation plans; and

1 “(3) to update transportation planning require-
2 ments and approval of transportation plans as nec-
3 essary to carry out this section.

4 “(c) CONSULTATION AND MODELS.—In promul-
5 gating the regulations, the Administrator and the Sec-
6 retary—

7 “(1) shall consult with States, Indian tribes,
8 metropolitan planning organizations, and air quality
9 agencies;

10 “(2) may use existing models and methodolo-
11 gies if the models and methodologies are widely con-
12 sidered to reflect the best practicable modeling or
13 methodological approach for assessing actual and
14 projected transportation-related oil consumption and
15 greenhouse gas emissions from transportation plans
16 and projects; and

17 “(3) shall consider previously developed plans
18 that were based on models and methodologies for re-
19 ducing oil consumption and greenhouse gas emis-
20 sions in applying those regulations to the first ap-
21 provals after promulgation.

22 “(d) TIMING.—The Administrator and the Secretary
23 shall—

1 “(1) publish proposed regulations under sub-
2 sections (a) and (b) not later than 1 year after the
3 date of enactment of this section; and

4 “(2) promulgate final regulations under sub-
5 sections (a) and (b) not later than 18 months after
6 the date of enactment of this section.

7 “(e) ASSESSMENT.—

8 “(1) IN GENERAL.—At least every 6 years after
9 promulgating final regulations under subsections (a)
10 and (b), the Administrator and the Secretary shall
11 jointly assess current and projected progress in re-
12 ducing national transportation-related oil consump-
13 tion and greenhouse gas emissions.

14 “(2) REQUIREMENTS.—The assessment shall—

15 “(A) examine the contributions to emission
16 reductions attributable to—

17 “(i) improvements in vehicle effi-
18 ciency;

19 “(ii) greenhouse gas performance of
20 transportation fuels;

21 “(iii) reductions in vehicle miles trav-
22 eled;

23 “(iv) changes in consumer demand
24 and use of transportation management sys-
25 tems; and

1 “(v) any other greenhouse gas-related
2 transportation policies enacted by Con-
3 gress; and

4 “(B) include an analysis of the impact of
5 the investments made by each State and metro-
6 politan planning organization through the appli-
7 cable statewide transportation improvement
8 program and transportation improvement pro-
9 gram, respectively, over the most recent 6-year
10 period on reducing transportation-related green-
11 house gas emissions and oil consumption.

12 “(3) STATE DEPARTMENTS OF TRANSPOR-
13 TATION.—The Secretary shall issue guidance to es-
14 tablish procedures for State departments of trans-
15 portation to collect and report the data required for
16 the Secretary to carry out the assessment.

17 “(4) RESULTS OF ASSESSMENT.—The Sec-
18 retary and the Administrator shall consider—

19 “(A) the results of the assessment con-
20 ducted under this subsection; and

21 “(B) based on those results, whether tech-
22 nical or other updates to regulations required
23 under this section and sections 134 and 135 of
24 title 23, and sections 5303 and 5304 of title 49,
25 United States Code, are necessary.”.

1 (b) METROPOLITAN PLANNING ORGANIZATIONS.—

2 (1) TITLE 23.—Section 134 of title 23, United
3 States Code, is amended—

4 (A) in subsection (a)(1)—

5 (i) by striking “minimizing” and in-
6 serting “reducing”; and

7 (ii) by inserting “, reliance on oil, im-
8 pacts on the environment, transportation-
9 related greenhouse gas emissions,” after
10 “consumption”;

11 (B) in subsection (h)(1)(E)—

12 (i) by inserting “sustainability, and
13 livability, reduce surface transportation-re-
14 lated reliance on oil and greenhouse gas
15 emissions, adapt to the effects of climate
16 change,” after “energy conservation,”;

17 (ii) by inserting “and public health”
18 after “quality of life”; and

19 (iii) by inserting “, including housing
20 and land use patterns” after “development
21 patterns”;

22 (C) in subsection (i)—

23 (i) in paragraph (4)(A)—

24 (I) by striking “consult, as ap-
25 propriate,” and inserting “cooperate”;

1 (II) by inserting “transportation,
2 public transportation, air quality, en-
3 ergy, and housing, and shall consult,
4 as appropriate, with State and local
5 agencies and Indian tribes responsible
6 for” after “responsible for”; and

7 (III) by inserting “public
8 health,” after “conservation,”; and

9 (ii) in paragraph (5)(C)(iii), by insert-
10 ing “and through the Web site of the met-
11 ropolitan planning organization, including
12 oil savings and emission reduction targets
13 and strategies developed under subsection
14 (k)(6), including an analysis of the antici-
15 pated effects of the targets and strate-
16 gies,” after “World Wide Web”;

17 (D) in subsection (j)(5)(A), by striking
18 “subsection (k)(4)” and inserting “subsection
19 (k)(5)”;

20 (E) in subsection (k)—

21 (i) by redesignating paragraphs (1)
22 through (5) as paragraphs (2) through (6),
23 respectively;

24 (ii) by inserting before paragraph (2)
25 (as so redesignated) the following:

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

2 “(A) METROPOLITAN PLANNING ORGANI-
3 ZATION.—The term ‘metropolitan planning or-
4 ganization’ means a metropolitan planning or-
5 ganization described in clause (i) or (ii) of para-
6 graph (7)(B).

7 “(B) SCENARIO ANALYSIS.—The term ‘sce-
8 nario analysis’ means the use of a planning tool
9 that—

10 “(i) develops a range of scenarios rep-
11 resenting various combinations of transpor-
12 tation strategies, land use strategies, and
13 development patterns, estimates of how
14 each of those scenarios would perform in
15 meeting the oil savings and greenhouse gas
16 emission reduction targets based on anal-
17 ysis of various forces (such as health,
18 transportation, economic or environmental
19 factors, and land use) that affect growth;

20 “(ii) includes features such as—

21 “(I) the involvement of the gen-
22 eral public, key stakeholders, and
23 elected officials on a broad scale;

24 “(II) the creation of an oppor-
25 tunity for those participants to edu-

1 cate each other as to growth trends
2 and trade-offs, as a means to incor-
3 porate values and feedback into future
4 plans; and

5 “(III) the use of continuing ef-
6 forts and ongoing processes; and

7 “(iii) may include key elements such
8 as—

9 “(I) identification of the consid-
10 erations shaping planning decisions
11 and outcomes;

12 “(II) determination of patterns
13 of interaction;

14 “(III) creation of scenarios for
15 discussion purposes;

16 “(IV) analysis of implications;

17 “(V) evaluation of scenarios; and

18 “(VI) use of monitoring indica-
19 tors.”; and

20 (iii) by adding at the end the fol-
21 lowing:

22 “(7) TRANSPORTATION OIL SAVINGS AND
23 GREENHOUSE GAS REDUCTION EFFORTS.—

24 “(A) IN GENERAL.—Within a metropolitan
25 planning area serving a transportation manage-

1 ment area, the transportation planning process
2 under this section shall address transportation-
3 related oil consumption and greenhouse gas
4 emissions by including oil savings and emission
5 reduction targets and strategies to meet those
6 targets.

7 “(B) ELIGIBLE ORGANIZATIONS.—

8 “(i) MPOS WITHIN TMAS.—All provi-
9 sions and requirements of this section, in-
10 cluding the requirements for transpor-
11 tation oil savings and greenhouse gas re-
12 duction efforts, shall apply to metropolitan
13 planning organizations that also serve as
14 transportation management areas.

15 “(ii) OTHER MPOS.—A metropolitan
16 planning organization that does not serve
17 as a transportation management area—

18 “(I) may develop transportation
19 oil savings and greenhouse gas emis-
20 sion reduction targets and strategies
21 to meet those targets; and

22 “(II) if those targets and strate-
23 gies are developed, shall be subject to
24 all applicable provisions and require-
25 ments of this section and the Oil

1 Independence for a Stronger America
2 Act of 2010 and amendments made
3 by that Act, including requirements of
4 the transportation oil savings and
5 greenhouse gas reduction efforts.

6 “(C) ESTABLISHMENT OF TARGETS AND
7 CRITERIA.—

8 “(i) IN GENERAL.—Not later than 2
9 years after the promulgation of the final
10 regulations required under section 220 of
11 the Clean Air Act, each metropolitan plan-
12 ning organization that also serves as a
13 transportation management area shall de-
14 velop surface transportation-related oil sav-
15 ings and greenhouse gas emission reduc-
16 tion targets, as well as strategies to meet
17 those targets, in consultation with State
18 air agencies and Indian tribes as part of
19 the metropolitan transportation planning
20 process under this section.

21 “(ii) MULTIPLE DESIGNATIONS.—If
22 more than 1 metropolitan planning organi-
23 zation has been designated within a metro-
24 politan area, each metropolitan planning
25 organization shall coordinate with other

1 metropolitan planning organizations in the
2 same metropolitan area to develop the tar-
3 gets and strategies described in clause (i).

4 “(iii) MINIMUM REQUIREMENTS.—
5 Each metropolitan transportation plan de-
6 veloped by a metropolitan planning organi-
7 zation under clause (i) shall, within the
8 plan, demonstrate progress in stabilizing
9 and reducing transportation-related oil
10 consumption and greenhouse gas emissions
11 so as to contribute to the achievement of
12 State targets pursuant to section
13 135(f)(9).

14 “(iv) REQUIREMENTS FOR TARGETS
15 AND STRATEGIES.—The targets and strat-
16 egies developed as part of a plan under
17 this subparagraph shall, at a minimum—

18 “(I) be based on the oil consump-
19 tion and emission and travel demand
20 models and related methodologies es-
21 tablished in the final regulations re-
22 quired under section 220 of the Clean
23 Air Act;

24 “(II) inventory all sources of sur-
25 face transportation-related oil con-

1 sumption and greenhouse gas emis-
2 sions;

3 “(III) apply to those modes of
4 surface transportation that are ad-
5 dressed in the planning process under
6 this section;

7 “(IV) be integrated and con-
8 sistent with regional transportation
9 plans and transportation improvement
10 programs; and

11 “(V) be selected through scenario
12 analysis, and include, pursuant to the
13 requirements of the transportation
14 planning process under this section,
15 transportation investment and man-
16 agement strategies that reduce oil
17 consumption and greenhouse gas
18 emissions from the transportation sec-
19 tor over the life of the plan, such as—

20 “(aa) efforts to increase
21 public transportation ridership,
22 including through service im-
23 provements, capacity expansions,
24 and access enhancement;

1 “(bb) efforts to increase
2 walking, bicycling, and other
3 forms of nonmotorized transpor-
4 tation;

5 “(cc) implementation of zon-
6 ing and other land use regula-
7 tions and plans to support infill,
8 transit-oriented development, re-
9 development, or mixed use devel-
10 opment;

11 “(dd) travel demand man-
12 agement programs (including
13 carpool, vanpool, or car-share
14 projects), transportation pricing
15 measures, parking policies, and
16 programs to promote telecom-
17 muting, flexible work schedules,
18 and satellite work centers;

19 “(ee) highway and transit
20 operational improvements, includ-
21 ing intelligent transportation sys-
22 tems or other operational im-
23 provements to reduce long-term
24 oil consumption and greenhouse
25 gas emissions through reduced

1 congestion and improved system
2 management;
3 “(ff) intercity passenger rail
4 improvements;
5 “(gg) high-speed rail im-
6 provements and programs;
7 “(hh) intercity bus improve-
8 ments;
9 “(ii) freight rail improve-
10 ments;
11 “(jj) use of materials or
12 equipment associated with the
13 construction or maintenance of
14 transportation projects that re-
15 duce oil consumption and green-
16 house gas emissions;
17 “(kk) public facilities for
18 supplying electricity to electric or
19 plug-in hybrid-electric vehicles;
20 “(ll) local street network im-
21 provements; and
22 “(mm) any other effort that
23 demonstrates progress in reduc-
24 ing transportation-related oil con-
25 sumption and greenhouse gas

1 emissions in each metropolitan
2 planning organization under this
3 subsection.

4 “(v) IDENTIFICATION OF PROJECTS
5 AND STRATEGIES.—The plan developed
6 under this section shall include a list of
7 projects and strategies based on the tar-
8 gets and strategies identified under clause
9 (iv).

10 “(D) REVIEW AND APPROVAL.—Not later
11 than 180 days after the date of submission of
12 a plan under this section—

13 “(i) the Secretary and the Adminis-
14 trator shall review the plan; and

15 “(ii) the Secretary shall make a deter-
16 mination that the plan submitted by a met-
17 ropolitan planning organization meets the
18 requirements of subparagraph (C) if—

19 “(I) the Secretary finds that a
20 metropolitan planning organization
21 has developed, submitted, and pub-
22 lished the plan of the metropolitan
23 planning organization pursuant to this
24 section;

1 “(II) the Secretary, in consulta-
2 tion with the Administrator, deter-
3 mines that the plan is likely to achieve
4 the targets established by the metro-
5 politan planning organization under
6 this subsection; and

7 “(III) the development of the
8 plan complies with the minimum re-
9 quirements established under clauses
10 (iii) and (iv) of subparagraph (C).

11 “(E) CERTIFICATION.—

12 “(i) IN GENERAL.—Only metropolitan
13 planning organizations that meet the re-
14 quirements of subparagraph (C) shall be
15 eligible to receive performance grants
16 under section 402(c) of the Oil Independ-
17 ence for a Stronger America Act of 2010.

