

112TH CONGRESS  
1ST SESSION

# S. 1220

To lessen the dependence of the United States on foreign energy, to promote clean sources of energy, to strengthen the economy of the United States, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JUNE 16, 2011

Mr. CONRAD introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To lessen the dependence of the United States on foreign energy, to promote clean sources of energy, to strengthen the economy of the United States, 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; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the  
5 “Fulfilling U.S. Energy Leadership Act of 2011”.

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

Sec. 1. Short title; table of contents.  
Sec. 2. Definitions.

## TITLE I—ADVANCED VEHICLE DEPLOYMENT

## Subtitle A—Energy Provisions

- Sec. 101. Research and development program for alternative fuel vehicle technologies.
- Sec. 102. Federal fleet requirements.
- Sec. 103. Refueling infrastructure corridors.
- Sec. 104. Federal Government petroleum consumption.
- Sec. 105. Determination of standards by Secretary of Energy for idling reduction devices.

## Subtitle B—Promoting Electric Vehicles

- Sec. 111. Definitions.

## PART I—NATIONAL PLUG-IN ELECTRIC DRIVE VEHICLE DEPLOYMENT PROGRAM.

- Sec. 121. National Plug-In Electric Drive Vehicle Deployment Program.
- Sec. 122. National assessment and plan.
- Sec. 123. Technical assistance.
- Sec. 124. Workforce training.
- Sec. 125. Federal fleets.
- Sec. 126. Targeted Plug-In Electric Drive Vehicle Deployment Communities Program.

## PART II—RESEARCH AND DEVELOPMENT

- Sec. 131. Research and development program.
- Sec. 132. Advanced batteries for tomorrow prize.
- Sec. 133. Study on the supply of raw materials.
- Sec. 134. Study on the collection and preservation of data collected from plug-in electric drive vehicles.

## PART III—MISCELLANEOUS

- Sec. 141. Utility planning for plug-in electric drive vehicles.
- Sec. 142. Loan guarantees.
- Sec. 143. Prohibition on disposing of advanced batteries in landfills.
- Sec. 144. Plug-In Electric Drive Vehicle Technical Advisory Committee.
- Sec. 145. Plug-In Electric Drive Vehicle Interagency Task Force.

## Subtitle C—Tax Provisions

- Sec. 151. Consumer tax credits for advanced vehicles.
- Sec. 152. Credit for fuel-efficient motor vehicles.
- Sec. 153. Idling reduction tax credit.

## TITLE II—OIL AND GAS DEVELOPMENT

- Sec. 201. Production of oil and gas on outer Continental Shelf.
- Sec. 202. Implementation of inventory of outer Continental Shelf resources.
- Sec. 203. Offshore safety bureau.

## TITLE III—ALTERNATIVE FUEL DEPLOYMENT

## Subtitle A—Energy Provisions

- Sec. 301. Bioenergy research and development.
- Sec. 302. Alternative fueled automobile production requirement.
- Sec. 303. Definition of renewable biomass.
- Sec. 304. Loan guarantees for renewable fuel pipelines.

#### Subtitle B—Tax Provisions

- Sec. 311. Variable VEETC rate based on price of crude oil.
- Sec. 312. Extension of cellulosic biofuel producer credit through 2016.
- Sec. 313. Extension and modification of alternative fuel vehicle refueling property credit.
- Sec. 314. Extension of special depreciation allowance for cellulosic biofuel plant property.
- Sec. 315. Incentives for biodiesel and renewable diesel.
- Sec. 316. Alternative fuels excise tax credits.

### TITLE IV—CLEANER SOURCES OF ELECTRICITY

#### Subtitle A—Energy Provisions

- Sec. 401. Clean energy standard.
- Sec. 402. Large-scale carbon storage program.
- Sec. 403. Loan guarantees for nuclear power and other innovative sources.
- Sec. 404. Nuclear energy workforce.
- Sec. 405. Interagency Working Group to promote domestic manufacturing base for nuclear components and equipment.

#### Subtitle B—Tax Provisions

- Sec. 411. Seven-year amortization for certain systems installed on coal-fired electric generation units.
- Sec. 412. Credit for carbon sequestration from coal facilities.
- Sec. 413. Modifications to credit for carbon dioxide sequestration.
- Sec. 414. Clean energy coal bonds.
- Sec. 415. New clean renewable energy bonds.
- Sec. 416. Seven-year accelerated depreciation for new nuclear power facilities.
- Sec. 417. Long term extension of renewable electricity production credit.

### TITLE V—DOMESTIC ENERGY DEPLOYMENT

#### Subtitle A—Clean Energy Financing

- Sec. 501. Purpose.
- Sec. 502. Definitions.
- Sec. 503. Improvements to existing programs.
- Sec. 504. Energy technology deployment goals.
- Sec. 505. Clean Energy Deployment Administration.
- Sec. 506. Administration functions.
- Sec. 507. Federal Credit Authority.
- Sec. 508. General provisions.

#### Subtitle B—Tax Provisions

- Sec. 511. Advanced energy manufacturing credit.
- Sec. 512. Special rule for sales of electric transmission property.
- Sec. 513. Depreciation of natural gas distribution lines.
- Sec. 514. Credit for steel industry fuel.
- Sec. 515. Credit for producing fuel from coke or coke gas.

## TITLE VI—ENERGY EFFICIENCY

## Subtitle A—Rural Energy Savings Program

Sec. 601. Rural energy savings program.

## Subtitle B—Tax Provisions

Sec. 611. Energy-efficient commercial buildings.

Sec. 612. Energy-efficient new homes.

Sec. 613. Energy-efficient existing homes.

Sec. 614. Energy-efficient appliances.

## TITLE VII—ENERGY RESEARCH AND DEVELOPMENT

Sec. 701. Next Step Energy Storage Research Center.

Sec. 702. Nuclear power initiatives.

## TITLE VIII—BUDGETARY EFFECTS

Sec. 801. Budgetary effects.

1 **SEC. 2. DEFINITIONS.**

2 Except as otherwise provided in this Act, in this Act:

3 (1) **ALTERNATIVE FUEL.**—The term “alter-  
4 native fuel” has the meaning given the term in sec-  
5 tion 32901(a) of title 49, United States Code.

6 (2) **ALTERNATIVE FUELED AUTOMOBILE.**—The  
7 term “alternative fueled automobile” has the mean-  
8 ing given the term in section 32901(a) of title 49,  
9 United States Code.

10 (3) **MOTOR VEHICLE.**—The term “motor vehi-  
11 cle” means any vehicle that is manufactured pri-  
12 marily for use on public streets, roads, and highways  
13 (not including a vehicle operated exclusively on 1 or  
14 more rails) and that has at least 4 wheels.

15 (4) **SECRETARY.**—The term “Secretary” means  
16 the Secretary of Energy.

1 **TITLE I—ADVANCED VEHICLE**  
2 **DEPLOYMENT**

3 **Subtitle A—Energy Provisions**

4 **SEC. 101. RESEARCH AND DEVELOPMENT PROGRAM FOR**  
5 **ALTERNATIVE FUEL VEHICLE TECH-**  
6 **NOLOGIES.**

7 (a) PURPOSES.—The purposes of this section are—

8 (1) to enable and promote, in partnership with  
9 industry, comprehensive development, demonstra-  
10 tion, and commercialization of a wide range of alter-  
11 native fuel components, systems, and vehicles using  
12 diverse transportation technologies;

13 (2) to make critical public investments to help  
14 private industry, institutions of higher education,  
15 National Laboratories, and research institutions to  
16 expand innovation, industrial growth, and jobs in the  
17 United States;

18 (3) to expand the availability of the existing al-  
19 ternative fuel infrastructure for fueling light-duty  
20 transportation vehicles and other on-road and  
21 nonroad vehicles that are using petroleum and are  
22 mobile sources of emissions, with the goals of—

23 (A) enhancing the energy security of the  
24 United States;

1 (B) reducing dependence on imported oil;  
2 and

3 (C) reducing emissions through the expansion of alternative fuel supported mobility;

4 (4) to accelerate the widespread commercialization of alternative fuel vehicle technology into all  
5 sizes and applications of vehicles, including commercialization of alternative fuel vehicles; and

6 (5) to improve the energy efficiency of and reduce the petroleum use in surface transportation.

7 (b) PROGRAM.—The Secretary shall conduct a program of research, development, demonstration, and commercial application for alternative fuel transportation  
8 technology, including—

9 (1) high capacity, high-efficiency storage devices;

10 (2) high-efficiency on-board and off-board alternative fuel components;

11 (3) high-powered alternative fuel systems for passenger and commercial vehicles and for nonroad  
12 equipment;

13 (4) control system development and power train development and integration for alternative fuel  
14 vehicles, including—

1 (A) development of efficient cooling sys-  
2 tems;

3 (B) analysis and development of control  
4 systems that minimize the emissions profile  
5 when clean diesel engines are part of an alter-  
6 native fuel system; and

7 (C) development of different control sys-  
8 tems that optimize for different goals, includ-  
9 ing—

10 (i) storage life;

11 (ii) reduction of petroleum consump-  
12 tion; and

13 (iii) greenhouse gas reduction;

14 (5) nanomaterial technology applied to both al-  
15 ternative fuel components and systems;

16 (6) large-scale demonstrations, testing, and  
17 evaluation of alternative fuel vehicles in different ap-  
18 plications with different storage and control systems,  
19 including—

20 (A) the incremental cost of alternative fuel  
21 vehicles and alternative fuel systems;

22 (B) military applications;

23 (C) mass market passenger and light-duty  
24 truck applications;

25 (D) private fleet applications; and

1 (E) medium- and heavy-duty applications;

2 (7) advancement of alternative fuel transpor-  
3 tation technologies in mobile source applications  
4 by—

5 (A) improvement in alternative fuel tech-  
6 nologies; and

7 (B) working with industry and the Admin-  
8 istrator of the Environmental Protection Agen-  
9 cy to—

10 (i) understand and inventory markets;

11 and

12 (ii) identify and implement methods of  
13 removing barriers for existing and emerg-  
14 ing applications; and

15 (8) lightweight materials.

16 (c) FUNDING.—

17 (1) IN GENERAL.—Out of any funds in the  
18 Treasury not otherwise appropriated, the Secretary  
19 of the Treasury shall transfer to the Secretary to  
20 carry out this section, to remain available until ex-  
21 pended—

22 (A) on October 1, 2011, and each October  
23 1 thereafter through October 1, 2015,  
24 \$1,000,000,000; and



1 (B) on October 1, 2016, and each October  
2 1 thereafter through October 1, 2020,  
3 \$500,000,000.

4 (2) RECEIPT AND ACCEPTANCE.—The Sec-  
5 retary shall be entitled to receive, shall accept, and  
6 shall use to carry out this section the funds trans-  
7 ferred under paragraph (1), without further appro-  
8 priation.

9 **SEC. 102. FEDERAL FLEET REQUIREMENTS.**

10 (a) DEFINITION OF ALTERNATIVE FUELED VEHI-  
11 CLE.—Section 301(3) of the Energy Policy Act of 1992  
12 (42 U.S.C. 13211(3)) is amended by adding at the end  
13 the following:

14 “(C) EXCLUSION.—The term ‘alternative  
15 fueled vehicle’ does not include a dedicated ve-  
16 hicle that operates exclusively on gasoline or  
17 diesel fuel.”.

18 (b) MINIMUM FEDERAL FLEET REQUIREMENT.—  
19 Section 303(b)(1) of the Energy Policy Act of 1992 (42  
20 U.S.C. 13212(b)(1)) is amended—

21 (1) in subparagraph (C), by striking “and”  
22 after the semicolon at the end; and

23 (2) by striking subparagraph (D) through the  
24 period at the end and inserting the following:

1           “(D) 75 percent in each of fiscal years 1999  
2 through 2012;

3           “(E) 80 percent in each of fiscal years 2013  
4 through 2015;

5           “(F) 90 percent in each of fiscal years 2016  
6 through 2019; and

7           “(G) 100 percent in fiscal year 2020 and each  
8 fiscal year thereafter;

9 shall be alternative fueled vehicles.”.

10       (c) FLEXIBLE FUEL VEHICLES; COMPLIANCE.—Sec-  
11 tion 303(b) of the Energy Policy Act of 1992 (42 U.S.C.  
12 13212(b)) is amended—

13           (1) by redesignating paragraph (3) as para-  
14 graph (6); and

15           (2) by inserting after paragraph (2) the fol-  
16 lowing:

17           “(3) FLEXIBLE FUEL VEHICLES.—

18           “(A) DEFINITION OF FLEXIBLE FUEL VE-  
19 HICLE.—In this paragraph, the term ‘flexible  
20 fuel vehicle’ means an automobile that has been  
21 warranted by the manufacturer of the auto-  
22 mobile to operate on gasoline and fuel mixtures  
23 containing 15 percent gasoline and 85 percent  
24 ethanol or methanol.

1           “(B) MAXIMUM PERCENTAGE.—For model  
2           year 2015 and each model year thereafter, the  
3           Secretary shall, to the maximum extent prac-  
4           ticable, ensure that not more than 75 percent  
5           of vehicles acquired by a Federal fleet are flexi-  
6           ble fuel vehicles.

7           “(4) COMPLIANCE.—The Secretary shall mon-  
8           itor and report to Congress on the compliance of  
9           Federal agencies with the requirements of this sub-  
10          section, including the number and reasons for waiv-  
11          ers or reductions of percentages under this sub-  
12          section.”.

13 **SEC. 103. REFUELING INFRASTRUCTURE CORRIDORS.**

14          (a) NUMBER OF ELIGIBLE PROJECTS.—Section  
15          244(d)(1) of the Energy Independence and Security Act  
16          of 2007 (42 U.S.C. 17052(d)(1)) is amended by striking  
17          “10” and inserting “20”.

18          (b) REPORT.—Section 244 of the Energy Independ-  
19          ence and Security Act of 2007 (42 U.S.C. 17052) is  
20          amended—

21                  (1) by redesignating subsection (f) as sub-  
22                  section (g); and

23                  (2) by inserting after subsection (e) the fol-  
24                  lowing:

1       “(f) REPORT.—Not later than 2 years after the date  
2 on which grants are awarded under subsection (d), the  
3 Secretary shall submit to Congress a report on the feasi-  
4 bility and desirability of—

5           “(1) establishing a refueling infrastructure cor-  
6 ridor for each highway on the Interstate System (as  
7 defined in section 101(a) of title 23, United States  
8 Code); and

9           “(2) expanding the scope of this section to  
10 cover alternative fuels.”.

11 **SEC. 104. FEDERAL GOVERNMENT PETROLEUM CONSUMP-**  
12 **TION.**

13       (a) IN GENERAL.—Section 303(b) of the Energy Pol-  
14 icy Act of 1992 (42 U.S.C. 13212(b)) (as amended by sec-  
15 tion 102(e)) is amended by adding at the end the fol-  
16 lowing:

17           “(5) PETROLEUM CONSUMPTION.—The Sec-  
18 retary shall promulgate regulations for Federal  
19 fleets subject to this title requiring that, not later  
20 than fiscal year 2013, each Federal agency achieve  
21 at least a 5-percent reduction in petroleum consump-  
22 tion, as calculated from the baseline established by  
23 the Secretary for fiscal year 2011.”.

24       (b) ADDITIONAL GASOLINE REDUCTION MEAS-  
25 URES.—

1           (1) STUDY.—The Comptroller General of the  
2           United States shall conduct a study to determine  
3           whether additional gasoline reduction measures by  
4           Federal departments, agencies, and Congress are  
5           technically feasible.

6           (2) REPORT.—Not later than 180 days after  
7           the date of enactment of this Act, the Comptroller  
8           General shall submit to Congress a report that de-  
9           scribes the results of the study, including any rec-  
10          ommendations.

11 **SEC. 105. DETERMINATION OF STANDARDS BY SECRETARY**  
12                           **OF ENERGY FOR IDLING REDUCTION DE-**  
13                           **VICES.**

14          Not later than 180 days after the date of the enact-  
15          ment of this Act and in order to reduce air pollution and  
16          fuel consumption, the Administrator of the Environmental  
17          Protection Agency, in consultation with the Secretary of  
18          Energy and the Secretary of Transportation, shall publish  
19          the standards under which the Administrator, in consulta-  
20          tion with the Secretary of Energy and the Secretary of  
21          Transportation, will, for purposes of section 45Q of the  
22          Internal Revenue Code of 1986 (as added by this Act),  
23          determine the idling reduction devices which will reduce  
24          long-duration idling of vehicles at motor vehicle rest stops  
25          or other locations where such vehicles are temporarily

1 parked or remain stationary in order to reduce air pollu-  
2 tion and fuel consumption.

3 **Subtitle B—Promoting Electric**  
4 **Vehicles**

5 **SEC. 111. DEFINITIONS.**

6 In this subtitle:

7 (1) AGENCY.—The term “agency” has the  
8 meaning given the term “Executive agency” in sec-  
9 tion 105 of title 5, United States Code.

