

114TH CONGRESS
1ST SESSION

H. R. 8

To modernize energy infrastructure, build a 21st century energy and manufacturing workforce, bolster America's energy security and diplomacy, and promote energy efficiency and government accountability, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 16, 2015

Mr. UPTON introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Science, Space, and Technology, Education and the Workforce, Oversight and Government Reform, and Foreign Affairs, 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 modernize energy infrastructure, build a 21st century energy and manufacturing workforce, bolster America's energy security and diplomacy, and promote energy efficiency and government accountability, 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,*

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

2 (a) SHORT TITLE.—This Act may be cited as the
 3 “North American Energy Security and Infrastructure Act
 4 of 2015”.

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

Sec. 1. Short title; table of contents.

TITLE I—MODERNIZING AND PROTECTING INFRASTRUCTURE

Sec. 1101. FERC process coordination.
 Sec. 1102. Resolving environmental and grid reliability conflicts.
 Sec. 1103. Emergency preparedness for energy supply disruptions.
 Sec. 1104. Critical electric infrastructure security.
 Sec. 1105. Strategic Transformer Reserve.
 Sec. 1106. Cyber Sense.
 Sec. 1107. State coverage and consideration of PURPA standards for electric
 utilities.

TITLE II—21ST CENTURY WORKFORCE

Sec. 2101. Energy and manufacturing workforce development.

TITLE III—ENERGY SECURITY AND DIPLOMACY

Sec. 3101. Sense of Congress.
 Sec. 3102. Energy security valuation.
 Sec. 3103. North American energy security plan.
 Sec. 3104. Collective energy security.
 Sec. 3105. Strategic Petroleum Reserve mission readiness plan.

TITLE IV—ENERGY EFFICIENCY AND ACCOUNTABILITY

Subtitle A—Energy Efficiency

CHAPTER 1—FEDERAL AGENCY ENERGY EFFICIENCY

Sec. 4111. Energy-efficient and energy-saving information technologies.
 Sec. 4112. Energy efficient data centers.
 Sec. 4113. Report on energy and water savings potential from thermal insula-
 tion.
 Sec. 4114. Federal purchase requirement.

CHAPTER 2—ENERGY EFFICIENT TECHNOLOGY AND MANUFACTURING

Sec. 4121. Inclusion of Smart Grid capability on Energy Guide labels.
 Sec. 4122. Voluntary verification programs for air conditioning, furnace, boiler,
 heat pump, and water heater products.
 Sec. 4123. Facilitating consensus furnace standards.
 Sec. 4124. Future of Industry program.

CHAPTER 3—ENERGY PERFORMANCE CONTRACTING

Sec. 4131. Use of energy and water efficiency measures in Federal buildings.

CHAPTER 4—SCHOOL BUILDINGS

Sec. 4141. Coordination of energy retrofitting assistance for schools.

Subtitle B—Accountability

CHAPTER 1—MARKET MANIPULATION, ENFORCEMENT, AND COMPLIANCE

Sec. 4211. FERC Office of Compliance Assistance and Public Participation.

CHAPTER 2—MARKET REFORMS

Sec. 4221. GAO study on wholesale electricity markets.

1 **TITLE I—MODERNIZING AND** 2 **PROTECTING INFRASTRUCTURE**

3 **SEC. 1101. FERC PROCESS COORDINATION.**

4 Section 15 of the Natural Gas Act (15 U.S.C. 717n)
 5 is amended—

6 (1) by amending subsection (b)(2) to read as
 7 follows:

8 “(2) OTHER AGENCIES.—

9 “(A) IN GENERAL.—Each Federal and
 10 State agency considering an aspect of an appli-
 11 cation for Federal authorization shall cooperate
 12 with the Commission and comply with the dead-
 13 lines established by the Commission.

14 “(B) IDENTIFICATION.—The Commission
 15 shall identify, as early as practicable after it is
 16 notified by a prospective applicant of a potential
 17 project requiring Commission authorization,
 18 any Federal or State agency, local government,

or Indian tribe that may consider an aspect of
an application for that Federal authorization.

“(C) NOTIFICATION.—

“(i) IN GENERAL.—The Commission
shall notify any agency identified under
subparagraph (B) of the opportunity to co-
operate or participate in the review proc-
ess.

“(ii) DEADLINE.—A notification
issued under clause (i) shall establish a
deadline by which a response to the notifi-
cation shall be submitted, which may be
extended by the Commission for good
cause.”;

(2) in subsection (c)—

(A) in paragraph (1)—

(i) by striking “and” at the end of
subparagraph (A);

(ii) by redesignating subparagraph
(B) as subparagraph (C); and

(iii) by inserting after subparagraph
(A) the following new subparagraph:

“(B) set deadlines for all such Federal au-
thorizations; and”;

(B) by striking paragraph (2); and

1 (C) by adding at the end the following new
2 paragraphs:

3 “(2) DEADLINE FOR FEDERAL AUTHORIZA-
4 TIONS.—A final decision on a Federal authorization
5 is due no later than 90 days after the Commission
6 issues its final environmental document, unless a
7 schedule is otherwise established by Federal law.

8 “(3) COMMISSION RECOMMENDATION.—To en-
9 sure that timely decisions are made and that the re-
10 sponsibilities of each Federal and State agency are
11 met when making a decision with respect to a Fed-
12 eral authorization, the Commission shall coordinate
13 its efforts with Federal and State agencies and make
14 a recommendation on the scope of the environmental
15 review that the Commission determines to be appro-
16 priate. Each Federal and State agency shall give
17 deference to the Commission’s recommendation as
18 appropriate and in accordance with applicable Fed-
19 eral law.

20 “(4) CONCURRENT REVIEWS.—Each Federal
21 and State agency considering an aspect of an appli-
22 cation for a Federal authorization shall—

23 “(A) carry out the obligations of that
24 agency under applicable law concurrently, and
25 in conjunction, with the review required by the

1 National Environmental Policy Act of 1969 (42
2 U.S.C. 4321 et seq.), unless doing so would im-
3 pair the ability of the agency to conduct needed
4 analysis or otherwise carry out those obliga-
5 tions;

6 “(B) formulate and implement administra-
7 tive, policy, and procedural mechanisms to en-
8 able the agency to ensure completion of re-
9 quired Federal authorizations no later than 90
10 days after the Commission issues its final envi-
11 ronmental document; and

12 “(C) transmit to the Commission a state-
13 ment—

14 “(i) acknowledging receipt of the
15 schedule established under paragraph (1);
16 and

17 “(ii) setting forth the plan formulated
18 under subparagraph (B) of this paragraph.

19 “(5) ISSUE IDENTIFICATION AND RESOLU-
20 TION.—

21 “(A) IDENTIFICATION.—Federal and State
22 agencies that may consider an aspect of an ap-
23 plication for Federal authorization shall iden-
24 tify, as early as possible, any issues of concern
25 that may delay or prevent an agency from

1 working with the Commission to resolve such
2 issues and granting such authorization.

3 “(B) ISSUE RESOLUTION.—The Commis-
4 sion may forward any issue of concern identi-
5 fied under subparagraph (A) to the heads of
6 the relevant agencies (including, in the case of
7 a failure by the State agency, the Federal agen-
8 cy overseeing the delegated authority) for reso-
9 lution.

10 “(6) FAILURE TO MEET SCHEDULE.—If a Fed-
11 eral or State agency does not complete a proceeding
12 for an approval that is required for a Federal au-
13 thorization in accordance with the schedule estab-
14 lished by the Commission under paragraph (1)—

15 “(A) the applicant may pursue remedies
16 under section 19(d); and

17 “(B) the head of the relevant Federal
18 agency (including, in the case of a failure by a
19 State agency, the Federal agency overseeing the
20 delegated authority) shall notify Congress and
21 the Commission of such failure and set forth a
22 recommended implementation plan to ensure
23 completion of the proceeding for an approval.”;

24 (3) by redesignating subsections (d) through (f)
25 as subsections (f) through (h), respectively; and

1 (4) by inserting after subsection (c) the fol-
2 lowing new subsections:

3 “(d) APPLICATION PROCESSING.—The Commission,
4 and Federal and State agencies, may allow an applicant
5 seeking Federal authorization to fund a third party con-
6 tractor to assist in reviewing the application.

7 “(e) ACCOUNTABILITY, TRANSPARENCY, EFFI-
8 CIENCY.—For applications requiring multiple Federal au-
9 thorizations, the Commission, with input from any Federal
10 or State agency considering an aspect of an application,
11 shall track and make available to the public on the Com-
12 mission’s website information related to the actions re-
13 quired to complete permitting, reviews, and other actions
14 required. Such information shall include the following:

15 “(1) The schedule established by the Commis-
16 sion under subsection (c)(1).

17 “(2) A list of all the actions required by each
18 applicable agency to complete permitting, reviews,
19 and other actions necessary to obtain a final decision
20 on the Federal authorization.

21 “(3) The expected completion date for each
22 such action.

23 “(4) A point of contact at the agency account-
24 able for each such action.

1 “(5) In the event that an action is still pending
 2 as of the expected date of completion, a brief expla-
 3 nation of the reasons for the delay.”.

4 **SEC. 1102. RESOLVING ENVIRONMENTAL AND GRID RELI-**
 5 **ABILITY CONFLICTS.**

6 (a) COMPLIANCE WITH OR VIOLATION OF ENVIRON-
 7 MENTAL LAWS WHILE UNDER EMERGENCY ORDER.—
 8 Section 202(c) of the Federal Power Act (16 U.S.C.
 9 824a(c)) is amended—

10 (1) by inserting “(1)” after “(c)”; and

11 (2) by adding at the end the following:

12 “(2) With respect to an order issued under this sub-
 13 section that may result in a conflict with a requirement
 14 of any Federal, State, or local environmental law or regu-
 15 lation, the Commission shall ensure that such order re-
 16 quires generation, delivery, interchange, or transmission
 17 of electric energy only during hours necessary to meet the
 18 emergency and serve the public interest, and, to the max-
 19 imum extent practicable, is consistent with any applicable
 20 Federal, State, or local environmental law or regulation
 21 and minimizes any adverse environmental impacts.

22 “(3) To the extent any omission or action taken by
 23 a party, that is necessary to comply with an order issued
 24 under this subsection, including any omission or action
 25 taken to voluntarily comply with such order, results in

1 noncompliance with, or causes such party to not comply
2 with, any Federal, State, or local environmental law or
3 regulation, such omission or action shall not be considered
4 a violation of such environmental law or regulation, or
5 subject such party to any requirement, civil or criminal
6 liability, or a citizen suit under such environmental law
7 or regulation.

8 “(4)(A) An order issued under this subsection that
9 may result in a conflict with a requirement of any Federal,
10 State, or local environmental law or regulation shall expire
11 not later than 90 days after it is issued. The Commission
12 may renew or reissue such order pursuant to paragraphs
13 (1) and (2) for subsequent periods, not to exceed 90 days
14 for each period, as the commission determines necessary
15 to meet the emergency and serve the public interest.

16 “(B) In renewing or reissuing an order under sub-
17 paragraph (A), the Commission shall consult with the pri-
18 mary Federal agency with expertise in the environmental
19 interest protected by such law or regulation, and shall in-
20 clude in any such renewed or reissued order such condi-
21 tions as such Federal agency determines necessary to min-
22 imize any adverse environmental impacts to the extent
23 practicable. The conditions, if any, submitted by such Fed-
24 eral agency shall be made available to the public. The
25 Commission may exclude such a condition from the re-

1 newed or reissued order if it determines that such condi-
2 tion would prevent the order from adequately addressing
3 the emergency necessitating such order and provides in
4 the order, or otherwise makes publicly available, an expla-
5 nation of such determination.

6 “(5) If an order issued under this subsection is subse-
7 quently stayed, modified, or set aside by a court pursuant
8 to section 313 or any other provision of law, any omission
9 or action previously taken by a party that was necessary
10 to comply with the order while the order was in effect,
11 including any omission or action taken to voluntarily com-
12 ply with the order, shall remain subject to paragraph
13 (3).”.

14 (b) TEMPORARY CONNECTION OR CONSTRUCTION BY
15 MUNICIPALITIES.—Section 202(d) of the Federal Power
16 Act (16 U.S.C. 824a(d)) is amended by inserting “or mu-
17 nicipality” before “engaged in the transmission or sale of
18 electric energy”.

19 **SEC. 1103. EMERGENCY PREPAREDNESS FOR ENERGY SUP-**
20 **PLY DISRUPTIONS.**

21 (a) FINDING.—Congress finds that recent natural
22 disasters have underscored the importance of having resil-
23 ient oil and natural gas infrastructure and effective ways
24 for industry and government to communicate to address
25 energy supply disruptions.

