

113TH CONGRESS  
1ST SESSION

# H. R. 3654

To establish a renewable electricity standard, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 4, 2013

Mr. POLIS (for himself, Mr. BEN RAY LUJÁN of New Mexico, and Ms. KUSTER) introduced the following bill; which was referred to the Committee on Energy and Commerce

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## A BILL

To establish a renewable electricity standard, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Renewable Electricity  
5 Standard Act of 2013”.

6 **SEC. 2. RENEWABLE ELECTRICITY STANDARD.**

7 (a) IN GENERAL.—Title VI of the Public Utility Reg-  
8 ulatory Policies Act of 1978 (16 U.S.C. 2601 et seq.) is  
9 amended by adding at the end the following:

1 **“SEC. 610. RENEWABLE ELECTRICITY STANDARD.**

2 “(a) DEFINITIONS.—In this section:

3 “(1) BASE QUANTITY OF ELECTRICITY.—

4 “(A) IN GENERAL.—The term ‘base quan-  
5 tity of electricity’ means the total quantity of  
6 electric energy sold by a retail electric supplier,  
7 expressed in terms of kilowatt hours, to electric  
8 customers for purposes other than resale during  
9 the most recent calendar year for which infor-  
10 mation is available.

11 “(B) EXCLUSIONS.—The term ‘base quan-  
12 tity of electricity’ does not include—

13 “(i) electric energy that is not incre-  
14 mental hydropower generated by a hydro-  
15 electric facility; and

16 “(ii) electricity generated through the  
17 incineration of municipal solid waste.

18 “(2) BIOMASS.—

19 “(A) IN GENERAL.—The term ‘biomass’  
20 means—

21 “(i) cellulosic (plant fiber) organic  
22 materials from a plant that is planted for  
23 the purpose of being used to produce en-  
24 ergy;

25 “(ii) nonhazardous plant or algal mat-  
26 ter that is derived from—

1                   “(I) an agricultural crop, crop  
2                   byproduct, or residue resource; or

3                   “(II) waste, such as landscape or  
4                   right-of-way trimmings (but not in-  
5                   cluding municipal solid waste, recycla-  
6                   ble postconsumer waste paper, paint-  
7                   ed, treated, or pressurized wood, wood  
8                   contaminated with plastic, or metals);

9                   “(iii) animal waste or animal byprod-  
10                  ucts; and

11                  “(iv) landfill methane.

12                  “(B) NATIONAL FOREST LAND AND CER-  
13                  TAIN OTHER PUBLIC LAND.—In the case of or-  
14                  ganic material removed from National Forest  
15                  System land or from public land administered  
16                  by the Secretary of the Interior, the term ‘bio-  
17                  mass’ means only organic material from—

18                         “(i) ecological forest restoration;

19                         “(ii) precommercial thinnings;

20                         “(iii) brush;

21                         “(iv) mill residues; or

22                         “(v) slash.

23                  “(C) EXCLUSION OF CERTAIN FEDERAL  
24                  LAND.—Notwithstanding subparagraph (B), the  
25                  term ‘biomass’ does not include material or

1 matter that would otherwise qualify as biomass  
2 if the material or matter is located on the fol-  
3 lowing Federal land:

4 “(i) Federal land containing old  
5 growth forest or late successional forest  
6 unless the Secretary of the Interior or the  
7 Secretary of Agriculture determines that  
8 the removal of organic material from the  
9 land—

10 “(I) is appropriate for the appli-  
11 cable forest type; and

12 “(II) maximizes the retention  
13 of—

14 “(aa) late-successional and  
15 large and old growth trees;

16 “(bb) late-successional and  
17 old growth forest structure; and

18 “(cc) late-successional and  
19 old growth forest composition.

20 “(ii) Federal land on which the re-  
21 moval of vegetation is prohibited, including  
22 components of the National Wilderness  
23 Preservation System.

24 “(iii) Wilderness study areas.

25 “(iv) Inventoried roadless areas.