10 (2) CHARGING INFRASTRUCTURE.—The term  
11 “charging infrastructure” means any property (not  
12 including a building) if the property is used for the  
13 recharging of plug-in electric drive vehicles, includ-  
14 ing electrical panel upgrades, wiring, conduit,  
15 trenching, pedestals, and related equipment.

16 (3) COMMITTEE.—The term “Committee”  
17 means the Plug-In Electric Drive Vehicle Technical  
18 Advisory Committee established by section 144.

19 (4) DEPLOYMENT COMMUNITY.—The term “de-  
20 ployment community” means a community selected  
21 by the Secretary to be part of the targeted plug-in  
22 electric drive vehicles deployment communities pro-  
23 gram under section 126.

24 (5) ELECTRIC UTILITY.—The term “electric  
25 utility” has the meaning given the term in section

1 3 of the Public Utility Regulatory Policies Act of  
2 1978 (16 U.S.C. 2602).

3 (6) FEDERAL-AID SYSTEM OF HIGHWAYS.—The  
4 term “Federal-aid system of highways” means a  
5 highway system described in section 103 of title 23,  
6 United States Code.

7 (7) PLUG-IN ELECTRIC DRIVE VEHICLE.—

8 (A) IN GENERAL.—The term “plug-in elec-  
9 tric drive vehicle” has the meaning given the  
10 term in section 131(a)(5) of the Energy Inde-  
11 pendence and Security Act of 2007 (42 U.S.C.  
12 17011(a)(5)).

13 (B) INCLUSIONS.—The term “plug-in elec-  
14 tric drive vehicle” includes—

15 (i) low speed plug-in electric drive ve-  
16 hicles that meet the Federal Motor Vehicle  
17 Safety Standards described in section  
18 571.500 of title 49, Code of Federal Regu-  
19 lations (or successor regulations); and

20 (ii) any other electric drive motor ve-  
21 hicle that can be recharged from an exter-  
22 nal source of motive power and that is au-  
23 thorized to travel on the Federal-aid sys-  
24 tem of highways.

1           (8) PRIZE.—The term “Prize” means the Ad-  
2           vanced Batteries for Tomorrow Prize established by  
3           section 132.

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

6           (10) TASK FORCE.—The term “Task Force”  
7           means the Plug-in Electric Drive Vehicle Inter-  
8           agency Task Force established by section 145.

9           **PART I—NATIONAL PLUG-IN ELECTRIC DRIVE**  
10           **VEHICLE DEPLOYMENT PROGRAM.**

11           **SEC. 121. NATIONAL PLUG-IN ELECTRIC DRIVE VEHICLE**  
12           **DEPLOYMENT PROGRAM.**

13           (a) IN GENERAL.—There is established within the  
14           Department of Energy a national plug-in electric drive ve-  
15           hicle deployment program for the purpose of assisting in  
16           the deployment of plug-in electric drive vehicles.

17           (b) GOALS.—The goals of the national program de-  
18           scribed in subsection (a) include—

19           (1) the reduction and displacement of petro-  
20           leum use by accelerating the deployment of plug-in  
21           electric drive vehicles in the United States;

22           (2) the reduction of greenhouse gas emissions  
23           by accelerating the deployment of plug-in electric  
24           drive vehicles in the United States;



1           (3) the facilitation of the rapid deployment of  
2 plug-in electric drive vehicles;

3           (4) the achievement of significant market pene-  
4 trations by plug-in electric drive vehicles nationally;

5           (5) the establishment of models for the rapid  
6 deployment of plug-in electric drive vehicles nation-  
7 ally, including models for the deployment of residen-  
8 tial, private, and publicly available charging infra-  
9 structure;

10          (6) the increase of consumer knowledge and ac-  
11 ceptance of plug-in electric drive vehicles;

12          (7) the encouragement of the innovation and in-  
13 vestment necessary to achieve mass market deploy-  
14 ment of plug-in electric drive vehicles;

15          (8) the facilitation of the integration of plug-in  
16 electric drive vehicles into electricity distribution sys-  
17 tems and the larger electric grid while maintaining  
18 grid system performance and reliability;

19          (9) the provision of technical assistance to com-  
20 munities across the United States to prepare for  
21 plug-in electric drive vehicles; and

22          (10) the support of workforce training across  
23 the United States relating to plug-in electric drive  
24 vehicles.

1 (c) DUTIES.—In carrying out this subtitle, the Sec-  
2 retary shall—

3 (1) provide technical assistance to State, local,  
4 and tribal governments that want to create deploy-  
5 ment programs for plug-in electric drive vehicles in  
6 the communities over which the governments have  
7 jurisdiction;

8 (2) perform national assessments of the poten-  
9 tial deployment of plug-in electric drive vehicles  
10 under section 122;

11 (3) synthesize and disseminate data from the  
12 deployment of plug-in electric drive vehicles;

13 (4) develop best practices for the successful de-  
14 ployment of plug-in electric drive vehicles;

15 (5) carry out workforce training under section  
16 124;

17 (6) establish the targeted plug-in electric drive  
18 vehicle deployment communities program under sec-  
19 tion 126; and

20 (7) in conjunction with the Task Force, make  
21 recommendations to Congress and the President on  
22 methods to reduce the barriers to plug-in electric  
23 drive vehicle deployment.

24 (d) REPORT.—Not later than 18 months after the  
25 date of enactment of this Act and biennially thereafter,

1 the Secretary shall submit to the appropriate committees  
2 of Congress a report on the progress made in imple-  
3 menting the national program described in subsection (a)  
4 that includes—

5 (1) a description of the progress made by—

6 (A) the technical assistance program under  
7 section 123; and

8 (B) the workforce training program under  
9 section 124; and

10 (2) any updated recommendations of the Sec-  
11 retary for changes in Federal programs to promote  
12 the purposes of this subtitle.

13 (e) NATIONAL INFORMATION CLEARINGHOUSE.—

14 The Secretary shall make available to the public, in a  
15 timely manner, information regarding—

16 (1) the cost, performance, usage data, and tech-  
17 nical data regarding plug-in electric drive vehicles  
18 and associated infrastructure, including information  
19 from the deployment communities established under  
20 section 126; and

21 (2) any other educational information that the  
22 Secretary determines to be appropriate.

23 (f) AUTHORIZATION OF APPROPRIATIONS.—For the  
24 period of fiscal years 2011 through 2016, there are au-

1 thORIZED TO BE APPROPRIATED \$100,000,000 TO CARRY OUT SEC-  
2 TIONS 121 THROUGH 123.

3 **SEC. 122. NATIONAL ASSESSMENT AND PLAN.**

4 (a) IN GENERAL.—Not later than 2 years after the  
5 date of enactment of this Act, the Secretary shall carry  
6 out a national assessment and develop a national plan for  
7 plug-in electric drive vehicle deployment that includes—

8 (1) an assessment of the maximum feasible de-  
9 ployment of plug-in electric drive vehicles by 2020  
10 and 2030;

11 (2) the establishment of national goals for mar-  
12 ket penetration of plug-in electric drive vehicles by  
13 2020 and 2030;

14 (3) a plan for integrating the successes and  
15 barriers to deployment identified by the deployment  
16 communities program established under section 126  
17 to prepare communities across the Nation for the  
18 rapid deployment of plug-in electric drive vehicles;

19 (4) a plan for providing technical assistance to  
20 communities across the United States to prepare for  
21 plug-in electric drive vehicle deployment;

22 (5) a plan for quantifying the reduction in pe-  
23 troleum consumption and the net impact on green-  
24 house gas emissions due to the deployment of plug-  
25 in electric drive vehicles; and

1           (6) in consultation with the Task Force, any  
2           recommendations to the President and to Congress  
3           for changes in Federal programs (including laws,  
4           regulations, and guidelines)—

5                   (A) to better promote the deployment of  
6                   plug-in electric drive vehicles; and

7                   (B) to reduce barriers to the deployment of  
8                   plug-in electric drive vehicles.

9           (b) UPDATES.—Not later than 2 years after the date  
10          of development of the plan described in subsection (a), and  
11          not less frequently than once every 2 years thereafter, the  
12          Secretary shall use market data and information from the  
13          targeted plug-in electric drive vehicle deployment commu-  
14          nities program established under section 126 and other  
15          relevant data to update the plan to reflect real world mar-  
16          ket conditions.

17          **SEC. 123. TECHNICAL ASSISTANCE.**

18           (a) TECHNICAL ASSISTANCE TO STATE, LOCAL, AND  
19          TRIBAL GOVERNMENTS.—

20                   (1) IN GENERAL.—In carrying out this subtitle,  
21                   the Secretary shall provide, at the request of the  
22                   Governor, Mayor, county executive, or the designee  
23                   of such an official, technical assistance to State,  
24                   local, and tribal governments to assist with the de-  
25                   ployment of plug-in electric drive vehicles.

1           (2) REQUIREMENTS.—The technical assistance  
2 described in paragraph (1) shall include—

3           (A) training on codes and standards for  
4 building and safety inspectors;

5           (B) training on best practices for exped-  
6 iting permits and inspections;

7           (C) education and outreach on frequently  
8 asked questions relating to the various types of  
9 plug-in electric drive vehicles and associated in-  
10 frastructure, battery technology, and disposal;  
11 and

12           (D) the dissemination of information re-  
13 garding best practices for the deployment of  
14 plug-in electric drive vehicles.

15           (3) PRIORITY.—In providing technical assist-  
16 ance under this subsection, the Secretary shall give  
17 priority to—

18           (A) communities that have established  
19 public and private partnerships, including part-  
20 nerships comprised of—

21           (i) elected and appointed officials  
22 from each of the participating State, local,  
23 and tribal governments;

24           (ii) relevant generators and distribu-  
25 tors of electricity;

1 (iii) public utility commissions;

2 (iv) departments of public works and  
3 transportation;

4 (v) owners and operators of property  
5 that will be essential to the deployment of  
6 a sufficient level of publicly available  
7 charging infrastructure (including privately  
8 owned parking lots or structures and com-  
9 mercial entities with public access loca-  
10 tions);

11 (vi) plug-in electric drive vehicle man-  
12 ufacturers or retailers;

13 (vii) third-party providers of charging  
14 infrastructure or services;

15 (viii) owners of any major fleet that  
16 will participate in the program;

17 (ix) as appropriate, owners and opera-  
18 tors of regional electric power distribution  
19 and transmission facilities; and

20 (x) other existing community coali-  
21 tions recognized by the Department of En-  
22 ergy;

23 (B) communities that, as determined by  
24 the Secretary, have best demonstrated that the  
25 public is likely to embrace plug-in electric drive

1 vehicles, giving particular consideration to com-  
2 munities that—

3 (i) have documented waiting lists to  
4 purchase plug-in electric drive vehicles;

5 (ii) have developed projections of the  
6 quantity of plug-in electric drive vehicles  
7 supplied to dealers; and

8 (iii) have assessed the quantity of  
9 charging infrastructure installed or for  
10 which permits have been issued;

11 (C) communities that have shown a com-  
12 mitment to serving diverse consumer charging  
13 infrastructure needs, including the charging in-  
14 frastructure needs for single- and multi-family  
15 housing and public and privately owned com-  
16 mercial infrastructure; and

17 (D) communities that have established reg-  
18 ulatory and educational efforts to facilitate con-  
19 sumer acceptance of plug-in electric drive vehi-  
20 cles, including by—

21 (i) adopting (or being in the process  
22 of adopting) streamlined permitting and  
23 inspections processes for residential charg-  
24 ing infrastructure; and



1 (ii) providing customer informational  
2 resources, including providing plug-in elec-  
3 tric drive information on community or  
4 other Web sites.

5 (4) BEST PRACTICES.—The Secretary shall col-  
6 lect and disseminate information to State, local, and  
7 tribal governments creating plans to deploy plug-in  
8 electric drive vehicles on best practices (including  
9 codes and standards) that uses data from—

10 (A) the program established by section  
11 126;

12 (B) the activities carried out by the Task  
13 Force; and

14 (C) existing academic and industry studies  
15 of the factors that contribute to the successful  
16 deployment of new technologies, particularly  
17 studies relating to alternative fueled vehicles.

18 (5) GRANTS.—

19 (A) IN GENERAL.—The Secretary shall es-  
20 tablish a program to provide grants to State,  
21 local, and tribal governments or to partnerships  
22 of government and private entities to assist the  
23 governments and partnerships—

24 (i) in preparing a community deploy-  
25 ment plan under section 126; and

1 (ii) in preparing and implementing  
2 programs that support the deployment of  
3 plug-in electric drive vehicles.

4 (B) APPLICATION.—A State, local, or trib-  
5 al government that seeks to receive a grant  
6 under this paragraph shall submit to the Sec-  
7 retary an application for the grant at such  
8 time, in such form, and containing such infor-  
9 mation as the Secretary may prescribe.

10 (C) USE OF FUNDS.—A State, local, or  
11 tribal government receiving a grant under this  
12 paragraph shall use the funds—

13 (i) to develop a community deploy-  
14 ment plan that shall be submitted to the  
15 next available competition under section  
16 126; and

17 (ii) to carry out activities that encour-  
18 age the deployment of plug-in electric drive  
19 vehicles including—

20 (I) planning for and installing  
21 charging infrastructure, particularly  
22 to develop and demonstrate diverse  
23 and cost-effective planning, installa-  
24 tion, and operations options for de-  
25 ployment of single family and multi-

1 family residential, workplace, and  
2 publicly available charging infrastruc-  
3 ture;

4 (II) updating building, zoning, or  
5 parking codes and permitting or in-  
6 spection processes;

7 (III) workforce training, includ-  
8 ing the training of permitting offi-  
9 cials;

10 (IV) public education described  
11 in the proposed marketing plan;

12 (V) shifting State, local, or tribal  
13 government fleets to plug-in electric  
14 drive vehicles, at a rate in excess of  
15 the existing alternative fueled fleet ve-  
16 hicles acquisition requirements for  
17 Federal fleets under section  
18 303(b)(1)(D) of the Energy Policy  
19 Act of 1992 (42 U.S.C.  
20 13212(b)(1)(D)); and

21 (VI) any other activities, as de-  
22 termined to be necessary by the Sec-  
23 retary.

24 (D) CRITERIA.—The Secretary shall de-  
25 velop and publish criteria for the selection of

1 technical assistance grants, including require-  
2 ments for the submission of applications under  
3 this paragraph.

4 (E) AUTHORIZATION OF APPROPRIA-  
5 TIONS.—There are authorized to be appro-  
6 priated such sums as are necessary to carry out  
7 this paragraph.

8 (b) UPDATING MODEL BUILDING CODES, PERMIT-  
9 TING AND INSPECTION PROCESSES, AND ZONING OR  
10 PARKING RULES.—

11 (1) IN GENERAL.—Not later than 1 year after  
12 the date of enactment of this Act, the Secretary, in  
13 consultation with the American Society of Heating,  
14 Refrigerating and Air-Conditioning Engineers, the  
15 International Code Council, and any other organiza-  
16 tions that the Secretary determines to be appro-  
17 priate, shall develop and publish guidance for—

18 (A) model building codes for the inclusion  
19 of separate circuits for charging infrastructure,  
20 as appropriate, in new construction and major  
21 renovations of private residences, buildings, or  
22 other structures that could provide publicly  
23 available charging infrastructure;

24 (B) model construction permitting or in-  
25 spection processes that allow for the expedited

1 installation of charging infrastructure for pur-  
2 chasers of plug-in electric drive vehicles (includ-  
3 ing a permitting process that allows a vehicle  
4 purchaser to have charging infrastructure in-  
5 stalled not later than 1 week after a request);  
6 and

7 (C) model zoning, parking rules, or other  
8 local ordinances that—

9 (i) facilitate the installation of pub-  
10 licly available charging infrastructure, in-  
11 cluding commercial entities that provide  
12 public access to infrastructure; and

13 (ii) allow for access to publicly avail-  
14 able charging infrastructure.

15 (2) OPTIONAL ADOPTION.—An applicant for se-  
16 lection for technical assistance under this section or  
17 as a deployment community under section 126 shall  
18 not be required to use the model building codes, per-  
19 mitting and inspection processes, or zoning, parking  
20 rules, or other ordinances included in the report  
21 under paragraph (1).

22 (3) SMART GRID INTEGRATION.—In developing  
23 the model codes or ordinances described in para-  
24 graph (1), the Secretary shall consider smart grid  
25 integration.

1 **SEC. 124. WORKFORCE TRAINING.**

2 (a) MAINTENANCE AND SUPPORT.—

3 (1) IN GENERAL.—The Secretary, in consulta-  
4 tion with the Committee and the Task Force, shall  
5 award grants to institutions of higher education and  
6 other qualified training and education institutions  
7 for the establishment of programs to provide train-  
8 ing and education for vocational workforce develop-  
9 ment through centers of excellence.