1 (b) AUTHORIZATION FOR ACTIVITIES TO ENHANCE
2 EMERGENCY PREPAREDNESS FOR NATURAL DISAS-
3 TERS.—The Secretary of Energy shall develop and adopt
4 procedures to—

5 (1) improve communication and coordination
6 between the Department of Energy’s energy re-
7 sponse team, Federal partners, and industry;

8 (2) leverage the Energy Information Adminis-
9 tration’s subject matter expertise within the Depart-
10 ment’s energy response team to improve supply
11 chain situation assessments;

12 (3) establish company liaisons and direct com-
13 munication with the Department’s energy response
14 team to improve situation assessments;

15 (4) streamline and enhance processes for ob-
16 taining temporary regulatory relief to speed up
17 emergency response and recovery;

18 (5) facilitate and increase engagement among
19 States, the oil and natural gas industry, and the De-
20 partment in developing State and local energy assur-
21 ance plans;

22 (6) establish routine education and training
23 programs for key government emergency response
24 positions with the Department and States; and

1 (7) involve States and the oil and natural gas
 2 industry in comprehensive drill and exercise pro-
 3 grams.

4 (c) COOPERATION.—The activities carried out under
 5 subsection (b) shall include collaborative efforts with State
 6 and local government officials and the private sector.

7 (d) REPORT.—Not later than 180 days after the date
 8 of enactment of this Act, the Secretary of Energy shall
 9 submit to Congress a report describing the effectiveness
 10 of the activities authorized under this section.

11 **SEC. 1104. CRITICAL ELECTRIC INFRASTRUCTURE SECU-**
 12 **RITY.**

13 (a) CRITICAL ELECTRIC INFRASTRUCTURE SECU-
 14 RITY.—Part II of the Federal Power Act (16 U.S.C. 824
 15 et seq.) is amended by adding after section 215 the fol-
 16 lowing new section:

17 **“SEC. 215A. CRITICAL ELECTRIC INFRASTRUCTURE SECU-**
 18 **RITY.**

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

20 “(1) BULK-POWER SYSTEM; ELECTRIC RELI-
 21 ABILITY ORGANIZATION; REGIONAL ENTITY.—The
 22 terms ‘bulk-power system’, ‘Electric Reliability Or-
 23 ganization’, and ‘regional entity’ have the meanings
 24 given such terms in paragraphs (1), (2), and (7) of
 25 section 215(a), respectively.

1 “(2) CRITICAL ELECTRIC INFRASTRUCTURE.—

2 The term ‘critical electric infrastructure’ means a
3 system or asset of the bulk-power system, whether
4 physical or virtual, the incapacity or destruction of
5 which would negatively affect national security, eco-
6 nomic security, public health or safety, or any com-
7 bination of such matters.

8 “(3) CRITICAL ELECTRIC INFRASTRUCTURE IN-

9 FORMATION.—The term ‘critical electric infrastruc-
10 ture information’ means information related to crit-
11 ical electric infrastructure, or proposed critical elec-
12 trical infrastructure, generated by or provided to the
13 Commission or other Federal agency, other than
14 classified national security information, that is des-
15 ignated as critical electric infrastructure information
16 by the Commission under subsection (d)(2). Such
17 term includes information that qualifies as critical
18 energy infrastructure information under the Com-
19 mission’s regulations.

20 “(4) DEFENSE CRITICAL ELECTRIC INFRA-

21 STRUCTURE.—The term ‘defense critical electric in-
22 frastructure’ means any electric infrastructure lo-
23 cated in the United States (including the territories)
24 that serves a facility designated by the Secretary

1 pursuant to subsection (c), but is not owned or oper-
2 ated by the owner or operator of such facility.

3 “(5) ELECTROMAGNETIC PULSE.—The term
4 ‘electromagnetic pulse’ means 1 or more pulses of
5 electromagnetic energy emitted by a device capable
6 of disabling or disrupting operation of, or destroy-
7 ing, electronic devices or communications networks,
8 including hardware, software, and data, by means of
9 such a pulse.

10 “(6) GEOMAGNETIC STORM.—The term ‘geo-
11 magnetic storm’ means a temporary disturbance of
12 the Earth’s magnetic field resulting from solar activ-
13 ity.

14 “(7) GRID SECURITY EMERGENCY.—The term
15 ‘grid security emergency’ means the occurrence or
16 imminent danger of—

17 “(A)(i) a malicious act using electronic
18 communication or an electromagnetic pulse, or
19 a geomagnetic storm event, that could disrupt
20 the operation of those electronic devices or com-
21 munications networks, including hardware, soft-
22 ware, and data, that are essential to the reli-
23 ability of critical electric infrastructure or of de-
24 fense critical electric infrastructure; and

1 “(ii) disruption of the operation of such
 2 devices or networks, with significant adverse ef-
 3 fects on the reliability of critical electric infra-
 4 structure or of defense critical electric infra-
 5 structure, as a result of such act or event; or

6 “(B)(i) a direct physical attack on critical
 7 electric infrastructure or on defense critical
 8 electric infrastructure; and

9 “(ii) significant adverse effects on the reli-
 10 ability of critical electric infrastructure or of de-
 11 fense critical electric infrastructure as a result
 12 of such physical attack.

13 “(8) SECRETARY.—The term ‘Secretary’ means
 14 the Secretary of Energy.

15 “(b) AUTHORITY TO ADDRESS GRID SECURITY
 16 EMERGENCY.—

17 “(1) AUTHORITY.—Whenever the President
 18 issues and provides to the Secretary a written direc-
 19 tive or determination identifying a grid security
 20 emergency, the Secretary may, with or without no-
 21 tice, hearing, or report, issue such orders for emer-
 22 gency measures as are necessary in the judgment of
 23 the Secretary to protect or restore the reliability of
 24 critical electric infrastructure or of defense critical
 25 electric infrastructure during such emergency. As

1 soon as practicable but not later than 180 days after
2 the date of enactment of this section, the Secretary
3 shall, after notice and opportunity for comment, es-
4 tablish rules of procedure that ensure that such au-
5 thority can be exercised expeditiously.

6 “(2) NOTIFICATION OF CONGRESS.—Whenever
7 the President issues and provides to the Secretary a
8 written directive or determination under paragraph
9 (1), the President shall promptly notify congres-
10 sional committees of relevant jurisdiction, including
11 the Committee on Energy and Commerce of the
12 House of Representatives and the Committee on En-
13 ergy and Natural Resources of the Senate, of the
14 contents of, and justification for, such directive or
15 determination.

16 “(3) CONSULTATION.—Before issuing an order
17 for emergency measures under paragraph (1), the
18 Secretary shall, to the extent practicable in light of
19 the nature of the grid security emergency and the
20 urgency of the need for action, consult with appro-
21 priate governmental authorities in Canada and Mex-
22 ico, entities described in paragraph (4), the Elec-
23 tricity Sub-sector Coordinating Council, the Commis-
24 sion, and other appropriate Federal agencies regard-
25 ing implementation of such emergency measures.

1 “(4) APPLICATION.—An order for emergency
2 measures under this subsection may apply to—

3 “(A) the Electric Reliability Organization;

4 “(B) a regional entity; or

5 “(C) any owner, user, or operator of crit-
6 ical electric infrastructure or of defense critical
7 electric infrastructure within the United States.

8 “(5) EXPIRATION AND REISSUANCE.—

9 “(A) IN GENERAL.—Except as provided in
10 subparagraph (B), an order for emergency
11 measures issued under paragraph (1) shall ex-
12 pire no later than 15 days after its issuance.

13 “(B) EXTENSIONS.—The Secretary may
14 reissue an order for emergency measures issued
15 under paragraph (1) for subsequent periods,
16 not to exceed 15 days for each such period, pro-
17 vided that the President, for each such period,
18 issues and provides to the Secretary a written
19 directive or determination that the grid security
20 emergency identified under paragraph (1) con-
21 tinues to exist or that the emergency measure
22 continues to be required.

23 “(6) COST RECOVERY.—

24 “(A) CRITICAL ELECTRIC INFRASTRUC-
25 TURE.—If the Commission determines that

1 owners, operators, or users of critical electric
2 infrastructure have incurred substantial costs to
3 comply with an order for emergency measures
4 issued under this subsection and that such costs
5 were prudently incurred and cannot reasonably
6 be recovered through regulated rates or market
7 prices for the electric energy or services sold by
8 such owners, operators, or users, the Commis-
9 sion shall, consistent with the requirements of
10 section 205, after notice and an opportunity for
11 comment, establish a mechanism that permits
12 such owners, operators, or users to recover such
13 costs.

14 “(B) DEFENSE CRITICAL ELECTRIC INFRA-
15 STRUCTURE.—To the extent the owner or oper-
16 ator of defense critical electric infrastructure is
17 required to take emergency measures pursuant
18 to an order issued under this subsection, the
19 owners or operators of a critical defense facility
20 or facilities designated by the Secretary pursu-
21 ant to subsection (c) that rely upon such infra-
22 structure shall bear the full incremental costs of
23 the measures.

24 “(7) TEMPORARY ACCESS TO CLASSIFIED IN-
25 FORMATION.—The Secretary, and other appropriate

1 Federal agencies, shall, to the extent practicable and
2 consistent with their obligations to protect classified
3 information, provide temporary access to classified
4 information related to a grid security emergency for
5 which emergency measures are issued under para-
6 graph (1) to key personnel of any entity subject to
7 such emergency measures to enable optimum com-
8 munication between the entity and the Secretary and
9 other appropriate Federal agencies regarding the
10 grid security emergency.

11 “(c) DESIGNATION OF CRITICAL DEFENSE FACILI-
12 TIES.—Not later than 180 days after the date of enact-
13 ment of this section, the Secretary, in consultation with
14 other appropriate Federal agencies and appropriate own-
15 ers, users, or operators of infrastructure that may be de-
16 fense critical electric infrastructure, shall identify and des-
17 ignate facilities located in the United States (including the
18 territories) that are—

19 “(1) critical to the defense of the United States;
20 and

21 “(2) vulnerable to a disruption of the supply of
22 electric energy provided to such facility by an exter-
23 nal provider.

24 The Secretary may, in consultation with appropriate Fed-
25 eral agencies and appropriate owners, users, or operators

1 of defense critical electric infrastructure, periodically re-
2 vise the list of designated facilities as necessary.

3 “(d) PROTECTION AND SHARING OF CRITICAL ELEC-
4 TRIC INFRASTRUCTURE INFORMATION.—

5 “(1) PROTECTION OF CRITICAL ELECTRIC IN-
6 FRASTRUCTURE INFORMATION.—Critical electric in-
7 frastructure information—

8 “(A) shall be exempt from disclosure under
9 section 552(b)(3) of title 5, United States Code;
10 and

11 “(B) shall not be made available by any
12 Federal, State, political subdivision or tribal au-
13 thority pursuant to any Federal, State, political
14 subdivision or tribal law requiring public disclo-
15 sure of information or records.

16 “(2) DESIGNATION AND SHARING OF CRITICAL
17 ELECTRIC INFRASTRUCTURE INFORMATION.—Not
18 later than one year after the date of enactment of
19 this section, the Commission, in consultation with
20 the Secretary of Energy, shall promulgate such reg-
21 ulations and issue such orders as necessary to—

22 “(A) designate information as critical elec-
23 tric infrastructure information;

24 “(B) prohibit the unauthorized disclosure
25 of critical electric infrastructure information;

“(C) ensure there are appropriate sanctions in place for Commissioners, officers, employees, or agents of the Commission who knowingly and willfully disclose critical electric infrastructure information in a manner that is not authorized under this section; and

“(D) taking into account standards of the Electric Reliability Organization, facilitate voluntary sharing of critical electric infrastructure information with, between, and by—

“(i) Federal, State, political subdivision, and tribal authorities;

“(ii) the Electric Reliability Organization;

“(iii) regional entities;

“(iv) information sharing and analysis centers established pursuant to Presidential Decision Directive 63;

“(v) owners, operators, and users of critical electric infrastructure in the United States; and

“(vi) other entities determined appropriate by the Commission.

“(3) CONSIDERATIONS.—In promulgating regulations and issuing orders under paragraph (2), the

1 Commission shall take into consideration the role of
2 State commissions in reviewing the prudence and
3 cost of investments, determining the rates and terms
4 of conditions for electric services, and ensuring the
5 safety and reliability of the bulk-power system and
6 distribution facilities within their respective jurisdic-
7 tions.

8 “(4) PROTOCOLS.—The Commission shall, in
9 consultation with Canadian and Mexican authorities,
10 develop protocols for the voluntary sharing of critical
11 electric infrastructure information with Canadian
12 and Mexican authorities and owners, operators, and
13 users of the bulk-power system outside the United
14 States.

15 “(5) NO REQUIRED SHARING OF INFORMA-
16 TION.—Nothing in this section shall require a person
17 or entity in possession of critical electric infrastruc-
18 ture information to share such information with
19 Federal, State, political subdivision, or tribal au-
20 thorities, or any other person or entity.

21 “(6) DISCLOSURE OF NON-CRITICAL ELECTRIC
22 INFRASTRUCTURE INFORMATION.—In implementing
23 this section, the Commission shall segregate critical
24 electric infrastructure information within documents
25 and electronic communications, wherever feasible, to

1 facilitate disclosure of information that is not des-
2 ignated as critical electric infrastructure informa-
3 tion.