1                   “(v) Components of the National  
2                   Landscape Conservation System.

3                   “(vi) National Monuments.

4                   “(3) EXISTING FACILITY.—The term ‘existing  
5                   facility’ means a facility for the generation of elec-  
6                   tric energy from a renewable energy resource that is  
7                   not an eligible facility.

8                   “(4) INCREMENTAL HYDROPOWER.—The term  
9                   ‘incremental hydropower’ means additional genera-  
10                  tion that is achieved from increased efficiency or ad-  
11                  ditions of capacity made on or after—

12                   “(A) the date of enactment of this section;

13                   or

14                   “(B) the effective date of an existing appli-  
15                   cable State renewable portfolio standard pro-  
16                   gram at a hydroelectric facility that was placed  
17                   in service before that date.

18                   “(5) INDIAN LAND.—The term ‘Indian land’  
19                   means—

20                   “(A) any land within the limits of any In-  
21                   dian reservation, pueblo, or rancheria;

22                   “(B) any land not within the limits of any  
23                   Indian reservation, pueblo, or rancheria title to  
24                   which on the date of enactment of this section  
25                   was held by—

1                   “(i) the United States for the benefit  
2                   of any Indian tribe or individual; or

3                   “(ii) any Indian tribe or individual  
4                   subject to restriction by the United States  
5                   against alienation;

6                   “(C) any dependent Indian community; or

7                   “(D) any land conveyed to any Alaska Na-  
8                   tive corporation under the Alaska Native  
9                   Claims Settlement Act (43 U.S.C. 1601 et  
10                  seq.).

11                  “(6) INDIAN TRIBE.—The term ‘Indian tribe’  
12                  means any Indian tribe, band, nation, or other orga-  
13                  nized group or community, including any Alaskan  
14                  Native village or regional or village corporation as  
15                  defined in or established pursuant to the Alaska Na-  
16                  tive Claims Settlement Act (43 U.S.C. 1601 et seq.),  
17                  that is recognized as eligible for the special pro-  
18                  grams and services provided by the United States to  
19                  Indians because of their status as Indians.

20                  “(7) RENEWABLE ENERGY.—The term ‘renew-  
21                  able energy’ means electric energy generated by a re-  
22                  newable energy resource.

23                  “(8) RENEWABLE ENERGY RESOURCE.—The  
24                  term ‘renewable energy resource’ means solar, wind,

1 ocean, tidal, geothermal energy, biomass, landfill  
2 gas, incremental hydropower, or hydrokinetic energy.

3 “(9) REPOWERING OR COFIRING INCREMENT.—

4 The term ‘repowering or cofiring increment’  
5 means—

6 “(A) the additional generation from a  
7 modification that is placed in service on or after  
8 the date of enactment of this section, to expand  
9 electricity production at a facility used to gen-  
10 erate electric energy from a renewable energy  
11 resource;

12 “(B) the additional generation above the  
13 average generation during the 3-year period  
14 ending on the date of enactment of this section  
15 at a facility used to generate electric energy  
16 from a renewable energy resource or to cofire  
17 biomass that was placed in service before the  
18 date of enactment of this section; or

19 “(C) the portion of the electric generation  
20 from a facility placed in service on or after the  
21 date of enactment of this section, or a modifica-  
22 tion to a facility placed in service before the  
23 date of enactment of this section made on or  
24 after January 1, 2001, associated with cofiring  
25 biomass.

1           “(10) RETAIL ELECTRIC SUPPLIER.—

2                   “(A) IN GENERAL.—The term ‘retail elec-  
3           tric supplier’ means a person that sells electric  
4           energy to electric consumers that sold not less  
5           than 1,000,000 megawatt hours of electric en-  
6           ergy to electric consumers for purposes other  
7           than resale during the preceding calendar year.