10 (2) PURPOSE.—Training funded under this  
11 subsection shall be intended to ensure that the work-  
12 force has the necessary skills needed to work on and  
13 maintain plug-in electric drive vehicles and the infra-  
14 structure required to support plug-in electric drive  
15 vehicles.

16 (3) SCOPE.—Training funded under this sub-  
17 section shall include training for—

18 (A) first responders;

19 (B) electricians and contractors who will  
20 be installing infrastructure;

21 (C) engineers;

22 (D) code inspection officials; and

23 (E) dealers and mechanics.

24 (b) DESIGN.—The Secretary shall award grants to  
25 institutions of higher education and other qualified train-  
26 ing and education institutions for the establishment of

1 programs to provide training and education in designing  
2 plug-in electric drive vehicles and associated components  
3 and infrastructure to ensure that the United States can  
4 lead the world in this field.

5 (c) AUTHORIZATION OF APPROPRIATIONS.—There is  
6 authorized to be appropriated \$150,000,000 to carry out  
7 this section.

8 **SEC. 125. FEDERAL FLEETS.**

9 (a) IN GENERAL.—Electricity consumed by Federal  
10 agencies to fuel plug-in electric drive vehicles—

11 (1) is an alternative fuel (as defined in section  
12 301 of the Energy Policy Act of 1992 (42 U.S.C.  
13 13218)); and

14 (2) shall be accounted for under Federal fleet  
15 management reporting requirements, not under Fed-  
16 eral building management reporting requirements.

17 (b) ASSESSMENT AND REPORT.—Not later than 180  
18 days after the date of enactment of this Act and every  
19 3 years thereafter, the Federal Energy Management Pro-  
20 gram and the General Services Administration, in con-  
21 sultation with the Task Force, shall complete an assess-  
22 ment of Federal Government fleets, including the Postal  
23 Service and the Department of Defense, and submit a re-  
24 port to Congress that describes—

1           (1) for each Federal agency, which types of ve-  
2           hicles the agency uses that would or would not be  
3           suitable for near-term and medium-term conversion  
4           to plug-in electric drive vehicles, taking into account  
5           the types of vehicles for which plug-in electric drive  
6           vehicles could provide comparable functionality and  
7           lifecycle costs;

8           (2) how many plug-in electric drive vehicles  
9           could be deployed by the Federal Government in 5  
10          years and in 10 years, assuming that plug-in electric  
11          drive vehicles are available and are purchased when  
12          new vehicles are needed or existing vehicles are re-  
13          placed;

14          (3) the estimated cost to the Federal Govern-  
15          ment for vehicle purchases under paragraph (2); and

16          (4) a description of any updates to the assess-  
17          ment based on new market data.

18          (c) INVENTORY AND DATA COLLECTION.—

19               (1) IN GENERAL.—In carrying out the assess-  
20               ment and report under subsection (b), the Federal  
21               Energy Management Program, in consultation with  
22               the General Services Administration, shall—

23                       (A) develop an information request for  
24                       each agency that operates a fleet of at least 20  
25                       motor vehicles; and



1 (B) establish guidelines for each agency to  
2 use in developing a plan to deploy plug-in elec-  
3 tric drive vehicles.

4 (2) AGENCY RESPONSES.—Each agency that  
5 operates a fleet of at least 20 motor vehicles shall—

6 (A) collect information on the vehicle fleet  
7 of the agency in response to the information re-  
8 quest described in paragraph (1); and

9 (B) develop a plan to deploy plug-in elec-  
10 tric drive vehicles.

11 (3) ANALYSIS OF RESPONSES.—The Federal  
12 Energy Management Program shall—

13 (A) analyze the information submitted by  
14 each agency under paragraph (2);

15 (B) approve or suggest amendments to the  
16 plan of each agency to ensure that the plan is  
17 consistent with the goals and requirements of  
18 this Act; and

19 (C) submit a plan to Congress and the  
20 General Services Administration to be used in  
21 developing the pilot program described in sub-  
22 section (e).

23 (d) BUDGET REQUEST.—Each agency of the Federal  
24 Government shall include plug-in electric drive vehicle pur-  
25 chases identified in the report under subsection (b) in the

1 budget of the agency to be included in the budget of the  
2 United States Government submitted by the President  
3 under section 1105 of title 31, United States Code.

4 (e) PILOT PROGRAM TO DEPLOY PLUG-IN ELECTRIC  
5 DRIVE VEHICLES IN THE FEDERAL FLEET.—

6 (1) IN GENERAL.—The Administrator of Gen-  
7 eral Services shall acquire plug-in electric drive vehi-  
8 cles and the requisite charging infrastructure to be  
9 deployed in a range of locations in Federal Govern-  
10 ment fleets, which may include the United States  
11 Postal Service and the Department of Defense, dur-  
12 ing the 5-year period beginning on the date of enact-  
13 ment of this Act.

14 (2) DATA COLLECTION.—The Administrator of  
15 General Services shall collect data regarding—

16 (A) the cost, performance, and use of plug-  
17 in electric drive vehicles in the Federal fleet;

18 (B) the deployment and integration of  
19 plug-in electric drive vehicles in the Federal  
20 fleet; and

21 (C) the contribution of plug-in electric  
22 drive vehicles in the Federal fleet toward reduc-  
23 ing the use of fossil fuels and greenhouse gas  
24 emissions.

1           (3) REPORT.—Not later than 6 years after the  
2 date of enactment of this Act, the Administrator of  
3 General Services shall submit to the appropriate  
4 committees of Congress a report that—

5                   (A) describes the status of plug-in electric  
6 drive vehicles in the Federal fleet; and

7                   (B) includes an analysis of the data col-  
8 lected under this subsection.

9           (4) PUBLIC WEB SITE.—The Federal Energy  
10 Management Program shall maintain and regularly  
11 update a publicly available Web site that provides in-  
12 formation on the status of plug-in electric drive vehi-  
13 cles in the Federal fleet.

14           (f) ACQUISITION PRIORITY.—Section 507(g) of the  
15 Energy Policy Act of 1992 (42 U.S.C. 13257(g)) is  
16 amended by adding at the end the following:

17                   “(5) PRIORITY.—The Secretary shall, to the  
18 maximum extent practicable, prioritize the acquisi-  
19 tion of plug-in electric drive vehicles (as defined in  
20 section 131(a) of the Energy Independence and Se-  
21 curity Act of 2007 (42 U.S.C. 17011(a)) over non-  
22 electric alternative fueled vehicles.”.

23           (g) AUTHORIZATION OF APPROPRIATIONS.—There is  
24 authorized to be appropriated for the Federal Government  
25 to pay for incremental costs to purchase or lease plug-

1 in electric drive vehicles and the requisite charging infra-  
2 structure for Federal fleets \$25,000,000.

3 **SEC. 126. TARGETED PLUG-IN ELECTRIC DRIVE VEHICLE**  
4 **DEPLOYMENT COMMUNITIES PROGRAM.**

5 (a) ESTABLISHMENT.—

6 (1) IN GENERAL.—There is established within  
7 the national plug-in electric drive deployment pro-  
8 gram established under section 121 a targeted plug-  
9 in electric drive vehicle deployment communities pro-  
10 gram (referred to in this section as the “Program”).

11 (2) EXISTING ACTIVITIES.—In carrying out the  
12 Program, the Secretary shall coordinate and supple-  
13 ment, not supplant, any ongoing plug-in electric  
14 drive deployment activities under section 131 of the  
15 Energy Independence and Security Act of 2007 (42  
16 U.S.C. 17011).

17 (3) PHASE 1.—

18 (A) IN GENERAL.—The Secretary shall es-  
19 tablish a competitive process to select phase 1  
20 deployment communities for the Program.

21 (B) ELIGIBLE ENTITIES.—In selecting  
22 participants for the Program under paragraph  
23 (1), the Secretary shall only consider applica-  
24 tions submitted by State, tribal, or local govern-

1           ment entities (or groups of State, tribal, or  
2           local government entities).

3           (C) SELECTION.—Not later than 1 year  
4           after the date of enactment of this Act and not  
5           later than 1 year after the date on which any  
6           subsequent amounts are appropriated for the  
7           Program, the Secretary shall select the phase 1  
8           deployment communities under this paragraph.

9           (D) TERMINATION.—Phase 1 of the Pro-  
10          gram shall be carried out for a 3-year period  
11          beginning on the date funding under this sub-  
12          title is first provided to the deployment commu-  
13          nity.

14          (4) PHASE 2.—Not later than 3 years after the  
15          date of enactment of this Act, the Secretary shall  
16          submit to Congress a report that analyzes the les-  
17          sons learned in phase I and, if, based on the phase  
18          I analysis, the Secretary determines that a phase II  
19          program is warranted, makes recommendations and  
20          describes a plan for phase II, including—

21                  (A) recommendations regarding—

22                          (i) options for the number of addi-  
23                          tional deployment communities that should  
24                          be selected;

1 (ii) the manner in which criteria for  
2 selection should be updated;

3 (iii) the manner in which incentive  
4 structures for phase 2 deployment should  
5 be changed; and

6 (iv) whether other forms of onboard  
7 energy storage for electric drive vehicles,  
8 such as fuel cells, should be included in  
9 phase 2; and

10 (B) a request for appropriations to imple-  
11 ment phase 2 of the Program.

12 (b) GOALS.—The goals of the Program are—

13 (1) to facilitate the rapid deployment of plug-  
14 in electric drive vehicles, including—

15 (A) the deployment of 400,000 plug-in  
16 electric drive vehicles in phase 1 in the deploy-  
17 ment communities selected under paragraph  
18 (2);

19 (B) the near-term achievement of signifi-  
20 cant market penetration in deployment commu-  
21 nities; and

22 (C) supporting the achievement of signifi-  
23 cant market penetration nationally;

24 (2) to establish models for the rapid deployment  
25 of plug-in electric drive vehicles nationally, including

1 for the deployment of single-family and multifamily  
2 residential, workplace, and publicly available charg-  
3 ing infrastructure;

4 (3) to increase consumer knowledge and accept-  
5 ance of, and exposure to, plug-in electric drive vehi-  
6 cles;

7 (4) to encourage the innovation and investment  
8 necessary to achieve mass market deployment of  
9 plug-in electric drive vehicles;

10 (5) to demonstrate the integration of plug-in  
11 electric drive vehicles into electricity distribution sys-  
12 tems and the larger electric grid while maintaining  
13 or improving grid system performance and reli-  
14 ability;

15 (6) to demonstrate protocols and communica-  
16 tion standards that facilitate vehicle integration into  
17 the grid and provide seamless charging for con-  
18 sumers traveling through multiple utility distribution  
19 systems;

20 (7) to investigate differences among deployment  
21 communities and to develop best practices for imple-  
22 menting vehicle electrification in various commu-  
23 nities, including best practices for planning for and  
24 facilitating the construction of residential, work-

1 place, and publicly available infrastructure to sup-  
2 port plug-in electric drive vehicles;

3 (8) to collect comprehensive data on the pur-  
4 chase and use of plug-in electric drive vehicles, in-  
5 cluding charging profile data at unit and aggregate  
6 levels, to inform best practices for rapidly deploying  
7 plug-in electric drive vehicles in other locations, in-  
8 cluding for the installation of charging infrastruc-  
9 ture;

10 (9) to reduce and displace petroleum use and  
11 reduce greenhouse gas emissions by accelerating the  
12 deployment of plug-in electric drive vehicles in the  
13 United States; and

14 (10) to increase domestic manufacturing capac-  
15 ity and commercialization in a manner that will es-  
16 tablish the United States as a world leader in plug-  
17 in electric drive vehicle technologies.

18 (c) PHASE 1 DEPLOYMENT COMMUNITY SELECTION

19 CRITERIA.—

20 (1) IN GENERAL.—The Secretary shall ensure,  
21 to the maximum extent practicable, that selected de-  
22 ployment communities in phase 1 serve as models of  
23 deployment for various communities across the  
24 United States.



1           (2) SELECTION.—In selecting communities  
2 under this section, the Secretary—

3           (A) shall ensure, to the maximum extent  
4 practicable, that—

5           (i) the combination of selected com-  
6 munities is diverse in population density,  
7 demographics, urban and suburban com-  
8 position, typical commuting patterns, cli-  
9 mate, and type of utility (including inves-  
10 tor-owned, publicly owned, cooperatively  
11 owned, distribution-only, and vertically in-  
12 tegrated utilities);

13           (ii) the combination of selected com-  
14 munities is diverse in geographic distribu-  
15 tion, and at least 1 deployment community  
16 is located in each Petroleum Administra-  
17 tion for Defense District;

18           (iii) at least 1 community selected has  
19 a population of less than 125,000;

20           (iv) grants are of a sufficient amount  
21 such that each deployment community will  
22 achieve significant market penetration; and

23           (v) the deployment communities are  
24 representative of other communities across  
25 the United States;

1 (B) is encouraged to select a combination  
2 of deployment communities that includes mul-  
3 tiple models or approaches for deploying plug-  
4 in electric drive vehicles that the Secretary be-  
5 lieves are reasonably likely to be effective, in-  
6 cluding multiple approaches to the deployment  
7 of charging infrastructure;

8 (C) in addition to the criteria described in  
9 subparagraph (A), may give preference to appli-  
10 cants proposing a greater non-Federal cost  
11 share; and

12 (D) when considering deployment commu-  
13 nity plans, shall take into account previous De-  
14 partment of Energy and other Federal invest-  
15 ments to ensure that the maximum domestic  
16 benefit from Federal investments is realized.

17 (3) CRITERIA.—

18 (A) IN GENERAL.—Not later than 120  
19 days after the date of enactment of this Act,  
20 and not later than 90 days after the date on  
21 which any subsequent amounts are appro-  
22 priated for the Program, the Secretary shall  
23 publish criteria for the selection of deployment  
24 communities that include requirements that ap-  
25 plications be submitted by a State, tribal, or

1 local government entity (or groups of State,  
2 tribal, or local government entities).

3 (B) APPLICATION REQUIREMENTS.—The  
4 criteria published by the Secretary under sub-  
5 paragraph (A) shall include application require-  
6 ments that, at a minimum, include—

7 (i) goals for—

8 (I) the number of plug-in electric  
9 drive vehicles to be deployed in the  
10 community;

11 (II) the expected percentage of  
12 light-duty vehicle sales that would be  
13 sales of plug-in electric drive vehicles;  
14 and

15 (III) the adoption of plug-in elec-  
16 tric drive vehicles (including medium-  
17 or heavy-duty vehicles) in private and  
18 public fleets during the 3-year dura-  
19 tion of the Program;

20 (ii) data that demonstrate that—

21 (I) the public is likely to embrace  
22 plug-in electric drive vehicles, which  
23 may include—

24 (aa) the quantity of plug-in  
25 electric drive vehicles purchased;

- 1 (bb) the number of individ-  
2 uals on a waiting list to purchase  
3 a plug-in electric drive vehicle;
- 4 (cc) projections of the quan-  
5 tity of plug-in electric drive vehi-  
6 cles supplied to dealers; and
- 7 (dd) any assessment of the  
8 quantity of charging infrastruc-  
9 ture installed or for which per-  
10 mits have been issued; and
- 11 (II) automobile manufacturers  
12 and dealers will be able to provide and  
13 service the targeted number of plug-in  
14 electric drive vehicles in the commu-  
15 nity for the duration of the program;
- 16 (iii) clearly defined geographic bound-  
17 aries of the proposed deployment area;
- 18 (iv) a community deployment plan for  
19 the deployment of plug-in electric drive ve-  
20 hicles, charging infrastructure, and serv-  
21 ices in the deployment community;
- 22 (v) assurances that a majority of the  
23 vehicle deployments anticipated in the plan  
24 will be personal vehicles authorized to trav-  
25 el on the United States Federal-aid system

1 of highways, and secondarily, private or  
2 public sector plug-in electric drive fleet ve-  
3 hicles, but may also include—

4 (I) medium- and heavy-duty  
5 plug-in hybrid vehicles;

6 (II) low speed plug-in electric  
7 drive vehicles that meet Federal  
8 Motor Vehicle Safety Standards de-  
9 scribed in section 571.500 of title 49,  
10 Code of Federal Regulations; and

11 (III) any other plug-in electric  
12 drive vehicle authorized to travel on  
13 the United States Federal-aid system  
14 of highways; and

15 (vi) any other merit-based criteria, as  
16 determined by the Secretary.