18 “(ii) FAILURE TO COMPLY.—Failure
19 to comply with the requirements under
20 subparagraph (C) shall not impact certifi-
21 cation standards under paragraph (6).”.

22 (2) TITLE 49.—Section 5303 of title 49, United
23 States Code, is amended—

24 (A) in subsection (a)(1)—

1 (i) by striking “minimizing” and in-
2 serting “reducing”; and

3 (ii) by inserting “, reliance on oil, im-
4 pacts on the environment, transportation-
5 related greenhouse gas emissions,” after
6 “consumption”;

7 (B) in subsection (h)(1)(E)—

8 (i) by inserting “sustainability, and
9 livability, reduce surface transportation-re-
10 lated reliance on oil and greenhouse gas
11 emissions, adapt to the effects of climate
12 change,” after “energy conservation,”;

13 (ii) by inserting “and public health”
14 after “quality of life”; and

15 (iii) by inserting “, including housing
16 and land use patterns” after “development
17 patterns”;

18 (C) in subsection (i)—

19 (i) in paragraph (4)(A)—

20 (I) by striking “consult, as ap-
21 propriate,” and inserting “cooperate”;

22 (II) by inserting “transportation,
23 public transportation, air quality, en-
24 ergy, and housing, and shall consult,
25 as appropriate, with State and local

1 agencies and Indian tribes responsible
2 for” after “responsible for” and
3 (III) by inserting “public
4 health,” after “conservation,”; and
5 (ii) in paragraph (5)(C)(iii), by insert-
6 ing “and through the Web site of the met-
7 ropolitan planning organization, including
8 oil savings and emission reduction targets
9 and strategies developed under subsection
10 (k)(6), including an analysis of the antici-
11 pated effects of the targets and strate-
12 gies,” after “World Wide Web”; and
13 (D) in subsection (k)—
14 (i) by redesignating paragraphs (1)
15 through (5) as paragraphs (2) through (6),
16 respectively;
17 (ii) by inserting before paragraph (2)
18 (as so redesignated) the following:
19 “(1) DEFINITION OF METROPOLITAN PLANNING
20 ORGANIZATION.—In this subsection, the term ‘met-
21 ropolitan planning organization’ means a metropoli-
22 tan planning organization described in clause (i) or
23 (ii) of paragraph (7)(B).”; and
24 (iii) by adding at the end the fol-
25 lowing:

1 “(7) TRANSPORTATION OIL SAVINGS AND
2 GREENHOUSE GAS REDUCTION EFFORTS.—

3 “(A) IN GENERAL.—Within a metropolitan
4 planning area serving a transportation manage-
5 ment area, the transportation planning process
6 under this section shall address transportation-
7 related oil consumption and greenhouse gas
8 emissions by including oil savings and emission
9 reduction targets and strategies to meet those
10 targets.

11 “(B) ELIGIBLE ORGANIZATIONS.—

12 “(i) IN GENERAL.—The requirements
13 of the transportation greenhouse gas re-
14 duction efforts shall apply only to metro-
15 politan planning organizations within a
16 transportation management area.

17 “(ii) DEVELOPMENT OF PLAN.—A
18 metropolitan planning organization that
19 does not serve as a transportation manage-
20 ment area—

21 “(I) may develop transportation
22 oil savings and greenhouse gas emis-
23 sion reduction targets and strategies
24 to meet those targets; and

1 “(II) if those targets and strate-
2 gies are developed, shall be subject to
3 all provisions and requirements of this
4 section, including requirements of the
5 transportation oil savings and green-
6 house gas reduction efforts.

7 “(C) ESTABLISHMENT OF TARGETS AND
8 CRITERIA.—

9 “(i) IN GENERAL.—Not later than 2
10 years after the promulgation of the final
11 regulations required under section 220 of
12 the Clean Air Act, each metropolitan plan-
13 ning organization shall develop surface
14 transportation-related oil savings and
15 greenhouse gas emission reduction targets,
16 as well as strategies to meet those targets,
17 in consultation with State air agencies and
18 Indian tribes as part of the metropolitan
19 transportation planning process under this
20 section.

21 “(ii) MULTIPLE DESIGNATIONS.—If
22 more than 1 metropolitan planning organi-
23 zation has been designated within a metro-
24 politan area, each metropolitan planning
25 organization shall coordinate with other

1 metropolitan planning organizations in the
2 same metropolitan area to develop the tar-
3 gets and strategies described in clause (i).

4 “(iii) MINIMUM REQUIREMENTS.—
5 Each metropolitan transportation plan de-
6 veloped by a metropolitan planning organi-
7 zation under clause (i) shall, within the
8 plan, demonstrate progress in stabilizing
9 and reducing transportation-related oil
10 consumption and greenhouse gas emissions
11 so as to contribute to the achievement of
12 State targets pursuant to section 135(f)(9)
13 of title 23.

14 “(iv) REQUIREMENTS FOR TARGETS
15 AND STRATEGIES.—The targets and strat-
16 egies developed as part of a plan under
17 this subparagraph shall, at a minimum—

18 “(I) be based on the oil consump-
19 tion and emission models and related
20 methodologies established in the final
21 regulations required under section
22 220 of the Clean Air Act;

23 “(II) inventory all sources of sur-
24 face transportation-related oil con-

1 sumption and greenhouse gas emis-
2 sions;

3 “(III) apply to those modes of
4 surface transportation that are ad-
5 dressed in the planning process under
6 this section;

7 “(IV) be integrated and con-
8 sistent with regional transportation
9 plans and transportation improvement
10 programs; and

11 “(V) be selected through scenario
12 analysis (as defined in section
13 134(k)(1) of title 23), and include,
14 pursuant to the requirements of the
15 transportation planning process under
16 this section, transportation investment
17 and management strategies that re-
18 duce oil consumption and greenhouse
19 gas emissions from the transportation
20 sector over the life of the plan, such
21 as—

22 “(aa) efforts to increase
23 public transportation ridership,
24 including through service im-

1 provements, capacity expansions,
2 and access enhancement;

3 “(bb) efforts to increase
4 walking, bicycling, and other
5 forms of nonmotorized transpor-
6 tation;

7 “(cc) implementation of zon-
8 ing and other land use regula-
9 tions and plans to support infill,
10 transit-oriented development, re-
11 development, or mixed use devel-
12 opment;

13 “(dd) travel demand man-
14 agement programs (including
15 carpool, vanpool, or car-share
16 projects), transportation pricing
17 measures, parking policies, and
18 programs to promote telecom-
19 muting, flexible work schedules,
20 and satellite work centers;

21 “(ee) highway and transit
22 operational improvements, includ-
23 ing intelligent transportation sys-
24 tems or other operational im-
25 provements to reduce long-term

1 oil consumption and greenhouse
2 gas emissions through reduced
3 congestion and improved system
4 management;

5 “(ff) intercity passenger rail
6 improvements;

7 “(gg) high-speed rail im-
8 provements and programs;

9 “(hh) intercity bus improve-
10 ments;

11 “(ii) freight rail improve-
12 ments;

13 “(jj) use of materials or
14 equipment associated with the
15 construction or maintenance of
16 transportation projects that re-
17 duce oil consumption and green-
18 house gas emissions;

19 “(kk) public facilities for
20 supplying electricity to electric or
21 plug-in hybrid-electric vehicles;

22 “(ll) local street network im-
23 provements; and

24 “(mm) any other effort that
25 demonstrates progress in reduc-

1 ing transportation-related oil con-
2 sumption and greenhouse gas
3 emissions in each metropolitan
4 planning organization under this
5 subsection.

6 “(v) IDENTIFICATION OF PROJECTS
7 AND STRATEGIES.—The plan developed
8 under this section shall include a list of
9 projects and strategies based on the tar-
10 gets and strategies identified under clause
11 (iv).

12 “(D) REVIEW AND APPROVAL.—Not later
13 than 180 days after the date of submission of
14 a plan under this section—

15 “(i) the Secretary and the Adminis-
16 trator shall review the plan; and

17 “(ii) the Secretary shall make a deter-
18 mination that the plan submitted by a met-
19 ropolitan planning organization meets the
20 requirements of subparagraph (C) if—

21 “(I) the Secretary finds that a
22 metropolitan planning organization
23 has developed, submitted, and pub-
24 lished the plan of the metropolitan

1 planning organization pursuant to this
2 section;

3 “(II) the Secretary, in consulta-
4 tion with the Administrator, deter-
5 mines that the plan is likely to achieve
6 the targets established by the metro-
7 politan planning organization under
8 this subsection; and

9 “(III) the development of the
10 plan complies with the minimum re-
11 quirements established under clauses
12 (iii) and (iv) of subparagraph (C).

13 “(E) CERTIFICATION.—

14 “(i) IN GENERAL.—Only metropolitan
15 planning organizations that meet the re-
16 quirements of subparagraph (C) shall be
17 eligible to receive performance grants
18 under section 402(c) of the Oil Independ-
19 ence for a Stronger America Act of 2010.

20 “(ii) FAILURE TO COMPLY.—Failure
21 to comply with the requirements under
22 subparagraph (C) shall not impact certifi-
23 cation standards under paragraph (6).”.

24 (c) STATES.—

1 (1) TITLE 23.—Section 135 of title 23, United
2 States Code, is amended—

3 (A) in subsection (d)(1)(E)—

4 (i) by inserting “sustainability, and
5 livability, reduce surface transportation-re-
6 lated oil consumption and greenhouse gas
7 emissions, adapt to the effects of climate
8 change,” after “energy conservation,”;

9 (ii) by inserting “and public health”
10 after “quality of life”; and

11 (iii) by inserting “, including housing
12 and land use patterns” after “development
13 patterns”; and

14 (B) in subsection (f)—

15 (i) in paragraph (2)(D)(i)—

16 (I) by striking “, as appropriate,
17 in consultation” and inserting “in co-
18 operation”;

19 (II) by inserting “State and local
20 agencies and Indian tribes responsible
21 for transportation, public transpor-
22 tation, air quality, energy, and hous-
23 ing and in consultation with” before
24 “State, tribal”; and

1 (III) by inserting “public
2 health,” after “conservation,”;

3 (ii) in paragraph (3)(B)(iii), by insert-
4 ing “and through the Web site of the
5 State, including oil savings and emission
6 reduction targets and strategies developed
7 under paragraph (9) and an analysis of the
8 anticipated effects of the targets and strat-
9 egies” after “World Wide Web”; and

10 (iii) by adding at the end the fol-
11 lowing:

12 “(9) TRANSPORTATION OIL SAVINGS AND
13 GREENHOUSE GAS REDUCTION EFFORTS.—

14 “(A) IN GENERAL.—Within a State, the
15 transportation planning process under this sec-
16 tion, shall address transportation-related green-
17 house gas emissions by including emission re-
18 duction targets and strategies to meet those
19 targets.

20 “(B) ESTABLISHMENT OF TARGETS AND
21 CRITERIA.—

22 “(i) IN GENERAL.—Not later than 2
23 years after the promulgation of the final
24 regulations required under section 220 of
25 the Clean Air Act, each State shall develop

1 surface transportation-related oil savings
2 and greenhouse gas emission reduction tar-
3 gets, as well as strategies to meet those
4 targets, in consultation with State air
5 agencies and Indian tribes as part of the
6 transportation planning process under this
7 section.

8 “(ii) MINIMUM REQUIREMENTS.—
9 Each transportation plan developed by a
10 State under clause (i) shall, within the
11 plan, demonstrate progress in stabilizing
12 and reducing transportation-related oil
13 consumption and greenhouse gas emissions
14 in the State so as to contribute to the
15 achievement of national goals pursuant to
16 section 220(a)(1) of the Clean Air Act.

17 “(iii) REQUIREMENTS FOR TARGETS
18 AND STRATEGIES.—The targets and strat-
19 egies developed as part of a plan under
20 this subparagraph shall, at a minimum—

21 “(I) be based on the oil consump-
22 tion and emission models and related
23 methodologies established in the final
24 regulations required under section
25 220 of the Clean Air Act;

1 “(II) inventory all sources of sur-
2 face transportation-related oil con-
3 sumption and greenhouse gas emis-
4 sions;

5 “(III) apply to those modes of
6 surface transportation that are ad-
7 dressed in the planning process under
8 this section;

9 “(IV) be integrated and con-
10 sistent with statewide transportation
11 plans and statewide transportation
12 improvement programs; and

13 “(V) be selected through scenario
14 analysis (as defined in section
15 134(k)(1)), and include, pursuant to
16 the requirements of the transportation
17 planning process under this section,
18 transportation investment and man-
19 agement strategies that reduce oil
20 consumption and greenhouse gas
21 emissions from the transportation sec-
22 tor over the life of the plan, such as—

23 “(aa) efforts to increase
24 public transportation ridership,
25 including through service im-

1 provements, capacity expansions,
2 and access enhancement;

3 “(bb) efforts to increase
4 walking, bicycling, and other
5 forms of nonmotorized transpor-
6 tation;

7 “(cc) implementation of zon-
8 ing and other land use regula-
9 tions and plans to support infill,
10 transit-oriented development, re-
11 development, or mixed use devel-
12 opment;

13 “(dd) travel demand man-
14 agement programs (including
15 carpool, vanpool, or car-share
16 projects), transportation pricing
17 measures, parking policies, and
18 programs to promote telecom-
19 muting, flexible work schedules,
20 and satellite work centers;

21 “(ee) highway and transit
22 operational improvements, includ-
23 ing intelligent transportation sys-
24 tems or other operational im-
25 provements to reduce congestion

1 and improve system manage-
2 ment;
3 “(ff) intercity passenger rail
4 improvements;
5 “(gg) high-speed rail im-
6 provements and programs;
7 “(hh) intercity bus improve-
8 ments;
9 “(ii) freight rail improve-
10 ments;
11 “(jj) use of materials or
12 equipment associated with the
13 construction or maintenance of
14 transportation projects that re-
15 duce oil consumption and green-
16 house gas emissions;
17 “(kk) public facilities for
18 supplying electricity to electric or
19 plug-in hybrid-electric vehicles;
20 “(ll) local street network im-
21 provements; and
22 “(mm) any other effort that
23 demonstrates progress in reduc-
24 ing transportation-related oil con-

1 sumption and greenhouse gas
2 emissions.