8                   “(B) INCLUSION.—The term ‘retail electric  
9           supplier’ includes a person that sells electric en-  
10          ergy to electric consumers that, in combination  
11          with the sales of any affiliate organized after  
12          the date of enactment of this section, sells not  
13          less than 1,000,000 megawatt hours of electric  
14          energy to consumers for purposes other than re-  
15          sale.

16                  “(C) SALES TO PARENT COMPANIES OR  
17          AFFILIATES.—For purposes of this paragraph,  
18          sales by any person to a parent company or to  
19          other affiliates of the person shall not be treat-  
20          ed as sales to electric consumers.

21                  “(D) GOVERNMENTAL AGENCIES.—

22                          “(i) IN GENERAL.—Except as pro-  
23                  vided in clause (ii), the term ‘retail electric  
24                  supplier’ does not include—



1                   “(I) the United States, a State,  
2                   any political subdivision of a State, or  
3                   any agency, authority, or instrumen-  
4                   tality of the United States, State, or  
5                   political subdivision; or

6                   “(II) a rural electric cooperative.

7                   “(ii) INCLUSION.—The term ‘retail  
8                   electric supplier’ includes an entity that is  
9                   a political subdivision of a State, or an  
10                  agency, authority, or instrumentality of the  
11                  United States, a State, a political subdivi-  
12                  sion of a State, a rural electric cooperative  
13                  that sells electric energy to electric con-  
14                  sumers, or any other entity that sells elec-  
15                  tric energy to electric consumers that  
16                  would not otherwise qualify as a retail elec-  
17                  tric supplier if the entity notifies the Sec-  
18                  retary that the entity voluntarily agrees to  
19                  participate in the Federal renewable elec-  
20                  tricity standard program.

21                  “(b) COMPLIANCE.—For calendar year 2014 and  
22                  each calendar year thereafter, each retail electric supplier  
23                  shall meet the requirements of subsection (c) by submit-  
24                  ting to the Secretary, not later than April 1 of the fol-  
25                  lowing calendar year, 1 or more of the following:

1           “(1) Federal renewable energy credits issued  
2           under subsection (e).

3           “(2) Certification of the renewable energy gen-  
4           erated and electricity savings pursuant to the funds  
5           associated with State compliance payments as speci-  
6           fied in subsection (e)(4)(G).

7           “(3) Alternative compliance payments pursuant  
8           to subsection (h).

9           “(c) **REQUIRED ANNUAL PERCENTAGE.**—For each of  
10          calendar years 2014 through 2039, the required annual  
11          percentage of the base quantity of electricity of a retail  
12          electric supplier that shall be generated from renewable  
13          energy resources, or otherwise credited towards the per-  
14          centage requirement pursuant to subsection (d), shall be  
15          the applicable percentage specified in the following table:

| <b>“Calendar Years</b>                 | <b>Required Amount<br/>percentage</b> |
|--|---------------------------------------|
| 2014 .....                             | 6.0                                   |
| 2015 .....                             | 8.5                                   |
| 2016 .....                             | 11.0                                  |
| 2017 .....                             | 11.0                                  |
| 2018 .....                             | 14.0                                  |
| 2019 .....                             | 14.0                                  |
| 2020 .....                             | 17.5                                  |
| 2021 .....                             | 17.5                                  |
| 2022 .....                             | 21.0                                  |
| 2023 .....                             | 21.0                                  |
| 2024 .....                             | 23.0                                  |
| 2025 and thereafter through 2039 ..... | 25.0.                                 |

16          “(d) **RENEWABLE ENERGY CREDITS.**—

17           “(1) **IN GENERAL.**—A retail electric supplier  
18          may satisfy the requirements of subsection (b)(1)

1 through the submission of Federal renewable energy  
2 credits—

3 “(A) issued to the retail electric supplier  
4 under subsection (e);

5 “(B) obtained by purchase or exchange  
6 under subsection (f); or

7 “(C) borrowed under subsection (g).

8 “(2) FEDERAL RENEWABLE ENERGY CRED-  
9 ITS.—A Federal renewable energy credit may be  
10 counted toward compliance with subsection (b)(1)  
11 only once.