17 (4) COMMUNITY DEPLOYMENT PLANS.—Plans  
18 for the deployment of plug-in electric drive vehicles  
19 shall include—

20 (A) a proposed level of cost sharing in ac-  
21 cordance with subsection (d)(2)(C);

22 (B) documentation demonstrating a sub-  
23 stantial partnership with relevant stakeholders,  
24 including—

- 1 (i) a list of stakeholders that in-  
2 cludes—
- 3 (I) elected and appointed officials  
4 from each of the participating State,  
5 local, and tribal governments;
- 6 (II) all relevant generators and  
7 distributors of electricity;
- 8 (III) State utility regulatory au-  
9 thorities;
- 10 (IV) departments of public works  
11 and transportation;
- 12 (V) owners and operators of  
13 property that will be essential to the  
14 deployment of a sufficient level of  
15 publicly available charging infrastruc-  
16 ture (including privately owned park-  
17 ing lots or structures and commercial  
18 entities with public access locations);
- 19 (VI) plug-in electric drive vehicle  
20 manufacturers or retailers;
- 21 (VII) third-party providers of  
22 residential, workplace, private, and  
23 publicly available charging infrastruc-  
24 ture or services;

1 (VIII) owners of any major fleet  
2 that will participate in the program;

3 (IX) as appropriate, owners and  
4 operators of regional electric power  
5 distribution and transmission facili-  
6 ties; and

7 (X) as appropriate, other existing  
8 community coalitions recognized by  
9 the Department of Energy;

10 (ii) evidence of the commitment of the  
11 stakeholders to participate in the partner-  
12 ship;

13 (iii) a clear description of the role and  
14 responsibilities of each stakeholder; and

15 (iv) a plan for continuing the engage-  
16 ment and participation of the stakeholders,  
17 as appropriate, throughout the implemen-  
18 tation of the deployment plan;

19 (C) a description of the number of plug-in  
20 electric drive vehicles anticipated to be plug-in  
21 electric drive personal vehicles and the number  
22 of plug-in electric drive vehicles anticipated to  
23 be privately owned fleet or public fleet vehicles;

1 (D) a plan for deploying residential, work-  
2 place, private, and publicly available charging  
3 infrastructure, including—

4 (i) an assessment of the number of  
5 consumers who will have access to private  
6 residential charging infrastructure in sin-  
7 gle-family or multifamily residences;

8 (ii) options for accommodating plug-in  
9 electric drive vehicle owners who are not  
10 able to charge vehicles at their place of  
11 residence;

12 (iii) an assessment of the number of  
13 consumers who will have access to work-  
14 place charging infrastructure;

15 (iv) a plan for ensuring that the  
16 charging infrastructure or plug-in electric  
17 drive vehicle be able to send and receive  
18 the information needed to interact with the  
19 grid and be compatible with smart grid  
20 technologies to the extent feasible;

21 (v) an estimate of the number and  
22 dispersion of publicly and privately owned  
23 charging stations that will be publicly or  
24 commercially available;



1 (vi) an estimate of the quantity of  
2 charging infrastructure that will be pri-  
3 vately funded or located on private prop-  
4 erty; and

5 (vii) a description of equipment to be  
6 deployed, including assurances that, to the  
7 maximum extent practicable, equipment to  
8 be deployed will meet open, nonproprietary  
9 standards for connecting to plug-in electric  
10 drive vehicles that are either—

11 (I) commonly accepted by indus-  
12 try at the time the equipment is being  
13 acquired; or

14 (II) meet the standards developed  
15 by the Director of the National Insti-  
16 tute of Standards and Technology  
17 under section 1305 of the Energy  
18 Independence and Security Act of  
19 2007 (42 U.S.C. 17385);

20 (E) a plan for effective marketing of and  
21 consumer education relating to plug-in electric  
22 drive vehicles, charging services, and infrastruc-  
23 ture;

24 (F) descriptions of updated building codes  
25 (or a plan to update building codes before or

1 during the grant period) to include charging in-  
2 frastructure or dedicated circuits for charging  
3 infrastructure, as appropriate, in new construc-  
4 tion and major renovations;

5 (G) descriptions of updated construction  
6 permitting or inspection processes (or a plan to  
7 update construction permitting or inspection  
8 processes) to allow for expedited installation of  
9 charging infrastructure for purchasers of plug-  
10 in electric drive vehicles, including a permitting  
11 process that allows a vehicle purchaser to have  
12 charging infrastructure installed in a timely  
13 manner;

14 (H) descriptions of updated zoning, park-  
15 ing rules, or other local ordinances as are nec-  
16 essary to facilitate the installation of publicly  
17 available charging infrastructure and to allow  
18 for access to publicly available charging infra-  
19 structure, as appropriate;

20 (I) a plan to ensure that each resident in  
21 a deployment community who purchases and  
22 registers a new plug-in electric drive vehicle  
23 throughout the duration of the deployment com-  
24 munity receives, in addition to any Federal in-  
25 centives, consumer benefits that may include—

- 1 (i) a rebate of part of the purchase  
2 price of the vehicle;
- 3 (ii) reductions in sales taxes or reg-  
4 istration fees;
- 5 (iii) rebates or reductions in the costs  
6 of permitting, purchasing, or installing  
7 home plug-in electric drive vehicle charging  
8 infrastructure; and
- 9 (iv) rebates or reductions in State or  
10 local toll road access charges;
- 11 (J) additional consumer benefits, such as  
12 preferred parking spaces or single-rider access  
13 to high-occupancy vehicle lanes for plug-in elec-  
14 tric drive vehicles;
- 15 (K) a proposed plan for making necessary  
16 utility and grid upgrades, including economi-  
17 cally sound and cybersecure information tech-  
18 nology upgrades and employee training, and a  
19 plan for recovering the cost of the upgrades;
- 20 (L) a description of utility, grid operator,  
21 or third-party charging service provider, policies  
22 and plans for accommodating the deployment of  
23 plug-in electric drive vehicles, including—

- 1 (i) rate structures or provisions and  
2 billing protocols for the charging of plug-  
3 in electric drive vehicles;
- 4 (ii) analysis of potential impacts to  
5 the grid;
- 6 (iii) plans for using information tech-  
7 nology or third-party aggregators—
- 8 (I) to minimize the effects of  
9 charging on peak loads;
- 10 (II) to enhance reliability; and  
11 (III) to provide other grid bene-  
12 fits;
- 13 (iv) plans for working with smart grid  
14 technologies or third-party aggregators for  
15 the purposes of smart charging and for al-  
16 lowing 2-way communication;
- 17 (M) a deployment timeline;
- 18 (N) a plan for monitoring and evaluating  
19 the implementation of the plan, including  
20 metrics for assessing the success of the deploy-  
21 ment and an approach to updating the plan, as  
22 appropriate; and
- 23 (O) a description of the manner in which  
24 any grant funds applied for under subsection

1 (d) will be used and the proposed local cost  
2 share for the funds.

3 (d) PHASE 1 APPLICATIONS AND GRANTS.—

4 (1) APPLICATIONS.—

5 (A) IN GENERAL.—Not later than 150  
6 days after the date of publication by the Sec-  
7 retary of selection criteria described in sub-  
8 section (c)(3), any State, tribal, or local govern-  
9 ment, or group of State, tribal, or local govern-  
10 ments may apply to the Secretary to become a  
11 deployment community.

12 (B) JOINT SPONSORSHIP.—

13 (i) IN GENERAL.—An application sub-  
14 mitted under subparagraph (A) may be  
15 jointly sponsored by electric utilities, auto-  
16 mobile manufacturers, technology pro-  
17 viders, carsharing companies or organiza-  
18 tions, third-party plug-in electric drive ve-  
19 hicle service providers, or other appro-  
20 priated entities.

21 (ii) DISBURSEMENT OF GRANTS.—A  
22 grant provided under this subsection shall  
23 only be disbursed to a State, tribal, or  
24 local government, or group of State, tribal,  
25 or local governments, regardless of whether

1           the application is jointly sponsored under  
2           clause (i).

3           (2) GRANTS.—

4           (A) IN GENERAL.—In each application, the  
5           applicant may request up to \$250,000,000 in fi-  
6           nancial assistance from the Secretary to fund  
7           projects in the deployment community.

8           (B) USE OF FUNDS.—Funds provided  
9           through a grant under this paragraph may be  
10          used to help implement the plan for the deploy-  
11          ment of plug-in electric drive vehicles included  
12          in the application, including—

13               (i) planning for and installing charg-  
14               ing infrastructure, including offering addi-  
15               tional incentives as described in subsection  
16               (c)(4)(I);

17               (ii) updating building codes, zoning or  
18               parking rules, or permitting or inspection  
19               processes as described in subparagraphs  
20               (F), (G), and (H) of subsection (c)(4);

21               (iii) reducing the cost and increasing  
22               the consumer adoption of plug-in electric  
23               drive vehicles through incentives as de-  
24               scribed in subsection (c)(4)(I);

- 1 (iv) workforce training, including  
2 training of permitting officials;
- 3 (v) public education and marketing  
4 described in the proposed marketing plan;
- 5 (vi) shifting State, tribal, or local gov-  
6 ernment fleets to plug-in electric drive ve-  
7 hicles, at a rate in excess of the existing al-  
8 ternative fueled fleet vehicle acquisition re-  
9 quirements for Federal fleets under section  
10 303(b)(1)(D) of the Energy Policy Act of  
11 1992 (42 U.S.C. 13212(b)(1)(D)); and
- 12 (vii) necessary utility and grid up-  
13 grades as described in subsection  
14 (c)(4)(K).
- 15 (C) COST-SHARING.—
- 16 (i) IN GENERAL.—A grant provided  
17 under this paragraph shall be subject to a  
18 minimum non-Federal cost-sharing re-  
19 quirement of 20 percent.
- 20 (ii) NON-FEDERAL SOURCES.—The  
21 Secretary shall—
- 22 (I) determine the appropriate  
23 cost share for each selected applicant;  
24 and

1 (II) require that not less than 20  
2 percent of the cost of an activity fund-  
3 ed by a grant under this paragraph be  
4 provided by a non-Federal source.

5 (iii) REDUCTION.—The Secretary may  
6 reduce or eliminate the cost-sharing re-  
7 quirement described in clause (i), as the  
8 Secretary determines to be necessary.

9 (iv) CALCULATION OF AMOUNT.—In  
10 calculating the amount of the non-Federal  
11 share under this section, the Secretary—

12 (I) may include allowable costs in  
13 accordance with the applicable cost  
14 principles, including—

15 (aa) cash;

16 (bb) personnel costs;

17 (cc) the value of a service,  
18 other resource, or third-party in-  
19 kind contribution determined in  
20 accordance with the applicable  
21 circular of the Office of Manage-  
22 ment and Budget;

23 (dd) indirect costs or facili-  
24 ties and administrative costs; or



1           (ee) any funds received  
2 under the power program of the  
3 Tennessee Valley Authority or  
4 any Power Marketing Adminis-  
5 tration (except to the extent that  
6 such funds are made available  
7 under an annual appropriation  
8 Act);

9           (II) shall include contributions  
10 made by State, tribal, or local govern-  
11 ment entities and private entities; and

12           (III) shall not include—

13           (aa) revenues or royalties  
14 from the prospective operation of  
15 an activity beyond the time con-  
16 sidered in the grant;

17           (bb) proceeds from the pro-  
18 spective sale of an asset of an ac-  
19 tivity; or

20           (cc) other appropriated Fed-  
21 eral funds.

22           (v) REPAYMENT OF FEDERAL  
23 SHARE.—The Secretary shall not require  
24 repayment of the Federal share of a cost-

1 shared activity under this section as a con-  
2 dition of providing a grant.

3 (vi) TITLE TO PROPERTY.—The Sec-  
4 retary may vest title or other property in-  
5 terests acquired under projects funded  
6 under this subtitle in any entity, including  
7 the United States.

8 (3) SELECTION.—Not later than 120 days after  
9 an application deadline has been established under  
10 paragraph (1), the Secretary shall announce the  
11 names of the deployment communities selected under  
12 this subsection.

13 (e) REPORTING REQUIREMENTS.—

14 (1) IN GENERAL.—The Secretary, in consulta-  
15 tion with the Committee, shall—

16 (A) determine what data will be required  
17 to be collected by participants in deployment  
18 communities and submitted to the Department  
19 to allow for analysis of the deployment commu-  
20 nities;

21 (B) provide for the protection of consumer  
22 privacy, as appropriate; and

23 (C) develop metrics to evaluate the per-  
24 formance of the deployment communities.

1           (2) PROVISION OF DATA.—As a condition of  
2 participation in the Program, a deployment commu-  
3 nity shall provide any data identified by the Sec-  
4 retary under paragraph (1).

5           (3) REPORTS.—Not later than 3 years after the  
6 date of enactment of this Act and again after the  
7 completion of the Program, the Secretary shall sub-  
8 mit to Congress a report that contains—

9           (A) a description of the status of—

10           (i) the deployment communities and  
11 the implementation of the deployment plan  
12 of each deployment community;

13           (ii) the rate of vehicle deployment and  
14 market penetration of plug-in electric drive  
15 vehicles; and

16           (iii) the deployment of residential and  
17 publicly available infrastructure;

18           (B) a description of the challenges experi-  
19 enced and lessons learned from the program to  
20 date, including the activities described in sub-  
21 paragraph (A); and

22           (C) an analysis of the data collected under  
23 this subsection.

1 (f) PROPRIETARY INFORMATION.—The Secretary  
2 shall, as appropriate, provide for the protection of propri-  
3 etary information and intellectual property rights.

4 (g) AUTHORIZATION OF APPROPRIATIONS.—There is  
5 authorized to be appropriated to carry out this section  
6 \$2,000,002,000.

7 (h) CONFORMING AMENDMENT.—Section 166(b)(5)  
8 of title 23, United States Code, is amended—

9 (1) in subparagraph (A), by striking “Before  
10 September 30, 2009, the State” and inserting “The  
11 State”; and

12 (2) in subparagraph (B), by striking “Before  
13 September 30, 2009, the State” and inserting “The  
14 State”.

## 15 **PART II—RESEARCH AND DEVELOPMENT**

### 16 **SEC. 131. RESEARCH AND DEVELOPMENT PROGRAM.**

17 (a) RESEARCH AND DEVELOPMENT PROGRAM.—

18 (1) IN GENERAL.—The Secretary, in consulta-  
19 tion with the Committee, shall establish a program  
20 to fund research and development in advanced bat-  
21 teries, plug-in electric drive vehicle components,  
22 plug-in electric drive infrastructure, and other tech-  
23 nologies supporting the development, manufacture,  
24 and deployment of plug-in electric drive vehicles and  
25 charging infrastructure.

1           (2) USE OF FUNDS.—The program may include  
2 funding for—

3           (A) the development of low-cost, smart-  
4 charging and vehicle-to-grid connectivity tech-  
5 nology;

6           (B) the benchmarking and assessment of  
7 open software systems using nationally estab-  
8 lished evaluation criteria; and

9           (C) new technologies in electricity storage  
10 or electric drive components for vehicles.

11          (3) REPORT.—Not later than 4 years after the  
12 date of enactment of this Act, the Secretary shall  
13 submit to Congress a report describing the status of  
14 the program described in paragraph (1).

15          (b) SECONDARY USE APPLICATIONS PROGRAM.—

16           (1) IN GENERAL.—The Secretary, in consulta-  
17 tion with the Committee, shall carry out a research,  
18 development, and demonstration program that builds  
19 upon any work carried out under section 915 of the  
20 Energy Policy Act of 2005 (42 U.S.C. 16195) and—

21           (A) identifies possible uses of a vehicle bat-  
22 tery after the useful life of the battery in a ve-  
23 hicle has been exhausted;

24           (B) assesses the potential for markets for  
25 uses described in subparagraph (A) to develop,

1 as well as any barriers to the development of  
2 the markets;

3 (C) identifies the infrastructure, tech-  
4 nology, and equipment needed to manage the  
5 charging activity of the batteries used in sta-  
6 tionary sources; and

7 (D) identifies the potential uses of a vehi-  
8 cle battery—

9 (i) with the most promise for market  
10 development; and

11 (ii) for which market development  
12 would be aided by a demonstration project.

13 (2) REPORT.—Not later than 2 years after the  
14 date of enactment of this Act, the Secretary shall  
15 submit to the appropriate committees of Congress  
16 an initial report on the findings of the program de-  
17 scribed in paragraph (1), including recommendations  
18 for stationary energy storage and other potential ap-  
19 plications for batteries used in plug-in electric drive  
20 vehicles.

21 (c) SECONDARY USE DEMONSTRATION PROJECTS.—

22 (1) IN GENERAL.—Based on the results of the  
23 program described in subsection (b), the Secretary,  
24 in consultation with the Committee, shall develop

1 guidelines for projects that demonstrate the sec-  
2 ondary uses of vehicle batteries.

3 (2) PUBLICATION OF GUIDELINES.—Not later  
4 than 30 months after the date of enactment of this  
5 Act, the Secretary shall—

6 (A) publish the guidelines described in  
7 paragraph (1); and

8 (B) solicit applications for funding for  
9 demonstration projects.

10 (3) GRANT PROGRAM.—Not later than 38  
11 months after the date of enactment of this Act, the  
12 Secretary shall select proposals for grant funding  
13 under this section, based on an assessment of which  
14 proposals are mostly likely to contribute to the devel-  
15 opment of a secondary market for batteries.