3 “(iv) IDENTIFICATION OF PROJECTS
4 AND STRATEGIES.—The plan developed
5 under this section shall include a list of
6 projects and strategies based on the tar-
7 gets and strategies identified under clause
8 (iii).

9 “(C) COORDINATION AND CONSULTATION
10 WITH PUBLIC AGENCIES.—Transportation oil
11 savings and greenhouse gas emission targets
12 and plans pursuant to this section shall be de-
13 veloped—

14 “(i) in coordination with—

15 “(I) all metropolitan planning or-
16 ganizations covered by this section
17 within the State; and

18 “(II) transportation and air qual-
19 ity agencies within the State;

20 “(ii) in consultation with representa-
21 tives of State and local housing, economic
22 development, energy, and land use agen-
23 cies; and

24 “(iii) in consultation with Indian
25 tribes contiguous to the State.

1 “(D) ENFORCEMENT.—Not later than 180
2 days after the date of submission of a plan
3 under this section—

4 “(i) the Secretary and the Adminis-
5 trator shall review the plan; and

6 “(ii) the Secretary shall make a deter-
7 mination that the plan submitted by a
8 State meets the requirements of subpara-
9 graph (B) if—

10 “(I) the Secretary finds that a
11 State has developed, submitted, and
12 published the plan pursuant to this
13 section;

14 “(II) the Secretary, in consulta-
15 tion with the Administrator, deter-
16 mines that the plan is likely to achieve
17 the targets established by the State
18 under this subsection; and

19 “(III) the development of the
20 plan complies with the minimum re-
21 quirements established under clauses
22 (ii) and (iii) of subparagraph (B).

23 “(E) PLANNING FINDING.—

24 “(i) IN GENERAL.—Only States that
25 meet the requirements of subparagraph

1 (B) shall be eligible to receive performance
2 grants under section 402(c) of the Oil
3 Independence for a Stronger America Act
4 of 2010.

5 “(ii) FAILURE TO COMPLY.—Failure
6 to comply with the requirements under
7 subparagraph (B) shall not impact the
8 planning finding under subsection (g)(7).”.

9 (2) TITLE 49.—Section 5304 of title 49, United
10 States Code is amended—

11 (A) in subsection (d)(1)(E)—

12 (i) by inserting “sustainability, and
13 livability, reduce surface transportation-re-
14 lated oil consumption and greenhouse gas
15 emissions, adapt to the effects of climate
16 change,” after “energy conservation,”;

17 (ii) by inserting “and public health”
18 after “quality of life”; and

19 (iii) by inserting “, including housing
20 and land use patterns” after “development
21 patterns”; and

22 (B) in subsection (f)—

23 (i) in paragraph (2)(D)(i)—

1 (I) by striking “, as appropriate,
2 in consultation” and inserting “in co-
3 operation”;

4 (II) by inserting “State and local
5 agencies and Indian tribes responsible
6 for transportation, public transpor-
7 tation, air quality, and housing and in
8 consultation with” before “State, trib-
9 al”; and

10 (III) by inserting “public
11 health,” after “conservation,”;

12 (ii) in paragraph (3)(B)(iii), by insert-
13 ing “and through the Web site of the
14 State, including oil savings and emission
15 reduction targets and strategies developed
16 under paragraph (9) and an analysis of the
17 anticipated effects of the targets and strat-
18 egies” after “World Wide Web”; and

19 (iii) by adding at the end the fol-
20 lowing:

21 “(9) TRANSPORTATION OIL SAVINGS AND
22 GREENHOUSE GAS REDUCTION EFFORTS.—

23 “(A) IN GENERAL.—Within a State, the
24 transportation planning process under this sec-
25 tion shall address transportation-related oil con-

1 sumption and greenhouse gas emissions by in-
2 cluding oil savings and emission reduction tar-
3 gets and strategies to meet those targets.

4 “(B) ESTABLISHMENT OF TARGETS AND
5 CRITERIA.—

6 “(i) IN GENERAL.—Not later than 2
7 years after the promulgation of the final
8 regulations required under section 220 of
9 the Clean Air Act, each State shall develop
10 surface transportation-related oil savings
11 and greenhouse gas emission reduction tar-
12 gets, as well as strategies to meet those
13 targets, in consultation with State air
14 agencies and Indian tribes as part of the
15 transportation planning process under this
16 section.

17 “(ii) MINIMUM REQUIREMENTS.—
18 Each transportation plan developed by a
19 State under clause (i) shall, within the
20 plan, demonstrate progress in stabilizing
21 and reducing transportation-related oil
22 consumption and greenhouse gas emissions
23 in the State so as to contribute to the
24 achievement of national targets pursuant
25 to section 220(a)(1) of the Clean Air Act.

1 “(iii) REQUIREMENTS FOR TARGETS
2 AND STRATEGIES.—The targets and strat-
3 egies developed as part of a plan under
4 this subparagraph shall, at a minimum—

5 “(I) be based on the oil consump-
6 tion and emission models and related
7 methodologies established in the final
8 regulations required under section
9 220 of the Clean Air Act;

10 “(II) inventory all sources of sur-
11 face transportation-related oil con-
12 sumption and greenhouse gas emis-
13 sions;

14 “(III) apply to those modes of
15 surface transportation that are ad-
16 dressed in the planning process under
17 this section;

18 “(IV) be integrated and con-
19 sistent with statewide transportation
20 plans and statewide transportation
21 improvement programs; and

22 “(V) be selected through scenario
23 analysis (as defined in section
24 134(k)(1) of title 23), and include,
25 pursuant to the requirements of the

1 transportation planning process under
2 this section, transportation investment
3 and management strategies that re-
4 duce oil consumption and greenhouse
5 gas emissions from the transportation
6 sector over the life of the plan, such
7 as—

8 “(aa) efforts to increase
9 public transportation ridership,
10 including through service im-
11 provements, capacity expansions,
12 and access enhancement;

13 “(bb) efforts to increase
14 walking, bicycling, and other
15 forms of nonmotorized transpor-
16 tation;

17 “(cc) implementation of zon-
18 ing and other land use regula-
19 tions and plans to support infill,
20 transit-oriented development, re-
21 development, or mixed use devel-
22 opment;

23 “(dd) travel demand man-
24 agement programs (including
25 carpool, vanpool, or car-share

1 projects), transportation pricing
2 measures, parking policies, and
3 programs to promote telecom-
4 muting, flexible work schedules,
5 and satellite work centers;

6 “(ee) highway and transit
7 operational improvements, includ-
8 ing intelligent transportation sys-
9 tems or other operational im-
10 provements to reduce congestion
11 and improve system manage-
12 ment;

13 “(ff) intercity passenger rail
14 improvements;

15 “(gg) high-speed rail im-
16 provements and programs;

17 “(hh) intercity bus improve-
18 ments;

19 “(ii) freight rail improve-
20 ments;

21 “(jj) use of materials or
22 equipment associated with the
23 construction or maintenance of
24 transportation projects that re-

1 duce oil consumption and green-
2 house gas emissions;

3 “(kk) public facilities for
4 supplying electricity to electric or
5 plug-in hybrid-electric vehicles;
6 and

7 “(ll) any other effort that
8 demonstrates progress in reduc-
9 ing transportation-related oil con-
10 sumption and greenhouse gas
11 emissions.

12 “(iv) IDENTIFICATION OF PROJECTS
13 AND STRATEGIES.—The plan developed
14 under this section shall include a list of
15 projects and strategies based on the tar-
16 gets and strategies identified under clause
17 (iii).

18 “(C) COORDINATION AND CONSULTATION
19 WITH PUBLIC AGENCIES.—Transportation oil
20 savings and greenhouse gas targets and plans
21 pursuant to this section shall be developed—

22 “(i) in coordination with—

23 “(I) all metropolitan planning or-
24 ganizations covered by this section
25 within the State; and

1 “(II) transportation and air qual-
2 ity agencies within the State;

3 “(ii) in consultation with representa-
4 tives of State and local housing, economic
5 development, energy, and land use agen-
6 cies; and

7 “(iii) in consultation with Indian
8 tribes contiguous to the State.

9 “(D) ENFORCEMENT.—Not later than 180
10 days after the date of submission of a plan
11 under this section—

12 “(i) the Secretary and the Adminis-
13 trator shall review the plan; and

14 “(ii) the Secretary shall make a deter-
15 mination that the plan submitted by a
16 State meets the requirements of subpara-
17 graph (B) if—

18 “(I) the Secretary finds that a
19 State has developed, submitted, and
20 published the plan pursuant to this
21 section;

22 “(II) the Secretary, in consulta-
23 tion with the Administrator, deter-
24 mines that the plan is likely to achieve

1 the targets established by the State
2 under this subsection; and

3 “(III) the development of the
4 plan complies with the minimum re-
5 quirements established under clauses
6 (ii) and (iii) of subparagraph (B).

7 “(E) PLANNING FINDING.—

8 “(i) IN GENERAL.—Only States that
9 meet the requirements of subparagraph
10 (B) shall be eligible to receive performance
11 grants under section 402(c) of the Oil
12 Independence for a Stronger America Act
13 of 2010.

14 “(ii) FAILURE TO COMPLY.—Failure
15 to comply with the requirements under
16 subparagraph (B) shall not impact the
17 planning finding under subsection (g)(7).”.

18 (d) LAND USE AUTHORITY.—Nothing in this section
19 or an amendment made by this section—

20 (1) infringes on the existing authority of local
21 governments to plan or control land use; or

22 (2) provides or transfers authority over land
23 use to any other entity.

1 (e) TABLE OF CONTENTS.—The table of contents of
2 title II of the Clean Air Act (42 U.S.C. prec. 7401) is
3 amended by adding at the end the following:

“Sec. 220. Greenhouse gas emission reductions through transportation effi-
ciency.”.

4 **SEC. 402. INVESTING IN TRANSPORTATION GREENHOUSE**
5 **GAS EMISSION REDUCTION PROGRAMS.**

6 (a) IN GENERAL.—The Secretary of Transportation
7 (referred to in this section as the “Secretary”) shall dis-
8 tribute funds made available to carry out this section to
9 States and metropolitan planning organizations to carry
10 out the purposes of this section for each fiscal year, includ-
11 ing—

12 (1) supporting the development and updating of
13 transportation greenhouse gas reduction targets and
14 strategies; and

15 (2) providing financial assistance to implement
16 plans approved pursuant to—

17 (A) sections 134(k)(6) and 135(f)(9) of
18 title 23, United States Code; and

19 (B) sections 5303(k)(7) and 5304(f)(9) of
20 title 49, United States Code.

21 (b) ALLOCATION FOR PLANNING.—

22 (1) IN GENERAL.—Subject to paragraph (2),
23 the Secretary shall distribute not more than 10 per-
24 cent of the funds available to carry out this section

1 for a fiscal year for metropolitan planning organiza-
2 tions to develop and update transportation plans, in-
3 cluding targets and strategies for greenhouse gas
4 emission reduction under—

5 (A) sections 134(k)(6) and 135(f)(9) of
6 title 23, United States Code; and

7 (B) sections 5303(k)(7) and 5304(f)(9) of
8 title 49, United States Code.

9 (2) ELIGIBLE ORGANIZATIONS.—The Secretary
10 shall distribute the funds available under paragraph
11 (1) to metropolitan planning organizations (as de-
12 fined in section 134(k)(1) of title 23, United States
13 Code) in the proportion that—

14 (A) the population within such a metropoli-
15 tan planning organization; bears to

16 (B) the total population of all such metro-
17 politan planning organizations.

18 (c) PERFORMANCE AWARDS.—

19 (1) IN GENERAL.—After distributing funds pur-
20 suant to subsection (b)(1), and subject to subsection
21 (h), the Secretary shall distribute the remainder of
22 the funds made available to carry out this section to
23 provide support to States and metropolitan planning
24 organizations.