12 “(e) ISSUANCE OF FEDERAL RENEWABLE ENERGY  
13 CREDITS.—

14 “(1) IN GENERAL.—Not later than 1 year after  
15 the date of enactment of this section, the Secretary  
16 shall establish by rule a program—

17 “(A) to verify and issue Federal renewable  
18 energy credits to generators of renewable en-  
19 ergy;

20 “(B) to track the sale, exchange, and re-  
21 tirement of the credits; and

22 “(C) to enforce the requirements of this  
23 section.

24 “(2) EXISTING NON-FEDERAL TRACKING SYS-  
25 TEMS.—To the maximum extent practicable, in es-

1       tablishing the program, the Secretary shall rely on  
2       existing and emerging State or regional tracking  
3       systems that issue and track non-Federal renewable  
4       energy credits.

5           “(3) APPLICATION.—

6           “(A) IN GENERAL.—An entity that gen-  
7       erates electric energy through the use of a re-  
8       newable energy resource may apply to the Sec-  
9       retary for the issuance of renewable energy  
10      credits.

11          “(B) ELIGIBILITY.—To be eligible for the  
12      issuance of the credits, the applicant shall dem-  
13      onstrate to the Secretary that—

14           “(i) the electric energy will be trans-  
15      mitted onto the grid; or

16           “(ii) in the case of a generation offset,  
17      the electric energy offset would have other-  
18      wise been consumed onsite.

19          “(C) CONTENTS.—The application shall  
20      indicate—

21           “(i) the type of renewable energy re-  
22      source that is used to produce the elec-  
23      tricity;

24           “(ii) the location at which the electric  
25      energy will be produced; and

1                   “(iii) any other information the Sec-  
2                   retary determines appropriate.

3                   “(4) QUANTITY OF FEDERAL RENEWABLE EN-  
4                   ERGY CREDITS.—

5                   “(A) IN GENERAL.—Except as otherwise  
6                   provided in this paragraph, the Secretary shall  
7                   issue to a generator of electric energy 1 Federal  
8                   renewable energy credit for each kilowatt hour  
9                   of electric energy generated by the use of a re-  
10                  newable energy resource at an eligible facility.

11                  “(B) INCREMENTAL HYDROPOWER.—

12                  “(i) IN GENERAL.—For purpose of  
13                  compliance with this section, Federal re-  
14                  newable energy credits for incremental hy-  
15                  dropower shall be based on the increase in  
16                  average annual generation resulting from  
17                  the efficiency improvements or capacity ad-  
18                  ditions.

19                  “(ii) WATER FLOW INFORMATION.—  
20                  The incremental generation shall be cal-  
21                  culated using the same water flow informa-  
22                  tion that is—

23                                 “(I) used to determine a historic  
24                                 average annual generation baseline for  
25                                 the hydroelectric facility; and

1                   “(II) certified by the Secretary or  
2                   the Federal Energy Regulatory Com-  
3                   mission.

4                   “(iii) OPERATIONAL CHANGES.—The  
5                   calculation of the Federal renewable energy  
6                   credits for incremental hydropower shall  
7                   not be based on any operational changes at  
8                   the hydroelectric facility that is not di-  
9                   rectly associated with the efficiency im-  
10                  provements or capacity additions.

11                  “(C) INDIAN LAND.—

12                  “(i) IN GENERAL.—The Secretary  
13                  shall issue 2 renewable energy credits for  
14                  each kilowatt hour of electric energy gen-  
15                  erated and supplied to the grid in a cal-  
16                  endar year through the use of a renewable  
17                  energy resource at an eligible facility lo-  
18                  cated on Indian land.

19                  “(ii) BIOMASS.—For purposes of this  
20                  paragraph, renewable energy generated by  
21                  biomass cofired with other fuels is eligible  
22                  for 2 credits only if the biomass was grown  
23                  on the land.