16 (d) MATERIALS RECYCLING STUDY.—

17 (1) IN GENERAL.—The Secretary, in consulta-  
18 tion with the Committee, shall carry out a study on  
19 the recycling of materials from plug-in electric drive  
20 vehicles and the batteries used in plug-in electric  
21 drive vehicles.

22 (2) REPORT.—Not later than 2 years after the  
23 date of enactment of this Act, the Secretary shall  
24 submit to the appropriate committees of Congress a

1 report on the findings of the study described in  
2 paragraph (1).

3 (e) AUTHORIZATION OF APPROPRIATIONS.—There is  
4 authorized to be appropriated to carry out this section  
5 \$1,535,000,000, including—

6 (1) \$1,500,000,000 for use in conducting the  
7 program described in subsection (a) for fiscal years  
8 2011 through 2020;

9 (2) \$5,000,000 for use in conducting the pro-  
10 gram described in subsection (b) for fiscal years  
11 2011 through 2016;

12 (3) \$25,000,000 for use in providing grants de-  
13 scribed in subsection (c) for fiscal years 2011  
14 through 2020; and

15 (4) \$5,000,000 for use in conducting the study  
16 described in subsection (d) for fiscal years 2011  
17 through 2013.

18 **SEC. 132. ADVANCED BATTERIES FOR TOMORROW PRIZE.**

19 (a) IN GENERAL.—Not later than 1 year after the  
20 date of enactment of this Act, as part of the program de-  
21 scribed in section 1008 of the Energy Policy Act of 2005  
22 (42 U.S.C. 16396), the Secretary shall establish the Ad-  
23 vanced Batteries for Tomorrow Prize to competitively  
24 award cash prizes in accordance with this section to ad-



1 vance the research, development, demonstration, and com-  
2 mercial application of a 500-mile vehicle battery.

3 (b) BATTERY SPECIFICATIONS.—

4 (1) IN GENERAL.—To be eligible for the Prize,  
5 a battery submitted by an entrant shall be—

6 (A) able to power a plug-in electric drive  
7 vehicle authorized to travel on the United  
8 States Federal-aid system of highways for at  
9 least 500 miles before recharging;

10 (B) of a size that would not be cost-prohib-  
11 itive or create space constraints, if mass-pro-  
12 duced; and

13 (C) cost-effective (measured in cost per kil-  
14 owatt hour), if mass-produced.

15 (2) ADDITIONAL REQUIREMENTS.—The Sec-  
16 retary, in consultation with the Committee, shall es-  
17 tablish any additional battery specifications that the  
18 Secretary and the Committee determine to be nec-  
19 essary.

20 (c) PRIVATE FUNDS.—

21 (1) IN GENERAL.—Subject to paragraph (2)  
22 and notwithstanding section 3302 of title 31, United  
23 States Code, the Secretary may accept, retain, and  
24 use funds contributed by any person, government

1       entity, or organization for purposes of carrying out  
2       this subsection—

3               (A) without further appropriation; and

4               (B) without fiscal year limitation.

5               (2) RESTRICTION ON PARTICIPATION.—An enti-  
6       ty providing private funds for the Prize may not  
7       participate in the competition for the Prize.

8               (d) TECHNICAL REVIEW.—The Secretary, in con-  
9       sultation with the Committee, shall establish a technical  
10      review committee composed of non-Federal officers to re-  
11      view data submitted by Prize entrants under this section  
12      and determine whether the data meets the prize specifica-  
13      tions described in subsection (b).

14              (e) THIRD-PARTY ADMINISTRATION.—The Secretary  
15      may select, on a competitive basis, a third party to admin-  
16      ister awards provided under this section.

17              (f) ELIGIBILITY.—To be eligible for an award under  
18      this section—

19                      (1) in the case of a private entity, the entity  
20      shall be incorporated in and maintain a primary  
21      place of business in the United States; and

22                      (2) in the case of an individual (whether par-  
23      ticipating as a single individual or in a group), the  
24      individual shall be a citizen or lawful permanent  
25      resident of the United States.

1 (g) AWARD AMOUNTS.—

2 (1) IN GENERAL.—Subject to the availability of  
3 funds to carry out this section, the amount of the  
4 Prize shall be \$10,000,000.

5 (2) BREAKTHROUGH ACHIEVEMENT AWARDS.—

6 In addition to the award described in paragraph (1),  
7 the Secretary, in consultation with the technical re-  
8 view committee established under subsection (d),  
9 may award cash prizes, in amounts determined by  
10 the Secretary, in recognition of breakthrough  
11 achievements in research, development, demonstra-  
12 tion, and commercial application of—

13 (A) activities described in subsection (b);

14 or

15 (B) advances in battery durability, energy  
16 density, and power density.

17 (h) 500-MILE BATTERY AWARD FUND.—

18 (1) ESTABLISHMENT.—There is established in  
19 the Treasury of the United States a fund to be  
20 known as the “500-mile Battery Fund” (referred to  
21 in this section as the “Fund”), to be administered  
22 by the Secretary, to be available without fiscal year  
23 limitation and subject to appropriation, to award  
24 amounts under this section.

1           (2) TRANSFERS TO FUND.—The Fund shall  
2 consist of—

3           (A) such amounts as are appropriated to  
4 the Fund under subsection (i); and

5           (B) such amounts as are described in sub-  
6 section (c) and that are provided for the Fund.

7           (3) PROHIBITION.—Amounts in the Fund may  
8 not be made available for any purpose other than a  
9 purposes described in subsection (a).

10          (4) ANNUAL REPORTS.—

11           (A) IN GENERAL.—Not later than 60 days  
12 after the end of each fiscal year beginning with  
13 fiscal year 2012, the Secretary shall submit a  
14 report on the operation of the Fund during the  
15 fiscal year to—

16           (i) the Committees on Appropriations  
17 of the House of Representatives and of the  
18 Senate;

19           (ii) the Committee on Energy and  
20 Natural Resources of the Senate; and

21           (iii) the Committee on Energy and  
22 Commerce of the House of Representa-  
23 tives.

1 (B) CONTENTS.—Each report shall in-  
2 clude, for the fiscal year covered by the report,  
3 the following:

4 (i) A statement of the amounts depos-  
5 ited into the Fund.

6 (ii) A description of the expenditures  
7 made from the Fund for the fiscal year, in-  
8 cluding the purpose of the expenditures.

9 (iii) Recommendations for additional  
10 authorities to fulfill the purpose of the  
11 Fund.

12 (iv) A statement of the balance re-  
13 maining in the Fund at the end of the fis-  
14 cal year.

15 (5) SEPARATE APPROPRIATIONS ACCOUNT.—  
16 Section 1105(a) of title 31, United States Code, is  
17 amended—

18 (A) by redesignating the second paragraph  
19 (37) (relating to lists of plans and reports) as  
20 paragraph (39); and

21 (B) by adding at the end the following:

22 “(40) a separate statement for the 500-mile  
23 Battery Fund established under section 132(h) of  
24 the Fulfilling U.S. Energy Leadership Act of 2011,  
25 which shall include the estimated amount of deposits

1 into the Fund, obligations, and outlays from the  
2 Fund.”.

3 (i) AUTHORIZATION OF APPROPRIATIONS.—There is  
4 authorized to be appropriated—

5 (1) \$10,000,000 to carry out subsection (g)(1);

6 and

7 (2) \$1,000,000 to carry out subsection (g)(2).

8 **SEC. 133. STUDY ON THE SUPPLY OF RAW MATERIALS.**

9 (a) IN GENERAL.—The Secretary of the Interior, in  
10 consultation with the Secretary and the Task Force, shall  
11 conduct a study that—

12 (1) identifies the raw materials needed for the  
13 manufacture of plug-in electric drive vehicles, bat-  
14 teries, and other components for plug-in electric  
15 drive vehicles, and for the infrastructure needed to  
16 support plug-in electric drive vehicles;

17 (2) describes the primary or original sources  
18 and known reserves and resources of those raw ma-  
19 terials;

20 (3) assesses, in consultation with the National  
21 Academy of Sciences, the degree of risk to the man-  
22 ufacture, maintenance, deployment, and use of plug-  
23 in electric drive vehicles associated with the supply  
24 of those raw materials; and

1           (4) identifies pathways to securing reliable and  
2 resilient supplies of those raw materials.

3           (b) REPORT.—Not later than 3 years after the date  
4 of enactment of this Act, the Secretary of the Interior  
5 shall submit to Congress a report that describes the re-  
6 sults of the study.

7           (c) AUTHORIZATION OF APPROPRIATIONS.—There is  
8 authorized to be appropriated to carry out this section  
9 \$1,500,000.

10 **SEC. 134. STUDY ON THE COLLECTION AND PRESERVATION**  
11 **OF DATA COLLECTED FROM PLUG-IN ELEC-**  
12 **TRIC DRIVE VEHICLES.**

13           (a) IN GENERAL.—Not later than 180 days after the  
14 date of enactment of this Act, the Secretary, in consulta-  
15 tion with the Committee, shall enter into an agreement  
16 with the National Academy of Sciences under which the  
17 Academy shall conduct a study that—

18           (1) identifies—

19                   (A) the data that may be collected from  
20 plug-in electric drive vehicles, including data on  
21 the location, charging patterns, and usage of  
22 plug-in electric drive vehicles;

23                   (B) the scientific, economic, commercial,  
24 security, and historic potential of the data de-  
25 scribed in subparagraph (A); and

1 (C) any laws or regulations that relate to  
2 the data described in subparagraph (A); and

3 (2) analyzes and provides recommendations on  
4 matters that include procedures, technologies, and  
5 rules relating to the collection, storage, and preser-  
6 vation of the data described in paragraph (1)(A).

7 (b) REPORT.—Not later than 15 months after the  
8 date of an agreement between the Secretary and the Acad-  
9 emy under subsection (a), the National Academy of  
10 Sciences shall submit to the appropriate committees of  
11 Congress a report that describes the results of the study  
12 under subsection (a).

13 (c) AUTHORIZATION OF APPROPRIATIONS.—There is  
14 authorized to be appropriated to carry out this section  
15 \$1,000,000.

16 **PART III—MISCELLANEOUS**

17 **SEC. 141. UTILITY PLANNING FOR PLUG-IN ELECTRIC**  
18 **DRIVE VEHICLES.**

19 (a) IN GENERAL.—The Public Utility Regulatory  
20 Policies Act of 1978 (16 U.S.C. 2601 et seq.) is amend-  
21 ed—

22 (1) in section 111(d) (16 U.S.C. 2621(d)), by  
23 adding at the end the following:

24 “(20) PLUG-IN ELECTRIC DRIVE VEHICLE  
25 PLANNING.—



1                   “(A) UTILITY PLAN FOR PLUG-IN ELEC-  
2                   TRIC DRIVE VEHICLES.—

3                   “(i) IN GENERAL.—Not later than 2  
4                   years after the date of enactment of this  
5                   paragraph, each electric utility shall de-  
6                   velop a plan to support the use of plug-in  
7                   electric drive vehicles, including medium-  
8                   and heavy-duty hybrid electric vehicles in  
9                   the service area of the electric utility.

10                   “(ii) REQUIREMENTS.—A plan under  
11                   clause (i) shall investigate—

12                   “(I) various levels of potential  
13                   penetration of plug-in electric drive  
14                   vehicles in the utility service area;

15                   “(II) the potential impacts that  
16                   the various levels of penetration and  
17                   charging scenarios (including charging  
18                   rates and daily hours of charging)  
19                   would have on generation, distribution  
20                   infrastructure, and the operation of  
21                   the transmission grid; and

22                   “(III) the role of third parties in  
23                   providing reliable and economical  
24                   charging services.

25                   “(iii) WAIVER.—

1           “(I) IN GENERAL.—An electric  
2 utility that determines that the elec-  
3 tric utility will not be impacted by  
4 plug-in electric drive vehicles during  
5 the 5-year period beginning on the  
6 date of enactment of this paragraph  
7 may petition the Secretary to waive  
8 clause (i) for 5 years.

9           “(II) APPROVAL.—Approval of a  
10 waiver under subclause (I) shall be in  
11 the sole discretion of the Secretary.

12           “(iv) UPDATES.—

13           “(I) IN GENERAL.—Each electric  
14 utility shall update the plan of the  
15 electric utility every 5 years.

16           “(II) RESUBMISSION OF WAIV-  
17 ER.—An electric utility that received a  
18 waiver under clause (iii) and wants  
19 the waiver to continue after the expi-  
20 ration of the waiver shall be required  
21 to resubmit the waiver.

22           “(v) EXEMPTION.—If the Secretary  
23 determines that a plan required by a State  
24 regulatory authority meets the require-  
25 ments of this paragraph, the Secretary

1           may accept that plan and exempt the elec-  
2           tric utility submitting the plan from the re-  
3           quirements of clause (i).

4           “(B) SUPPORT REQUIREMENTS.—Each  
5           State regulatory authority (in the case of each  
6           electric utility for which the authority has rate-  
7           making authority) and each municipal and co-  
8           operative utility shall—

9                   “(i) participate in any local plan for  
10                  the deployment of recharging infrastruc-  
11                  ture in communities located in the foot-  
12                  print of the authority or utility;

13                   “(ii) require that charging infrastruc-  
14                  ture deployed is interoperable with prod-  
15                  ucts of all auto manufacturers to the max-  
16                  imum extent practicable; and

17                   “(iii) consider adopting minimum re-  
18                  quirements for deployment of electrical  
19                  charging infrastructure and other appro-  
20                  priate requirements necessary to support  
21                  the use of plug-in electric drive vehicles.

22           “(C) COST RECOVERY.—Each State regu-  
23           latory authority (in the case of each electric  
24           utility for which the authority has ratemaking  
25           authority) and each municipal and cooperative

1 utility may consider whether, and to what ex-  
2 tent, to allow cost recovery for plans and imple-  
3 mentation of plans.

4 “(D) DETERMINATION.—Not later than 3  
5 years after the date of enactment of this para-  
6 graph, each State regulatory authority (with re-  
7 spect to each electric utility for which the au-  
8 thority has ratemaking authority), and each  
9 municipal and cooperative electric utility, shall  
10 complete the consideration, and shall make the  
11 determination, referred to in subsection (a) with  
12 respect to the standard established by this  
13 paragraph.”;

14 (2) in section 112(c) (16 U.S.C. 2622(c))—

15 (A) in the first sentence, by striking “Each  
16 State” and inserting the following:

17 “(1) IN GENERAL.—Each State”;

18 (B) in the second sentence, by striking “In  
19 the case” and inserting the following:

20 “(2) SPECIFIC STANDARDS.—

21 “(A) NET METERING AND FOSSIL FUEL  
22 GENERATION EFFICIENCY.—In the case”;

23 (C) in the third sentence, by striking “In  
24 the case” and inserting the following:

1           “(B) TIME-BASED METERING AND COMMU-  
2           NICATIONS.—In the case”;

3           (D) in the fourth sentence—

4           (i) by striking “In the case” and in-  
5           serting the following:

6           “(C) INTERCONNECTION.—In the case”;

7           and

8           (ii) by striking “paragraph (15)” and  
9           inserting “paragraph (15) of section  
10           111(d)”;

11           (E) in the fifth sentence, by striking “In  
12           the case” and inserting the following:

13           “(D) INTEGRATED RESOURCE PLANNING,  
14           RATE DESIGN MODIFICATIONS, SMART GRID IN-  
15           VESTMENTS, SMART GRID INFORMATION.—In  
16           the case”; and

17           (F) by adding at the end the following:

18           “(E) PLUG-IN ELECTRIC DRIVE VEHICLE  
19           PLANNING.—In the case of the standards estab-  
20           lished by paragraph (20) of section 111(d), the  
21           reference contained in this subsection to the  
22           date of enactment of this Act shall be deemed  
23           to be a reference to the date of enactment of  
24           that paragraph.”; and

1           (3) in section 112(d) (16 U.S.C. 2622(d)), in  
2 the matter preceding paragraph (1), by striking  
3 “(19)” and inserting “(20)”.

4 (b) REPORT.—

5           (1) IN GENERAL.—The Secretary, in consulta-  
6 tion with the Technical Advisory Committee, shall  
7 convene a group of utility stakeholders, charging in-  
8 frastructure providers, third party aggregators, and  
9 others, as appropriate, to discuss and determine the  
10 potential models for the technically and logistically  
11 challenging issues involved in using electricity as a  
12 fuel for vehicles, including—

13           (A) accommodation for billing for charging  
14 a plug-in electric drive vehicle, both at home  
15 and at publicly available charging infrastruc-  
16 ture;

17           (B) plans for anticipating vehicle to grid  
18 applications that will allow batteries in cars as  
19 well as banks of batteries to be used for grid  
20 storage, ancillary services provision, and backup  
21 power;

22           (C) integration of plug-in electric drive ve-  
23 hicles with smart grid, including protocols and  
24 standards, necessary equipment, and informa-  
25 tion technology systems; and

1 (D) any other barriers to installing suffi-  
2 cient and appropriate charging infrastructure.

