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114TH CONGRESS
1ST SESSION

S. 2152

To establish a comprehensive United States Government policy to encourage the efforts of countries in sub-Saharan Africa to develop an appropriate mix of power solutions, including renewable energy, for more broadly distributed electricity access in order to support poverty reduction, promote development outcomes, and drive economic growth, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 7, 2015

Mr. CORKER (for himself, Mr. CARDIN, Mr. RUBIO, Mr. COONS, Ms. MURKOWSKI, Mr. FLAKE, Mr. ISAKSON, Mr. MARKEY, Mr. GRAHAM, Mr. DURBIN, Mr. GARDNER, Mr. ALEXANDER, Mr. BLUNT, Ms. COLLINS, Mr. KIRK, Mr. BOOZMAN, Mr. PETERS, Mrs. GILLIBRAND, and Mr. MCCAIN) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

NOVEMBER 5, 2015

Reported by Mr. CORKER, with amendments

[Omit the part struck through and insert the part printed in *italic*]

A BILL

To establish a comprehensive United States Government policy to encourage the efforts of countries in sub-Saharan Africa to develop an appropriate mix of power solutions, including renewable energy, for more broadly distributed electricity access in order to support poverty reduction,

promote development outcomes, and drive economic growth, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Electrify Africa Act
 5 of 2015”.

6 **SEC. 2. PURPOSE.**

7 The purpose of this Act is to encourage the efforts
 8 of countries in sub-Saharan Africa to improve access to
 9 affordable and reliable electricity in Africa in order to
 10 unlock the potential for *inclusive* economic growth, job
 11 creation, food security, improved health, education, and
 12 environmental outcomes, and poverty reduction.

13 **SEC. 3. STATEMENT OF POLICY.**

14 It is the policy of the United States to partner, con-
 15 sult, and coordinate with the governments of sub-Saharan
 16 African countries, international financial institutions, and
 17 African regional economic communities, cooperatives, and
 18 the private sector, in a concerted effort to—

19 (1) promote first-time access to power and
 20 power services for at least 50,000,000 people in sub-
 21 Saharan Africa by 2020 in both urban and rural
 22 areas;

23 (2) encourage the installation of at least 20,000
 24 additional megawatts of electrical power in sub-Sa-

1 haran Africa by 2020 using a broad mix of energy
 2 options to help reduce poverty, promote sustainable
 3 development, and drive *inclusive* economic growth;

4 (3) promote *non-discriminatory* reliable, afford-
 5 able, and sustainable power in urban areas (includ-
 6 ing small urban areas) to promote economic growth
 7 and job creation;

8 (4) promote policies to facilitate public-private
 9 partnerships to provide *non-discriminatory reliable,*
 10 *sustainable, and affordable* electrical service to rural
 11 and underserved populations;

12 (5) encourage the necessary in-country reforms,
 13 including facilitating public-private partnerships spe-
 14 cifically to support electricity access projects to
 15 make such expansion of power access possible;

16 (6) promote reforms of power production, deliv-
 17 ery, and pricing, as well as regulatory reforms and
 18 transparency, to support long-term, market-based
 19 power generation and distribution;

20 (7) promote policies to displace kerosene light-
 21 ing with other technologies; and

22 (8) promote an all-of-the-above energy develop-
 23 ment strategy for sub-Saharan Africa that includes
 24 the use of oil, natural gas, coal, hydroelectric, wind,

1 solar, and geothermal power, and other sources of
2 energy.

3 **SEC. 4. DEVELOPMENT OF COMPREHENSIVE, MULTIYEAR**
4 **STRATEGY.**

5 (a) STRATEGY REQUIRED.—

6 (1) IN GENERAL.—The President shall establish
7 a comprehensive, integrated, multiyear strategy to
8 encourage the efforts of countries in sub-Saharan
9 Africa to implement national power strategies and
10 develop an appropriate mix of power solutions to
11 provide access to sufficient reliable, affordable, and
12 sustainable power in order to reduce poverty and
13 drive economic growth and job creation consistent
14 with the policy stated in section 3.

15 (2) FLEXIBILITY AND RESPONSIVENESS.—The
16 President shall ensure that the strategy required
17 under paragraph (1) maintains sufficient flexibility
18 for and remains responsive to *concerns and interests*
19 *of affected local communities and* technological inno-
20 vation in the power sector.