24                  “(D) ON-SITE ELIGIBLE FACILITIES.—

1           “(i) IN GENERAL.—In the case of  
2           electric energy generated by a renewable  
3           energy resource at an on-site eligible facil-  
4           ity that is not larger than 1 megawatt in  
5           capacity and is used to offset all or part of  
6           the requirements of a customer for electric  
7           energy, the Secretary shall issue 3 renew-  
8           able energy credits to the customer for  
9           each kilowatt hour generated.

10           “(ii) INDIAN LAND.—In the case of an  
11           on-site eligible facility on Indian land, the  
12           Secretary shall issue not more than 3 cred-  
13           its per kilowatt hour.

14           “(E) COMBINATION OF RENEWABLE AND  
15           NONRENEWABLE ENERGY RESOURCES.—If both  
16           a renewable energy resource and a nonrenew-  
17           able energy resource are used to generate the  
18           electric energy, the Secretary shall issue the  
19           Federal renewable energy credits based on the  
20           proportion of the renewable energy resources  
21           used.

22           “(F) RETAIL ELECTRIC SUPPLIERS.—If a  
23           generator has sold electric energy generated  
24           through the use of a renewable energy resource  
25           to a retail electric supplier under a contract for

1 power from an existing facility and the contract  
2 has not determined ownership of the Federal  
3 renewable energy credits associated with the  
4 generation, the Secretary shall issue the Fed-  
5 eral renewable energy credits to the retail elec-  
6 tric supplier for the duration of the contract.

7 “(G) COMPLIANCE WITH STATE RENEW-  
8 ABLE PORTFOLIO STANDARD PROGRAMS.—Pay-  
9 ments made by a retail electricity supplier, di-  
10 rectly or indirectly, to a State for compliance  
11 with a State renewable portfolio standard pro-  
12 gram, or for an alternative compliance mecha-  
13 nism, shall be valued at 1 credit per kilowatt  
14 hour for the purpose of subsection (b)(2) based  
15 on the quantity of electric energy generation  
16 from renewable resources that results from the  
17 payments.

18 “(f) RENEWABLE ENERGY CREDIT TRADING.—

19 “(1) IN GENERAL.—A Federal renewable en-  
20 ergy credit may be sold, transferred, or exchanged  
21 by the entity to whom the credit is issued or by any  
22 other entity that acquires the Federal renewable en-  
23 ergy credit, other than renewable energy credits  
24 from existing facilities.



1           “(2) CARRYOVER.—A Federal renewable energy  
2 credit for any year that is not submitted to satisfy  
3 the minimum renewable generation requirement of  
4 subsection (c) for that year may be carried forward  
5 for use pursuant to subsection (b)(1) within the next  
6 3 years.

7           “(3) DELEGATION.—The Secretary may dele-  
8 gate to an appropriate market-making entity the ad-  
9 ministration of a national tradeable renewable en-  
10 ergy credit market for purposes of creating a trans-  
11 parent national market for the sale or trade of re-  
12 newable energy credits.

13           “(g) RENEWABLE ENERGY CREDIT BORROWING.—

14           “(1) IN GENERAL.—Not later than December  
15 31, 2014, a retail electric supplier that has reason  
16 to believe the retail electric supplier will not be able  
17 to fully comply with subsection (b) may—

18           “(A) submit a plan to the Secretary dem-  
19 onstrating that the retail electric supplier will  
20 earn sufficient Federal renewable energy credits  
21 within the next 3 calendar years that, when  
22 taken into account, will enable the retail electric  
23 supplier to meet the requirements of subsection  
24 (b) for calendar year 2014 and the subsequent  
25 calendar years involved; and

1           “(B) on the approval of the plan by the  
2           Secretary, apply Federal renewable energy cred-  
3           its that the plan demonstrates will be earned  
4           within the next 3 calendar years to meet the re-  
5           quirements of subsection (b) for each calendar  
6           year involved.