3 (2) REPORT.—Not later than 2 years after the  
4 date of enactment of this Act and biennially there-  
5 after, the Secretary shall submit to the appropriate  
6 committees of Congress a report that includes—

7 (A) the issues and model solutions de-  
8 scribed in paragraph (1); and

9 (B) any other issues that the Task Force  
10 and Secretary determine to be appropriate.

11 **SEC. 142. LOAN GUARANTEES.**

12 (a) LOAN GUARANTEES FOR ADVANCED BATTERY  
13 PURCHASES FOR USE IN STATIONARY APPLICATIONS.—  
14 Subtitle B of title I of the Energy Independence and Secu-  
15 rity Act of 2007 (42 U.S.C. 17011 et seq.) is amended  
16 by adding at the end the following:

17 **“SEC. 137. LOAN GUARANTEES FOR ADVANCED BATTERY**  
18 **PURCHASES.**

19 “(a) DEFINITIONS.—In this section:

20 “(1) QUALIFIED AUTOMOTIVE BATTERY.—The  
21 term ‘qualified automotive battery’ means a battery  
22 that—

23 “(A) has at least 4 kilowatt hours of bat-  
24 tery capacity; and

1           “(B) is designed for use in qualified plug-  
2           in electric drive motor vehicles but is purchased  
3           for nonautomotive applications.

4           “(2) ELIGIBLE ENTITY.—The term ‘eligible en-  
5           tity’ means—

6                   “(A) an original equipment manufacturer;

7                   “(B) an electric utility;

8                   “(C) any provider of range extension infra-  
9           structure; or

10                   “(D) any other qualified entity, as deter-  
11           mined by the Secretary.

12           “(b) LOAN GUARANTEES.—

13                   “(1) IN GENERAL.—The Secretary shall guar-  
14           antee loans made to eligible entities for the aggre-  
15           gate purchase of not less than 200 qualified auto-  
16           motive batteries in a calendar year that have a total  
17           minimum power rating of 1 megawatt and use ad-  
18           vanced battery technology.

19                   “(2) RESTRICTION.—As a condition of receiving  
20           a loan guarantee under this section, an entity pur-  
21           chasing qualified automotive batteries with loan  
22           funds guaranteed under this section shall comply  
23           with the provisions of the Buy American Act (41  
24           U.S.C. 10a et seq.).



1       “(c) REGULATIONS.—The Secretary shall promulgate  
2 such regulations as are necessary to carry out this section.

3       “(d) AUTHORIZATION OF APPROPRIATIONS.—There  
4 is authorized to be appropriated to carry out this section  
5 \$50,000,000.”.

6       (b) LOAN GUARANTEES FOR CHARGING INFRA-  
7 STRUCTURE.—Section 1705(a) of the Energy Policy Act  
8 of 2005 (42 U.S.C. 16516(a)) is amended by adding at  
9 the end the following:

10           “(4) Charging infrastructure and networks of  
11 charging infrastructure for plug-in drive electric ve-  
12 hicles, if the charging infrastructure will be oper-  
13 ational prior to December 31, 2016.”.

14 **SEC. 143. PROHIBITION ON DISPOSING OF ADVANCED BAT-**  
15 **TERIES IN LANDFILLS.**

16       (a) DEFINITION OF ADVANCED BATTERY.—

17           (1) IN GENERAL.—In this section, the term  
18 “advanced battery” means a battery that is a sec-  
19 ondary (rechargeable) electrochemical energy storage  
20 device that has enhanced energy capacity.

21           (2) EXCLUSIONS.—The term “advanced bat-  
22 tery” does not include—

23                   (A) a primary (nonrechargeable) battery;  
24                   or

1 (B) a lead-acid battery that is used to  
2 start or serve as the principal electrical power  
3 source for a plug-in electric drive vehicle.

4 (b) REQUIREMENT.—An advanced battery from a  
5 plug-in electric drive vehicle shall be disposed of in accord-  
6 ance with the Solid Waste Disposal Act (42 U.S.C. 6901  
7 et seq.) (commonly known as the “Resource Conservation  
8 and Recovery Act of 1976”).

9 **SEC. 144. PLUG-IN ELECTRIC DRIVE VEHICLE TECHNICAL**  
10 **ADVISORY COMMITTEE.**

11 (a) IN GENERAL.—There is established the Plug-in  
12 Electric Drive Vehicle Technical Advisory Committee to  
13 advise the Secretary on the programs and activities under  
14 this subtitle.

15 (b) MISSION.—The mission of the Committee shall  
16 be to advise the Secretary on technical matters, includ-  
17 ing—

18 (1) the priorities for research and development;

19 (2) means of accelerating the deployment of  
20 safe, economical, and efficient plug-in electric drive  
21 vehicles for mass market adoption;

22 (3) the development and deployment of charg-  
23 ing infrastructure;

1           (4) the development of uniform codes, stand-  
2           ards, and safety protocols for plug-in electric drive  
3           vehicles and charging infrastructure; and

4           (5) reporting on the competitiveness of the  
5           United States in plug-in electric drive vehicle and in-  
6           frastructure research, manufacturing, and deploy-  
7           ment.

8           (c) MEMBERSHIP.—

9           (1) MEMBERS.—

10           (A) IN GENERAL.—The Committee shall  
11           consist of not less than 12, but not more than  
12           25, members.

13           (B) REPRESENTATION.—The Secretary  
14           shall appoint the members to Committee from  
15           among representatives of—

16                   (i) domestic industry;

17                   (ii) institutions of higher education;

18                   (iii) professional societies;

19                   (iv) Federal, State, and local govern-  
20                   mental agencies (including the National  
21                   Laboratories); and

22                   (v) financial, transportation, labor, en-  
23                   vironmental, electric utility, or other ap-  
24                   propriate organizations or individuals with  
25                   direct experience in deploying and mar-

1           keting plug-in electric drive vehicles, as the  
2           Secretary determines to be necessary.

3           (2) TERMS.—

4           (A) IN GENERAL.—The term of a Com-  
5           mittee member shall not be longer than 3 years.

6           (B) STAGGERED TERMS.—The Secretary  
7           may appoint members to the Committee for dif-  
8           fering term lengths to ensure continuity in the  
9           functioning of the Committee.

10          (C) REAPPOINTMENTS.—A member of the  
11          Committee whose term is expiring may be re-  
12          appointed.

13          (3) CHAIRPERSON.—The Committee shall have  
14          a chairperson, who shall be elected by and from the  
15          members.

16          (d) REVIEW.—The Committee shall review and make  
17          recommendations to the Secretary on the implementation  
18          of programs and activities under this subtitle.

19          (e) RESPONSE.—

20                (1) IN GENERAL.—The Secretary shall consider  
21                and may adopt any recommendation of the Com-  
22                mittee under subsection (c).

23                (2) BIENNIAL REPORT.—

24                    (A) IN GENERAL.—Not later than 2 years  
25                    after the date of enactment of this Act and

1 every 2 years thereafter, the Secretary shall  
2 submit to the appropriate committees of Con-  
3 gress a report describing any new recommenda-  
4 tions of the Committee.

5 (B) CONTENTS.—The report shall in-  
6 clude—

7 (i) a description of the manner in  
8 which the Secretary has implemented or  
9 plans to implement the recommendations  
10 of the Committee; or

11 (ii) an explanation of the reason that  
12 a recommendation of the Committee has  
13 not been implemented.

14 (C) TIMING.—The report described in this  
15 paragraph shall be submitted by the Secretary  
16 at the same time the President submits the  
17 budget proposal for the Department of Energy  
18 to Congress.

19 (f) COORDINATION.—The Committee shall—

20 (1) hold joint annual meetings with the Hydro-  
21 gen and Fuel Cell Technical Advisory Committee es-  
22 tablished by section 807 of the Energy Policy Act of  
23 2005 (42 U.S.C. 16156) to help coordinate the work  
24 and recommendations of the Committees; and

1           (2) coordinate efforts, to the maximum extent  
2           practicable, with all existing independent, depart-  
3           mental, and other advisory Committees, as deter-  
4           mined to be appropriate by the Secretary.

5           (g) SUPPORT.—The Secretary shall provide to the  
6           Committee the resources necessary to carry out this sec-  
7           tion, as determined to be necessary by the Secretary.

8           **SEC. 145. PLUG-IN ELECTRIC DRIVE VEHICLE INTER-**  
9                                   **AGENCY TASK FORCE.**

10          (a) IN GENERAL.—Not later than 120 days after the  
11          date of enactment of this Act, the President shall establish  
12          the Plug-in Electric Drive Vehicle Interagency Task  
13          Force, to be chaired by the Secretary and which shall con-  
14          sist of at least 1 representative from each of—

- 15                 (1) the Office of Science and Technology Policy;
- 16                 (2) the Council on Environmental Quality;
- 17                 (3) the Department of Energy;
- 18                 (4) the Department of Transportation;
- 19                 (5) the Department of Defense;
- 20                 (6) the Department of Commerce (including the  
21                 National Institute of Standards and Technology);
- 22                 (7) the Environmental Protection Agency;
- 23                 (8) the General Services Administration; and
- 24                 (9) any other Federal agencies that the Presi-  
25                 dent determines to be appropriate.

1 (b) MISSION.—The mission of the Task Force shall  
2 be to ensure awareness, coordination, and integration of  
3 the activities of the Federal Government relating to plug-  
4 in electric drive vehicles, including—

5 (1) plug-in electric drive vehicle research and  
6 development (including necessary components);

7 (2) the development of widely accepted smart-  
8 grid standards and protocols for charging infrastruc-  
9 ture;

10 (3) the relationship of plug-in electric drive ve-  
11 hicle charging practices to electric utility regulation;

12 (4) the relationship of plug-in electric drive ve-  
13 hicle deployment to system reliability and security;

14 (5) the general deployment of plug-in electric  
15 drive vehicles in the Federal, State, and local gov-  
16 ernments and for private use;

17 (6) the development of uniform codes, stand-  
18 ards, and safety protocols for plug-in electric drive  
19 vehicles and charging infrastructure; and

20 (7) the alignment of international plug-in elec-  
21 tric drive vehicle standards.

22 (c) ACTIVITIES.—

23 (1) IN GENERAL.—In carrying out this section,  
24 the Task Force may—

25 (A) organize workshops and conferences;

1 (B) issue publications; and

2 (C) create databases.

3 (2) MANDATORY ACTIVITIES.—In carrying out  
4 this section, the Task Force shall—

5 (A) foster the exchange of generic, non-  
6 proprietary information and technology among  
7 industry, academia, and the Federal Govern-  
8 ment;

9 (B) integrate and disseminate technical  
10 and other information made available as a re-  
11 sult of the programs and activities under this  
12 subtitle;

13 (C) support education about plug-in elec-  
14 tric drive vehicles;

15 (D) monitor, analyze, and report on the ef-  
16 fects of plug-in electric drive vehicle deployment  
17 on the environment and public health, including  
18 air emissions from vehicles and electricity gen-  
19 erating units; and

20 (E) review and report on—

21 (i) opportunities to use Federal pro-  
22 grams (including laws, regulations, and  
23 guidelines) to promote the deployment of  
24 plug-in electric drive vehicles; and



1                   (ii) any barriers to the deployment of  
2                   plug-in electric drive vehicles, including  
3                   barriers that are attributable to Federal  
4                   programs (including laws, regulations, and  
5                   guidelines).

6           (d) AGENCY COOPERATION.—A Federal agency—

7                   (1) shall cooperate with the Task Force; and

8                   (2) provide, on request of the Task Force, ap-  
9                   propriate assistance in carrying out this section, in  
10                  accordance with applicable Federal laws (including  
11                  regulations).

## 12                   **Subtitle C—Tax Provisions**

### 13   **SEC. 151. CONSUMER TAX CREDITS FOR ADVANCED VEHI-** 14                   **CLES.**

15           (a) PLUG-IN ELECTRIC DRIVE MOTOR VEHICLE  
16   CREDIT.—Section 30D of the Internal Revenue Code of  
17   1986 is amended to read as follows:

#### 18   **“SEC. 30D. NEW QUALIFIED PLUG-IN ELECTRIC DRIVE** 19                   **MOTOR VEHICLES.**

20           “(a) ALLOWANCE OF CREDIT.—

21                   “(1) IN GENERAL.—There shall be allowed as a  
22                   credit against the tax imposed by this chapter for  
23                   the taxable year an amount equal to the applicable  
24                   amount with respect to each new qualified plug-in

1 electric drive motor vehicle placed in service by the  
2 taxpayer during the taxable year.

3 “(2) APPLICABLE AMOUNT.—For purposes of  
4 paragraph (1), the applicable amount is sum of—

5 “(A) \$2,500, plus

6 “(B) \$400 for each kilowatt hour of trac-  
7 tion battery capacity in excess of 6 kilowatt  
8 hours.

9 “(b) LIMITATIONS.—

10 “(1) LIMITATION BASED ON WEIGHT.—The  
11 amount of the credit allowed under subsection (a) by  
12 reason of subsection (a)(2) shall not exceed—

13 “(A) \$7,500, in the case of any new quali-  
14 fied plug-in electric drive motor vehicle with a  
15 gross vehicle weight rating of not more than  
16 10,000 pounds,

17 “(B) \$10,000, in the case of any new  
18 qualified plug-in electric drive motor vehicle  
19 with a gross vehicle weight rating of more than  
20 10,000 pounds but not more than 14,000  
21 pounds,

22 “(C) \$12,500, in the case of any new  
23 qualified plug-in electric drive motor vehicle  
24 with a gross vehicle weight rating of more than

1 14,000 pounds but not more than 26,000  
2 pounds, and

3 “(D) \$15,000, in the case of any new  
4 qualified plug-in electric drive motor vehicle  
5 with a gross vehicle weight rating of more than  
6 26,000 pounds.

7 “(2) LIMITATION ON NUMBER OF PASSENGER  
8 VEHICLES AND LIGHT TRUCKS ELIGIBLE FOR CRED-  
9 IT.—

10 “(A) IN GENERAL.—In the case of a new  
11 qualified plug-in electric drive motor vehicle  
12 sold during the phaseout period, only the appli-  
13 cable percentage of the credit otherwise allow-  
14 able under subsection (a) shall be allowed.

15 “(B) PHASEOUT PERIOD.—For purposes  
16 of this subsection, the phaseout period is the  
17 period beginning with the second calendar quar-  
18 ter following the calendar quarter which in-  
19 cludes the first date on which the total number  
20 of such new qualified plug-in electric drive  
21 motor vehicles sold for use in the United States  
22 after December 31, 2009, is at least 200,000.

23 “(C) APPLICABLE PERCENTAGE.—For  
24 purposes of subparagraph (A), the applicable  
25 percentage is—

1                   “(i) 50 percent for the first 2 cal-  
2                   endar quarters of the phaseout period,

3                   “(ii) 25 percent for the 3d and 4th  
4                   calendar quarters of the phaseout period,  
5                   and

6                   “(iii) 0 percent for each calendar  
7                   quarter thereafter.

8                   “(D) CONTROLLED GROUPS.—Rules simi-  
9                   lar to the rules of section 30B(f)(4) shall apply  
10                  for purposes of this subsection.

11               “(c) NEW QUALIFIED PLUG-IN ELECTRIC DRIVE  
12               MOTOR VEHICLE.—For purposes of this section, the term  
13               ‘new qualified plug-in electric drive motor vehicle’ means  
14               a motor vehicle—

15               “(1) which draws propulsion primarily using a  
16               traction battery with at least 6 kilowatt hours of ca-  
17               pacity,

18               “(2) which uses an offboard source of energy to  
19               recharge such battery,

20               “(3) which, in the case of a passenger vehicle  
21               or light truck which has a gross vehicle weight rat-  
22               ing of not more than 8,500 pounds, has received a  
23               certificate of conformity under the Clean Air Act  
24               and meets or exceeds the equivalent qualifying Cali-  
25               fornia low emission vehicle standard under section

1 243(e)(2) of the Clean Air Act for that make and  
2 model year, and

3 “(A) in the case of a vehicle having a gross  
4 vehicle weight rating of 6,000 pounds or less,  
5 the Bin 5 Tier II emission standard established  
6 in regulations prescribed by the Administrator  
7 of the Environmental Protection Agency under  
8 section 202(i) of the Clean Air Act for that  
9 make and model year vehicle, and

10 “(B) in the case of a vehicle having a gross  
11 vehicle weight rating of more than 6,000  
12 pounds but not more than 8,500 pounds, the  
13 Bin 8 Tier II emission standard which is so es-  
14 tablished,

15 “(4) the original use of which commences with  
16 the taxpayer,

17 “(5) which is acquired for use or lease by the  
18 taxpayer and not for resale, and

19 “(6) which is made by a manufacturer.