4 “(e) SECURITY CLEARANCES.—The Secretary shall
5 facilitate and, to the extent practicable, expedite the acqui-
6 sition of adequate security clearances by key personnel of
7 any entity subject to the requirements of this section, to
8 enable optimum communication with Federal agencies re-
9 garding threats to the security of the critical electric infra-
10 structure. The Secretary, the Commission, and other ap-
11 propriate Federal agencies shall, to the extent practicable
12 and consistent with their obligations to protect classified
13 and critical electric infrastructure information, share time-
14 ly actionable information regarding grid security with ap-
15 propriate key personnel of owners, operators, and users
16 of the critical electric infrastructure.

17 “(f) CLARIFICATIONS OF LIABILITY.—

18 “(1) COMPLIANCE WITH OR VIOLATION OF THIS
19 ACT.—Except as provided in paragraph (4), to the
20 extent any action or omission taken by an entity
21 that is necessary to comply with an order for emer-
22 gency measures issued under subsection (b)(1), in-
23 cluding any action or omission taken to voluntarily
24 comply with such order, results in noncompliance
25 with, or causes such entity not to comply with any

1 rule, order, regulation, or provision of this Act, in-
2 cluding any reliability standard approved by the
3 Commission pursuant to section 215, such action or
4 omission shall not be considered a violation of such
5 rule, order, regulation, or provision.

6 “(2) RELATION TO SECTION 202(c).—Except as
7 provided in paragraph (4), an action or omission
8 taken by an owner, operator, or user of critical elec-
9 tric infrastructure or of defense critical electric in-
10 frastructure to comply with an order for emergency
11 measures issued under subsection (b)(1) shall be
12 treated as an action or omission taken to comply
13 with an order issued under section 202(c) for pur-
14 poses of such section.

15 “(3) SHARING OR RECEIPT OF INFORMATION.—
16 No cause of action shall lie or be maintained in any
17 Federal or State court for the sharing or receipt of
18 information under, and that is conducted in accord-
19 ance with, subsection (d).

20 “(4) RULE OF CONSTRUCTION.—Nothing in
21 this subsection shall be construed to require dis-
22 missal of a cause of action against an entity that,
23 in the course of complying with an order for emer-
24 gency measures issued under subsection (b)(1) by
25 taking an action or omission for which they would

1 be liable but for paragraph (1) or (2), takes such ac-
 2 tion or omission in a grossly negligent manner.”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) JURISDICTION.—Section 201(b)(2) of the
 5 Federal Power Act (16 U.S.C. 824(b)(2)) is amend-
 6 ed by inserting “215A,” after “215,” each place it
 7 appears.

8 (2) PUBLIC UTILITY.—Section 201(e) of the
 9 Federal Power Act (16 U.S.C. 824(e)) is amended
 10 by inserting “215A,” after “215,”.

11 **SEC. 1105. STRATEGIC TRANSFORMER RESERVE.**

12 (a) FINDING.—Congress finds that the storage of
 13 strategically located spare large power transformers will
 14 reduce the vulnerability of the United States to multiple
 15 risks facing electric grid reliability, including physical at-
 16 tack, cyber attack, electromagnetic pulse, geomagnetic dis-
 17 turbances, severe weather, and seismic events.

18 (b) DEFINITIONS.—In this section:

19 (1) BULK-POWER SYSTEM.—The term “bulk-
 20 power system” has the meaning given such term in
 21 section 215(a) of the Federal Power Act (16 U.S.C.
 22 824o(a)).

23 (2) CRITICALLY DAMAGED LARGE POWER
 24 TRANSFORMER.—The term “critically damaged large

power transformer” means a large power transformer that—

(A) has sustained extensive damage such that—

(i) repair or refurbishment is not economically viable; or

(ii) the extensive time to repair or refurbish the large power transformer would create an extended period of instability in the bulk-power system; and

(B) prior to sustaining such damage, was part of the bulk-power system.

(3) ELECTRIC RELIABILITY ORGANIZATION.—

The term “Electric Reliability Organization” has the meaning given such term in section 215(a) of the Federal Power Act (16 U.S.C. 824o(a)).

(4) LARGE POWER TRANSFORMER.—The term

“large power transformer” means a power transformer with a maximum nameplate rating of 100 megavolt-amperes or higher, including related critical equipment, that is, or is intended to be, a part of the bulk-power system.

(5) SECRETARY.—The term “Secretary” means

the Secretary of Energy.

1 (6) SPARE LARGE POWER TRANSFORMER.—The
2 term “spare large power transformer” means a large
3 power transformer that is stored within the Stra-
4 tegic Transformer Reserve to be available to tempo-
5 rarily replace a critically damaged large power trans-
6 former.

7 (c) STRATEGIC TRANSFORMER RESERVE PLAN.—

8 (1) PLAN.—Not later than one year after the
9 date of enactment of this Act, the Secretary, acting
10 through the Office of Electricity Delivery and En-
11 ergy Reliability, shall, in consultation with the Fed-
12 eral Energy Regulatory Commission, the Electricity
13 Sub-sector Coordinating Council, and the Electric
14 Reliability Organization, prepare and submit to Con-
15 gress a plan to establish a Strategic Transformer
16 Reserve for the storage, in strategically located fa-
17 cilities, of spare large power transformers in suffi-
18 cient numbers to temporarily replace critically dam-
19 aged large power transformers.

20 (2) INCLUSIONS.—The Strategic Transformer
21 Reserve plan shall include a description of—

22 (A) the appropriate number and type of
23 spare large power transformers necessary to
24 provide or restore sufficient resiliency to the

1 bulk-power system to mitigate significant im-
2 pacts to the electric grid resulting from—

- 3 (i) physical attack;
- 4 (ii) cyber attack;
- 5 (iii) electromagnetic pulse attack;
- 6 (iv) geomagnetic disturbances;
- 7 (v) severe weather; or
- 8 (vi) seismic events;

9 (B) other critical electric grid equipment
10 for which an inventory of spare equipment is
11 necessary to provide or restore sufficient resil-
12 iency to the bulk-power system;

13 (C) the degree to which utility sector ac-
14 tions or initiatives, including individual utility
15 ownership of spare equipment, joint ownership
16 of spare equipment inventory, sharing agree-
17 ments, or other spare equipment reserves or ar-
18 rangements, satisfy the needs identified under
19 subparagraphs (A) and (B);

20 (D) the potential locations for, and feasi-
21 bility and appropriate number of, strategic stor-
22 age locations for reserve equipment, including
23 consideration of—

- 24 (i) the physical security of such loca-
25 tions;

1 (ii) the protection of the confiden-
2 tiality of such locations; and

3 (iii) the proximity of such locations to
4 sites of potentially critically damaged large
5 power transformers, so as to enable effi-
6 cient delivery of spare large power trans-
7 formers to such sites;

8 (E) the necessary degree of flexibility of
9 spare large power transformers to be included
10 in the Strategic Transformer Reserve to con-
11 form to different substation configurations, in-
12 cluding consideration of transformer—

13 (i) power and voltage rating for each
14 winding;

15 (ii) overload requirements;

16 (iii) impedance between windings;

17 (iv) configuration of windings; and

18 (v) tap requirements;

19 (F) an estimate of the direct cost of the
20 Strategic Transformer Reserve, as proposed, in-
21 cluding—

22 (i) the cost of storage facilities for the
23 spare large power transformers;

24 (ii) the cost of the spare large power
25 transformers; and

1 (iii) management, maintenance, and
2 operation costs;

3 (G) the funding options available to estab-
4 lish, stock, manage, and maintain the Strategic
5 Transformer Reserve, including consideration of
6 fees on owners of bulk-power system facilities
7 relying on the Strategic Transformer Reserve,
8 use of Federal appropriations, and public-pri-
9 vate cost-sharing options;

10 (H) the ease and speed of transportation,
11 installation, and energization of spare large
12 power transformers to be included in the Stra-
13 tegic Transformer Reserve, including consider-
14 ation of factors such as—

15 (i) transformer transportation weight;

16 (ii) transformer size;

17 (iii) topology of critical substations;

18 (iv) availability of appropriate trans-
19 former mounting pads;

20 (v) flexibility of the spare large power
21 transformers as described in subparagraph

22 (E); and

23 (vi) ability to rapidly transition a
24 spare large power transformer from stor-
25 age to energization;

1 (I) eligibility criteria for withdrawal of
2 spare large power transformers from the Stra-
3 tegic Transformer Reserve to replace critically
4 damaged large power transformers;

5 (J) the process by which owners of criti-
6 cally damaged large power transformers may
7 apply for a withdrawal from the Strategic
8 Transformer Reserve;

9 (K) the process by which spare large power
10 transformers withdrawn from the Strategic
11 Transformer Reserve are returned to the Stra-
12 tegic Transformer Reserve or are replaced;

13 (L) possible fees to be paid by owners of
14 critically damaged large power transformers
15 that have withdrawn such spare large power
16 transformers from the Strategic Transformer
17 Reserve;

18 (M) possible fees to be paid by owners of
19 large power transformers to cover operating
20 costs of the Strategic Transformer Reserve;

21 (N) the domestic and international large
22 power transformer supply chain; and

23 (O) other considerations for designing,
24 constructing, stocking, funding, and managing
25 the Strategic Transformer Reserve.

1 (d) ESTABLISHMENT.—The Secretary may establish
2 a Strategic Transformer Reserve in accordance with the
3 plan prepared pursuant to subsection (c) after the date
4 that is 6 months after the date on which such plan is sub-
5 mitted to Congress.

6 (e) DISCLOSURE OF INFORMATION.—Any informa-
7 tion included in the Strategic Transformer Reserve plan,
8 or shared in the preparation and development of such
9 plan, the disclosure of which could cause harm to critical
10 electric infrastructure (as defined in section 215A of the
11 Federal Power Act), shall be exempt from disclosure under
12 section 552(b)(3) of title 5, United States Code, and any
13 State, tribal, or local law requiring disclosure of informa-
14 tion or records.

15 **SEC. 1106. CYBER SENSE.**

16 (a) IN GENERAL.—The Secretary of Energy shall es-
17 tablish a voluntary Cyber Sense program to identify and
18 promote cyber-secure products intended for use in the
19 bulk-power system, as defined in section 215(a) of the
20 Federal Power Act (16 U.S.C. 824o(a)).

21 (b) PROGRAM REQUIREMENTS.—In carrying out sub-
22 section (a), the Secretary of Energy shall—

23 (1) establish a Cyber Sense testing process to
24 identify products and technologies intended for use
25 in the bulk-power system, including products relat-

1 ing to industrial control systems, such as supervisory
2 control and data acquisition systems;

3 (2) for products tested and identified under the
4 Cyber Sense program, establish and maintain cyber-
5 security vulnerability reporting processes and a re-
6 lated database;

7 (3) promulgate regulations regarding vulner-
8 ability reporting processes for products tested and
9 identified under the Cyber Sense program;

10 (4) provide technical assistance to utilities,
11 product manufacturers, and other electric sector
12 stakeholders to develop solutions to mitigate identi-
13 fied vulnerabilities in products tested and identified
14 under the Cyber Sense program;

15 (5) biennially review products tested and identi-
16 fied under the Cyber Sense program for
17 vulnerabilities and provide analysis with respect to
18 how such products respond to and mitigate cyber
19 threats;

20 (6) develop procurement guidance for utilities
21 for products tested and identified under the Cyber
22 Sense program;

23 (7) provide reasonable notice to the public, and
24 solicit comments from the public, prior to estab-
25 lishing or revising the Cyber Sense testing process;

1 (8) oversee Cyber Sense testing carried out by
2 third parties; and

3 (9) consider incentives to encourage the use in
4 the bulk-power system of products tested and identi-
5 fied under the Cyber Sense program.

6 (c) DISCLOSURE OF INFORMATION.—Any vulner-
7 ability reported pursuant to regulations promulgated
8 under subsection (b)(3), the disclosure of which could
9 cause harm to critical electric infrastructure (as defined
10 in section 215A of the Federal Power Act), shall be ex-
11 empt from disclosure under section 552(b)(3) of title 5,
12 United States Code, and any State, tribal, or local law
13 requiring disclosure of information or records.

14 (d) FEDERAL GOVERNMENT LIABILITY.—Consistent
15 with other voluntary Federal Government certification
16 programs, nothing in this section shall be construed to au-
17 thorize the commencement of an action against the United
18 States Government with respect to the testing and identi-
19 fication of a product under the Cyber Sense program.

20 **SEC. 1107. STATE COVERAGE AND CONSIDERATION OF**
21 **PURPA STANDARDS FOR ELECTRIC UTILI-**
22 **TIES.**

23 (a) STATE CONSIDERATION OF RESILIENCY AND AD-
24 VANCED ENERGY ANALYTICS TECHNOLOGIES AND RELI-
25 ABLE GENERATION.—

1 (1) CONSIDERATION.—Section 111(d) of the
2 Public Utility Regulatory Policies Act of 1978 (16
3 U.S.C. 2621(d)) is amended by adding the following
4 at the end:

5 “(20) IMPROVING THE RESILIENCE OF ELEC-
6 TRIC INFRASTRUCTURE.—

7 “(A) IN GENERAL.—Each electric utility
8 shall develop a plan to use resiliency-related
9 technologies and other approaches designed to
10 improve the resilience of electric infrastructure,
11 mitigate power outages, continue delivery of
12 vital services, and maintain the flow of power to
13 facilities critical to public health, safety, and
14 welfare, to the extent practicable using the most
15 current data, metrics, and frameworks related
16 to current and future threats, including phys-
17 ical and cyber attacks, electromagnetic pulse at-
18 tacks, geomagnetic disturbances, seismic events,
19 and severe weather and other environmental
20 stressors.