21 (b) REPORT REQUIRED.—Not later than 180 days
22 after the date of the enactment of this Act, the President
23 shall transmit to the Committee on Foreign Relations of
24 the Senate and the Committee on Foreign Affairs of the
25 House of Representatives a report that contains the strat-

1 egy required under subsection (a) and includes a discus-
 2 sion of the following elements:

3 (1) The objectives of the strategy and the cri-
 4 teria for determining the success of the strategy.

5 (2) A general description of efforts in sub-Saha-
 6 ran Africa to—

7 (A) increase power production;

8 (B) strengthen electrical transmission and
 9 distribution infrastructure;

10 (C) provide for regulatory reform and
 11 transparent and accountable governance and
 12 oversight;

13 (D) improve the reliability of power;

14 (E) maintain the affordability of power;

15 (F) maximize the financial sustainability of
 16 the power sector; and

17 (G) improve ~~access to power~~ *non-discrimi-*
 18 *natory access to power that is done in consulta-*
 19 *tion with affected communities.*

20 (3) A description of plans to support efforts of
 21 countries in sub-Saharan Africa to increase access to
 22 power in urban and rural areas, including a descrip-
 23 tion of plans designed to address commercial, indus-
 24 trial, and residential needs.

1 (4) A description of plans to support efforts to
 2 reduce waste and corruption, *ensure local community*
 3 *consultation*, and improve existing power generation
 4 through the use of a broad power mix, including fos-
 5 sil fuel and renewable energy, distributed generation
 6 models, energy efficiency, and other technological in-
 7 novations, as appropriate.

8 (5) An analysis of existing mechanisms for en-
 9 suring, and recommendations to promote—

10 (A) commercial cost recovery;

11 (B) commercialization of electric service
 12 through distribution service providers, including
 13 cooperatives, to consumers;

14 (C) improvements in revenue cycle man-
 15 agement, power pricing, and fees assessed for
 16 service contracts and connections;

17 (D) reductions in technical losses and com-
 18 mercial losses; and

19 (E) *non-discriminatory* access to power, in-
 20 cluding recommendations on the creation of new
 21 service provider models that mobilize commu-
 22 nity participation in the provision of power
 23 services.

24 (6) A description of the reforms being under-
 25 taken or planned by countries in sub-Saharan Africa

1 to ensure the long-term economic viability of power
2 projects and to increase access to power, including—

3 (A) reforms designed to allow third parties
4 to connect power generation to the grid;

5 (B) policies to ensure there is a viable and
6 independent utility regulator;

7 (C) strategies to ensure utilities become or
8 remain creditworthy;

9 (D) regulations that permit the participa-
10 tion of independent power producers and pri-
11 vate-public partnerships;

12 (E) policies that encourage private sector
13 and cooperative investment in power generation;

14 (F) policies that ensure compensation for
15 power provided to the electrical grid by on-site
16 producers;

17 (G) policies to unbundle power services;

18 (H) regulations to eliminate conflicts of in-
19 terest in the utility sector;

20 (I) efforts to develop standardized power
21 purchase agreements and other contracts to
22 streamline project development; ~~and~~

23 (J) efforts to negotiate and monitor com-
24 pliance with power purchase agreements and

1 other contracts entered into with the private
 2 ~~sector.~~ *sector; and*

3 *(K) policies that promote local community*
 4 *consultation with respect to the development of*
 5 *power generation and transmission projects.*

6 (7) A description of plans to ensure meaningful
 7 local consultation, as appropriate, in the planning,
 8 long-term maintenance, and management of invest-
 9 ments designed to increase access to power in sub-
 10 Saharan Africa.

11 (8) A description of the mechanisms to be es-
 12 tablished for—

13 (A) selection of partner countries for fo-
 14 cused engagement on the power sector;

15 (B) monitoring and evaluating increased
 16 access to, and reliability and affordability of,
 17 power in sub-Saharan Africa;

18 (C) maximizing the financial sustainability
 19 of power generation, transmission, and distribu-
 20 tion in sub-Saharan Africa;

21 (D) establishing metrics to demonstrate
 22 progress on meeting goals relating to access to
 23 power, power generation, and distribution in
 24 sub-Saharan Africa; and

25 (E) terminating unsuccessful programs.