20 “(d) APPLICATION WITH OTHER CREDITS.—

21 “(1) BUSINESS CREDIT TREATED AS PART OF  
22 GENERAL BUSINESS CREDIT.—So much of the credit  
23 which would be allowed under subsection (a) for any  
24 taxable year (determined without regard to this sub-  
25 section) that is attributable to property of a char-

1       acter subject to an allowance for depreciation shall  
2       be treated as a credit listed in section 38(b) for such  
3       taxable year (and not allowed under subsection (a)).

4               “(2) REFUNDABLE PERSONAL CREDIT.—

5               “(A) IN GENERAL.—For purposes of this  
6       title, the credit allowed under subsection (a) for  
7       any taxable year (determined after application  
8       of paragraph (1)) shall be treated as a credit  
9       allowable under subpart C for such taxable year  
10      (and not allowed under subsection (a)).

11              “(B) REFUNDABLE CREDIT MAY BE  
12      TRANSFERRED.—

13              “(i) IN GENERAL.—A taxpayer may,  
14      in connection with the purchase of a new  
15      qualified fuel-efficient motor vehicle, trans-  
16      fer any refundable credit described in sub-  
17      paragraph (A) to any person who is in the  
18      trade or business of selling new qualified  
19      fuel-efficient motor vehicles and who sold  
20      such vehicle to the taxpayer, but only if  
21      such person clearly discloses to such tax-  
22      payer, through the use of a window sticker  
23      attached to the new qualified fuel-efficient  
24      vehicle—

1           “(I) the amount of the refund-  
2           able credit described in subparagraph  
3           (A) with respect to such vehicle, and

4           “(II) a notification that the tax-  
5           payer will not be eligible for any cred-  
6           it under section 30 or 30B with re-  
7           spect to such vehicle unless the tax-  
8           payer elects not to have this section  
9           apply with respect to such vehicle.

10          “(ii) CERTIFICATION.—A transferee  
11          of a refundable credit described in sub-  
12          paragraph (A) may not claim such credit  
13          unless such claim is accompanied by a cer-  
14          tification to the Secretary that the trans-  
15          feree reduced the price the taxpayer paid  
16          for the new qualified fuel-efficient motor  
17          vehicle by the entire amount of such re-  
18          fundable credit.

19          “(iii) CONSENT REQUIRED FOR REV-  
20          OCATION.—Any transfer under clause (i)  
21          may be revoked only with the consent of  
22          the Secretary.

23          “(iv) REGULATIONS.—The Secretary  
24          may prescribe such regulations as nec-  
25          essary to ensure that any refundable credit

1                   described in clause (i) is claimed once and  
2                   not retransferred by a transferee.

3           “(e) OTHER DEFINITIONS AND SPECIAL RULES.—

4 For purposes of this section—

5           “(1) MOTOR VEHICLE.—The term ‘motor vehi-  
6           cle’ has the meaning given such term by section  
7           30(c)(2).

8           “(2) OTHER TERMS.—The terms ‘passenger  
9           automobile’, ‘light truck’, and ‘manufacturer’ have  
10           the meanings given such terms in regulations pre-  
11           scribed by the Administrator of the Environmental  
12           Protection Agency for purposes of the administra-  
13           tion of title II of the Clean Air Act (42 U.S.C. 7521  
14           et seq.).

15           “(3) TRACTION BATTERY CAPACITY.—Traction  
16           battery capacity shall be measured in kilowatt hours  
17           from a 100 percent state of charge to a zero percent  
18           state of charge.

19           “(4) REDUCTION IN BASIS.—For purposes of  
20           this subtitle, the basis of any property for which a  
21           credit is allowable under subsection (a) shall be re-  
22           duced by the amount of such credit so allowed.

23           “(5) NO DOUBLE BENEFIT.—The amount of  
24           any deduction or other credit allowable under this  
25           chapter for a new qualified plug-in electric drive



1 motor vehicle shall be reduced by the amount of  
2 credit allowed under subsection (a) for such vehicle  
3 for the taxable year.

4 “(6) PROPERTY USED BY TAX-EXEMPT ENTI-  
5 TY.—In the case of a vehicle the use of which is de-  
6 scribed in paragraph (3) or (4) of section 50(b) and  
7 which is not subject to a lease, the person who sold  
8 such vehicle to the person or entity using such vehi-  
9 cle shall be treated as the taxpayer that placed such  
10 vehicle in service, but only if such person clearly dis-  
11 closes to such person or entity in a document the  
12 amount of any credit allowable under subsection (a)  
13 with respect to such vehicle (determined without re-  
14 gard to subsection (b)(2)).

15 “(7) PROPERTY USED OUTSIDE UNITED  
16 STATES, ETC., NOT QUALIFIED.—No credit shall be  
17 allowable under subsection (a) with respect to any  
18 property referred to in section 50(b)(1) or with re-  
19 spect to the portion of the cost of any property  
20 taken into account under section 179.

21 “(8) RECAPTURE.—The Secretary shall, by reg-  
22 ulations, provide for recapturing the benefit of any  
23 credit allowable under subsection (a) with respect to  
24 any property which ceases to be property eligible for  
25 such credit (including recapture in the case of a

1 lease period of less than the economic life of a vehi-  
2 cle).

3 “(9) ELECTION TO NOT TAKE CREDIT.—No  
4 credit shall be allowed under subsection (a) for any  
5 vehicle if the taxpayer elects not to have this section  
6 apply to such vehicle.

7 “(10) INTERACTION WITH AIR QUALITY AND  
8 MOTOR VEHICLE SAFETY STANDARDS.—Unless oth-  
9 erwise provided in this section, a motor vehicle shall  
10 not be considered eligible for a credit under this sec-  
11 tion unless such vehicle is in compliance with—

12 “(A) the applicable provisions of the Clean  
13 Air Act for the applicable make and model year  
14 of the vehicle (or applicable air quality provi-  
15 sions of State law in the case of a State which  
16 has adopted such provision under a waiver  
17 under section 209(b) of the Clean Air Act), and

18 “(B) the motor vehicle safety provisions of  
19 sections 30101 through 30169 of title 49,  
20 United States Code.

21 “(f) REGULATIONS.—

22 “(1) IN GENERAL.—Except as provided in para-  
23 graph (2), the Secretary shall promulgate such regu-  
24 lations as necessary to carry out the provisions of  
25 this section.

1           “(2) COORDINATION IN PRESCRIPTION OF CER-  
 2           TAIN REGULATIONS.—The Secretary of the Treas-  
 3           ury, in coordination with the Secretary of Transpor-  
 4           tation and the Administrator of the Environmental  
 5           Protection Agency, shall prescribe such regulations  
 6           as necessary to determine whether a motor vehicle  
 7           meets the requirements to be eligible for a credit  
 8           under this section.

9           “(g) TERMINATION.—This section shall not apply to  
 10          property purchased after December 31, 2016.”.

11          (b) CONFORMING AMENDMENT.—Section 6501(m) of  
 12          such Code is amended by striking “30D(e)(4)” and insert-  
 13          ing “30D(e)(9)”.

14          (c) EFFECTIVE DATE.—The amendments made by  
 15          this section shall apply to taxable years beginning after  
 16          December 31, 2011.

17          **SEC. 152. CREDIT FOR FUEL-EFFICIENT MOTOR VEHICLES.**

18          (a) IN GENERAL.—Subpart B of part IV of sub-  
 19          chapter A of chapter 1 of the Internal Revenue Code of  
 20          1986 is amended by adding at the end the following new  
 21          section:

22          **“SEC. 30E. FUEL-EFFICIENT MOTOR VEHICLE CREDIT.**

23                 “(a) ALLOWANCE OF CREDIT.—

24                         “(1) IN GENERAL.—There shall be allowed as a  
 25                         credit against the tax imposed by this chapter for

1 the taxable year an amount equal to the amount de-  
2 termined under paragraph (2) with respect to any  
3 new fuel-efficient motor vehicle placed in service by  
4 the taxpayer during the taxable year.

5 “(2) CREDIT AMOUNT.—The amount deter-  
6 mined under this paragraph shall be—

7 “(A) \$500, if the new fuel-efficient motor  
8 vehicle achieves a combined fuel economy which  
9 is greater than 35 miles per gallon but not  
10 greater than 40 miles per gallon,

11 “(B) \$1,000, if the new fuel-efficient  
12 motor vehicle achieves a combined fuel economy  
13 which is greater than 40 miles per gallon but  
14 less than 45 miles per gallon,

15 “(C) \$1,500, if the new fuel-efficient motor  
16 vehicle achieves a combined fuel economy which  
17 is greater than 45 miles per gallon but less  
18 than 50 miles per gallon, and

19 “(D) \$2,500, if the new fuel-efficient  
20 motor vehicle achieves a combined fuel economy  
21 which is greater than 50 miles per gallon.

22 “(b) NEW FUEL-EFFICIENT MOTOR VEHICLE.—For  
23 purposes of this section, the term ‘new fuel-efficient motor  
24 vehicle’ means any motor vehicle—

1           “(1) which has a gross vehicle weight rating of  
2 not more than 8,500 pounds,

3           “(2) which achieves a combined fuel economy of  
4 at least 35 miles per gallon,

5           “(3) the original use of which commences with  
6 the taxpayer,

7           “(4) which is acquired by the taxpayer for use  
8 or lease, but not for resale, and

9           “(5) which is made by a manufacturer.

10          “(c) OTHER DEFINITIONS AND SPECIAL RULES.—

11 For purposes of this section—

12           “(1) COMBINED FUEL ECONOMY.—The com-  
13 bined fuel economy with respect to any gasoline-  
14 fueled vehicle shall be measured in a manner which  
15 is substantially similar to the manner combined fuel  
16 economy is measured in accordance with procedures  
17 under part 600 of subchapter Q of chapter I of title  
18 40, Code of Federal Regulations, as in effect on the  
19 date of the enactment of this section.

20           “(2) MANUFACTURER.—The term ‘manufac-  
21 turer’ has the meaning given such term under sec-  
22 tion 30B(h).

23           “(3) BASIS REDUCTION.—The basis of any  
24 property for which a credit is allowable under sub-

1 section (a) shall be reduced by the amount of such  
2 credit.

3 “(4) RECAPTURE; PROPERTY USED OUTSIDE  
4 THE UNITED STATES; ELECTION NOT TO TAKE  
5 CREDIT.—For purposes of this section, rules similar  
6 to the rules of paragraphs (2), (3), and (4) of sec-  
7 tion 30(d) shall apply.

8 “(5) DENIAL OF DOUBLE BENEFIT.—No credit  
9 shall be allowed under this section with respect to  
10 any new fuel-efficient motor vehicle if a credit is al-  
11 lowable with respect to such vehicle under section  
12 30B (determined without regard to subsection (f)  
13 thereof) or 30D (determined without regard to sub-  
14 section (b)(2) thereof).

15 “(d) APPLICATION WITH OTHER CREDITS.—

16 “(1) BUSINESS CREDIT TREATED AS PART OF  
17 GENERAL BUSINESS CREDIT.—So much of the credit  
18 which would be allowed under subsection (a) for any  
19 taxable year (determined without regard to this sub-  
20 section) that is attributable to property of a char-  
21 acter subject to an allowance for depreciation shall  
22 be treated as a credit listed in section 38(b) for such  
23 taxable year (and not allowed under subsection (a)).

24 “(2) PERSONAL CREDIT.—

1           “(A) IN GENERAL.—For purposes of this  
2 title, the credit allowed under subsection (a) for  
3 any taxable year (determined after application  
4 of paragraph (1)) shall be treated as a credit  
5 allowable under subpart A for such taxable  
6 year.

7           “(B) LIMITATION BASED ON AMOUNT OF  
8 TAX.—The credit allowed under subsection (a)  
9 (after the application of paragraph (1)) for any  
10 taxable year shall not exceed the excess (if any)  
11 of—

12                   “(i) the regular tax liability (as de-  
13 fined in section 26(b)) reduced by the sum  
14 of the credits allowable under subpart A  
15 and sections 27, 30, 30B, and 30D, over

16                   “(ii) the tentative minimum tax for  
17 the taxable year.

18           “(e) LIMITATION ON NUMBER OF NEW FUEL-EFFI-  
19 CIENT MOTOR VEHICLES ELIGIBLE FOR CREDIT.—

20           “(1) IN GENERAL.—No credit shall be allowed  
21 under subsection (a) with respect to any new fuel-  
22 efficient motor vehicle sold in any calendar quarter  
23 after the calendar quarter following the calendar  
24 quarter which includes the first date on which the  
25 number of new fuel-efficient motor vehicles manufac-

1       tured by such manufacturer and sold for use in the  
2       United States after the date of the enactment of this  
3       section is at least 65,000.

4               “(2) CONTROLLED GROUPS.—Rules similar to  
5       the rules of section 30B(f)(4) shall apply for pur-  
6       poses of this subsection.

7               “(f) TERMINATION.—This section shall not apply to  
8       property placed in service after December 31, 2013.”.

9       (b) CONFORMING AMENDMENTS.—

10               (1) Section 38(b) of the Internal Revenue Code  
11       of 1986 is amended by striking “plus” at the end of  
12       paragraph (35), by striking the period at the end of  
13       paragraph (36) and inserting “, plus”, and by add-  
14       ing at the end the following new paragraph:

15               “(37) the portion of the new fuel-efficient motor  
16       vehicle credit to which section 30E(d)(1) applies.”.

17               (2) Section 55(c)(3) of such Code is amended  
18       by inserting “30E(d)(2),” after “30C(d)(2),”.

19               (3) Section 1016(a) of such Code is amended  
20       by striking “and” at the end of paragraph (36), by  
21       striking the period at the end of paragraph (37) and  
22       inserting “, and”, and by adding at the end the fol-  
23       lowing new paragraph:

24               “(38) to the extent provided in section  
25       30E(c)(3).”.



1           (4) Section 6501(m) of such Code, as amended  
2           by this Act, is amended by inserting “30E(c)(4),”  
3           after “30D(e)(9),”.

4           (c) CLERICAL AMENDMENT.—The table of sections  
5           for subpart B of part IV of subchapter A of chapter 1  
6           of the Internal Revenue Code of 1986 is amended by add-  
7           ing at the end the following new item:

          “Sec. 30E. Fuel-efficient motor vehicle credit.”.

8           (d) EFFECTIVE DATE.—The amendments made by  
9           this section shall apply to property placed in service after  
10          the date of the enactment of this Act.

11   **SEC. 153. IDLING REDUCTION TAX CREDIT.**

12          (a) IN GENERAL.—Subpart D of part IV of sub-  
13          chapter A of chapter 1 of the Internal Revenue Code of  
14          1986 is amended by adding at the end the following new  
15          section:

16   **“SEC. 45S. IDLING REDUCTION CREDIT.**

17          “(a) GENERAL RULE.—For purposes of section 38,  
18          the idling reduction tax credit determined under this sec-  
19          tion for the taxable year is an amount equal to 25 percent  
20          of the amount paid or incurred for each qualifying idling  
21          reduction device placed in service by the taxpayer during  
22          the taxable year.

23          “(b) LIMITATION.—The maximum amount allowed as  
24          a credit under subsection (a) shall not exceed \$1,000 per  
25          device.

1       “(c) DEFINITIONS.—For purposes of subsection  
2 (a)—

3               “(1) QUALIFYING IDLING REDUCTION DE-  
4       VICE.—The term ‘qualifying idling reduction device’  
5       means any device or system of devices that—

6               “(A) is installed on a heavy-duty diesel-  
7       powered on-highway vehicle,

8               “(B) is designed to provide to such vehicle  
9       those services (such as heat, air conditioning, or  
10       electricity) that would otherwise require the op-  
11       eration of the main drive engine while the vehi-  
12       cle is temporarily parked or remains stationary,

13              “(C) the original use of which commences  
14       with the taxpayer,

15              “(D) is acquired for use by the taxpayer  
16       and not for resale, and

17              “(E) is determined by the Administrator of  
18       the Environmental Protection Agency, in con-  
19       sultation with the Secretary of Energy and the  
20       Secretary of Transportation, to reduce idling of  
21       such vehicle at a motor vehicle rest stop or  
22       other location where such vehicles are tempo-  
23       rarily parked or remain stationary.

24              “(2) HEAVY-DUTY DIESEL-POWERED ON-HIGH-  
25       WAY VEHICLE.—The term ‘heavy-duty diesel-pow-

1       ered on-highway vehicle’ means any vehicle, ma-  
2       chine, tractor, trailer, or semi-trailer propelled or  
3       drawn by mechanical power and used upon the high-  
4       ways in the transportation of passengers or prop-  
5       erty, or any combination thereof determined by the  
6       Federal Highway Administration. Such term in-  
7       cludes any diesel fuel hybrid highway vehicle which  
8       has a gross vehicle weight rating of more than 8,500  
9       pounds.

10           “(3) LONG-DURATION IDLING.—The term ‘long-  
11       duration idling’ means the operation of a main drive  
12       engine, for a period greater than 15 consecutive  
13       minutes, where the main drive engine is not engaged  
14       in gear. Such term does not apply to routine stop-  
15       pages associated with traffic movement or conges-  
16       tion.