21 “(B) RESILIENCY-RELATED TECH-
22 NOLOGIES.—For purposes of this paragraph,
23 examples of resiliency-related technologies in-
24 clude—

1 “(i) advanced grid technologies capa-
2 ble of isolating or repairing problems re-
3 motely, such as advanced metering infra-
4 structure, high-tech sensors, grid moni-
5 toring and control systems, and remote re-
6 configuration and redundancy systems;

7 “(ii) all types of distributed and back-
8 up generation;

9 “(iii) microgrids;

10 “(iv) combined heat and power;

11 “(v) waste heat resources;

12 “(vi) energy storage technologies;

13 “(vii) wiring, cabling, and other dis-
14 tribution components, including submers-
15 ible distribution components, and enclo-
16 sures;

17 “(viii) electronically controlled re-
18 closers and similar technologies for power
19 restoration; and

20 “(ix) advanced energy analytics tech-
21 nology (as described in paragraph (21)).

22 “(C) RATE RECOVERY.—Each State regu-
23 latory authority (with respect to each electric
24 utility for which it has ratemaking authority)
25 shall consider authorizing each such electric

1 utility to recover any capital, operating expendi-
2 ture, or other costs of the electric utility related
3 to the procurement, deployment, or use of resil-
4 iency-related technologies, including a reason-
5 able rate of return on the capital expenditures
6 of the electric utility for the procurement, de-
7 ployment, or use of resiliency-related tech-
8 nologies.

9 “(21) PROMOTING INVESTMENTS IN ADVANCED
10 ENERGY ANALYTICS TECHNOLOGY.—

11 “(A) IN GENERAL.—Each electric utility
12 shall develop and implement a plan for deploy-
13 ing advanced energy analytics technology.

14 “(B) RATE RECOVERY.—Each State regu-
15 latory authority (with respect to each electric
16 utility for which it has ratemaking authority)
17 shall consider confirming and clarifying, if nec-
18 essary, that each such electric utility is author-
19 ized to recover the costs of the electric utility
20 relating to the procurement, deployment, or use
21 of advanced energy analytics technology, includ-
22 ing a reasonable rate of return on all such costs
23 incurred by the electric utility for the procure-
24 ment, deployment, or use of advanced energy
25 analytics technology, provided such technology

1 is used by the electric utility for purposes of re-
2 alizing operational efficiencies, cost savings, en-
3 hanced energy management and customer en-
4 gagement, improvements in system reliability,
5 safety, and cybersecurity, or other benefits to
6 ratepayers.

7 “(C) ADVANCED ENERGY ANALYTICS
8 TECHNOLOGY.—For purposes of this para-
9 graph, examples of advanced energy analytics
10 technology include Internet-based and cloud-
11 based computing solutions and subscription li-
12 censing models, including software as a service
13 that uses cyber-physical systems to allow the
14 correlation of data aggregated from appropriate
15 data sources and smart grid sensor networks,
16 employs analytics and machine learning, or em-
17 ploys other advanced computing solutions and
18 models.

19 “(22) ASSURING ELECTRIC RELIABILITY WITH
20 RELIABLE GENERATION.—

21 “(A) ASSURANCE OF ELECTRIC RELI-
22 ABILITY.—Each electric utility shall adopt or
23 modify policies to ensure that such electric util-
24 ity incorporates reliable generation into its inte-
25 grated resource plan to assure the availability

1 of electric energy over a 10-year planning pe-
2 riod.

3 “(B) RELIABLE GENERATION.—For pur-
4 poses of this paragraph, ‘reliable generation’
5 means electric generation facilities with reli-
6 ability attributes that include—

7 “(i) operational characteristics that
8 enable the generation of electric energy on
9 a continuous basis;

10 “(ii) in order to generate electric en-
11 ergy on a continuous basis—

12 “(I) possession of adequate fuel
13 on-site;

14 “(II) the operational ability to
15 generate electric energy from more
16 than one fuel source; or

17 “(III) fuel certainty, through
18 contractual obligations, that ensures
19 adequate fuel supply;

20 “(iii) operational characteristics that
21 enable the generation of electric energy
22 during emergency and severe weather con-
23 ditions; and

1 “(iv) essential reliability services, in-
2 cluding frequency support and voltage sup-
3 port, to maintain electric reliability.”.

4 (2) COMPLIANCE.—

5 (A) TIME LIMITATIONS.—Section 112(b)
6 of the Public Utility Regulatory Policies Act of
7 1978 (16 U.S.C. 2622(b)) is amended by add-
8 ing at the end the following:

9 “(7)(A) Not later than 1 year after the date of
10 enactment of this paragraph, each State regulatory
11 authority (with respect to each electric utility for
12 which it has ratemaking authority) and each non-
13 regulated electric utility shall commence the consid-
14 eration referred to in section 111, or set a hearing
15 date for consideration, with respect to the standards
16 established by paragraphs (20) and (22) of section
17 111(d).

18 “(B) Not later than 2 years after the date of
19 the enactment of this paragraph, each State regu-
20 latory authority (with respect to each electric utility
21 for which it has ratemaking authority) and each
22 nonregulated electric utility shall complete the con-
23 sideration, and shall make the determination, re-
24 ferred to in section 111 with respect to each stand-

1 ard established by paragraphs (20) and (22) of sec-
2 tion 111(d).

3 “(8)(A) Not later than 6 months after the date
4 of enactment of this paragraph, each State regu-
5 latory authority (with respect to each electric utility
6 for which it has ratemaking authority) and each
7 nonregulated electric utility shall commence the con-
8 sideration referred to in section 111, or set a hear-
9 ing date for consideration, with respect to the stand-
10 ard established by paragraph (21) of section 111(d).

11 “(B) Not later than 1 year after the date of en-
12 actment of this paragraph, each State regulatory au-
13 thority (with respect to each electric utility for which
14 it has ratemaking authority) and each nonregulated
15 electric utility shall complete the consideration, and
16 shall make the determination, referred to in section
17 111 with respect to the standard established by
18 paragraph (21) of section 111(d).”.

19 (B) FAILURE TO COMPLY.—Section 112(c)
20 of the Public Utility Regulatory Policies Act of
21 1978 (16 U.S.C. 2622(c)) is amended by add-
22 ing the following at the end: “In the case of the
23 standards established by paragraphs (20)
24 through (22) of section 111(d), the reference
25 contained in this subsection to the date of en-

1 actment of this Act shall be deemed to be a ref-
2 erence to the date of enactment of such para-
3 graphs.”.

4 (C) PRIOR STATE ACTIONS.—Section 112
5 of the Public Utility Regulatory Policies Act of
6 1978 (16 U.S.C. 2622(d)) is amended by add-
7 ing at the end the following new subsection:

8 “(g) PRIOR STATE ACTIONS.—Subsections (b) and
9 (c) of this section shall not apply to a standard established
10 by paragraph (20), (21), or (22) of section 111(d) in the
11 case of any electric utility in a State if—

12 “(1) before the date of enactment of this sub-
13 section, the State has implemented for such utility
14 the standard concerned (or a comparable standard);

15 “(2) the State regulatory authority for such
16 State or relevant nonregulated electric utility has
17 conducted a proceeding to consider implementation
18 of the standard concerned (or a comparable stand-
19 ard) for such utility during the 3-year period ending
20 on the date of enactment of this subsection; or

21 “(3) the State legislature has voted on the im-
22 plementation of the standard concerned (or a com-
23 parable standard) for such utility during the 3-year
24 period ending on the date of enactment of this sub-
25 section.”.

1 (b) COVERAGE FOR COMPETITIVE MARKETS.—Sec-
 2 tion 102 of the Public Utility Regulatory Policies Act of
 3 1978 (16 U.S.C. 2612) is amended by adding at the end
 4 the following:

5 “(d) The requirements of this title do not apply to
 6 the operations of an electric utility, or to proceedings re-
 7 specting such operations, to the extent that such oper-
 8 ations or proceedings relate to the competitive sale of re-
 9 tail electric energy that is unbundled or separated from
 10 the regulated provision or sale of distribution service.”.

11 **TITLE II—21ST CENTURY** 12 **WORKFORCE**

13 **SEC. 2101. ENERGY AND MANUFACTURING WORKFORCE DE-** 14 **VELOPMENT.**

15 (a) IN GENERAL.—The Secretary of Energy (in this
 16 section referred to as the “Secretary”) shall establish and
 17 carry out a comprehensive program to improve education
 18 and training for energy and manufacturing-related jobs in
 19 order to increase the number of skilled workers trained
 20 to work in energy and manufacturing-related fields, in-
 21 cluding by—

22 (1) encouraging underrepresented groups, in-
 23 cluding religious and ethnic minorities, women, vet-
 24 erans, individuals with disabilities, and
 25 socioeconomically disadvantaged individuals to enter

1 into the science, technology, engineering, and mathe-
2 matics (in this section referred to as “STEM”)
3 fields;

4 (2) encouraging the Nation’s education system
5 to equip students with the skills, mentorships, train-
6 ing, and technical expertise necessary to fill the em-
7 ployment opportunities vital to managing and oper-
8 ating the Nation’s energy and manufacturing indus-
9 tries;

10 (3) providing students and other candidates for
11 employment with the necessary skills and certifi-
12 cations for skilled, semiskilled, and highly skilled en-
13 ergy and manufacturing-related jobs; and

14 (4) strengthening and more fully engaging De-
15 partment of Energy programs and labs in carrying
16 out the Department’s Minorities in Energy Initia-
17 tive.

18 (b) PRIORITY.—The Secretary shall make educating
19 and training underrepresented groups for energy and
20 manufacturing-related jobs a national priority under the
21 program established under subsection (a).

22 (c) DIRECT ASSISTANCE.—In carrying out the pro-
23 gram established under subsection (a), the Secretary shall
24 provide direct assistance (including financial assistance
25 awards, technical expertise, wraparound services, career

1 coaching, mentorships, internships, and partnerships) to
2 schools, community colleges, workforce development orga-
3 nizations, nonprofit organizations, labor organizations, ap-
4 prenticeship programs, and minority serving institutions.
5 The Secretary shall distribute direct assistance in a man-
6 ner proportional to energy and manufacturing industry
7 needs and demand for jobs, consistent with information
8 obtained under subsections (e)(3) and (i).

9 (d) CLEARINGHOUSE.—In carrying out the program
10 established under subsection (a), the Secretary shall estab-
11 lish a clearinghouse to—

12 (1) maintain and update information and re-
13 sources on training and workforce development pro-
14 grams for energy and manufacturing-related jobs;
15 and

16 (2) act as a resource, and provide guidance, for
17 schools, community colleges, universities (including
18 minority serving institutions), workforce develop-
19 ment programs, labor management organizations,
20 and industry organizations that would like to de-
21 velop and implement energy and manufacturing-re-
22 lated training programs.

23 (e) COLLABORATION.—In carrying out the program
24 established under subsection (a), the Secretary—

1 (1) shall collaborate with schools, community
2 colleges, universities (including minority serving in-
3 stitutions), workforce training organizations, na-
4 tional laboratories, unions, State energy offices,
5 workforce investment boards, and the energy and
6 manufacturing industries;

7 (2) shall encourage and foster collaboration,
8 mentorships, and partnerships among organizations
9 (including unions, industry, schools, community col-
10 leges, workforce development organizations, and col-
11 leges and universities) that currently provide effec-
12 tive job training programs in the energy and manu-
13 facturing fields and institutions (including schools,
14 community colleges, workforce development pro-
15 grams, and colleges and universities) that seek to es-
16 tablish these types of programs in order to share
17 best practices and approaches that best suit local,
18 State, and national needs; and

19 (3) shall collaborate with the Bureau of Labor
20 Statistics, the Department of Commerce, the Bureau
21 of the Census, and the energy and manufacturing
22 industries to develop a comprehensive and detailed
23 understanding of the energy and manufacturing
24 workforce needs and opportunities by State and by
25 region, and publish an annual report on energy and

1 manufacturing job creation by the sectors enumer-
2 ated in subsection (i).

3 (f) GUIDELINES FOR EDUCATIONAL INSTITU-
4 TIONS.—

5 (1) IN GENERAL.—In carrying out the program
6 established under subsection (a), the Secretary, in
7 collaboration with the Secretary of Education, the
8 Secretary of Commerce, the Secretary of Labor, the
9 National Science Foundation, and industry shall de-
10 velop voluntary guidelines and best practices for
11 educational institutions of all levels, including for el-
12 ementary and secondary schools and community col-
13 leges and for undergraduate, graduate, and post-
14 graduate university programs, to help provide grad-
15 uates with the skills necessary to work in energy and
16 manufacturing-related jobs.

