

116TH CONGRESS
2D SESSION

H. R. 5542

To require the Secretary of Energy to establish a grant program for States to provide incentives to natural gas distribution companies for the improvement of natural gas distribution systems, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 7, 2020

Ms. SHERRILL (for herself and Ms. BLUNT ROCHESTER) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To require the Secretary of Energy to establish a grant program for States to provide incentives to natural gas distribution companies for the improvement of natural gas distribution systems, 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. IMPROVING THE NATURAL GAS DISTRIBUTION**
4 **SYSTEM.**

5 (a) ESTABLISHMENT OF PROGRAM.—Not later than
6 1 year after the date of enactment of this Act, the Sec-
7 retary of Energy shall establish a program to award
8 grants to States, in accordance with this section, for the

1 purpose of improving public safety and environmental per-
2 formance of the natural gas distribution system by offset-
3 ting rate increases to low-income households and providing
4 incentives for natural gas distribution companies to accel-
5 erate, expand, or enhance improvements to the natural gas
6 distribution system.

7 (b) GRANTS TO STATES.—

8 (1) IN GENERAL.—A State may apply for a
9 grant under this section to provide funds to natural
10 gas distribution companies in the State that are car-
11 rying out an eligible project described in subsection
12 (c).

13 (2) REQUIREMENTS.—In applying for a grant
14 under this section, a State shall demonstrate how
15 the State rate-setting commission will ensure that
16 funds provided under this section are used in accord-
17 ance with the requirements of this section.

18 (c) ELIGIBLE PROJECTS.—A project that is eligible
19 to be funded through a grant to a State under this section
20 is a project carried out by a natural gas distribution com-
21 pany to accelerate, expand, or enhance the implementation
22 of a plan, approved by the State before the date on which
23 an application for a grant under this section is submitted
24 to the Secretary, for—

1 (1) replacement of cast and wrought iron and
2 bare steel pipes and other leak-prone components of
3 the natural gas distribution system; or

4 (2) inspection and maintenance programs for
5 the natural gas distribution system.

6 (d) RATE ASSISTANCE.—A natural gas distribution
7 company receiving funds through a grant to a State under
8 this section may use such funds only to offset the near-
9 term incremental costs to low-income households as re-
10 flected in utility rate increases and the near-term incre-
11 mental costs of accelerating, expanding, or enhancing im-
12 provements to the natural gas distribution system included
13 in the State-approved plan.

14 (e) LIMIT TO TRANSITIONAL ASSISTANCE.—A State
15 may provide funds to a natural gas distribution company
16 under this section for a period not to exceed 4 years.

17 (f) PRIORITIZATION.—In awarding grants under this
18 section, the Secretary shall prioritize applications based
19 on the expected results of an eligible project carried out
20 pursuant to the State proposal with respect to—

21 (1) quantifiable benefits for public safety;

22 (2) the magnitude of methane emissions reduc-
23 tions;

24 (3) innovation in technical or policy approaches;

1 (4) the number of low-income households antici-
2 pated to benefit from the assistance; and

3 (5) overall cost-effectiveness of the project.

4 (g) AUDITING AND REPORTING REQUIREMENTS.—

5 The Secretary shall establish auditing and reporting re-
6 quirements for States with respect to the performance of
7 eligible projects funded pursuant to grants awarded under
8 this section with respect to meeting the goals of the pro-
9 gram described in subsection (f).

10 (h) PREVAILING WAGES.—All laborers and mechan-

11 ics employed by contractors or subcontractors in the per-
12 formance of construction, alteration, or repair work as-
13 sisted, in whole or in part, by a grant under this section
14 shall be paid wages at rates not less than those prevailing
15 on similar construction in the locality as determined by
16 the Secretary of Labor in accordance with subchapter IV
17 of chapter 31 of title 40. With respect to the labor stand-
18 ards in this subsection, the Secretary of Labor shall have
19 the authority and functions set forth in Reorganization
20 Plan Numbered 14 of 1950 (64 Stat. 1267; 5 U.S.C.
21 App.) and section 3145 of title 40.

22 (i) DEFINITIONS.—In this section:

23 (1) LOW-INCOME HOUSEHOLD.—The term
24 “low-income household” means a household that is
25 eligible to receive payments under section 2605(b)(2)

1 of the Low-Income Home Energy Assistance Act of
2 1981 (42 U.S.C. 8624(b)(2)).

3 (2) NATURAL GAS DISTRIBUTION COMPANY.—

4 The term “natural gas distribution company” means
5 a person or municipality engaged in the local dis-
6 tribution of natural gas to the public.

7 (j) AUTHORIZATION OF APPROPRIATIONS.—There
8 are authorized to be appropriated to the Secretary
9 \$250,000,000 to carry out this section in each fiscal year
10 beginning in fiscal year 2021 and ending in fiscal year
11 2030.

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