1 (2) CRITERIA.—In making distributions under
2 this subsection, the Secretary, in consultation with
3 the Administrator, shall develop criteria for making
4 the distribution, taking into consideration, with re-
5 spect to areas to be covered by the distributions—

6 (A) the quantity of total oil consumption
7 and greenhouse gas emissions to be reduced as
8 a result of implementation of a plan, within a
9 covered area;

10 (B) the quantity of total oil consumption
11 and greenhouse gas emissions to be reduced per
12 capita as a result of the implementation of a
13 plan, within the covered area;

14 (C) the cost-effectiveness of reducing oil
15 consumption and greenhouse gas emissions dur-
16 ing the life of the plan;

17 (D) progress toward achieving oil savings
18 and emission reductions target established
19 under—

20 (i) sections 134(k)(6) and 135(f)(9) of
21 title 23, United States Code; and

22 (ii) sections 5303(k)(7) and
23 5304(f)(9) of title 49, United States Code;

24 (E) reductions in oil consumption and
25 greenhouse gas emissions previously achieved by

1 States and metropolitan planning organizations
2 during the 5-year period beginning on the date
3 of enactment of this Act;

4 (F) the extent to which the plan increases
5 transportation options and mobility, particularly
6 for low-income individuals, minorities, the elder-
7 ly, households without motor vehicles, cost-bur-
8 dened households, and the disabled;

9 (G) the extent to which projects funded
10 will facilitate development patterns and strate-
11 gies that reduce oil consumption and green-
12 house gas emissions; and

13 (H) other factors, including innovative ap-
14 proaches, minimization of costs, and consider-
15 ation of economic development, revenue genera-
16 tion, consumer fuel cost-savings, and other eco-
17 nomic, environmental, and health benefits, as
18 the Secretary determines to be appropriate.

19 (d) REQUIREMENT FOR REDUCED OIL CONSUMP-
20 TION AND EMISSIONS.—Funds received under subsection
21 (c) may be used only to fund strategies that demonstrate
22 reductions in oil consumption and greenhouse gas emis-
23 sions that are sustainable over the life of the applicable
24 transportation plan.

1 (e) COST-SHARING.—The Federal share of the costs
2 of a project receiving Federal financial assistance under
3 this section shall be 80 percent.

4 (f) COMPLIANCE WITH APPLICABLE LAWS.—

5 (1) IN GENERAL.—Subject to paragraph (2), a
6 project receiving funds under this section shall com-
7 ply with all applicable Federal laws (including regu-
8 lations), including applicable requirements of titles
9 23 and 49, United States Code.

10 (2) ELIGIBILITY.—Project eligibility shall be
11 determined in accordance with this section.

12 (3) DETERMINATION OF APPLICABLE MODAL
13 REQUIREMENTS.—The Secretary shall—

14 (A) have the discretion to designate the
15 specific modal requirements that shall apply to
16 a project; and

17 (B) be guided by the predominant modal
18 characteristics of the project in the event that
19 a project has cross-modal application.

20 (g) ADDITIONAL REQUIREMENTS.—As a condition of
21 the receipt of funds under this section, the interests of
22 public transportation employees affected by the assistance
23 shall be protected under arrangements that the Secretary
24 of Labor determines—

25 (1) to be fair and equitable; and

1 (2) to provide benefits equal to the benefits es-
2 tablished under section 5333(b) of title 49, United
3 States Code.

4 (h) MISCELLANEOUS.—

5 (1) ROAD-USE AND CONGESTION PRICING
6 MEASURES.—All projects supported by funds made
7 available under this section shall not be subject to
8 section 301 of title 23, United States Code shall be
9 eligible to receive amounts collected through road-
10 use and congestion pricing measures.

11 (2) LIMITATIONS.—The Administrator may not
12 approve any transportation plan for a project that
13 would be inconsistent with existing design, procure-
14 ment, and construction guidelines established by the
15 Department of Transportation.

16 (3) TRANSFERS.—With the approval of the Sec-
17 retary, recipients of funds under this section may
18 enter into agreements providing for the transfer of
19 funds or value to private transportation providers or
20 ineligible public entities (such as local governments,
21 air quality agencies, zoning commissions, special dis-
22 tricts, and transit agencies) that have statutory re-
23 sponsibility or authority for actions necessary to im-
24 plement strategies pursuant to—

1 (A) sections 134(k)(6) and 135(f)(9) of
2 title 23, United States Code; and

3 (B) sections 5303(k)(7) and 5304(f)(9) of
4 title 49, United States Code.

5 (i) AUTHORIZATION OF APPROPRIATIONS.—There
6 are authorized to be appropriated such sums as are nec-
7 essary to carry out this section.

8 **SEC. 403. COMMUTER BENEFITS EQUITY.**

9 (a) UNIFORM DOLLAR LIMITATION FOR ALL TYPES
10 OF TRANSPORTATION FRINGE BENEFITS.—

11 (1) IN GENERAL.—

12 (A) Paragraph (2) of section 132(f) of the
13 Internal Revenue Code of 1986 (relating to lim-
14 itation on exclusion) is amended—

15 (i) by striking “\$100” in subpara-
16 graph (A) and inserting “\$230”,

17 (ii) by striking “\$175” in subpara-
18 graph (B) and inserting “\$230”, and

19 (iii) by striking “and (B)” in subpara-
20 graph (A) and inserting “, (B), and (D)”.

21 (B) Subclause (II) of section
22 132(f)(5)(F)(iii) of such Code is amended by
23 striking “, (B),”.

24 (2) REPEAL OF CONSTRUCTIVE RECEIPT
25 TREATMENT OF BICYCLE COMMUTING REIMBURSE-

1 MENTS.—Paragraph (4) of section 132(f) of such
2 Code is amended by striking “(other than a qualified
3 bicycle commuting reimbursement)”.

4 (3) INFLATION ADJUSTMENT CONFORMING
5 AMENDMENTS.—Subparagraph (A) of section
6 132(f)(6) of such Code (relating to inflation adjust-
7 ment) is amended—

8 (A) by striking the last sentence,

9 (B) by striking “1999” and inserting
10 “2009”, and

11 (C) by striking “1998” and inserting
12 “2008”.

13 (4) EFFECTIVE DATE.—The amendments made
14 by this section shall apply to taxable years beginning
15 after December 31, 2008.

16 (b) CLARIFICATION OF FEDERAL EMPLOYEE BENE-
17 FITS.—Section 7905 of title 5, United States Code, is
18 amended—

19 (1) in subsection (a)—

20 (A) in paragraph (2)(C), by inserting
21 “and” after the semicolon;

22 (B) in paragraph (3), by striking “; and”
23 and inserting a period; and

24 (C) by striking paragraph (4); and

1 (2) in subsection (b)(2), by striking subpara-
2 graph (A) and inserting the following:

3 “(A) a qualified transportation fringe as de-
4 fined in section 132(f)(1) of the Internal Revenue
5 Code of 1986;”.

6 **Subtitle B—Freight Transportation**

7 **SEC. 411. FREIGHT TRANSPORTATION GOAL AND PLAN.**

8 (a) FREIGHT TRANSPORTATION OPTIONS GOAL.—

9 (1) IN GENERAL.—Subject to paragraph (2), it
10 shall be the goal of the United States to shift at
11 least 10 percent of freight shipped by truck to rail
12 or marine shipping by calendar year 2020.

13 (2) INCREASE.—The Secretary of Transpor-
14 tation may increase the goal established under para-
15 graph (1) based on the evaluation of national freight
16 rail and marine shipping infrastructure and the na-
17 tional freight transportation options plan developed
18 pursuant to subsection (b).

19 (b) FREIGHT TRANSPORTATION PLAN.—

20 (1) IN GENERAL.—Not later than 18 months
21 after the date of enactment of this Act, the Sec-
22 retary of Transportation shall develop a national
23 freight transportation options plan.

24 (2) CONTENTS.—The plan developed under
25 paragraph (1) shall include—

1 (A) an evaluation of national freight rail
2 and marine shipping infrastructure;

3 (B) an assessment of barriers to increased
4 movement of freight by rail and marine ship-
5 ping;

6 (C) an identification of areas or corridors
7 in which additional capacity or other infrastruc-
8 ture is needed to allow increased use of freight
9 rail and marine shipping; and

10 (D) a strategic plan for investments in ca-
11 pacity or other measures to encourage increased
12 use of freight rail and marine shipping to meet
13 the goal established under subsection (a).

14 **SEC. 412. FREIGHT RAIL CONGESTION GRANTS.**

15 (a) IN GENERAL.—Section 24105 of title 49, United
16 States Code, is amended to read as follows:

17 **“SEC. 24105. FREIGHT RAIL CONGESTION GRANTS.**

18 “(a) AUTHORITY.—The Secretary of Transportation
19 may make grants to States for financing the capital costs
20 of facilities, infrastructure, and equipment for high pri-
21 ority rail corridor projects necessary to reduce congestion
22 in freight rail transportation.

23 “(b) ELIGIBLE PROJECTS.—Projects eligible for
24 grants under this section shall be covered by a State rail

1 plan and provide public benefits (as defined by chapter
2 27).

3 “(c) FEDERAL SHARE.—The Federal share of the
4 cost of a project financed under this section shall not ex-
5 ceed 80 percent.

6 “(d) GRANT CONDITIONS.—The Secretary of Trans-
7 portation shall require each recipient of a grant under this
8 section to comply with the applicable grant requirements
9 of section 24405.

10 “(e) EQUITABLE DISTRIBUTION.—The Secretary
11 shall take such measures as are necessary to ensure an
12 equitable geographic distribution of funds and an appro-
13 priate balance in addressing the needs of urban and rural
14 communities.

15 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
16 are authorized to be appropriated to carry out this section
17 such sums as are necessary.”.

18 (b) TABLE OF SECTIONS AMENDMENT.—The table of
19 sections for chapter 241 of title 49, United States Code,
20 is amended by striking the item relating to section 24105
21 and inserting the following:

“Sec. 24105. Freight rail congestion grants.”.

22 **SEC. 413. RAIL ELECTRIFICATION STUDY.**

23 (a) IN GENERAL.—The Comptroller General of the
24 United States shall conduct a study on the benefits and
25 costs of electrification of rail corridors, including the role

1 of rail electrification in meeting the national oil independ-
2 ence goal established under section 101.

3 (b) REPORT.—Not later than 180 days after the date
4 of enactment of this Act, the Comptroller General shall
5 submit to the Committee on Commerce, Science, and
6 Transportation of the Senate and the Committee on
7 Transportation and Infrastructure of the House of Rep-
8 resentatives a report describing the results of the study
9 required under subsection (a).

10 **TITLE V—ALTERNATIVE**
11 **TRANSPORTATION FUELS**
12 **Subtitle A—Advanced Biofuels**

13 **SEC. 501. ALLOWANCE OF INVESTMENT TAX CREDIT FOR**
14 **ADVANCED BIOFUEL FACILITIES.**

15 (a) IN GENERAL.—Subsection (a) of section 48 of the
16 Internal Revenue Code of 1986 is amended by adding at
17 the end the following new paragraph:

18 “(6) ELECTION TO TREAT QUALIFIED AD-
19 VANCED BIOFUEL FACILITIES AS ENERGY PROP-
20 erty.—

21 “(A) IN GENERAL.—In the case of any
22 qualified property which is part of a qualified
23 advanced biofuel facility—

1 “(i) such property shall be treated as
2 energy property for purposes of this sec-
3 tion, and

4 “(ii) the energy percentage with re-
5 spect to such property shall be 30 percent.

6 “(B) QUALIFIED PROPERTY.—For pur-
7 poses of this paragraph, the term ‘qualified
8 property’ means property—

9 “(i) which is—

10 “(I) tangible personal property,
11 or

12 “(II) other tangible property (not
13 including a building or its structural
14 components), but only if such prop-
15 erty is used as an integral part of the
16 qualified investment credit facility,
17 and

18 “(ii) with respect to which deprecia-
19 tion (or amortization in lieu of deprecia-
20 tion) is allowable.

21 “(C) QUALIFIED ADVANCED BIOFUEL FA-
22 CILITY.—For purposes of this paragraph, the
23 term ‘qualified advanced biofuel facility’ means
24 any facility—

1 “(i) the primary purpose of which is
2 the production of advanced biofuels which
3 are transportation-grade fuels,

4 “(ii) which is originally placed in serv-
5 ice by the taxpayer after the date of the
6 enactment of this paragraph and before
7 December 31, 2015, and

8 “(iii) with respect to which the tax-
9 payer makes an election to have this para-
10 graph apply.

11 “(D) ADVANCED BIOFUELS.—For pur-
12 poses of subparagraph (C), the term ‘advanced
13 biofuel’ means any advanced biofuel (as defined
14 in section 211(o)(1)(B) of the Clean Air Act)
15 which—

16 “(i) has lifecycle greenhouse gas emis-
17 sions (as defined in section 211(o)(1)(H)
18 of the Clean Air Act) at least 50 percent
19 less than baseline lifecycle greenhouse gas
20 emissions (as defined in section
21 211(o)(1)(C) of such Act), and

22 “(ii) the Secretary of the Treasury de-
23 termines is produced in commercial quan-
24 tities of less than 500,000,000 gallons an-
25 nually.

1 “(E) SPECIAL RULE FOR ALGAL
2 BIOCRUDE.—For purposes of this paragraph, in
3 the case of a facility which produces fuel which
4 is derived from any cultivated algae,
5 cyanobacteria, or lemna, and which is sold by
6 the taxpayer to another person for refining by
7 such other person into an advanced biofuel—

8 “(i) such facility shall be treated as a
9 qualified advanced biofuel facility, and

10 “(ii) except as provided in this sub-
11 paragraph, such fuel (and any fuel derived
12 from such fuel) shall not be taken into ac-
13 count under this section with respect to
14 the taxpayer or any other person.

15 “(F) SPECIAL RULE FOR CONVERSION OF
16 ETHANOL FUEL PRODUCTION FACILITIES.—

17 “(i) IN GENERAL.—In the case of a
18 facility which produces ethanol and which
19 is retrofitted to produce biobutanol, the
20 credit determined under this section shall
21 be determined without regard to the cost
22 of the portion of the facility which pro-
23 duced ethanol.