17 (2) INPUT.—The Secretary shall solicit input
18 from the oil, gas, coal, renewable, nuclear, utility,
19 energy-intensive and advanced manufacturing, and
20 pipeline industries in developing guidelines under
21 paragraph (1).

22 (3) ENERGY AND MANUFACTURING EFFICIENCY
23 AND CONSERVATION INITIATIVES.—The guidelines
24 developed under paragraph (1) shall include grade-
25 specific guidelines for teaching energy and manufac-

1 turing efficiency and conservation initiatives to edu-
2 cate students and families.

3 (4) STEM EDUCATION.—The guidelines devel-
4 oped under paragraph (1) shall promote STEM edu-
5 cation as it relates to job opportunities in energy
6 and manufacturing-related fields of study in schools,
7 community colleges, and universities nationally.

8 (g) OUTREACH TO MINORITY SERVING INSTITU-
9 TIONS.—In carrying out the program established under
10 subsection (a), the Secretary shall—

11 (1) give special consideration to increasing out-
12 reach to minority serving institutions (including his-
13 torically black colleges and universities, predomi-
14 nantly black institutions, Hispanic serving institu-
15 tions, and tribal institutions);

16 (2) make resources available to minority serving
17 institutions with the objective of increasing the num-
18 ber of skilled minorities and women trained to go
19 into the energy and manufacturing sectors;

20 (3) encourage industry to improve the opportu-
21 nities for students of minority serving institutions to
22 participate in industry internships and cooperative
23 work/study programs; and

24 (4) partner with the Department of Energy lab-
25 oratories to increase underrepresented groups' par-

1 ticipation in internships, fellowships, traineeships,
2 and employment at all Department of Energy lab-
3 oratories.

4 (h) OUTREACH TO DISPLACED AND UNEMPLOYED
5 ENERGY AND MANUFACTURING WORKERS.—In carrying
6 out the program established under subsection (a), the Sec-
7 retary shall—

8 (1) give special consideration to increasing out-
9 reach to employers and job trainers preparing dis-
10 placed and unemployed energy and manufacturing
11 workers for emerging energy and manufacturing
12 jobs;

13 (2) make resources available to institutions
14 serving displaced and unemployed energy and manu-
15 facturing workers with the objective of training indi-
16 viduals to re-enter the energy and manufacturing
17 workforce; and

18 (3) encourage the energy and manufacturing in-
19 dustries to improve opportunities for displaced and
20 unemployed energy and manufacturing workers to
21 participate in internships and cooperative work/study
22 programs.

23 (i) GUIDELINES TO DEVELOP SKILLS FOR AN EN-
24 ENERGY AND MANUFACTURING INDUSTRY WORKFORCE.—In
25 carrying out the program established under subsection (a),

1 the Secretary shall collaborate with representatives from
2 the energy and manufacturing industries (including the
3 oil, gas, coal, nuclear, utility, pipeline, renewable, petro-
4 chemical, manufacturing, and electrical construction sec-
5 tors) to identify the areas of highest need in each sector
6 and to develop guidelines for the skills necessary to de-
7 velop a workforce trained to go into the following sectors
8 of the energy and manufacturing sectors:

9 (1) Energy efficiency industry, including work
10 in energy efficiency, conservation, weatherization, or
11 retrofitting, or as inspectors or auditors.

12 (2) Pipeline industry, including work in pipeline
13 construction and maintenance or work as engineers
14 or technical advisors.

15 (3) Utility industry, including work in the gen-
16 eration, transmission, and distribution of electricity
17 and natural gas, such as utility technicians, opera-
18 tors, lineworkers, engineers, scientists, and informa-
19 tion technology specialists.

20 (4) Alternative fuels, including work in biofuel
21 development and production.

22 (5) Nuclear industry, including work as sci-
23 entists, engineers, technicians, mathematicians, or
24 security personnel.

1 (6) Oil and gas industry, including work as sci-
2 entists, engineers, technicians, mathematicians, pe-
3 trochemical engineers, or geologists.

4 (7) Renewable industry, including work in the
5 development, manufacturing, and production of re-
6 newable energy sources (such as solar, hydropower,
7 wind, or geothermal energy).

8 (8) Coal industry, including work as coal min-
9 ers, engineers, developers and manufacturers of
10 state-of-the-art coal facilities, technology vendors,
11 coal transportation workers and operators, or mining
12 equipment vendors.

13 (9) Manufacturing industry, including work as
14 operations technicians, operations and design in ad-
15 ditive manufacturing, 3-D printing, advanced com-
16 posites, and advanced aluminum and other metal al-
17 loys, industrial energy efficiency management sys-
18 tems, including power electronics, and other innova-
19 tive technologies.

20 (10) Chemical manufacturing industry, includ-
21 ing work in construction (such as welders, pipe-
22 fitters, and tool and die makers) or as instrument
23 and electrical technicians, machinists, chemical proc-
24 ess operators, chemical engineers, quality and safety
25 professionals, and reliability engineers.

1 (j) ENROLLMENT IN TRAINING AND APPRENTICE-
2 SHIP PROGRAMS.—In carrying out the program estab-
3 lished under subsection (a), the Secretary shall work with
4 industry, organized labor, and community-based workforce
5 organizations to help identify students and other can-
6 didates, including from underrepresented communities
7 such as minorities, women, and veterans, to enroll into
8 training and apprenticeship programs for energy and
9 manufacturing-related jobs.

10 **TITLE III—ENERGY SECURITY**
11 **AND DIPLOMACY**

12 **SEC. 3101. SENSE OF CONGRESS.**

13 Congress finds the following:

14 (1) North America’s energy revolution has sig-
15 nificantly enhanced energy security in the United
16 States, and fundamentally changed the Nation’s en-
17 ergy future from that of scarcity to abundance.

18 (2) North America’s energy abundance has in-
19 creased global energy supplies and reduced the price
20 of energy for consumers in the United States and
21 abroad.

22 (3) Allies and trading partners of the United
23 States, including in Europe and Asia, are seeking
24 stable and affordable energy supplies from North
25 America to enhance their energy security.

1 (4) The United States has an opportunity to
2 improve its energy security and promote greater sta-
3 bility and affordability of energy supplies for its al-
4 lies and trading partners through a more integrated,
5 secure, and competitive North American energy sys-
6 tem.

7 (5) The United States also has an opportunity
8 to promote such objectives by supporting the free
9 flow of energy commodities and more open, trans-
10 parent, and competitive global energy markets, and
11 through greater Federal agency coordination relating
12 to regulations or agency actions that significantly af-
13 fect the supply, distribution, or use of energy.

14 **SEC. 3102. ENERGY SECURITY VALUATION.**

15 (a) ESTABLISHMENT OF ENERGY SECURITY VALU-
16 ATION METHODS.—Not later than one year after the date
17 of enactment of this Act, the Secretary of Energy, in col-
18 laboration with the Secretary of State, shall develop and
19 transmit, after public notice and comment, to the Com-
20 mittee on Energy and Commerce and the Committee on
21 Foreign Affairs of the House of Representatives and the
22 Committee on Energy and Natural Resources and the
23 Committee on Foreign Relations of the Senate a report
24 that develops recommended United States energy security
25 valuation methods. In developing the report, the Secre-

1 taries may consider the recommendations of the Adminis-
2 tration's Quadrennial Energy Review released on April 21,
3 2015. The report shall—

4 (1) evaluate and define United States energy
5 security to reflect modern domestic and global en-
6 ergy markets and the collective needs of the United
7 States and its allies and partners;

8 (2) identify transparent and uniform or coordi-
9 nated procedures and criteria to ensure that energy-
10 related actions that significantly affect the supply,
11 distribution, or use of energy are evaluated with re-
12 spect to their potential impact on energy security,
13 including their impact on—

14 (A) consumers and the economy;

15 (B) energy supply diversity and resiliency;

16 (C) well-functioning and competitive en-
17 ergy markets;

18 (D) United States trade balance; and

19 (E) national security objectives; and

20 (3) include a recommended implementation
21 strategy that identifies and aims to ensure that the
22 procedures and criteria referred to in paragraph (2)
23 are—

24 (A) evaluated consistently across the Fed-
25 eral Government; and

1 (B) weighed appropriately and balanced
2 with environmental considerations required by
3 Federal law.

4 (b) PARTICIPATION.—In developing the report re-
5 ferred to in subsection (a), the Secretaries may consult
6 with relevant Federal, State, private sector, and inter-
7 national participants, as appropriate and consistent with
8 applicable law.

9 **SEC. 3103. NORTH AMERICAN ENERGY SECURITY PLAN.**

10 (a) REQUIREMENT.—Not later than one year after
11 the date of enactment of this Act, the Secretary of Energy,
12 in collaboration with the Secretary of State, shall develop
13 and transmit to the Committee on Energy and Commerce
14 and the Committee on Foreign Affairs of the House of
15 Representatives and the Committee on Energy and Nat-
16 ural Resources and the Committee on Foreign Relations
17 of the Senate the plan described in subsection (b).

18 (b) PURPOSE.—The plan referred to in subsection (a)
19 shall include—

20 (1) a recommended framework and implementa-
21 tion strategy to—

22 (A) improve planning and coordination
23 with Canada and Mexico to enhance energy in-
24 tegration, strengthen North American energy
25 security, and promote efficiencies in the explo-

1 ration, production, storage, supply, distribution,
2 marketing, pricing, and regulation of North
3 American energy resources; and

4 (B) address—

5 (i) North American energy public
6 data, statistics, and mapping collaboration;

7 (ii) responsible and sustainable best
8 practices for the development of unconven-
9 tional oil and natural gas; and

10 (iii) modern, resilient energy infra-
11 structure for North America, including
12 physical infrastructure as well as institu-
13 tional infrastructure such as policies, regu-
14 lations, and practices relating to energy de-
15 velopment; and

16 (2) a recommended framework and implementa-
17 tion strategy to improve collaboration with Carib-
18 bean and Central American partners on energy secu-
19 rity, including actions to support—

20 (A) more open, transparent, and competi-
21 tive energy markets;

22 (B) regulatory capacity building;

23 (C) improvements to energy transmission
24 and storage; and

1 (D) improvements to the performance of
2 energy infrastructure and efficiency.

3 (c) PARTICIPATION.—In developing the plan referred
4 to in subsection (a), the Secretaries may consult with
5 other Federal, State, private sector, and international par-
6 ticipants, as appropriate and consistent with applicable
7 law.

8 **SEC. 3104. COLLECTIVE ENERGY SECURITY.**

9 (a) IN GENERAL.—The Secretary of Energy and the
10 Secretary of State shall collaborate to strengthen domestic
11 energy security and the energy security of the allies and
12 trading partners of the United States, including through
13 actions that support or facilitate—

14 (1) energy diplomacy;

15 (2) the delivery of United States assistance, in-
16 cluding energy resources and technologies, to pre-
17 vent or mitigate an energy security crisis;

18 (3) the development of environmentally and
19 commercially sustainable energy resources;

20 (4) open, transparent, and competitive energy
21 markets; and

22 (5) regulatory capacity building.

23 (b) ENERGY SECURITY FORUMS.—Not later than one
24 year after the date of enactment of this Act, the Secretary
25 of Energy, in collaboration with the Secretary of State,

1 shall convene not less than 2 forums to promote the collec-
2 tive energy security of the United States and its allies and
3 trading partners. The forums shall include participation
4 by the Secretary of Energy and the Secretary of State.
5 In addition, an invitation shall be extended to—

6 (1) appropriate representatives of foreign gov-
7 ernments that are allies or trading partners of the
8 United States; and

9 (2) independent experts and industry represent-
10 atives.

11 (c) REQUIREMENTS.—The forums shall—

12 (1) consist of at least one Trans-Atlantic and
13 one Trans-Pacific energy security forum;

14 (2) be designed to foster dialogue among gov-
15 ernment officials, independent experts, and industry
16 representatives regarding—

17 (A) the current state of global energy mar-
18 kets;

19 (B) trade and investment issues relevant to
20 energy; and

21 (C) barriers to more open, competitive, and
22 transparent energy markets; and

23 (3) be recorded and made publically available
24 on the Department of Energy’s website, including,

1 not later than 30 days after each forum, publication
2 on the website any significant outcomes.

3 (d) NOTIFICATION.—At least 30 days before each of
4 the forums referred to in subsection (b), the Secretary of
5 Energy shall send a notification regarding the forum to—

6 (1) the chair and the ranking minority member
7 of the Committee on Energy and Commerce and the
8 Committee on Foreign Affairs of the House of Rep-
9 resentatives; and

10 (2) the chair and ranking minority member of
11 the Committee on Energy and Natural Resources
12 and the Committee on Foreign Relations of the Sen-
13 ate.