1 (9) A description of how the President intends
2 to promote trade in electrical equipment with coun-
3 tries in sub-Saharan Africa, including a description
4 of how the government of each country receiving as-
5 sistance pursuant to the strategy—

6 (A) plans to lower or eliminate import tar-
7 iffs or other taxes for energy and other power
8 production and distribution technologies des-
9 tined for sub-Saharan Africa, including equip-
10 ment used to provide energy access, including
11 solar lanterns, solar home systems, and micro
12 and mini grids; and

13 (B) plans to protect the intellectual prop-
14 erty of companies designing and manufacturing
15 products that can be used to provide energy ac-
16 cess in sub-Saharan Africa.

17 (10) A description of how the President intends
18 to encourage the growth of distributed renewable en-
19 ergy markets in sub-Saharan Africa, including off-
20 grid lighting and power, that includes—

21 (A) an analysis of the state of distributed
22 renewable energy in sub-Saharan Africa;

23 (B) a description of market barriers to the
24 deployment of distributed renewable energy

1 technologies both on- and off-grid in sub-Saha-
2 ran Africa;

3 (C) an analysis of the efficacy of efforts by
4 the Overseas Private Investment Corporation
5 and the United States Agency for International
6 Development to facilitate the financing of the
7 importation, distribution, sale, leasing, or mar-
8 keting of distributed renewable energy tech-
9 nologies; and

10 (D) a description of how bolstering distrib-
11 uted renewable energy can enhance the overall
12 effort to increase power access in sub-Saharan
13 Africa.

14 (11) A description of plans to ensure that small
15 and medium enterprises based in sub-Saharan Africa
16 can fairly compete for energy development and en-
17 ergy access opportunities associated with this Act.

18 (c) INTERAGENCY WORKING GROUP.—

19 (1) IN GENERAL.—The President may, as ap-
20 propriate, establish an Interagency Working Group
21 to coordinate the activities of relevant United States
22 Government departments and agencies involved in
23 carrying out the strategy required under this sec-
24 tion.

1 (2) FUNCTIONS.—The Interagency Working
2 Group may, among other things—

3 (A) seek to coordinate the activities of the
4 United States Government departments and
5 agencies involved in implementing the strategy
6 required under this section;

7 (B) ensure efficient and effective coordina-
8 tion between participating departments and
9 agencies; and

10 (C) facilitate information sharing, and co-
11 ordinate partnerships between the United
12 States Government, the private sector, and
13 other development partners to achieve the goals
14 of the strategy.

15 **SEC. 5. PRIORITIZATION OF EFFORTS AND ASSISTANCE**
16 **FOR POWER PROJECTS IN SUB-SAHARAN AF-**
17 **RICA BY KEY UNITED STATES INSTITUTIONS.**

18 (a) IN GENERAL.—In pursuing the policy goals de-
19 scribed in section 3, the Administrator of the United
20 States Agency for International Development, the Director
21 of the Trade and Development Agency, the Overseas Pri-
22 vate Investment Corporation, and the Chief Executive Of-
23 ficer and Board of Directors of the Millennium Challenge
24 Corporation should, as appropriate, prioritize and expedite
25 institutional efforts and assistance to facilitate the involve-

1 ment of such institutions in power projects and markets,
 2 both on- and off-grid, in sub-Saharan Africa and partner
 3 with other investors and local institutions in sub-Saharan
 4 Africa, including private sector actors, to specifically in-
 5 crease access to reliable, affordable, and sustainable power
 6 in sub-Saharan Africa, including through—

7 (1) maximizing the number of people with new
 8 access to power and power services;

9 (2) improving and expanding the generation,
 10 transmission and distribution of power;

11 (3) providing reliable power to people and busi-
 12 nesses in urban and rural communities;

13 (4) addressing the energy needs of *marginalized*
 14 people living in areas where there is little or no ac-
 15 cess to a power grid and developing plans to system-
 16 atically increase coverage in rural areas;

17 (5) reducing transmission and distribution
 18 losses and improving end-use efficiency and demand-
 19 side management;

20 (6) reducing energy-related impediments to
 21 business productivity and investment; and

22 (7) building the capacity of countries in sub-Sa-
 23 haran Africa to monitor and appropriately and
 24 transparently regulate the power sector and encour-

1 age private investment in power production and dis-
2 tribution.