24 “(ii) TERMINATION.—Clause (i) shall
25 not apply to any property placed in service

1 during any taxable year beginning after
2 the first calendar year during which the
3 Secretary determines the annual capacity
4 of biobutanol facilities placed in service in
5 the United States to be 500,000,000 gal-
6 lons or more.

7 “(iii) BIOBUTANOL.—For purposes of
8 this paragraph, the term ‘biobutanol’
9 means butanol produced from renewable
10 biomass (as defined in section 211(o)(1)(I)
11 of the Clean Air Act).

12 “(G) COORDINATION WITH OTHER FUEL
13 PROVISIONS.—No credit shall be allowed under
14 section 40, 40A, or 6426 for any taxable year
15 with respect to any qualified advanced biofuel
16 facility or any fuel produced by such facility.”.

17 (b) COORDINATION WITH SPECIAL ALLOWANCE FOR
18 CELLULOSIC BIOFUEL PLANT PROPERTY.—Paragraph
19 (8) of section 168(l) of the Internal Revenue Code of 1986
20 is amended by inserting “or under section 48(a)(6)” be-
21 fore the period at the end.

22 “(c) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to property placed in service after
24 the date of the enactment of this Act.

1 **SEC. 502. GRANTS FOR ADVANCED BIOFUEL FACILITY**
2 **PROPERTY.**

3 Section 1603 of division B of the American Recovery
4 and Reinvestment Act of 2009 is amended by adding at
5 the end the following new subsection:

6 “(k) APPLICATION TO QUALIFIED ADVANCED
7 BIOFUEL FACILITY PROPERTY.—

8 “(1) IN GENERAL.—In the case of qualified
9 property (as defined in section 48(a)(6)(B) of the
10 Internal Revenue Code of 1986) which is part of a
11 qualified advanced biofuel facility (within the mean-
12 ing of section 48(a)(6)(C) of such Code)—

13 “(A) such qualified property shall be treat-
14 ed as specified energy property for purposes of
15 this section, and

16 “(B) in applying this section to such quali-
17 fied property—

18 “(i) subsection (a) shall be applied—

19 “(I) by substituting ‘the 2-year
20 period beginning on the date of the
21 enactment of this subsection’ for
22 ‘2009 or 2010’ each place it appears,
23 and

24 “(II) by substituting ‘after such
25 2-year period’ for ‘2010’ in paragraph
26 (2) thereof,

1 “(ii) the applicable percentage with
2 respect to such qualified property shall be
3 30 percent,

4 “(iii) the credit termination date with
5 respect to such qualified property shall be
6 January 1, 2016, and

7 “(iv) subsection (j) shall be applied by
8 substituting ‘the date which is 9-months
9 after the 2-year period described in sub-
10 section (k)(2)(A)(i)’ for ‘October 1, 2011’.

11 “(2) COORDINATION WITH OTHER FUELS CRED-
12 IT.—In the case of any qualified advanced biofuel
13 facility which is treated as specified energy property
14 by reason of paragraph (1), except as provided in
15 paragraph (1), the fuel produced by such facility
16 (and any fuel derived from such fuel) shall not be
17 taken into account with respect to the taxpayer or
18 any other person for purposes of determining any
19 credit under section 40, 40A, or 6426 of the Inter-
20 nal Revenue Code of 1986.”.

21 **SEC. 503. INCLUSION OF ALGAE-BASED BIOFUEL IN DEFINI-**
22 **TION OF CELLULOSIC BIOFUEL.**

23 (a) IN GENERAL.—Subclause (I) of section
24 40(b)(6)(E)(i) of the Internal Revenue Code of 1986 is
25 amended to read as follows:

1 “(I) is derived solely from quali-
2 fied feedstocks, and”.

3 (b) QUALIFIED FEEDSTOCK; SPECIAL RULES FOR
4 ALGAE.—Paragraph (6) of section 40(b) of such Code is
5 amended by redesignating subparagraphs (F), (G), and
6 (H) as subparagraphs (H), (I), and (J), respectively, and
7 by inserting after subparagraph (E) the following new
8 subparagraphs:

9 “(F) QUALIFIED FEEDSTOCK.—For pur-
10 poses of this subparagraph—

11 “(i) IN GENERAL.—The term ‘quali-
12 fied feedstock’ means—

13 “(I) any lignocellulosic or
14 hemicellulosic matter that is available
15 on a renewable or recurring basis, and

16 “(II) any algal organism.

17 “(ii) ALGAL ORGANISM.—The term
18 ‘algal organism’ means a single- or multi-
19 cellular organism which is primarily aquat-
20 ic and classified as a non-vascular plant,
21 including microalgae, blue-green algae
22 (cyanobacteria), and macroalgae (sea-
23 weeds).

24 “(G) SPECIAL RULE FOR ALGAL
25 BIOCRUDE.—For purposes of this paragraph, in

1 the case of a taxpayer who produces fuel which
2 is derived from any cultivated algae,
3 cyanobacteria, or lemna, and which is sold by
4 the taxpayer to another person for refining by
5 such other person into an advanced biofuel (as
6 defined in section 48(a)(6)(C))—

7 “(i) such fuel shall be treated as a
8 qualified advanced biofuel facility,

9 “(ii) the production of such fuel shall
10 be treated as meeting the requirements of
11 subparagraph (F)(i), and

12 “(iii) except as provided in this sub-
13 paragraph, such fuel (and any fuel derived
14 from such fuel) shall not be taken into ac-
15 count under this section or section 48 with
16 respect to the taxpayer or any other per-
17 son.”.

18 (c) ALGAE TREATED AS A QUALIFIED FEEDSTOCK
19 FOR PURPOSES OF BONUS DEPRECIATION FOR BIOFUEL
20 PLANT PROPERTY.—

21 (1) IN GENERAL.—Subparagraph (A) of section
22 168(l)(2) is amended by striking “solely to produce
23 cellulosic biofuel” and inserting “primarily to
24 produce next generation biofuel (as defined in sec-
25 tion 40(b)(6)(E))”.

1 (2) CONFORMING AMENDMENTS.—Subsection
2 (l) of section 168 is amended—

3 (A) by striking “cellulosic biofuel” each
4 place it appears in the text thereof and insert-
5 ing “next generation biofuel”,

6 (B) by striking paragraph (3) and redesign-
7 ating paragraphs (4) through (8) as para-
8 graphs (3) through (7), respectively,

9 (C) by striking “CELLULOSIC” in the
10 heading of such subsection and inserting
11 “NEXT GENERATION”, and

12 (D) by striking “CELLULOSIC” in the head-
13 ing of paragraph (2) and inserting “NEXT GEN-
14 ERATION”.

15 (d) CONFORMING AMENDMENTS.—

16 (1) Section 40, as amended by subsection (b),
17 is amended—

18 (A) by striking “cellulosic biofuel” each
19 place it appears in the text thereof and insert-
20 ing “next generation biofuel”,

21 (B) by striking “CELLULOSIC” in the
22 headings of subsections (b)(6), (b)(6)(E), and
23 (d)(3)(D) and inserting “NEXT GENERATION”,
24 and

1 (C) by striking “CELLULOSIC” in the head-
2 ings of subsections (b)(6)(C), (b)(6)(D),
3 (b)(6)(H), (d)(6), and (e)(3) and inserting
4 “NEXT GENERATION”.

5 (2) Clause (ii) of section 40(b)(6)(E) is amend-
6 ed by striking “Such term shall not” and inserting
7 “The term ‘next generation biofuel’ shall not”.

8 (3) Paragraph (1) of section 4101(a) is amend-
9 ed by striking “cellulosic biofuel” and inserting
10 “next generation biofuel”.

11 (e) EFFECTIVE DATE.—

12 (1) IN GENERAL.—Except as provided in para-
13 graph (2), the amendments made by this section
14 shall apply to fuels sold or used after the date of the
15 enactment of this Act.

16 (2) APPLICATION TO BONUS DEPRECIATION.—
17 The amendments made by subsection (c) shall apply
18 to property placed in service after the date of the en-
19 actment of this Act.

20 **SEC. 504. EXTENSION OF NEXT GENERATION BIOFUEL PRO-**
21 **DUCER CREDIT.**

22 Subparagraph (J) of section 40(b)(6) of the Internal
23 Revenue Code of 1986, as redesignated by section 503(b),
24 is amended by striking “January 1, 2013” and inserting
25 “January 1, 2016”.

1 **SEC. 505. MODIFICATION OF SPECIAL ALLOWANCE FOR**
2 **NEXT GENERATION BIOFUEL PLANT PROP-**
3 **ERTY.**

4 (a) IN GENERAL.—Paragraph (2)(D) of section
5 168(l) of the Internal Revenue Code of 1986 is amended
6 by striking “January 1, 2013” and inserting “January 1,
7 2016”.

8 (b) CLARIFICATION OF DEFINITION OF QUALIFIED
9 NEXT GENERATION BIOFUEL PLANT PROPERTY.—Sub-
10 paragraph (A) of section 168(l)(2) of such Code is amend-
11 ed by striking “solely” and inserting “primarily”.

12 (c) CONFORMING AMENDMENT.—Paragraph (5)(B)
13 of section 168(l) of such Code, as redesignated by section
14 503(b)(3), is amended by striking “January 1, 2013” and
15 inserting “January 1, 2016”.

16 (d) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to property placed in service after
18 the date of the enactment of this Act.

19 **SEC. 506. EXTENSION OF INCENTIVES FOR BIODIESEL AND**
20 **RENEWABLE DIESEL.**

21 (a) CREDITS FOR BIODIESEL AND RENEWABLE DIE-
22 SEL USED AS FUEL.—Subsection (g) of section 40A of
23 the Internal Revenue Code of 1986 is amended by striking
24 “December 31, 2009” and inserting “December 31,
25 2015”.

1 (b) EXCISE TAX CREDITS AND OUTLAY PAYMENTS
2 FOR BIODIESEL AND RENEWABLE DIESEL FUEL MIX-
3 TURES.—

4 (1) Paragraph (6) of section 6426(c) of such
5 Code is amended by striking “December 31, 2009”
6 and inserting “December 31, 2015”.

7 (2) Subparagraph (B) of section 6427(e)(6) of
8 such Code is amended by striking “December 31,
9 2009” and inserting “December 31, 2015”.

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to fuel sold or used after December
12 31, 2009.

13 **SEC. 507. EXTENSION OF ALCOHOL FUELS TAX CREDITS.**

14 (a) IN GENERAL.—Paragraph (1) of section 40(e) of
15 the Internal Revenue Code of 1986 is amended—

16 (1) in subparagraph (A), by striking “December
17 31, 2010” and inserting “December 31, 2015”, and

18 (2) in subparagraph (B), by striking “January
19 1, 2011” and inserting “January 1, 2016”.

20 (b) RULE FOR CREDIT FOR ETHANOL BLENDERS.—

21 Paragraph (1) of section 40(h) such Code is amended by
22 adding at the end the following flush sentence:

23 “In the case of any other taxable year, such sub-
24 sections shall not apply.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to alcohol produced, sold, or used
3 after December 31, 2010.

4 **SEC. 508. EXCISE TAX CREDITS AND OUTLAY PAYMENTS**
5 **FOR ALTERNATIVE FUEL AND ALTERNATIVE**
6 **FUEL MIXTURES.**

7 (a) ALTERNATIVE FUEL CREDIT.—Paragraph (5) of
8 section 6426(d) of the Internal Revenue Code of 1986 is
9 amended by striking “after December 31, 2009” and all
10 that follows and inserting the following: “after—

11 “(A) September 30, 2014, in the case of
12 liquefied hydrogen,

13 “(B) December 31, 2015, in the case of
14 fuels described in subparagraph (A), (C), (F),
15 or (G) of paragraph (2), and

16 “(C) December 31, 2009, in any other
17 case.”.

18 (b) ALTERNATIVE FUEL MIXTURE CREDIT.—Para-
19 graph (3) of section 6426(e) of such Code is amended by
20 striking “after December 31, 2009” and all that follows
21 and inserting the following: “after—

22 “(A) September 30, 2014, in the case of
23 liquefied hydrogen,

1 “(B) December 31, 2015, in the case of
2 fuels described in subparagraph (A), (C), (F),
3 or (G) of subsection (d)(2), and

4 “(C) December 31, 2009, in any other
5 case.”.

6 (c) PAYMENT AUTHORITY.—

7 (1) IN GENERAL.—Paragraph (6) of section
8 6427(e) of such Code is amended by striking “and”
9 at the end of subparagraph (C), by striking the pe-
10 riod at the end of subparagraph (D) and inserting
11 “, and”, and by adding at the end the following new
12 subparagraph:

13 “(E) any alternative fuel or alternative fuel
14 mixture (as so defined) involving fuel described
15 in subparagraph (A), (C), (F), or (G) of section
16 6426(d)(2) sold or used after December 31,
17 2010.”.

18 (2) CONFORMING AMENDMENT.—Subparagraph
19 (C) of section 6427(e)(6) of such Code is amended
20 by inserting “or (E)” after “subparagraph (D)”.

21 (d) EXCLUSION OF BLACK LIQUOR FROM CREDIT
22 ELIGIBILITY.—The last sentence of section 6426(d)(2) of
23 such Code is amended by striking “or biodiesel” and in-
24 serting “biodiesel, or any fuel (including lignin, wood resi-

1 dues, or spent pulping liquors) derived from the produc-
 2 tion of paper or pulp”.