14 **SEC. 3105. STRATEGIC PETROLEUM RESERVE MISSION**
15 **READINESS PLAN.**

16 Not later than 180 days after the date of enactment
17 of this Act, the Secretary of Energy shall conduct a long-
18 range strategic review of the Strategic Petroleum Reserve
19 and develop and transmit to Congress a plan that includes
20 an analysis and implementation schedule that—

21 (1) specifies near-term and long-term roles of
22 the Strategic Petroleum Reserve relative to United
23 States energy security and economic goals and objec-
24 tives;

(2) describes existing legal authorities governing the policies, configuration, and capabilities of the Strategic Petroleum Reserve;

(3) identifies Strategic Petroleum Reserve configuration and performance capabilities and recommends an action plan to achieve the optimal—

(A) capacity, location, and composition of petroleum products in the Reserve; and

(B) storage and distributional capabilities;

and

(4) estimates the resources required to attain and maintain the Strategic Petroleum Reserve's long-term sustainability and operational effectiveness.

TITLE IV—ENERGY EFFICIENCY AND ACCOUNTABILITY

Subtitle A—Energy Efficiency

CHAPTER 1—FEDERAL AGENCY ENERGY EFFICIENCY

SEC. 4111. ENERGY-EFFICIENT AND ENERGY-SAVING INFORMATION TECHNOLOGIES.

(a) AMENDMENT.—Subtitle C of title V of the Energy Independence and Security Act of 2007 (Public Law 110–140; 121 Stat. 1661) is amended by adding at the end the following:

1 **“SEC. 530. ENERGY-EFFICIENT AND ENERGY-SAVING INFOR-**
2 **MATION TECHNOLOGIES.**

3 “(a) DEFINITIONS.—In this section:

4 “(1) DIRECTOR.—The term ‘Director’ means
5 the Director of the Office of Management and Budg-
6 et.

7 “(2) INFORMATION TECHNOLOGY.—The term
8 ‘information technology’ has the meaning given that
9 term in section 11101 of title 40, United States
10 Code.

11 “(b) DEVELOPMENT OF IMPLEMENTATION STRAT-
12 EGY.—Not later than 1 year after the date of enactment
13 of this section, each Federal agency shall coordinate with
14 the Director, the Secretary, and the Administrator of the
15 Environmental Protection Agency to develop an implemen-
16 tation strategy (that includes best practices and measure-
17 ment and verification techniques) for the maintenance,
18 purchase, and use by the Federal agency of energy-effi-
19 cient and energy-saving information technologies, taking
20 into consideration the performance goals established under
21 subsection (d).

22 “(c) ADMINISTRATION.—In developing an implemen-
23 tation strategy under subsection (b), each Federal agency
24 shall consider—

25 “(1) advanced metering infrastructure;

1 “(2) energy-efficient data center strategies and
2 methods of increasing asset and infrastructure utili-
3 zation;

4 “(3) advanced power management tools;

5 “(4) building information modeling, including
6 building energy management;

7 “(5) secure telework and travel substitution
8 tools; and

9 “(6) mechanisms to ensure that the agency re-
10 realizes the energy cost savings brought about through
11 increased efficiency and utilization.

12 “(d) PERFORMANCE GOALS.—

13 “(1) IN GENERAL.—Not later than 180 days
14 after the date of enactment of this section, the Di-
15 rector, in consultation with the Secretary, shall es-
16 tablish performance goals for evaluating the efforts
17 of Federal agencies in improving the maintenance,
18 purchase, and use of energy-efficient and energy-sav-
19 ing information technology.

20 “(2) BEST PRACTICES.—The Chief Information
21 Officers Council established under section 3603 of
22 title 44, United States Code, shall recommend best
23 practices for the attainment of the performance
24 goals, which shall include Federal agency consider-

1 ation of, to the extent applicable by law, the use
2 of—

3 “(A) energy savings performance con-
4 tracting; and

5 “(B) utility energy services contracting.

6 “(e) REPORTS.—

7 “(1) AGENCY REPORTS.—Each Federal agency
8 shall include in the report of the agency under sec-
9 tion 527 a description of the efforts and results of
10 the agency under this section.

11 “(2) OMB GOVERNMENT EFFICIENCY REPORTS
12 AND SCORECARDS.—Effective beginning not later
13 than October 1, 2017, the Director shall include in
14 the annual report and scorecard of the Director re-
15 quired under section 528 a description of the efforts
16 and results of Federal agencies under this section.”.

17 (b) CONFORMING AMENDMENT.—The table of con-
18 tents for the Energy Independence and Security Act of
19 2007 is amended by adding after the item relating to sec-
20 tion 529 the following:

“Sec. 530. Energy-efficient and energy-saving information technologies.”.

21 **SEC. 4112. ENERGY EFFICIENT DATA CENTERS.**

22 Section 453 of the Energy Independence and Security
23 Act of 2007 (42 U.S.C. 17112) is amended—

1 (1) in subsection (b)(2)(D)(iv), by striking “de-
2 etermined by the organization” and inserting “pro-
3 posed by the stakeholders”;

4 (2) by striking subsection (b)(3); and

5 (3) by striking subsections (c) through (g) and
6 inserting the following:

7 “(c) **STAKEHOLDER INVOLVEMENT.**—The Secretary
8 and the Administrator shall carry out subsection (b) in
9 collaboration with information technology industry and
10 other key stakeholders, with the goal of producing results
11 that accurately reflect the most relevant and useful infor-
12 mation available. In such collaboration, the Secretary and
13 the Administrator shall pay particular attention to organi-
14 zations that—

15 “(1) have members with expertise in energy ef-
16 ficiency and in the development, operation, and
17 functionality of data centers, information technology
18 equipment, and software, such as representatives of
19 hardware manufacturers, data center operators, and
20 facility managers;

21 “(2) obtain and address input from Department
22 of Energy National Laboratories or any college, uni-
23 versity, research institution, industry association,
24 company, or public interest group with applicable ex-
25 pertise;

1 “(3) follow—

2 “(A) commonly accepted procedures for
3 the development of specifications; and

4 “(B) accredited standards development
5 processes; and

6 “(4) have a mission to promote energy effi-
7 ciency for data centers and information technology.

8 “(d) MEASUREMENTS AND SPECIFICATIONS.—The
9 Secretary and the Administrator shall consider and assess
10 the adequacy of the specifications, measurements, best
11 practices, and benchmarks described in subsection (b) for
12 use by the Federal Energy Management Program, the En-
13 ergy Star Program, and other efficiency programs of the
14 Department of Energy or the Environmental Protection
15 Agency.

16 “(e) STUDY.—The Secretary, in collaboration with
17 the Administrator, shall, not later than 18 months after
18 the date of enactment of the North American Energy Se-
19 curity and Infrastructure Act of 2015, make available to
20 the public an update to the Report to Congress on Server
21 and Data Center Energy Efficiency published on August
22 2, 2007, under section 1 of Public Law 109–431 (120
23 Stat. 2920), that provides—

24 “(1) a comparison and gap analysis of the esti-
25 mates and projections contained in the original re-

1 port with new data regarding the period from 2008
2 through 2015;

3 “(2) an analysis considering the impact of in-
4 formation technologies, including virtualization and
5 cloud computing, in the public and private sectors;

6 “(3) an evaluation of the impact of the com-
7 bination of cloud platforms, mobile devices, social
8 media, and big data on data center energy usage;

9 “(4) an evaluation of water usage in data cen-
10 ters and recommendations for reductions in such
11 water usage; and

12 “(5) updated projections and recommendations
13 for best practices through fiscal year 2020.

14 “(f) DATA CENTER ENERGY PRACTITIONER PRO-
15 GRAM.—The Secretary, in collaboration with key stake-
16 holders and the Director of the Office of Management and
17 Budget, shall maintain a data center energy practitioner
18 program that leads to the certification of energy practi-
19 tioners qualified to evaluate the energy usage and effi-
20 ciency opportunities in Federal data centers. Each Federal
21 agency shall consider having the data centers of the agen-
22 cy evaluated every 4 years, in accordance with section
23 543(f) of the National Energy Conservation Policy Act (42
24 U.S.C. 8253), by energy practitioners certified pursuant
25 to such program.

1 “(g) OPEN DATA INITIATIVE.—The Secretary, in col-
2 laboration with key stakeholders and the Director of the
3 Office of Management and Budget, shall establish an open
4 data initiative for Federal data center energy usage data,
5 with the purpose of making such data available and acces-
6 sible in a manner that encourages further data center in-
7 novation, optimization, and consolidation. In establishing
8 the initiative, the Secretary shall consider the use of the
9 online Data Center Maturity Model.

10 “(h) INTERNATIONAL SPECIFICATIONS AND
11 METRICS.—The Secretary, in collaboration with key
12 stakeholders, shall actively participate in efforts to har-
13 monize global specifications and metrics for data center
14 energy and water efficiency.

15 “(i) DATA CENTER UTILIZATION METRIC.—The Sec-
16 retary, in collaboration with key stakeholders, shall facili-
17 tate the development of an efficiency metric that measures
18 the energy efficiency of a data center (including equipment
19 and facilities).

20 “(j) PROTECTION OF PROPRIETARY INFORMATION.—
21 The Secretary and the Administrator shall not disclose
22 any proprietary information or trade secrets provided by
23 any individual or company for the purposes of carrying
24 out this section or the programs and initiatives established
25 under this section.”.

1 **SEC. 4113. REPORT ON ENERGY AND WATER SAVINGS PO-**
2 **TENTIAL FROM THERMAL INSULATION.**

3 (a) REPORT.—Not later than 1 year after the date
4 of enactment of this Act, the Secretary of Energy, in con-
5 sultation with appropriate Federal agencies and relevant
6 stakeholders, shall submit to the Committee on Energy
7 and Natural Resources of the Senate and the Committee
8 on Energy and Commerce of the House of Representatives
9 a report on the impact of thermal insulation on both en-
10 ergy and water use systems for potable hot and chilled
11 water in Federal buildings, and the return on investment
12 of installing such insulation.

13 (b) CONTENTS.—The report shall include—

14 (1) an analysis based on the cost of municipal
15 or regional water for delivered water and the avoided
16 cost of new water; and

17 (2) a summary of energy and water savings, in-
18 cluding short-term and long-term (20 years) projec-
19 tions of such savings.

20 **SEC. 4114. FEDERAL PURCHASE REQUIREMENT.**

21 Section 203(b) of the Energy Policy Act of 2005 (42
22 U.S.C. 15852(b)) is amended by striking paragraph (2)
23 and inserting the following:

24 “(2) RENEWABLE ENERGY.—The term ‘renew-
25 able energy’ means electric energy, or thermal en-
26 ergy if resulting from a thermal energy project

1 placed in service after December 31, 2014, gen-
2 erated from, or avoided by, solar, wind, biomass,
3 landfill gas, ocean (including tidal, wave, current,
4 and thermal), geothermal, municipal solid waste
5 (other than commonly recycled paper that is seg-
6 regated from solid waste), qualified waste heat re-
7 source, or new hydroelectric generation capacity
8 achieved from increased efficiency or additions of
9 new capacity at an existing hydroelectric project.

10 “(3) QUALIFIED WASTE HEAT RESOURCE.—The
11 term ‘qualified waste heat resource’ means—

12 “(A) exhaust heat or flared gas from any
13 industrial process;

14 “(B) waste gas or industrial tail gas that
15 would otherwise be flared, incinerated, or vent-
16 ed;

17 “(C) a pressure drop in any gas for an in-
18 dustrial or commercial process; or

19 “(D) such other forms of waste heat as the
20 Secretary determines appropriate.”.

1 **CHAPTER 2—ENERGY EFFICIENT**
2 **TECHNOLOGY AND MANUFACTURING**

3 **SEC. 4121. INCLUSION OF SMART GRID CAPABILITY ON EN-**
4 **ERGY GUIDE LABELS.**

5 Section 324(a)(2) of the Energy Policy and Conserva-
6 tion Act (42 U.S.C. 6294(a)(2)) is amended by adding the
7 following at the end:

8 “(J)(i) Not later than 1 year after the date
9 of enactment of this subparagraph, the Com-
10 mission shall initiate a rulemaking to consider
11 making a special note in a prominent manner
12 on any Energy Guide label for any product that
13 includes Smart Grid capability that—

14 “(I) Smart Grid capability is a fea-
15 ture of that product;

16 “(II) the use and value of that feature
17 depend on the Smart Grid capability of the
18 utility system in which the product is in-
19 stalled and the active utilization of that
20 feature by the customer; and

21 “(III) on a utility system with Smart
22 Grid capability, the use of the product’s
23 Smart Grid capability could reduce the
24 customer’s cost of the product’s annual op-
25 eration as a result of the incremental en-

1 ergy and electricity cost savings that would
 2 result from the customer taking full advan-
 3 tage of such Smart Grid capability.

4 “(ii) Not later than 3 years after the date
 5 of enactment of this subparagraph, the Com-
 6 mission shall complete the rulemaking initiated
 7 under clause (i).”.

