

115TH CONGRESS  
2D SESSION

# S. 2649

To require the Secretary of Energy to establish a natural gas demand response pilot program, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

APRIL 11, 2018

Mr. WHITEHOUSE introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

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## A BILL

To require the Secretary of Energy to establish a natural gas demand response pilot program, 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 “Energy Infrastructure  
5 Demand Response Act of 2018”.

6       **SEC. 2. NATURAL GAS DEMAND RESPONSE PILOT PRO-**  
7       **GRAM.**

8       (a) DEFINITIONS.—In this section:

9               (1) COMMISSION.—The term “Commission”  
10       means the Federal Energy Regulatory Commission.

1           (2) PILOT PROGRAM.—The term “pilot pro-  
2           gram” means the natural gas demand response pilot  
3           program established under subsection (b)(1).

4           (3) SECRETARY.—The term “Secretary” means  
5           the Secretary of Energy.

6           (b) ESTABLISHMENT.—

7           (1) IN GENERAL.—Not later than 150 days  
8           after the date of enactment of this Act, the Sec-  
9           retary, in consultation with the Commission, shall  
10          establish a natural gas demand response pilot pro-  
11          gram to use the latest demand response technology  
12          from the energy sector for natural gas—

13                 (A) to reduce the cost of energy for con-  
14                 sumers;

15                 (B) to reduce market price volatility;

16                 (C) to increase reliability of the energy sys-  
17                 tem; and

18                 (D) to achieve reductions in air emissions  
19                 and other benefits.

20          (2) ELIGIBLE ENTITIES.—

21                 (A) IN GENERAL.—Except as provided in  
22                 subparagraph (B), to be eligible to participate  
23                 in the pilot program, an entity shall be—

24                         (i) a gas utility, including a local dis-  
25                         tribution company;

1 (ii) a State public utilities commis-  
2 sion;

3 (iii) an electric utility, including a  
4 local distribution company;

5 (iv) a municipality;

6 (v) a large industrial consumer, large  
7 commercial consumer, or retail marketer of  
8 natural gas; or

9 (vi) a third-party energy efficiency  
10 program administrator.

11 (B) LIMITATIONS.—An entity described in  
12 any of clauses (ii) through (v) of subparagraph  
13 (A) shall not be eligible to participate in the  
14 pilot program if the State law to which the enti-  
15 ty is subject specifically precludes the participa-  
16 tion of the entity in a natural gas demand re-  
17 sponse pilot program.

18 (3) REQUIREMENT.—The Secretary shall carry  
19 out the pilot program under different scenarios, in-  
20 cluding in a region that is experiencing fuel short-  
21 ages or natural gas infrastructure constraints that  
22 cause the cost of energy to increase for consumers.

23 (4) DATA COLLECTION.—

24 (A) IN GENERAL.—In carrying out the  
25 pilot program, the Secretary shall collect data,

1 including data on, with respect to the regions in  
2 which the pilot program is carried out—

3 (i) the reduction in natural gas usage;

4 (ii) decreases in the frequency and se-  
5 verity of natural gas infrastructure con-  
6 straints; and

7 (iii) changes in energy costs and reli-  
8 ability.

9 (B) REPORT.—The Secretary shall submit  
10 to the Committee on Energy and Natural Re-  
11 sources of the Senate and the Committee on  
12 Energy and Commerce of the House of Rep-  
13 resentatives a report describing—

14 (i) how to improve data collection;

15 (ii) the metrics that should be used to  
16 quantify natural gas demand response  
17 usage; and

18 (iii) opportunities to improve the  
19 measurement and verification of changes in  
20 natural gas consumption resulting from  
21 natural gas demand response measures, in-  
22 cluding opportunities to collect data that  
23 could be used to estimate the quantity of  
24 natural gas that could be shifted through

1           the implementation of natural gas demand  
2           response measures.

3           (c) APPLICATIONS; CERTIFICATION.—

4           (1) IN GENERAL.—On establishment of the  
5           pilot program under subsection (b)(1), the Secretary  
6           shall submit to all relevant eligible entities notice  
7           that the Secretary is accepting applications for the  
8           pilot program.

9           (2) SUBMISSION OF APPLICATIONS.—

10           (A) IN GENERAL.—Not later than 200  
11           days after the date of enactment of this Act,  
12           each eligible entity desiring certification to par-  
13           ticipate in the pilot program shall submit to the  
14           Secretary an application containing such infor-  
15           mation as the Secretary may require.

16           (B) AUTHORITY TO REQUIRE CERTAIN IN-  
17           FORMATION.—The Secretary may require as  
18           part of the application under subparagraph (A)  
19           information on—

20           (i) the current energy prices and en-  
21           ergy supply issues in the region in which  
22           the eligible entity is located; and

23           (ii) how implementation of the pilot  
24           program in the region in which the eligible  
25           entity is located can alleviate the current

1 energy prices and energy supply issues in  
2 the region.

3 (3) CERTIFICATION.—Not later than 250 days  
4 after the date of enactment of this Act, the Sec-  
5 retary shall notify each eligible entity that applied  
6 for certification under paragraph (2)(A) of whether  
7 the eligible entity is certified to participate in the  
8 pilot program.

9 (d) TERMINATION.—The pilot program shall termi-  
10 nate on the date that is 2 years after the date on which  
11 the pilot program is established under subsection (b)(1).

12 (e) AUTHORIZATION OF APPROPRIATIONS.—There is  
13 authorized to be appropriated to carry out the pilot pro-  
14 gram \$4,000,000.

15 **SEC. 3. TECHNICAL STUDY AND REPORT.**

16 (a) STUDY.—The Secretary shall conduct a study on  
17 the potential for natural gas demand response across en-  
18 ergy sectors and geographic regions.

19 (b) REPORT.—Not later than 18 months after the  
20 date of enactment of this Act, the Secretary shall submit  
21 to Congress a report on the results of study conducted  
22 under subsection (a), including—

23 (1) a description and quantification of—

24 (A) potential natural gas and energy sav-  
25 ings and load shifting; and

1           (B) the costs and benefits associated with  
2           those savings, including avoided energy costs,  
3           reduced market price volatility, improved elec-  
4           tric and gas system reliability, deferred or  
5           avoided pipeline or utility capital investment,  
6           and air emissions reductions;

7           (2) an identification of geographic areas that  
8           would benefit most from implementing demand re-  
9           sponse measures for natural gas infrastructure; and

10          (3) a description of—

11           (A) existing and emerging technologies  
12           that can be used for demand response in the  
13           natural gas sector; and

14           (B) best practices for developing a strategy  
15           for deployment of those technologies in the nat-  
16           ural gas sector.

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