3 (e) EFFECTIVE DATE.—The amendments made by
 4 this section shall apply to fuel sold or used after December
 5 31, 2010.

6 **Subtitle B—Powering Vehicles** 7 **With Natural Gas**

8 **SEC. 511. CREDIT FOR QUALIFIED NATURAL GAS MOTOR** 9 **VEHICLES.**

10 (a) IN GENERAL.—

11 (1) IN GENERAL.—Subsection (e) of section
 12 30B of the Internal Revenue Code of 1986 (relating
 13 to new qualified alternative fuel motor vehicle credit)
 14 is amended by adding at the end the following new
 15 paragraphs:

16 “(6) SPECIAL RULES FOR QUALIFIED NATURAL
 17 GAS MOTOR VEHICLES.—

18 “(A) IN GENERAL.—In the case of a quali-
 19 fied natural gas motor vehicle—

20 “(i) such motor vehicle shall be treat-
 21 ed as a new qualified alternative fuel motor
 22 vehicle under this subsection,

23 “(ii) paragraph (3) shall be applied by
 24 multiplying each of the dollar amounts
 25 contained in such paragraph by 2, and

1 “(iii) the credit allowed under this
2 subsection shall be transferrable as pro-
3 vided in subparagraph (B).

4 “(B) TRANSFERABILITY OF CREDIT.—

5 “(i) IN GENERAL.—A taxpayer who
6 places in service qualified natural gas
7 motor vehicle may transfer the credit al-
8 lowed under this subsection with respect to
9 such vehicle through an assignment to the
10 seller, the manufacturer, or the lessee of
11 such vehicle. Such transfer may be revoked
12 only with the consent of the Secretary.

13 “(ii) REGULATIONS.—The Secretary
14 shall prescribe such regulations as nec-
15 essary to ensure that any credit trans-
16 ferred under clause (i) is claimed once and
17 not reassigned by such other person.

18 “(7) QUALIFIED NATURAL GAS MOTOR VEHI-
19 CLE.—

20 “(A) IN GENERAL.—For purposes of this
21 subsection, the term ‘qualified natural gas
22 motor vehicle’ means any motor vehicle—

23 “(i) which is described in subpara-
24 graph (B) or (C),

1 “(ii) the original use of which com-
2 mences with the taxpayer,

3 “(iii) which is acquired by the tax-
4 payer for use or lease, but not for resale,
5 and

6 “(iv) which is placed in service before
7 the date which is 10 years after the date
8 of the enactment of this paragraph.

9 “(B) HEAVY-DUTY VEHICLES.—A motor
10 vehicle is described in this subparagraph if such
11 motor vehicle—

12 “(i) is made by a manufacturer,

13 “(ii) has a gross vehicle weight rating
14 of more than 8,500 pounds, and

15 “(iii) is—

16 “(I) only capable of operating on
17 compressed or liquified natural gas, or

18 “(II) capable of operating for
19 more than 175 miles on 1 fueling of
20 compressed or liquified natural gas
21 and is capable of operating on gaso-
22 line or diesel fuel.

23 “(C) CONVERTED OR REPOWERED VEHI-
24 CLES.—

1 “(i) IN GENERAL.—A motor vehicle is
2 described in this subparagraph if such
3 motor vehicle is a motor vehicle described
4 in clause (ii) or clause (iii) which is con-
5 verted or repowered so that it—

6 “(I) is only capable of operating
7 on compressed or liquified natural
8 gas, or

9 “(II) is capable of operating for
10 more than 175 miles on 1 fueling of
11 compressed or liquified natural gas
12 and is capable of operating on gaso-
13 line or diesel fuel, is capable of oper-
14 ating on compressed or liquefied nat-
15 ural gas.

16 “(ii) HEAVY-DUTY VEHICLES.—A
17 motor vehicle is described in this clause if
18 such motor vehicle—

19 “(I) has a gross vehicle weight
20 rating of more than 8,500 pounds,
21 and

22 “(II) was not capable of oper-
23 ating on compressed or liquified nat-
24 ural gas before the date of such con-
25 version or repower.

1 “(iii) SPECIAL RULES.—

2 “(I) TREATMENT AS NEW.—For
3 purposes of this subsection, the origi-
4 nal use of any motor vehicle described
5 in clause (i) shall be treated as begin-
6 ning with the first use after the date
7 of the conversion or repower.

8 “(II) RULE OF CONSTRU-
9 TION.—In the case of a used vehicle
10 which is converted or repowered, noth-
11 ing in this section shall be construed
12 to require that the motor vehicle be
13 acquired in the year the credit is
14 claimed under this section with re-
15 spect to such vehicle.

16 “(D) SPECIAL RULE.—For purposes of
17 this subsection, in the case of a motor vehicle
18 which—

19 “(i) is described in subparagraph (C)
20 or (D)(iii),

21 “(ii) is placed in service after the date
22 of the enactment of this paragraph, and

23 “(iii) is placed in service by a tax-
24 payer in a taxable year prior to the taxable
25 year in which such taxpayer places in serv-

1 ice the third such motor vehicle described
2 in subparagraph (C) or (D)(iii) after such
3 date of enactment,
4 such motor vehicle shall be treated as placed in
5 service in the taxable year in which such third
6 motor vehicle is placed in service.”.

7 (2) CONFORMING AMENDMENT.—Subparagraph
8 (B) of section 30B(e)(5) of such Code is amended
9 by inserting “(other than a qualified natural gas
10 motor vehicle)” after “paragraph (3)”.

11 (b) MIXED-FUEL VEHICLES.—Subparagraph (C) of
12 section 30B(e)(5) of the Internal Revenue Code of 1986
13 is amended by striking “a mixed-fuel vehicle which oper-
14 ates using” and all that follows and inserting the fol-
15 lowing: “a mixed-fuel vehicle which—

16 “(i) in the case of such a vehicle
17 which is capable of operating on com-
18 pressed or liquified natural gas, operates
19 using at least 65 percent compressed or
20 liquified natural gas and not more than 35
21 percent petroleum-based fuel, and

22 “(ii) in the case of any other such ve-
23 hicle, operates using at least 75 percent al-
24 ternative fuel and not more than 25 per-
25 cent petroleum-based fuel.”.

1 (c) ALTERNATIVE MINIMUM TAX TREATMENT.—
2 Subparagraph (B) of section 38(c)(4) of the Internal Rev-
3 enue Code of 1986 is amended by redesignating clauses
4 (i) through (ix) as clauses (ii) through (x), respectively,
5 and by inserting after before clause (ii) (as so redesi-
6 gated) the following new clause:

7 “(i) the amount of the credit determined under sec-
8 tion 30B which is attributable to a qualified natural gas
9 motor vehicle (as defined in section 30B(e)(7)),”.

10 (d) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to property placed in service after
12 the date of the enactment of this Act.

13 **SEC. 512. NATURAL GAS VEHICLE BONDS.**

14 (a) IN GENERAL.—Subpart I of part IV of sub-
15 chapter A of chapter 1 (relating to qualified tax credit
16 bonds) of the Internal Revenue Code of 1986, as amended
17 by section 306, is amended by adding at the end the fol-
18 lowing new section:

19 **“SEC. 54H. NATURAL GAS VEHICLE BONDS.**

20 “(a) NATURAL GAS VEHICLE BOND.—For purposes
21 of this subpart, the term ‘natural gas vehicle bond’ means
22 any bond issued as part of an issue if—

23 “(1) 100 percent of the available project pro-
24 ceeds of such issue are to be used for capital expend-
25 itures incurred by a governmental body for 1 or

1 more qualified natural gas vehicle projects placed in
2 service by such governmental body primarily for gov-
3 ernmental or public use,

4 “(2) the bond is issued by a governmental body,

5 “(3) the issuer designates such bond for pur-
6 poses of this section, and

7 “(4) in lieu of the requirements of section
8 54A(d)(2), the issue meets the requirements of sub-
9 section (c).

10 “(b) LIMITATION ON AMOUNT OF BONDS DES-
11 IGNATED.—

12 “(1) IN GENERAL.—The maximum aggregate
13 face amount of bonds which may be designated
14 under subsection (a) by any issuer shall not exceed
15 the limitation amount allocated under this sub-
16 section to such issuer.

17 “(2) NATIONAL LIMITATION ON AMOUNT OF
18 BONDS DESIGNATED.—There is a national natural
19 gas vehicle bond limitation of \$3,000,000,000.

20 “(3) ALLOCATION BY SECRETARY.—The Sec-
21 retary shall allocate the amount described in para-
22 graph (2) among qualified natural gas vehicle
23 projects in such manner as the Secretary determines
24 appropriate.

1 “(c) SPECIAL RULES RELATING TO EXPENDI-
2 TURES.—

3 “(1) IN GENERAL.—An issue shall be treated as
4 meeting the requirements of this subsection if, as of
5 the date of issuance, the issuer reasonably expects—

6 “(A) 100 percent or more of the available
7 project proceeds of such issue are to be spent
8 for 1 or more qualified natural gas vehicle
9 projects within the 5-year period beginning on
10 the date of issuance of the natural gas vehicle
11 bond,

12 “(B) a binding commitment with a third
13 party to spend at least 10 percent of such avail-
14 able project proceeds will be incurred within the
15 6-month period beginning on the date of
16 issuance of the natural gas vehicle bond, and

17 “(C) such projects will be completed with
18 due diligence and such available project pro-
19 ceeds will be spent with due diligence.

20 “(2) EXTENSION OF PERIOD.—Upon submis-
21 sion of a request prior to the expiration of the period
22 described in paragraph (1)(A), the Secretary may
23 extend such period if the issuer establishes that the
24 failure to satisfy the 5-year requirement is due to

1 reasonable cause and the related projects will con-
2 tinue to proceed with due diligence.

3 “(3) FAILURE TO SPEND REQUIRED AMOUNT
4 OF BOND PROCEEDS WITHIN 5 YEARS.—To the ex-
5 tent that less than 100 percent of the available
6 project proceeds of such issue are expended by the
7 close of the 5-year period beginning on the date of
8 issuance (or if an extension has been obtained under
9 paragraph (2), by the close of the extended period),
10 the issuer shall redeem all of the nonqualified bonds
11 within 90 days after the end of such period. For
12 purposes of this paragraph, the amount of the non-
13 qualified bonds required to be redeemed shall be de-
14 termined in the same manner as under section 142.

15 “(d) GOVERNMENTAL BODY.—For purposes of this
16 section, the term ‘governmental body’ means any State,
17 territory, possession of the United States, the District of
18 Columbia, Indian tribal government, and any political sub-
19 division thereof.

20 “(e) QUALIFIED NATURAL GAS VEHICLE
21 PROJECT.—For purposes of this subpart, the term ‘quali-
22 fied natural gas vehicle project’ means—

23 “(1) 1 or more qualified natural gas vehicles
24 (as defined in section 30B(e)(7)), or

1 “(2) 1 or more qualified alternative fuel vehicle
2 refueling properties which are used to store and or
3 dispense compressed or liquefied natural gas (within
4 the meaning of section 30C(c)).

5 “(f) TERMINATION.—This section shall not apply
6 with respect to any bond issued after December 31,
7 2019.”.

8 (b) CONFORMING AMENDMENTS.—

9 (1) Paragraph (1) of section 54A(d) of the In-
10 ternal Revenue Code of 1986, as amended by section
11 306, is amended by striking “or” at the end of sub-
12 paragraph (E), by inserting “or” at the end of sub-
13 paragraph (F), and by inserting after subparagraph
14 (F) the following new subparagraph:

15 “(G) a natural gas vehicle bond,”.

16 (2) Subparagraph (C) of section 54A(d)(2) of
17 such Code, as amended by section 306, is amended
18 by striking “and” at the end of clause (v), by strik-
19 ing the period at the end of clause (vi) and inserting
20 “, and”, and by adding at the end the following new
21 clause:

22 “(vii) in the case of a natural gas ve-
23 hicle bond, a purpose specified in section
24 54H(a)(1).”.

1 (c) CLERICAL AMENDMENT.—The table of sections
 2 for subpart I of part IV of subchapter A of chapter 1 of
 3 such Code, as amended by section 306, is amended by add-
 4 ing at the end the following new item:

“Sec. 54H. Natural gas vehicle bonds.”.

5 (d) EFFECTIVE DATE.—The amendments made by
 6 this section shall apply to bonds issued after the date of
 7 the enactment of this Act.

8 **SEC. 513. INCENTIVES FOR MANUFACTURING FACILITIES**
 9 **PRODUCING VEHICLES FUELED BY COM-**
 10 **PRESSED OR LIQUIFIED NATURAL GAS.**

11 (a) DEDUCTION FOR MANUFACTURING FACILI-
 12 TIES.—

13 (1) IN GENERAL.—Part VI of subchapter B of
 14 chapter 1 of the Internal Revenue Code of 1986 (re-
 15 lating to itemized deductions for individuals and cor-
 16 porations) is amended by inserting after section
 17 179E the following new section:

18 **“SEC. 179F. EXPENSING FOR MANUFACTURING FACILITIES**
 19 **PRODUCING VEHICLES FUELED BY COM-**
 20 **PRESSED NATURAL GAS OR LIQUIFIED NAT-**
 21 **URAL GAS.**

22 “(a) TREATMENT AS EXPENSES.—A taxpayer may
 23 elect to treat the applicable percentage of the cost of any
 24 qualified natural gas vehicle manufacturing facility prop-
 25 erty as an expense which is not chargeable to a capital

1 account. Any cost so treated shall be allowed as a deduc-
2 tion for the taxable year in which the qualified manufac-
3 turing facility property is placed in service.