8 **SEC. 4122. VOLUNTARY VERIFICATION PROGRAMS FOR AIR**
 9 **CONDITIONING, FURNACE, BOILER, HEAT**
 10 **PUMP, AND WATER HEATER PRODUCTS.**

11 Section 326(b) of the Energy Policy and Conserva-
 12 tion Act (42 U.S.C. 6296(b)) is amended by adding at
 13 the end the following:

14 “(6) VOLUNTARY VERIFICATION PROGRAMS FOR AIR
 15 CONDITIONING, FURNACE, BOILER, HEAT PUMP, AND
 16 WATER HEATER PRODUCTS.—

17 “(A) RELIANCE ON VOLUNTARY PROGRAMS.—

18 For the purpose of verifying compliance with energy
 19 conservation standards and Energy Star specifica-
 20 tions established under sections 324A, 325, and 342
 21 for covered products described in paragraphs (3),
 22 (4), (5), (9), and (11) of section 322(a) and covered
 23 equipment described in subparagraphs (B), (C), (D),
 24 (F), (I), (J), and (K) of section 340(1), the Sec-
 25 retary and the Administrator of the Environmental

1 Protection Agency shall rely on testing conducted by
2 recognized voluntary verification programs that are
3 recognized by the Secretary in accordance with sub-
4 paragraph (B).

5 “(B) RECOGNITION OF VOLUNTARY
6 VERIFICATION PROGRAMS.—

7 “(i) IN GENERAL.—Not later than 180
8 days after the date of enactment of this para-
9 graph, the Secretary shall initiate a negotiated
10 rulemaking in accordance with subchapter III
11 of chapter 5 of title 5, United States Code
12 (commonly known as the ‘Negotiated Rule-
13 making Act of 1990’), to develop criteria that
14 have consensus support for achieving recogni-
15 tion by the Secretary as an approved voluntary
16 verification program. Any subsequent amend-
17 ment to such criteria may be made only pursu-
18 ant to a subsequent negotiated rulemaking in
19 accordance with subchapter III of chapter 5 of
20 title 5, United States Code.

21 “(ii) MINIMUM REQUIREMENTS.—The cri-
22 teria developed under clause (i) shall, at a min-
23 imum, ensure that a voluntary verification pro-
24 gram—

25 “(I) is nationally recognized;

1 “(II) is operated by a third party and
2 not directly operated by a program partici-
3 pant;

4 “(III) satisfies any applicable ele-
5 ments of—

6 “(aa) International Organization
7 for Standardization standard num-
8 bered 17025; and

9 “(bb) any other relevant Inter-
10 national Organization for Standard-
11 ization standards identified and
12 agreed to through the negotiated rule-
13 making under clause (i);

14 “(IV) at least annually tests inde-
15 pendently obtained products following the
16 test procedures established under this title
17 to verify the certified rating of a represent-
18 ative sample of products and equipment
19 within the scope of the program;

20 “(V) maintains a publicly available
21 list of all ratings of products subject to
22 verification;

23 “(VI) requires the changing of the
24 performance rating or removal of the prod-
25 uct or equipment from the program if test-

1 ing determines that the performance rating
2 does not meet the levels the manufacturer
3 has certified to the Secretary;

4 “(VII) requires new program partici-
5 pants to substantiate ratings through test
6 data generated in accordance with Depart-
7 ment of Energy regulations;

8 “(VIII) allows for challenge testing of
9 products and equipment within the scope
10 of the program;

11 “(IX) requires program participants
12 to disclose the performance rating of all
13 covered products and equipment within the
14 scope of the program for the covered prod-
15 uct or equipment;

16 “(X) provides to the Secretary—

17 “(aa) an annual report of all test
18 results, the contents of which shall be
19 determined through the negotiated
20 rulemaking process under clause (i);
21 and

22 “(bb) test reports, on the request
23 of the Secretary or the Administrator
24 of the Environmental Protection
25 Agency, that note any instructions

1 specified by the manufacturer or the
2 representative of the manufacturer for
3 the purpose of conducting the
4 verification testing, to be exempted
5 from disclosure under section
6 552(b)(4) of title 5, United States
7 Code; and

8 “(XI) satisfies any additional require-
9 ments or standards that the Secretary and
10 Administrator of the Environmental Pro-
11 tection Agency shall establish consistent
12 with this subparagraph.

13 “(iii) CESSATION OF RECOGNITION.—The
14 Secretary may only cease recognition of a vol-
15 untary verification program as an approved pro-
16 gram described in subparagraph (A) upon a
17 finding that the program is not meeting its obli-
18 gations for compliance through program review
19 criteria developed during the negotiated rule-
20 making conducted under subparagraph (B).

21 “(C) ADMINISTRATION.—

22 “(i) IN GENERAL.—The Secretary and the
23 Administrator of the Environmental Protection
24 Agency shall not require—

1 “(I) manufacturers to participate in a
2 recognized voluntary verification program
3 described in subparagraph (A); or

4 “(II) participating manufacturers to
5 provide information that has already been
6 provided to the Secretary or the Adminis-
7 trator.

8 “(ii) LIST OF COVERED PRODUCTS.—The
9 Secretary or the Administrator of the Environ-
10 mental Protection Agency may maintain a pub-
11 licly available list of covered products and
12 equipment that distinguishes between products
13 that are and are not covered products and
14 equipment verified through a recognized vol-
15 untary verification program described in sub-
16 paragraph (A).

17 “(iii) PERIODIC VERIFICATION TESTING.—
18 The Secretary—

19 “(I) shall not subject products or
20 equipment that have been verification test-
21 ed under a recognized voluntary
22 verification program described in subpara-
23 graph (A) to periodic verification testing to
24 verify the accuracy of the certified per-

1 formance rating of the products or equip-
2 ment; but

3 “(II) may require testing of products
4 or equipment described in subclause (I)—

5 “(aa) if the testing is nec-
6 essary—

7 “(AA) to assess the overall
8 performance of a voluntary
9 verification program;

10 “(BB) to address specific
11 performance issues;

12 “(CC) for use in updating
13 test procedures and standards; or

14 “(DD) for other purposes
15 consistent with this title; or

16 “(bb) if such testing is agreed to
17 during the negotiated rulemaking con-
18 ducted under subparagraph (B).

19 “(D) EFFECT ON OTHER AUTHORITY.—Noth-
20 ing in this paragraph limits the authority of the Sec-
21 retary or the Administrator of the Environmental
22 Protection Agency to enforce compliance with any
23 law.”.

1 **SEC. 4123. FACILITATING CONSENSUS FURNACE STAND-**
2 **ARDS.**

3 (a) CONGRESSIONAL FINDINGS AND DECLARATION
4 OF PURPOSE.—

5 (1) FINDINGS.—Congress finds that—

6 (A) acting pursuant to the requirements of
7 section 325 of the Energy Policy and Conserva-
8 tion Act (42 U.S.C. 6295), the Secretary of En-
9 ergy is considering amending the energy con-
10 servation standards applicable to residential
11 non-weatherized gas furnaces and mobile home
12 gas furnaces;

13 (B) numerous stakeholders, representing
14 manufacturers, distributors, and installers of
15 residential non-weatherized gas furnaces and
16 mobile home furnaces, natural gas utilities,
17 home builders, multifamily property owners,
18 and energy efficiency, environmental, and con-
19 sumer advocates have begun negotiations in an
20 attempt to agree on a consensus recommenda-
21 tion to the Secretary on levels for such stand-
22 ards that will meet the statutory criteria; and

23 (C) the stakeholders believe these negotia-
24 tions are likely to result in a consensus rec-
25 ommendation, but several of the stakeholders

1 do not support suspending the current rule-
2 making.

3 (2) PURPOSE.—It is the purpose of this section
4 to provide the stakeholders described in paragraph
5 (1) with an opportunity to continue negotiations for
6 a limited time period to facilitate the proposal for
7 adoption of standards that enjoy consensus support,
8 while not delaying the current rulemaking except to
9 the extent necessary to provide such opportunity.

10 (b) OPPORTUNITY FOR A NEGOTIATED FURNACE
11 STANDARD.—Section 325(f)(4) of the Energy Policy and
12 Conservation Act (42 U.S.C. 6295(f)(4)) is amended by
13 adding after subparagraph (D) the following:

14 “(E)(i) Unless the Secretary has published such a no-
15 tice prior to the date of enactment of this Act, the Sec-
16 retary shall publish, not later than October 31, 2015, a
17 supplemental notice of proposed rulemaking or a notice
18 of data availability updating the proposed rule entitled
19 ‘Energy Conservation Program for Consumer Products:
20 Energy Conservation Standards for Residential Furnaces’
21 and published in the Federal Register on March 12, 2015
22 (80 Fed. Reg. 13119), to provide notice and an oppor-
23 tunity for comment on—

24 “(I) dividing non-weatherized natural gas
25 furnaces into two or more product classes with

1 separate energy conservation standards based
2 on capacity; and

3 “(II) any other matters the Secretary de-
4 termines appropriate.

5 “(ii) On receipt of a statement that is submitted on
6 or before January 1, 2016, jointly by interested persons
7 that are fairly representative of relevant points of view,
8 that contains recommended standards for non-weatherized
9 natural gas furnaces and mobile home gas furnaces that
10 are consistent with the requirements of this part (except
11 that the date on which such standards will apply may be
12 earlier or later than the date required under this part),
13 the Secretary shall evaluate the standards proposed in the
14 joint statement for consistency with the requirements of
15 subsection (o), and shall publish notice of the potential
16 adoption of the standards proposed in the joint statement,
17 modified as necessary to ensure consistency with sub-
18 section (o). The Secretary shall solicit public comment for
19 a period of at least 30 days with respect to such notice.

20 “(iii) Not later than July 31, 2016, but not before
21 July 1, 2016, the Secretary shall publish a final rule con-
22 taining a determination of whether the standards for non-
23 weatherized natural gas furnaces and mobile home gas
24 furnaces should be amended. Such rule shall contain any
25 such amendments to the standards.”.

1 **SEC. 4124. FUTURE OF INDUSTRY PROGRAM.**

2 (a) IN GENERAL.—Section 452 of the Energy Inde-
3 pendence and Security Act of 2007 (42 U.S.C. 17111) is
4 amended by striking the section heading and inserting the
5 following: “**FUTURE OF INDUSTRY PROGRAM**”.

6 (b) DEFINITION OF ENERGY SERVICE PROVIDER.—
7 Section 452(a) of the Energy Independence and Security
8 Act of 2007 (42 U.S.C. 17111(a)) is amended—

9 (1) by redesignating paragraphs (3) through
10 (5) as paragraphs (4) through (6), respectively; and
11 (2) by inserting after paragraph (2):

12 “(3) ENERGY SERVICE PROVIDER.—The term
13 ‘energy service provider’ means any business pro-
14 viding technology or services to improve the energy
15 efficiency, water efficiency, power factor, or load
16 management of a manufacturing site or other indus-
17 trial process in an energy-intensive industry, or any
18 utility operating under a utility energy service
19 project.”.

20 (c) INDUSTRIAL RESEARCH AND ASSESSMENT CEN-
21 TERS.—Section 452(e) of the Energy Independence and
22 Security Act of 2007 (42 U.S.C. 17111(e)) is amended—

23 (1) by redesignating paragraphs (1) through
24 (5) as subparagraphs (A) through (E), respectively,
25 and indenting appropriately;

1 (2) by striking “The Secretary” and inserting
2 the following:

3 “(1) IN GENERAL.—The Secretary”;

4 (3) in subparagraph (A) (as redesignated by
5 paragraph (1)), by inserting before the semicolon at
6 the end the following: “, including assessments of
7 sustainable manufacturing goals and the implemen-
8 tation of information technology advancements for
9 supply chain analysis, logistics, system monitoring,
10 industrial and manufacturing processes, and other
11 purposes”; and

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

13 “(2) COORDINATION.—To increase the value
14 and capabilities of the industrial research and as-
15 sessment centers, the centers shall—

16 “(A) coordinate with Manufacturing Ex-
17 tension Partnership Centers of the National In-
18 stitute of Standards and Technology;

19 “(B) coordinate with the Building Tech-
20 nologies Office of the Department of Energy to
21 provide building assessment services to manu-
22 facturers;

23 “(C) increase partnerships with the Na-
24 tional Laboratories of the Department of En-
25 ergy to leverage the expertise and technologies

1 of the National Laboratories for national indus-
2 trial and manufacturing needs; and

3 “(D) increase partnerships with energy
4 service providers and technology providers to le-
5 verage private sector expertise and accelerate
6 deployment of new and existing technologies
7 and processes for energy efficiency, power fac-
8 tor, and load management.

9 “(3) OUTREACH.—The Secretary shall provide
10 funding for—

11 “(A) outreach activities by the industrial
12 research and assessment centers to inform
13 small- and medium-sized manufacturers of the
14 information, technologies, and services avail-
15 able; and

16 “(B) coordination activities by each indus-
17 trial research and assessment center to leverage
18 efforts with—

19 “(i) Federal and State efforts;

20 “(ii) the efforts of utilities and energy
21 service providers;

22 “(iii) the efforts of regional energy ef-
23 ficiency organizations; and

24 “(iv) the efforts of other industrial re-
25 search and assessment centers.