7           “(2) REPAYMENT.—The retail electric supplier  
8           shall repay all of the borrowed Federal renewable  
9           energy credits by submitting an equivalent number  
10          of Federal renewable energy credits, in addition to  
11          the credits otherwise required under subsection (b),  
12          by calendar year 2022 or any earlier deadlines speci-  
13          fied in the approved plan.

14          “(h) ALTERNATIVE COMPLIANCE PAYMENTS.—As a  
15          means of compliance under subsection (b)(4), the Sec-  
16          retary shall accept payment equal to the lesser of—

17                 “(1) 200 percent of the average market value of  
18                 Federal renewable energy credits and Federal energy  
19                 efficiency credits for the applicable compliance pe-  
20                 riod; or

21                 “(2) 3 cents per kilowatt hour (as adjusted on  
22                 January 1 of each year following calendar year 2006  
23                 based on the implicit price deflator for the gross na-  
24                 tional product).

1       “(i) INFORMATION COLLECTION.—The Secretary  
2 may collect the information necessary to verify and  
3 audit—

4               “(1)(A) the annual renewable energy generation  
5 of any retail electric supplier; and

6               “(B) Federal renewable energy credits sub-  
7 mitted by a retail electric supplier pursuant to sub-  
8 section (b)(1);

9               “(2) the validity of Federal renewable energy  
10 credits submitted for compliance by a retail electric  
11 supplier to the Secretary; and

12               “(3) the quantity of electricity sales of all retail  
13 electric suppliers.

14       “(j) ENVIRONMENTAL SAVINGS CLAUSE.—Incre-  
15 mental hydropower shall be subject to all applicable envi-  
16 ronmental laws and licensing and regulatory requirements.

17       “(k) STATE PROGRAMS.—

18               “(1) IN GENERAL.—Nothing in this section di-  
19 minishes any authority of a State or political sub-  
20 division of a State—

21                       “(A) to adopt or enforce any law (includ-  
22 ing regulations) respecting renewable energy,  
23 including programs that exceed the required  
24 quantity of renewable energy under this section;  
25 or

1           “(B) to regulate the acquisition and dis-  
2           position of Federal renewable energy credits by  
3           retail electric suppliers.

4           “(2) COMPLIANCE WITH SECTION.—No law or  
5           regulation referred to in paragraph (1)(A) shall re-  
6           lieve any person of any requirement otherwise appli-  
7           cable under this section.

8           “(3) COORDINATION WITH STATE PROGRAM.—  
9           The Secretary, in consultation with States that have  
10          in effect renewable energy programs, shall—

11           “(A) preserve the integrity of the State  
12           programs, including programs that exceed the  
13           required quantity of renewable energy under  
14           this section; and

15           “(B) facilitate coordination between the  
16           Federal program and State programs.

17           “(4) EXISTING RENEWABLE ENERGY PRO-  
18           GRAMS.—In the regulations establishing the program  
19           under this section, the Secretary shall incorporate  
20           common elements of existing renewable energy pro-  
21           grams, including State programs, to ensure adminis-  
22           trative ease, market transparency and effective en-  
23           forcement.

24           “(5) MINIMIZATION OF ADMINISTRATIVE BUR-  
25           DENS AND COSTS.—In carrying out this section, the

1 Secretary shall work with the States to minimize ad-  
2 ministrative burdens and costs to retail electric sup-  
3 pliers.

4 “(l) RECOVERY OF COSTS.—An electric utility that  
5 has sales of electric energy that are subject to rate regula-  
6 tion (including any utility with rates that are regulated  
7 by the Commission and any State regulated electric util-  
8 ity) shall not be denied the opportunity to recover the full  
9 amount of the prudently incurred incremental cost of re-  
10 newable energy obtained to comply with the requirements  
11 of subsection (b).

12 “(m) PROGRAM REVIEW.—

13 “(1) IN GENERAL.—The Secretary shall enter  
14 into an arrangement with the National Academy of  
15 Sciences under which the Academy shall conduct a  
16 comprehensive evaluation of all aspects of the pro-  
17 gram established under this section.