4 “(b) APPLICABLE PERCENTAGE.—For purposes of
5 subsection (a), the applicable percentage is—

6 “(1) 100 percent, in the case of qualified nat-
7 ural gas vehicle manufacturing facility property
8 which is placed in service before January 1, 2015,
9 and

10 “(2) 50 percent, in the case of qualified natural
11 gas vehicle manufacturing facility property which is
12 placed in service after December 31, 2014, and be-
13 fore January 1, 2020.

14 “(c) ELECTION.—

15 “(1) IN GENERAL.—An election under this sec-
16 tion for any taxable year shall be made on the tax-
17 payer’s return of the tax imposed by this chapter for
18 the taxable year. Such election shall be made in such
19 manner as the Secretary may by regulations pre-
20 scribe.

21 “(2) ELECTION IRREVOCABLE.—Any election
22 made under this section may not be revoked except
23 with the consent of the Secretary.

1 “(d) QUALIFIED NATURAL GAS VEHICLE MANUFAC-
2 TURING FACILITY PROPERTY.—For purposes of this sec-
3 tion—

4 “(1) IN GENERAL.—The term ‘qualified natural
5 gas vehicle manufacturing facility property’ means
6 any qualified property—

7 “(A) the original use of which commences
8 with the taxpayer,

9 “(B) which is placed in service by the tax-
10 payer after the date of the enactment of this
11 section and before January 1, 2020, and

12 “(C) no written binding contract for the
13 construction of which was in effect on or before
14 the date of the enactment of this section.

15 “(2) QUALIFIED PROPERTY.—

16 “(A) IN GENERAL.—The term ‘qualified
17 property’ means any property which is a facility
18 or a portion of a facility used for the production
19 of—

20 “(i) any qualified natural gas vehicles
21 (as defined in section 30B(e)(7)), or

22 “(ii) any eligible component.

23 “(B) ELIGIBLE COMPONENT.—The term
24 ‘eligible component’ means any component

1 which is designed specifically for use in such a
2 qualified natural gas vehicle.

3 “(e) SPECIAL RULE FOR DUAL USE PROPERTY.—

4 “(1) IN GENERAL.—In the case of any qualified
5 natural gas vehicle manufacturing facility property
6 which is used to produce both property described in
7 clauses (i) and (ii) of subsection (d)(2)(A) and prop-
8 erty which is not so described, the amount of costs
9 taken into account under subsection (a) shall be re-
10 duced by an amount equal to—

11 “(A) the total amount of such costs (deter-
12 mined before the application of this subsection),
13 multiplied by

14 “(B) the percentage of property expected
15 to be produced which is not so described.

16 “(2) REGULATIONS.—The Secretary shall pre-
17 scribe such regulations as are necessary to carry out
18 the purpose of this subsection.”.

19 (2) CLERICAL AMENDMENT.—The table of sec-
20 tions of part VI of subchapter B of chapter 1 of the
21 Internal Revenue Code of 1986 is amended by in-
22 serting after the item relating to section 179E the
23 following new item:

“Sec. 179F. Expensing for manufacturing facilities producing vehicles fueled by
compressed natural gas or liquified natural gas.”.

1 (b) REFUND OF CREDIT FOR PRIOR YEAR MINIMUM
2 TAX LIABILITY.—Section 53 of the Internal Revenue
3 Code of 1986 (relating to credit for prior year minimum
4 tax liability) is amended by adding at the end the following
5 new subsection:

6 “(g) ELECTION TO TREAT AMOUNTS ATTRIBUTABLE
7 TO QUALIFIED MANUFACTURING FACILITY.—

8 “(1) IN GENERAL.—In the case of an eligible
9 taxpayer, the amount determined under subsection
10 (c) for the taxable year (after the application of sub-
11 section (e)) shall be increased by an amount equal
12 to the applicable percentage of any qualified natural
13 gas vehicle manufacturing facility property which is
14 placed in service during the taxable year.

15 “(2) APPLICABLE PERCENTAGE.—For purposes
16 of paragraph (1), the applicable percentage is—

17 “(A) 35 percent, in the case of qualified
18 natural gas vehicle manufacturing facility prop-
19 erty which is placed in service before January
20 1, 2015, and

21 “(B) 17.5 percent, in the case of qualified
22 natural gas vehicle manufacturing facility prop-
23 erty which is placed in service after December
24 31, 2014, and before January 1, 2020.

1 “(3) ELIGIBLE TAXPAYER.—For purposes of
2 this subsection, the term ‘eligible taxpayer’ means
3 any taxpayer—

4 “(A) who places in service qualified natural
5 gas vehicle manufacturing facility property dur-
6 ing the taxable year,

7 “(B) who does not make an election under
8 section 179F(c), and

9 “(C) who makes an election under this
10 subsection.

11 “(4) OTHER DEFINITIONS AND SPECIAL
12 RULES.—

13 “(A) QUALIFIED NATURAL GAS VEHICLE
14 MANUFACTURING FACILITY PROPERTY.—The
15 term ‘qualified natural gas vehicle manufac-
16 turing facility property’ has the meaning given
17 such term under section 179F(d).

18 “(B) SPECIAL RULE FOR DUAL USE PROP-
19 erty.—In the case of any qualified natural gas
20 vehicle manufacturing facility property which is
21 used to produce both qualified property (as de-
22 fined in section 179F(d)) and other property
23 which is not qualified property, the amount of
24 costs taken into account under paragraph (1)
25 shall be reduced by an amount equal to—

1 “(i) the total amount of such costs
2 (determined before the application of this
3 subparagraph), multiplied by

4 “(ii) the percentage of property ex-
5 pected to be produced which is not quali-
6 fied property.

7 “(C) ELECTION.—

8 “(i) IN GENERAL.—An election under
9 this subsection for any taxable year shall
10 be made on the taxpayer’s return of the
11 tax imposed by this chapter for the taxable
12 year. Such election shall be made in such
13 manner as the Secretary may by regula-
14 tions prescribe.

15 “(ii) ELECTION IRREVOCABLE.—Any
16 election made under this subsection may
17 not be revoked except with the consent of
18 the Secretary.

19 “(5) CREDIT REFUNDABLE.—For purposes of
20 this title (other than this section), the credit allowed
21 by reason of this subsection shall be treated as if it
22 were allowed under subpart C.”.

23 (c) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to taxable years beginning after
25 the date of the enactment of this Act.

1 **SEC. 514. BEST MANAGEMENT PRACTICES.**

2 Not later than one year after the date of enactment
3 of this Act, the Secretary of the Interior shall promulgate
4 final regulations that require oil and gas operators to use
5 best management practices that ensure the sound, effi-
6 cient, and environmentally responsible development of oil
7 and gas on Federal lands in a manner that avoids where
8 practical, minimizes, and mitigates actual and anticipated
9 impacts to environmental habitat functions resulting from
10 oil and gas development. Such regulations may allow the
11 Secretary to approve site-specific adjustments to address
12 unique issues and circumstances, on a case-by-case basis.
13 All such regulations shall be consistent with the United
14 States trust responsibility to Indian tribes.

15 **SEC. 515. STUDY OF INCREASING NATURAL GAS AND LIQ-**
16 **UEFIED PETROLEUM GAS VEHICLES IN FED-**
17 **ERAL FLEET.**

18 (a) IN GENERAL.—The Administrator of General
19 Services, in consultation with the Administrator and the
20 Secretary, shall conduct a study of the means by which
21 the Federal fleet could increase the number of light-, me-
22 dium-, and heavy-duty natural gas and liquefied petroleum
23 gas vehicles in the fleet.

24 (b) COMPONENTS.—In conducting the study, the Ad-
25 ministrator of General Services shall—

1 (1) take into consideration Executive Order
2 13514 (74 Fed. Reg. 52117; relating to Federal
3 leadership in environmental, energy, and economic
4 performance) requiring agencies to meet a 30 per-
5 cent reduction in vehicle fleet petroleum use by
6 2020;

7 (2) assess—

8 (A) the barriers to increasing the number
9 of natural gas and liquefied petroleum gas vehi-
10 cles in the Federal fleet;

11 (B) the potential for maximizing the use of
12 natural gas and liquefied petroleum gas vehicles
13 in the fleet;

14 (C) the expected reductions in petroleum
15 use and greenhouse gas emissions as part of the
16 potential impacts of increasing natural gas and
17 liquefied petroleum in the fleet; and

18 (D) the lifecycle costs involved in fleet con-
19 versions, including the cost savings from re-
20 duced fuel consumption;

21 (3) provide a separate analysis of the potential
22 costs of installing the specific fueling infrastructure
23 required to increase natural gas and liquefied petro-
24 leum gas in the fleet; and

1 (4) include feasibility assessments for increas-
2 ing the number of light-, medium-, and heavy-duty
3 natural gas and liquefied petroleum gas vehicles in
4 the fleet over a base period of 10 years and acceler-
5 ated periods of 3 and 5 years.

6 (c) REPORT.—Not later than 180 days after the date
7 of enactment of this Act, the Administrator of General
8 Services shall submit to the appropriate committees of
9 Congress a report on the results of the study conducted
10 under this section.

11 **TITLE VI—HEATING OIL AND** 12 **PROPANE CONSERVATION**

13 **SEC. 601. ENERGY EFFICIENCY IMPROVEMENTS FOR HEAT-** 14 **ING OIL, PROPANE, AND KEROSENE USE IN** 15 **HOMES AND COMMERCIAL BUILDINGS.**

16 (a) DEFINITIONS.—In this section:

17 (1) COST-EFFECTIVE.—The term “cost-effec-
18 tive”, with respect to an energy efficiency program,
19 means that the program meets the total resource
20 cost test, which requires that the net present value
21 of economic benefits over the life of the program or
22 measure (including avoided supply and delivery costs
23 and deferred or avoided investments) is greater than
24 the net present value of the economic costs over the

1 life of the program, including program costs and in-
2 cremental costs borne by the energy consumer.

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

5 (3) NORA.—The term “NORA” means a na-
6 tional oilheat research alliance established pursuant
7 to section 704 of the National Oilheat Research Alli-
8 ance Act of 2000 (42 U.S.C. 6201 note; Public Law
9 106–469) or a successor entity.

10 (4) PERC.—The term “PERC” means the
11 Propane Education and Research Council authorized
12 by the Propane Education and Research Act of 1996
13 (15 U.S.C. 6401 et seq.) or a successor entity.

14 (5) SECRETARY.—The term “Secretary” means
15 the Secretary of Energy.

16 (b) ENERGY EFFICIENCY IMPROVEMENT FOR HEAT-
17 ING OIL, PROPANE, AND KEROSENE PROGRAM.—

18 (1) ESTABLISHMENT.—There is established in
19 the Department the Energy Efficiency Improvement
20 for Heating Oil, Propane, and Kerosene Program
21 under which the Secretary shall provide funds to
22 each State that has elected to participate in pro-
23 grams operated by NORA or PERC to carry out
24 cost-effective energy efficiency programs for homes

1 and buildings that use home heating oil, propane,
2 and kerosene.

3 (2) DISTRIBUTION OF FUNDS.—The Secretary
4 shall distribute funds under paragraph (1) among
5 the States based on the relative amount of funds col-
6 lected in each State under the National Oilheat Re-
7 search Alliance Act of 2000 (42 U.S.C. 6201 note;
8 Public Law 106–469) and the Propane Education
9 and Research Act of 1996 (15 U.S.C. 6401 et seq.).

10 (c) USE OF PROCEEDS.—

11 (1) IN GENERAL.—A State shall use the
12 amounts distributed under subsection (b)(2) to carry
13 out cost-effective energy efficiency programs for con-
14 sumers that use home heating oil, propane, or ker-
15 osene for residential or commercial purposes.

16 (2) ADMINISTRATION AND DELIVERY MECHA-
17 NISMS.—In administering a program under this sec-
18 tion, a State shall—

19 (A) to the maximum extent practicable, de-
20 liver efficiency programs through, or integrated
21 with, existing energy efficiency programs super-
22 vised by the State, including, as appropriate,
23 energy efficiency programs administered by par-
24 ties other than the State;

1 (B) to the maximum extent practicable, co-
2 ordinate the administration and delivery of en-
3 ergy efficiency programs supported under this
4 section, among other such programs and with
5 existing programs for various fuel types, to de-
6 liver comprehensive, fuel-blind, coordinated pro-
7 grams to consumers;

8 (C) ensure that funding provided under
9 this section does not displace or substitute for
10 existing or alternative sources of funding for
11 energy efficiency programs;

12 (D) taking into account subparagraphs (A)
13 through (C), designate 1 or more energy effi-
14 ciency program administrators for cost-effective
15 home heating oil, propane, and kerosene effi-
16 ciency programs;

17 (E) designate an existing, or establish a
18 new, stakeholder oversight council or equivalent
19 to review efficiency program designs and effi-
20 ciency program cost-effectiveness and make rec-
21 ommendation for improvement and ensure co-
22 ordination between efficiency programs for
23 other fuels such as electricity and natural gas;

24 (F) establish methodologies and processes
25 for the manner by which efficiency programs

1 are developed, administered, reviewed, and ap-
2 proved in the State and report to the Secretary
3 annually on the methodologies and processes
4 used to develop, administer, review, and ap-
5 prove home heating oil, propane, and kerosene
6 programs; and

7 (G) ensure that evaluation, monitoring,
8 and verification of the efficiency programs are
9 conducted by an independent third party annu-
10 ally with reporting to the States, public, and
11 the Secretary.

