

116TH CONGRESS
1ST SESSION

S. 487

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

IN THE SENATE OF THE UNITED STATES

FEBRUARY 14, 2019

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

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 2019”.

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 5 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 \$10,000,000.

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