1 “(4) SMALL BUSINESS LOANS.—The Adminis-
 2 trator of the Small Business Administration shall, to
 3 the maximum extent practicable, expedite consider-
 4 ation of applications from eligible small business
 5 concerns for loans under the Small Business Act (15
 6 U.S.C. 631 et seq.) to implement recommendations
 7 of industrial research and assessment centers estab-
 8 lished under paragraph (1).”.

9 (d) CONFORMING AMENDMENT.—The item relating
 10 to section 452 in the table of contents for the Energy
 11 Independence and Security Act of 2007 is amended to
 12 read as follows:

“Sec. 452. Future of Industry program.”.

13 **CHAPTER 3—ENERGY PERFORMANCE**
 14 **CONTRACTING**

15 **SEC. 4131. USE OF ENERGY AND WATER EFFICIENCY MEAS-**
 16 **URES IN FEDERAL BUILDINGS.**

17 (a) ENERGY MANAGEMENT REQUIREMENTS.—Sec-
 18 tion 543(f)(4) of the National Energy Conservation Policy
 19 Act (42 U.S.C. 8253(f)(4)) is amended—

20 (1) by moving the margins of subparagraphs
 21 (A) and (B) 2 ems to the right and redesignating
 22 such subparagraphs as clauses (i) and (ii), respec-
 23 tively;

24 (2) by striking “Not later than” and inserting
 25 the following:

1 “(A) IN GENERAL.—Not later than”; and

2 (3) by adding at the end the following new sub-
3 paragraph:

4 “(B) MEASURES NOT IMPLEMENTED.—

5 Each energy manager, as part of the certifi-
6 cation system under paragraph (7) and using
7 guidelines developed by the Secretary, shall pro-
8 vide an explanation regarding any life-cycle
9 cost-effective measures described in subpara-
10 graph (A)(i) that have not been implemented.”.

11 (b) REPORTS.—Section 548(b) of the National En-
12 ergy Conservation Policy Act (42 U.S.C. 8258(b)) is
13 amended—

14 (1) in paragraph (3), by striking “and” at the
15 end;

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

18 (3) by adding at the end the following new
19 paragraph:

20 “(5) the status of each agency’s energy savings
21 performance contracts and utility energy service con-
22 tracts, the investment value of such contracts, the
23 guaranteed energy savings for the previous year as
24 compared to the actual energy savings for the pre-
25 vious year, the plan for entering into such contracts

1 in the coming year, and information explaining why
2 any previously submitted plans for such contracts
3 were not implemented.”.

4 (c) FEDERAL ENERGY MANAGEMENT DEFINI-
5 TIONS.—Section 551(4) of the National Energy Conserva-
6 tion Policy Act (42 U.S.C. 8259(4)) is amended by strik-
7 ing “or retrofit activities” and inserting “retrofit activi-
8 ties, or energy consuming devices and required support
9 structures”.

10 (d) AUTHORITY TO ENTER INTO CONTRACTS.—Sec-
11 tion 801(a)(2)(F) of the National Energy Conservation
12 Policy Act (42 U.S.C. 8287(a)(2)(F)) is amended—

13 (1) in clause (i), by striking “or” at the end;

14 (2) in clause (ii), by striking the period at the
15 end and inserting “; or”; and

16 (3) by adding at the end the following new
17 clause:

18 “(iii) limit the recognition of oper-
19 ation and maintenance savings associated
20 with systems modernized or replaced with
21 the implementation of energy conservation
22 measures, water conservation measures, or
23 any series of energy conservation measures
24 and water conservation measures.”.

1 (e) MISCELLANEOUS AUTHORITY.—Section
 2 801(a)(2) of the National Energy Conservation Policy Act
 3 (42 U.S.C. 8287(a)) is amended by adding at the end the
 4 following:

5 “(H) MISCELLANEOUS AUTHORITY.—Not-
 6 withstanding any other provision of law, a Fed-
 7 eral agency may sell or transfer energy savings
 8 and apply the proceeds of such sale or transfer
 9 to fund a contract under this title.”.

10 (f) PAYMENT OF COSTS.—Section 802 of the Na-
 11 tional Energy Conservation Policy Act (42 U.S.C. 8287a)
 12 is amended by striking “(and related operation and main-
 13 tenance expenses)” and inserting “, including related op-
 14 erations and maintenance expenses”.

15 (g) ENERGY SAVINGS PERFORMANCE CONTRACTS
 16 DEFINITIONS.—Section 804(2) of the National Energy
 17 Conservation Policy Act (42 U.S.C. 8287c(2)) is amend-
 18 ed—

19 (1) in subparagraph (A), by striking “federally
 20 owned building or buildings or other federally owned
 21 facilities” and inserting “Federal building (as de-
 22 fined in section 551 (42 U.S.C. 8259))” each place
 23 it appears;

24 (2) in subparagraph (C), by striking “; and”
 25 and inserting a semicolon;

1 (3) in subparagraph (D), by striking the period
2 at the end and inserting a semicolon; and

3 (4) by adding at the end the following new sub-
4 paragraphs:

5 “(E) the use, sale, or transfer of energy in-
6 centives, rebates, or credits (including renew-
7 able energy credits) from Federal, State, or
8 local governments or utilities; and

9 “(F) any revenue generated from a reduc-
10 tion in energy or water use, more efficient
11 waste recycling, or additional energy generated
12 from more efficient equipment.”.

13 **CHAPTER 4—SCHOOL BUILDINGS**

14 **SEC. 4141. COORDINATION OF ENERGY RETROFITTING AS-** 15 **SISTANCE FOR SCHOOLS.**

16 Section 392 of the Energy Policy and Conservation
17 Act (42 U.S.C. 6371a) is amended by adding at the end
18 the following:

19 “(e) COORDINATION OF ENERGY RETROFITTING AS-
20 SISTANCE FOR SCHOOLS.—

21 “(1) DEFINITION OF SCHOOL.—Notwith-
22 standing section 391(6), for the purposes of this
23 subsection, the term ‘school’ means—

24 “(A) an elementary school or secondary
25 school (as defined in section 9101 of the Ele-

1 mentary and Secondary Education Act of 1965
2 (20 U.S.C. 7801));

3 “(B) an institution of higher education (as
4 defined in section 102(a) of the Higher Edu-
5 cation Act of 1965 (20 U.S.C. 1002(a)));

6 “(C) a school of the defense dependents’
7 education system under the Defense Depend-
8 ents’ Education Act of 1978 (20 U.S.C. 921 et
9 seq.) or established under section 2164 of title
10 10, United States Code;

11 “(D) a school operated by the Bureau of
12 Indian Affairs;

13 “(E) a tribally controlled school (as de-
14 fined in section 5212 of the Tribally Controlled
15 Schools Act of 1988 (25 U.S.C. 2511)); and

16 “(F) a Tribal College or University (as de-
17 fined in section 316(b) of the Higher Education
18 Act of 1965 (20 U.S.C. 1059c(b))).

19 “(2) ESTABLISHMENT OF CLEARINGHOUSE.—
20 The Secretary, acting through the Office of Energy
21 Efficiency and Renewable Energy, shall establish a
22 clearinghouse to disseminate information regarding
23 available Federal programs and financing mecha-
24 nisms that may be used to help initiate, develop, and

1 finance energy efficiency, distributed generation, and
2 energy retrofitting projects for schools.

3 “(3) REQUIREMENTS.—In carrying out para-
4 graph (2), the Secretary shall—

5 “(A) consult with appropriate Federal
6 agencies to develop a list of Federal programs
7 and financing mechanisms that are, or may be,
8 used for the purposes described in paragraph
9 (2); and

10 “(B) coordinate with appropriate Federal
11 agencies to develop a collaborative education
12 and outreach effort to streamline communica-
13 tions and promote available Federal programs
14 and financing mechanisms described in sub-
15 paragraph (A), which may include the develop-
16 ment and maintenance of a single online re-
17 source that includes contact information for rel-
18 evant technical assistance in the Office of En-
19 ergy Efficiency and Renewable Energy that
20 States, local education agencies, and schools
21 may use to effectively access and use such Fed-
22 eral programs and financing mechanisms.”.

1 **Subtitle B—Accountability**
 2 **CHAPTER 1—MARKET MANIPULATION,**
 3 **ENFORCEMENT, AND COMPLIANCE**
 4 **SEC. 4211. FERC OFFICE OF COMPLIANCE ASSISTANCE AND**
 5 **PUBLIC PARTICIPATION.**

6 Section 319 of the Federal Power Act (16 U.S.C.
 7 825q–1) is amended to read as follows:

8 **“SEC. 319. OFFICE OF COMPLIANCE ASSISTANCE AND PUB-**
 9 **LIC PARTICIPATION.**

10 “(a) ESTABLISHMENT.—There is established within
 11 the Commission an Office of Compliance Assistance and
 12 Public Participation (referred to in this section as the ‘Of-
 13 fice’). The Office shall be headed by a Director.

14 “(b) DUTIES OF DIRECTOR.—

15 “(1) IN GENERAL.—The Director of the Office
 16 shall promote improved compliance with Commission
 17 rules and orders by—

18 “(A) making recommendations to the Com-
 19 mission regarding—

20 “(i) the protection of consumers;

21 “(ii) market integrity and support for
 22 the development of responsible market be-
 23 havior;

1 “(iii) the application of Commission
2 rules and orders in a manner that ensures
3 that—

4 “(I) rates and charges for, or in
5 connection with, the transmission or
6 sale of electric energy subject to the
7 jurisdiction of the Commission shall
8 be just and reasonable and not unduly
9 discriminatory or preferential; and

10 “(II) markets for such trans-
11 mission and sale of electric energy are
12 not impaired and consumers are not
13 damaged; and

14 “(iv) the impact of existing and pro-
15 posed Commission rules and orders on
16 small entities, as defined in section 601 of
17 title 5, United States Code (commonly
18 known as the Regulatory Flexibility Act);

19 “(B) providing entities subject to regula-
20 tion by the Commission the opportunity to ob-
21 tain timely guidance for compliance with Com-
22 mission rules and orders; and

23 “(C) providing information to the Commis-
24 sion and Congress to inform policy with respect

1 to energy issues under the jurisdiction of the
2 Commission.

3 “(2) REPORTS AND GUIDANCE.—The Director
4 shall, as the Director determines appropriate, issue
5 reports and guidance to the Commission and to enti-
6 ties subject to regulation by the Commission, regard-
7 ing market practices, proposing improvements in
8 Commission monitoring of market practices, and ad-
9 dressing potential improvements to both industry
10 and Commission practices.

11 “(3) OUTREACH.—The Director shall promote
12 improved compliance with Commission rules and or-
13 ders through outreach, publications, and, where ap-
14 propriate, direct communication with entities regu-
15 lated by the Commission.”.

16 **CHAPTER 2—MARKET REFORMS**

17 **SEC. 4221. GAO STUDY ON WHOLESALE ELECTRICITY MAR-** 18 **KETS.**

19 (a) STUDY AND REPORT.—Not later than 1 year
20 after the date of enactment of this Act, the Comptroller
21 General shall submit to the Committee on Energy and
22 Commerce of the House of Representatives and the Com-
23 mittee on Energy and Natural Resources of the Senate
24 a report describing the results of a study of whether and
25 how the current market rules, practices, and structures

1 of each regional transmission entity produce rates that are
2 just and reasonable by—

3 (1) facilitating fuel diversity, the availability of
4 generation resources during emergency and severe
5 weather conditions, resource adequacy, and reli-
6 ability, including the cost-effective retention and de-
7 velopment of needed generation;

8 (2) promoting the equitable treatment of busi-
9 ness models, including different utility types, the in-
10 tegration of diverse generation resources, and ad-
11 vanced grid technologies;

12 (3) identifying and addressing regulatory bar-
13 riers to entry, market-distorting incentives, and arti-
14 ficial constraints on competition;

15 (4) providing transparency regarding dispatch
16 decisions, including the need for out-of-market ac-
17 tions and payments, and the accuracy of day-ahead
18 unit commitments;

19 (5) facilitating the development of necessary
20 natural gas pipeline and electric transmission infra-
21 structure;

22 (6) ensuring fairness and transparency in gov-
23 ernance structures and stakeholder processes, in-
24 cluding meaningful participation by both voting and
25 non-voting stakeholder representatives;

1 (7) ensuring the proper alignment of the energy
2 and transmission markets by including both energy
3 and financial transmission rights in the day-ahead
4 markets;

5 (8) facilitating the ability of load-serving enti-
6 ties to self-supply their service territory load;

7 (9) considering, as appropriate, State and local
8 resource planning; and

9 (10) mitigating, to the extent practicable, the
10 disruptive effects of tariff revisions on the economic
11 decisionmaking of market participants.

12 (b) DEFINITIONS.—In this section:

13 (1) LOAD-SERVING ENTITY.—The term “load-
14 serving entity” has the meaning given that term in
15 section 217 of the Federal Power Act (16 U.S.C.
16 824q).

17 (2) REGIONAL TRANSMISSION ENTITY.—The
18 term “regional transmission entity” means a Re-
19 gional Transmission Organization or an Independent
20 System Operator, as such terms are defined in sec-
21 tion 3 of the Federal Power Act (16 U.S.C. 796).

○