18 “(2) EVALUATION.—The study shall include an  
19 evaluation of—

20 “(A) the effectiveness of the program in  
21 increasing the market penetration and lowering  
22 the cost of the eligible renewable energy tech-  
23 nologies;

24 “(B) the opportunities for any additional  
25 technologies and sources of renewable energy

1 emerging since the date of enactment of this  
2 section;

3 “(C) the impact on the regional diversity  
4 and reliability of supply sources, including the  
5 power quality benefits of distributed generation;

6 “(D) the regional resource development  
7 relative to renewable potential and reasons for  
8 any investment in renewable resources; and

9 “(E) the net cost/benefit of the renewable  
10 electricity standard to the national and State  
11 economies, including—

12 “(i) retail power costs;

13 “(ii) the economic development bene-  
14 fits of investment;

15 “(iii) avoided costs related to environ-  
16 mental and congestion mitigation invest-  
17 ments that would otherwise have been re-  
18 quired;

19 “(iv) the impact on natural gas de-  
20 mand and price; and

21 “(v) the effectiveness of green mar-  
22 keting programs at reducing the cost of re-  
23 newable resources.

24 “(3) REPORT.—Not later than January 1,  
25 2018, the Secretary shall transmit to Congress a re-

1 port describing the results of the evaluation and any  
2 recommendations for modifications and improve-  
3 ments to the program.

4 “(n) STATE RENEWABLE ENERGY ACCOUNT.—

5 “(1) IN GENERAL.—There is established in the  
6 Treasury a State renewable energy account.

7 “(2) DEPOSITS.—All money collected by the  
8 Secretary from the alternative compliance payments  
9 under subsection (h) shall be deposited into the  
10 State renewable energy account established under  
11 paragraph (1).

12 “(3) GRANTS.—

13 “(A) IN GENERAL.—Proceeds deposited in  
14 the State renewable energy account shall be  
15 used by the Secretary, subject to annual appro-  
16 priations, for a program to provide grants—

17 “(i) to the State agency responsible  
18 for administering a fund to promote renew-  
19 able energy generation for customers of the  
20 State or an alternative agency designated  
21 by the State; or

22 “(ii) if no agency described in clause  
23 (i), to the State agency developing State  
24 energy conservation plans under section

1                   362 of the Energy Policy and Conservation  
2                   Act (42 U.S.C. 6322).

3                   “(B) USE.—The grants shall be used for  
4                   the purpose of—

5                   “ (i) promoting renewable energy pro-  
6                   duction; and

7                   “ (ii) providing energy assistance and  
8                   weatherization services to low-income con-  
9                   sumers.

10                  “(C) CRITERIA.—The Secretary may issue  
11                  guidelines and criteria for grants awarded  
12                  under this paragraph.

13                  “(D) STATE-APPROVED FUNDING MECHA-  
14                  NISMS.—At least 75 percent of the funds pro-  
15                  vided to each State for each fiscal year shall be  
16                  used to promote renewable energy production  
17                  through grants, production incentives, or other  
18                  State-approved funding mechanisms.

19                  “(E) ALLOCATION.—The funds shall be al-  
20                  located to the States on the basis of retail elec-  
21                  tric sales subject to the renewable electricity  
22                  standard under this section or through vol-  
23                  untary participation.

24                  “(F) RECORDS.—State agencies receiving  
25                  grants under this paragraph shall maintain



1           such records and evidence of compliance as the  
2           Secretary may require.”.

3           (b) TABLE OF CONTENTS AMENDMENT.—The table  
4 of contents of the Public Utility Regulatory Policies Act  
5 of 1978 (16 U.S.C. prec. 2601) is amended by adding at  
6 the end of the items relating to title VI the following:

“Sec. 609. Rural and remote communities electrification grants.

“Sec. 610. Renewable electricity standard.”.