12 (d) REPORTS.—

13 (1) STATE.—Not later than April 30 of each
14 year, each State that receives funds under this sec-
15 tion shall submit to the Secretary a report for the
16 previous calendar year in accordance with such re-
17 quirements as the Secretary may prescribe that—

18 (A) describes the use by the State of funds
19 provided by this section, including a description
20 of the cost-effective energy efficiency programs
21 funded;

22 (B) demonstrates the consumer savings,
23 cost-effectiveness of, and the lifetime and an-
24 nual energy savings achieved by, energy effi-
25 ciency programs funded under this section; and

1 (C) includes a report prepared by an inde-
2 pendent third party, in accordance with such
3 regulations as the Secretary may issue, evalu-
4 ating the performance of the cost-effective en-
5 ergy efficiency programs funded under this sec-
6 tion, including consumer savings, cost-effective-
7 ness of, and the lifetime and annual energy sav-
8 ings of the efficiency programs.

9 (2) SECRETARY.—

10 (A) IN GENERAL.—Not later than April
11 30, 2013, and every 2 years thereafter, the Sec-
12 retary shall submit to Congress a report con-
13 taining—

14 (i) an evaluation of the consumer sav-
15 ings, cost-effectiveness of, and the lifetime
16 and annual energy savings achieved by, en-
17 ergy efficiency programs funded under this
18 section; and

19 (ii) recommendations for means of
20 more effectively achieving consumer sav-
21 ings, cost-effectiveness, and lifetime and
22 annual energy savings through efficiency
23 programs for home heating oil, propane,
24 and kerosene consumer for residential or
25 commercial purposes.

1 (B) PUBLICATION.—The Secretary shall
2 make the reports submitted under subpara-
3 graph (A) available to the public, including by
4 publishing the reports on the Internet.

5 (e) ENFORCEMENT.—If the Secretary determines
6 that a State is not in compliance with this section, the
7 Secretary may distribute funds that would have been dis-
8 tributed to the State under subsection (b)(2) among the
9 remaining States, on a pro rata basis, for use in carrying
10 out programs under this section.

11 **SEC. 602. RENEWABLE BIOMASS THERMAL ENERGY FOR**
12 **COMMERCIAL BUILDINGS.**

13 (a) DEFINITIONS.—In this section:

14 (1) COMMERCIAL BUILDING.—

15 (A) IN GENERAL.—The term “commercial
16 building” means a building that—

17 (i) is located in the United States;

18 and

19 (ii) was in existence or initially de-
20 signed as of December 31, 2009.

21 (B) EXCLUSIONS.—The term “commercial
22 building” does not include—

23 (i) a federally owned building; or

24 (ii) a residential building.

1 (2) ELIGIBLE BUILDING.—The term “eligible
2 building” means a commercial building or multi-
3 family residential building that uses (or, if under de-
4 velopment but not yet constructed, is designed to
5 consume) heating oil or another petroleum product
6 as the primary thermal energy source of the build-
7 ing.

8 (3) MULTIFAMILY RESIDENTIAL BUILDING.—

9 (A) IN GENERAL.—The term “multifamily
10 residential building” means a structure of 5 or
11 more dwelling units that—

12 (i) is located in the United States;

13 and

14 (ii) was in existence or initially de-
15 signed as of December 31, 2009.

16 (B) EXCLUSION.—The term “multifamily
17 residential building” does not include a feder-
18 ally owned building.

19 (4) PROGRAM.—The term “program” means
20 the renewable biomass thermal energy loan program
21 established under this section.

22 (5) QUALIFIED BOILER.—The term “qualified
23 boiler” means a wood or wood-pellet fired boiler or
24 furnace that—

1 (A) has a capacity of not less than
2 300,000 Btu per hour; and

3 (B) meets or exceeds 60 percent total sys-
4 tem efficiency based on lower heating value.

5 (6) QUALIFIED PROGRAM DELIVERY ENTITY.—

6 The term “qualified program delivery entity” means
7 a State, political subdivision of a State, tribal gov-
8 ernment, energy utility, natural gas utility, nonprofit
9 or community-based organization, energy service
10 company, retailer, or any other qualified entity
11 that—

12 (A) meets the eligibility requirements of
13 this section; and

14 (B) is approved by the State that admin-
15 isters the program in the State.

16 (7) SECRETARY.—The term “Secretary” means
17 the Secretary of Energy.

18 (b) ESTABLISHMENT.—The Secretary shall establish
19 a renewable biomass thermal energy loan program under
20 which the Secretary shall make grants to States to support
21 financial assistance provided by qualified program delivery
22 entities for replacing, in eligible buildings, thermal energy
23 systems that use heating oil or another petroleum product
24 in qualified boilers.

1 (c) ELIGIBILITY OF QUALIFIED PROGRAM DELIVERY
2 ENTITIES.—To be eligible to participate in the program,
3 a qualified program delivery entity—

4 (1) shall offer a financing product under which
5 eligible participants may pay over time for the cost
6 to the owner of an eligible building (after all applica-
7 ble Federal, State, local, and other rebates or incen-
8 tives are applied) of replacing or redesigning a ther-
9 mal energy system that uses heating oil or another
10 petroleum product with a qualified boiler;

11 (2) shall offer an incentive or other strategy for
12 encouraging the owner of an eligible building to
13 make energy efficiency improvements to the thermal
14 energy delivery system of an eligible building at the
15 same time as a qualified boiler is installed;

16 (3) shall establish standard underwriting cri-
17 teria to determine the eligibility of program appli-
18 cants, which criteria shall be consistent with com-
19 mercially recognized best practices applicable to the
20 form of financial assistance being provided (as deter-
21 mined by the designated entity administering the
22 program in the State); and

23 (4) may establish and offer financing mecha-
24 nisms to pool the needs of multiple eligible buildings
25 into a single finance package in order to lower trans-

1 actions costs and enable projects in small or low-in-
2 come municipalities to participate in the program.

3 (d) ALLOCATION.—In making funds available to
4 States for each fiscal year under this section, the Sec-
5 retary shall use the formula used to allocate funds to
6 States to carry out State energy conservation plans estab-
7 lished under part D of title III of the Energy Policy and
8 Conservation Act (42 U.S.C. 6321 et seq.).

9 (e) QUALIFIED PROGRAM DELIVERY ENTITIES.—Be-
10 fore making a grant to a State under this section, the Sec-
11 retary shall require the Governor of the State to provide
12 to the Secretary a letter of assurance that the State—

13 (1) has 1 or more qualified program delivery
14 entities that meet the requirements of this section;

15 (2) has established a loan program mechanism
16 that incorporates an effective repayment mechanism,
17 which may include—

18 (A) on-utility-bill repayment;

19 (B) tax assessment or other form of prop-
20 erty assessment financing;

21 (C) municipal service charges;

22 (D) energy or energy efficiency services
23 contracts; or

1 (E) alternative contractual repayment
2 mechanisms that have been demonstrated to
3 have appropriate risk mitigation features; and

4 (3) will provide, in a timely manner, all infor-
5 mation regarding the administration of the program
6 as the Secretary may require to permit the Secretary
7 to meet the reporting requirements of subsection (h).

8 (f) USE OF GRANT FUNDS.—Grant funds made
9 available to States under the program may be used to sup-
10 port financing products offered by qualified program deliv-
11 ery entities to eligible participants, by providing—

12 (1) interest rate reductions;

13 (2) loan loss reserves or other forms of credit
14 enhancement;

15 (3) revolving loan funds from which qualified
16 program delivery entities may offer direct loans;

17 (4) other debt instruments or financial products
18 necessary—

19 (A) to maximize leverage provided through
20 available funds; and

21 (B) to support widespread deployment of
22 qualified boilers; and

23 (5) technical assistance delivered for nonprofit
24 or community-based organizations and local govern-
25 ments in economically distressed counties, on financ-

1 ing options or project development and design of-
2 fered to eligible entities, particularly eligible entities
3 located in low-income communities, HUB zones, or
4 other Federal designations aimed at increasing the
5 participation and benefit from Federal programs of
6 underserved or low-income communities.

7 (g) USE OF REPAYMENT FUNDS.—In the case of a
8 revolving loan fund established by a State described in
9 subsection (f)(3), a qualified program delivery entity may
10 use funds repaid by eligible participants under the pro-
11 gram to provide financial assistance for additional eligible
12 participants to make improvements described in sub-
13 section (b) in a manner that is consistent with this section
14 or other such criteria as are prescribed by the State.

15 (h) PROGRAM EVALUATION.—Not later than 180
16 days after the date of enactment of this Act, the Secretary
17 shall submit to Congress a program evaluation that de-
18 scribes—

19 (1) how many eligible participants have partici-
20 pated in the program;

21 (2) how many jobs have been created through
22 the program, directly and indirectly;

23 (3) what steps could be taken to promote fur-
24 ther deployment of qualified boilers;

1 (4) the quantity of verifiable energy savings, re-
2 newable energy deployment, eligible building owner
3 energy bill savings, and other benefits of the pro-
4 gram; and

5 (5) the performance of the programs carried
6 out by qualified program delivery entities under this
7 section, including information on the rate of default
8 and repayment.

9 (i) AUTHORIZATION OF APPROPRIATIONS.—There
10 are authorized to be appropriated to carry out this section
11 such sums as are necessary for each of fiscal years 2011
12 through 2020.

13 **TITLE VII—ENERGY GRANTS IN**
14 **LIEU OF TAX CREDIT**

15 **SEC. 701. EXTENSION OF GRANTS FOR SPECIFIED ENERGY**
16 **PROPERTY IN LIEU OF TAX CREDITS.**

17 (a) IN GENERAL.—Subsection (a) of section 1603 of
18 division B of the American Recovery and Reinvestment
19 Act of 2009 is amended—

20 (1) in paragraph (1), by striking “2009 or
21 2010” and inserting “2009, 2010, 2011, 2012,
22 2013, 2014, or 2014”, and

23 (2) in paragraph (2)—

24 (A) by striking “after 2010” and inserting
25 “after 2015”, and

1 (B) by striking “2009 or 2010” and in-
2 serting “2009, 2010, 2011, 2012, 2013, 2014,
3 or 2015”.

4 (b) CONFORMING AMENDMENT.—Subsection (j) of
5 section 1603 of division B of such Act is amended by strik-
6 ing “2011” and inserting “2016”.

7 **SEC. 702. EXPANSION OF GRANTS FOR SPECIFIED ENERGY**
8 **PROPERTY IN LIEU OF TAX CREDITS.**

9 (a) GRANTS ALLOWED FOR CERTAIN GOVERN-
10 MENTAL UNITS AND COOPERATIVE ELECTRIC COMPA-
11 NIES.—

12 (1) IN GENERAL.—Subsection (g) of section
13 1603 of division B of the American Recovery and
14 Reinvestment Act of 2009 is amended—

15 (A) in paragraph (1), by inserting “other
16 than a governmental unit which is a State util-
17 ity with a service obligation (as such terms are
18 defined in section 217 of the Federal Power
19 Act, as in effect on the date of the enactment
20 of this paragraph),” after “thereof),”,

21 (B) in paragraph (2), by inserting “other
22 than a mutual or cooperative electric company
23 described in section 50(c)(12) of such Code”
24 after “such Code”, and

1 (C) by striking paragraph (3) and redesignig-
2 nating paragraph (4) as paragraph (3).

3 (2) CONFORMING AMENDMENT.—Paragraph (3)
4 of section 1603(g) of division B of such Act, as re-
5 designated by paragraph (1)(C), is amended by
6 striking “paragraph (1), (2), or (3)” and inserting
7 “paragraph (1) or (2)”.

8 (b) NO GRANTS FOR PORTION OF PROPERTY FI-
9 NANCED WITH CREBS OR TAX-EXEMPT BONDS.—Sec-
10 tion 1603 of division B of such Act, as amended by section
11 2, is amended by redesignating subsections (h), (i), and
12 (j) as subsections (i), (j), and (k), respectively, and by in-
13 serting after subsection (g) the following new subsection:

14 “(h) SPECIAL RULE FOR BOND FINANCED PROP-
15 erty.—The amount of any grant under this section with
16 respect to any specified energy property shall not exceed
17 an amount equal to—

18 “(1) the basis of such property, over

19 “(2) the portion of the basis of such property
20 which is allocable to proceeds of any bond which is
21 designated as a new clean renewable energy bond
22 under section 54C of such Code or any bond the in-
23 terest on which is exempt from tax under section
24 103 of such Code.”.

1 (c) TREATMENT OF GRANTS FOR COOPERATIVE
2 ELECTRIC COMPANIES.—Paragraph (12) of section
3 501(c) of the Internal Revenue Code of 1986 is amended
4 by adding at the end the following new subparagraph:

5 “(I) In the case of a mutual or cooperative
6 electric company described in this paragraph or
7 an organization described in section
8 1381(a)(2)(C), subparagraph (A) shall be ap-
9 plied without taking into account any grant re-
10 ceived under section 1603 of division B of the
11 American Recovery and Reinvestment Act of
12 2009.”.

13 (d) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to property placed in service after
15 the date of the enactment of this Act.

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