3 (b) EFFECTIVENESS MEASUREMENT.—In
4 prioritizing and expediting institutional efforts and assist-
5 ance pursuant to this section, as appropriate, such institu-
6 tions shall use clear, accountable, and metric-based targets
7 to measure the effectiveness of such guarantees and assist-
8 ance in achieving the goals described in section 3.

9 (c) RULE OF CONSTRUCTION.—Nothing in this sec-
10 tion may be construed to authorize modifying or limiting
11 the portfolio of the institutions covered by subsection (a)
12 in other developing regions.

13 **SEC. 6. LEVERAGING INTERNATIONAL SUPPORT.**

14 In implementing the strategy described in section 4,
15 the President should direct the United States representa-
16 tives to appropriate international bodies to use the influ-
17 ence of the United States, consistent with the broad devel-
18 opment goals of the United States, to advocate that each
19 such body—

20 (1) commit to significantly increase efforts to
21 promote investment in well-designed power sector
22 and electrification projects in sub-Saharan Africa
23 that increase energy access, in partnership with the
24 private sector and consistent with the host countries'
25 absorptive capacity;

1 (2) address energy needs of individuals and
2 communities where access to an electricity grid is
3 impractical or cost-prohibitive;

4 (3) enhance coordination with the private sector
5 in sub-Saharan Africa to increase access to elec-
6 tricity;

7 (4) provide technical assistance to the regu-
8 latory authorities of sub-Saharan African govern-
9 ments to remove unnecessary barriers to investment
10 in otherwise commercially viable projects; and

11 (5) utilize clear, accountable, and metric-based
12 targets to measure the effectiveness of such projects.

13 **SEC. 7. PROGRESS REPORT.**

14 (a) IN GENERAL.—Not later than three years after
15 the date of the enactment of this Act, the President shall
16 transmit to the Committee on Foreign Affairs of the
17 House of Representatives and the Committee on Foreign
18 Relations of the Senate a report on progress made toward
19 achieving the strategy described in section 4 that includes
20 the following:

21 (1) A report on United States programs sup-
22 porting implementation of policy and legislative
23 changes leading to increased power generation and
24 access in sub-Saharan Africa, including a description
25 of the number, type, and status of policy, regulatory,

1 and legislative changes initiated or implemented as
2 a result of programs funded or supported by the
3 United States in countries in sub-Saharan Africa to
4 support increased power generation and access after
5 the date of the enactment of this Act.

6 (2) A description of power projects receiving
7 United States Government support and how such
8 projects, including off-grid efforts, are intended to
9 achieve the strategy described in section 4.

10 (3) For each project described in paragraph
11 (2)—

12 (A) a description of how the project fits
13 into, or encourages modifications of, the na-
14 tional energy plan of the country in which the
15 project will be carried out, including encour-
16 aging regulatory reform in that county;

17 (B) an estimate of the total cost of the
18 project to the consumer, the country in which
19 the project will be carried out, and other inves-
20 tors;

21 (C) the amount of financing provided or
22 guaranteed by the United States Government
23 for the project;

24 (D) an estimate of United States Govern-
25 ment resources for the project, itemized by

1 funding source, including from the Overseas
2 Private Investment Corporation, the United
3 States Agency for International Development,
4 the Department of the Treasury, and other ap-
5 propriate United States Government depart-
6 ments and agencies;

7 (E) an estimate of the number *and re-*
8 *gional locations* of individuals, communities,
9 businesses, schools, and health facilities that
10 have gained power connections as a result of
11 the project, with a description of how the reli-
12 ability, affordability, and sustainability of power
13 has been improved as of the date of the report;

14 (F) an assessment of the increase in the
15 number of people and businesses with access to
16 power, and in the operating electrical power ca-
17 pacity in megawatts as a result of the project
18 between the date of the enactment of this Act
19 and the date of the report;

20 (G) a description of efforts to gain mean-
21 ingful local consultation for projects associated
22 with this Act and any significant estimated
23 noneconomic effects of the efforts carried out
24 pursuant to this Act; and

1 (H) a description of the participation by
2 small and medium enterprises based in sub-Sa-
3 haran Africa on projects associated with this
4 Act.

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A BILL

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