17           “(d) NO DOUBLE BENEFIT.—For purposes of this  
18       section—

19           “(1) REDUCTION IN BASIS.—If a credit is de-  
20       termined under this section with respect to any  
21       property by reason of expenditures described in sub-  
22       section (a), the basis of such property shall be re-  
23       duced by the amount of the credit so determined.

24           “(2) OTHER DEDUCTIONS AND CREDITS.—No  
25       deduction or credit shall be allowed under any other

1 provision of this chapter with respect to the amount  
2 of the credit determined under this section.

3 “(e) ELECTION NOT TO CLAIM CREDIT.—This sec-  
4 tion shall not apply to a taxpayer for any taxable year  
5 if such taxpayer elects to have this section not apply for  
6 such taxable year.”.

7 (b) CREDIT TO BE PART OF GENERAL BUSINESS  
8 CREDIT.—Subsection (b) of section 38 of the Internal  
9 Revenue Code of 1986, as amended by this Act, is amend-  
10 ed by striking “plus” at the end of paragraph (36), by  
11 striking the period at the end of paragraph (37) and in-  
12 serting “, plus”, and by adding at the end the following  
13 new paragraph:

14 “(38) the idling reduction tax credit determined  
15 under section 45S(a).”.

16 (c) CONFORMING AMENDMENTS.—

17 (1) The table of sections for subpart D of part  
18 IV of subchapter A of chapter 1 of the Internal Rev-  
19 enue Code of 1986 is amended by inserting after the  
20 item relating to section 45R the following new item:

“Sec. 45S. Idling reduction credit.”.

21 (2) Section 1016(a) of such Code, as amended  
22 by this Act, is amended by striking “and” at the end  
23 of paragraph (37), by striking the period at the end  
24 of paragraph (38) and inserting “, and”, and by  
25 adding at the end the following:

1           “(39) in the case of a facility with respect to  
2           which a credit was allowed under section 45S, to the  
3           extent provided in section 45S(d)(A).”.

4           (3) Section 6501(m) of such Code is amended  
5           by inserting “45S(e)” after “45C(d)(4)”.

6           (d) EFFECTIVE DATE.—The amendments made by  
7           this section shall apply to taxable years beginning after  
8           December 31, 2011.

## 9                           **TITLE II—OIL AND GAS** 10                           **DEVELOPMENT**

### 11   **SEC. 201. PRODUCTION OF OIL AND GAS ON OUTER CONTI-** 12                           **NENTAL SHELF.**

13           (a) IN GENERAL.—Section 18 of the Outer Conti-  
14           nental Shelf Lands Act (43 U.S.C. 1344) is amended by  
15           adding at the end the following:

16           “(i) PRODUCTION OF OIL AND GAS ON OUTER CON-  
17           TINENTAL SHELF.—

18                           “(1) DEFINITIONS.—In this subsection:

19   “(A) COASTAL POLITICAL SUBDIVISION.—

20                           The term ‘coastal political subdivision’ means a  
21                           political subdivision of a Gulf producing State  
22                           or a Southeastern State any part of which polit-  
23                           ical subdivision is—

24   “(i) within the coastal zone (as de-  
25                           fined in section 304 of the Coastal Zone

1 Management Act of 1972 (16 U.S.C.  
2 1453)) of the Gulf producing State as of  
3 the date of enactment of this Act; and

4 “(ii) not more than 200 nautical miles  
5 from the geographic center of any leased  
6 tract.

7 “(B) GULF PRODUCING STATE.—The term  
8 ‘Gulf producing State’ means each of the States  
9 of Alabama, Florida, Louisiana, Mississippi,  
10 and Texas.

11 “(C) MORATORIUM AREA.—The term ‘mor-  
12 atorium area’ means any area of the outer Con-  
13 tinental Shelf with respect to which Congress  
14 has prohibited the use of appropriated funds or  
15 other means for preleasing, leasing, or related  
16 activities.

17 “(D) QUALIFIED OUTER CONTINENTAL  
18 SHELF REVENUES.—

19 “(i) IN GENERAL.—The term ‘quali-  
20 fied outer Continental Shelf revenues’  
21 means all rentals, royalties, bonus bids,  
22 and other sums due and payable to the  
23 United States from leases entered into  
24 under this subsection.

1           “(ii) EXCLUSIONS.—The term ‘quali-  
2           fied outer Continental Shelf revenues’ does  
3           not include—

4                   “(I) revenues from the forfeiture  
5                   of a bond or other surety securing ob-  
6                   ligations other than royalties, civil  
7                   penalties, or royalties taken by the  
8                   Secretary in-kind and not sold; or

9                   “(II) revenues generated from  
10                  leases subject to section 8(g).

11           “(E) SOUTHEASTERN STATE.—The term  
12           ‘Southeastern State’ means the each of the  
13           States of Georgia, North Carolina, South Caro-  
14           lina, and Virginia.

15           “(2) OUTER CONTINENTAL SHELF LEASING  
16           AREAS.—

17                   “(A) GULF OF MEXICO.—

18                   “(i) IN GENERAL.—Not later than  
19                   180 days after the date on which any nec-  
20                   essary environmental analyses are com-  
21                   pleted under the National Environmental  
22                   Policy Act of 1969 (42 U.S.C. 4321 et  
23                   seq.), the Secretary may offer for leasing,  
24                   preleasing, or any related activity under  
25                   this Act any moratorium area in the Gulf

1 of Mexico that is more than 50 miles off  
2 the coastline of the Gulf of Mexico.

3 “(ii) CONSULTATION WITH SEC-  
4 RETARY OF DEFENSE.—The Secretary  
5 shall consult with the Secretary of Defense  
6 to ensure that any activity conducted  
7 under clause (i) is carried out in a manner  
8 that is consistent with national security.

9 “(B) SOUTHEASTERN STATES.—

10 “(i) IN GENERAL.—The Governor,  
11 with the concurrence of the Legislature, of  
12 a Southeastern State may submit to the  
13 Secretary a petition requesting that the  
14 Secretary make available for leasing any  
15 area in the administrative boundaries of  
16 the Southeastern State that is more than  
17 50 miles off the coastline of the South-  
18 eastern State.

19 “(ii) ACTION BY SECRETARY.—Not  
20 later than 90 days after the date of receipt  
21 of a petition under clause (i) and not later  
22 than 180 days after the date on which any  
23 necessary environmental analyses are com-  
24 pleted under the National Environmental  
25 Policy Act of 1969 (42 U.S.C. 4321 et



1 seq.), the Secretary shall approve the peti-  
2 tion unless the Secretary determines that  
3 leasing in the affected area presents a sig-  
4 nificant likelihood of incidents associated  
5 with the development of resources that  
6 would cause serious harm or damage to the  
7 marine resources of the covered area or of  
8 an adjacent State.

9 “(iii) FAILURE TO ACT.—If the Sec-  
10 retary fails to approve or deny a petition  
11 in accordance with clause (ii), the petition  
12 shall be considered to be approved as of  
13 the later of—

14 “(I) the date that is 90 days  
15 after the date of receipt of the peti-  
16 tion; or

17 “(II) the date that is 180 days  
18 after the date on which any necessary  
19 environmental analyses are completed  
20 under the National Environmental  
21 Policy Act of 1969 (42 U.S.C. 4321  
22 et seq.).

23 “(iv) TREATMENT.—Notwithstanding  
24 any other provision of this section, not  
25 later than 180 days after the date on

1           which a petition is approved, or considered  
2           to be approved, under clause (ii) or (iii),  
3           the Secretary shall treat the petition of the  
4           Governor or the Legislature of a South-  
5           eastern State under clause (i) as a pro-  
6           posed revision to a leasing program under  
7           this section.

8           “(C) ADMINISTRATION.—Notwithstanding  
9           the omission of any areas made available for  
10          leasing under subparagraph (A) or (B) from  
11          the applicable 5-year plan developed by the Sec-  
12          retary pursuant to this section, the areas shall  
13          be offered for leasing under this section in ac-  
14          cordance with the completed environmental  
15          analyses referred to in subparagraph (A)(i) or  
16          (B)(ii), respectively.

17          “(D) INCLUSION IN 5-YEAR PROGRAM.—

18                 “(i) IN GENERAL.—Except as pro-  
19                 vided in clause (ii), if areas are made avail-  
20                 able for leasing under subparagraph (A) or  
21                 (B), the Secretary shall initiate a new 5-  
22                 year outer Continental Shelf oil and gas  
23                 leasing program to replace the outer Conti-  
24                 nental Shelf oil and gas leasing program in  
25                 effect as of that date, which shall include

1 any lease sale for any area made available  
2 for leasing under subparagraph (A) or (B).

3 “(ii) INCLUSION IN PROGRAM.—If  
4 there are less than 18 months remaining in  
5 the 5-year outer Continental Shelf oil and  
6 gas leasing program described in clause (i),  
7 the Secretary shall include the areas made  
8 available for leasing under subparagraph  
9 (A) or (B) in lease sales under the pro-  
10 posed 5-year outer Continental Shelf oil  
11 and gas leasing program.

12 “(iii) ENVIRONMENTAL ASSESS-  
13 MENT.—Before modifying a 5-year outer  
14 Continental Shelf oil and gas leasing pro-  
15 gram for the next 5-year period, the Sec-  
16 retary shall complete an environmental as-  
17 sessment that describes any anticipated en-  
18 vironmental effect of leasing in the areas  
19 made available for leasing under subpara-  
20 graph (A) or (B).

21 “(3) DISPOSITION OF QUALIFIED OUTER CONTI-  
22 NENTAL SHELF REVENUES.—

23 “(A) GULF OF MEXICO.—Notwithstanding  
24 section 9, qualified outer Continental Shelf rev-  
25 enues derived from leasing moratorium areas in

1 the Gulf of Mexico under paragraph (2)(A)  
2 shall be disbursed to Gulf producing States (in-  
3 cluding the State of Florida) and coastal polit-  
4 ical subdivisions of those Gulf producing States  
5 in accordance with section 105 of the Gulf of  
6 Mexico Energy Security Act of 2006 (43 U.S.C.  
7 1331 note; Public Law 109–432).

8 “(B) SOUTHEASTERN STATES.—

9 “(i) IN GENERAL.—Except as pro-  
10 vided in clause (ii), if the Governor or the  
11 Legislature of a Southeastern State sub-  
12 mits to the Secretary a petition requesting  
13 that the Secretary make available for leas-  
14 ing any portion of a moratorium area in  
15 the administrative boundaries of the  
16 Southeastern State that is more than 50  
17 miles off the coastline of the Southeastern  
18 State and the Secretary approves the peti-  
19 tion, the Secretary shall—

20 “(I) disburse to the Southeastern  
21 State 37.5 percent of any qualified  
22 outer Continental Shelf revenues that  
23 are derived from leasing any portion  
24 of a moratorium area in the adminis-  
25 trative boundaries of the Southeastern

1 State that is more than 50 miles, but  
2 less than 100 miles, off the coastline  
3 of the Southeastern State; and

4 “(II) pay 20 percent of the allo-  
5 cable share of the Southeastern State  
6 to the coastal political subdivisions of  
7 the Southeastern State in accordance  
8 with subparagraphs (B), (C), and (E)  
9 of section 31(b)(4).

10 “(ii) CONTIGUOUS STATES.—If 2 or  
11 more contiguous Southeastern States sub-  
12 mit petitions described in clause (i) and  
13 the Secretary approves the petitions, the  
14 Secretary shall—

15 “(I) disburse to the contiguous  
16 Southeastern States 50 percent of any  
17 qualified outer Continental Shelf reve-  
18 nues that are derived from leasing any  
19 portion of a moratorium area in the  
20 administrative boundaries of the  
21 Southeastern States that is more than  
22 50 miles, but less than 100 miles, off  
23 the coastline of the Southeastern  
24 States;

1           “(II) allocate the amount made  
2           available under subclause (I) to the  
3           contiguous Southeastern States in  
4           amounts that are inversely propor-  
5           tional to the respective distances be-  
6           tween the point on the coastline of  
7           each Southeastern State that is clos-  
8           est to the geographical center of each  
9           historical lease site and the geo-  
10          graphical center of the historical lease  
11          site, as determined by the Secretary;  
12          and

13           “(III) pay 20 percent of the allo-  
14          cable share of each contiguous South-  
15          eastern State to the coastal political  
16          subdivisions of the Southeastern State  
17          in accordance with subparagraphs  
18          (B), (C), and (E) of section 31(b)(4).

19           “(4) PROHIBITION ON EXPORT.—All oil and  
20          natural gas produced on the outer Continental Shelf  
21          of the United States under this subsection shall be  
22          made available for refining and sale solely within the  
23          United States.

24           “(5) ALTERNATIVE FUEL TRUST FUND.—

1           “(A) ESTABLISHMENT.—There is estab-  
2           lished in the Treasury of the United States a  
3           revolving fund, to be known as the ‘Alternative  
4           Fuel Trust Fund’, consisting of all qualified  
5           outer Continental Shelf revenues payable to the  
6           Federal Government under this subsection (as  
7           determined by the Secretary).

8           “(B) EXPENDITURES FROM FUND.—Sub-  
9           ject to appropriations and on request by the  
10          Secretary of Energy, the Secretary of the  
11          Treasury shall transfer from the Fund to the  
12          Secretary of Energy such amounts as the Sec-  
13          retary of Energy determines are necessary to  
14          carry out—

15               “(i) research, development, and com-  
16               mercialization programs for alternative  
17               fuels and alternative fuel technologies; and

18               “(ii) similar programs established  
19               under the Fulfilling U.S. Energy Leader-  
20               ship Act of 2011 and amendments made  
21               by that Act.

22          “(C) TRANSFERS OF AMOUNTS.—

23               “(i) IN GENERAL.—The amounts re-  
24               quired to be transferred to the Fund under  
25               this paragraph shall be transferred at least

1           monthly from the general fund of the  
2           Treasury to the Fund on the basis of esti-  
3           mates made by the Secretary of the Treas-  
4           ury.

5           “(ii) ADJUSTMENTS.—Proper adjust-  
6           ment shall be made in amounts subse-  
7           quently transferred to the extent prior esti-  
8           mates were in excess of or less than the  
9           amounts required to be transferred.”.

10       (b) CONFORMING AMENDMENTS.—

11           (1) Section 104 of the Department of the Inte-  
12           rior, Environment, and Related Agencies Appropria-  
13           tions Act, 2008 (Public Law 110–161; 121 Stat.  
14           2118) is amended—

15               (A) by inserting “and” after “North Atlan-  
16               tic;”; and

17               (B) by striking “; and the eastern” and all  
18               that follows through “longitude”.

19           (2) Section 105 of the Department of the Inte-  
20           rior, Environment, and Related Agencies Appropria-  
21           tions Act, 2008 (Public Law 110–161; 121 Stat.  
22           2118) is repealed.

23           (3) Section 104 of the Gulf of Mexico Energy  
24           Security Act of 2006 (43 U.S.C. 1331 note; Public  
25           Law 109–432) is amended—



1 (A) by striking subsection (a);

2 (B) in subsection (b), by striking “Not-  
3 withstanding subsection (a), the” and inserting  
4 “The”;

5 (C) in subsection (c)(1), by inserting “(as  
6 it existed before the amendment made by sec-  
7 tion 201(c)(1) of the Fulfilling U.S. Energy  
8 Leadership Act of 2011)” after “subsection  
9 (a)”; and

10 (D) by redesignating subsections (b) and  
11 (c) as subsections (a) and (b), respectively.

12 **SEC. 202. IMPLEMENTATION OF INVENTORY OF OUTER**  
13 **CONTINENTAL SHELF RESOURCES.**

14 (a) IN GENERAL.—Section 357 of the Energy Policy  
15 Act of 2005 (42 U.S.C. 15912) is amended—

16 (1) in subsection (a)—

17 (A) by striking the first sentence of the  
18 matter preceding paragraph (1) and inserting  
19 the following: “The Secretary shall conduct a  
20 seismic inventory of oil and natural gas, and  
21 prepare a summary (the latter prepared with  
22 the assistance of, and based on information pro-  
23 vided by, the heads of appropriate Federal  
24 agencies) of the information obtained under  
25 paragraph (3), for the waters of the United

1 States Outer Continental Shelf (referred to in  
2 this section as the ‘OCS’) in the Atlantic Re-  
3 gion, the Eastern Gulf of Mexico, and the Alas-  
4 ka Region.”;

5 (B) in paragraph (2)—

6 (i) by striking “3-D” and inserting  
7 “2-D and 3-D”; and

8 (ii) by adding “and” at the end; and

9 (C) by striking paragraphs (3) through (5)  
10 and inserting in the following:

11 “(3) use existing inventories and mapping of  
12 marine resources undertaken by the National Ocean-  
13 ographic and Atmospheric Administration and with  
14 the assistance of and based on information provided  
15 by the Department of Defense and other Federal  
16 and State agencies possessing relevant data, and use  
17 any available data regarding alternative energy po-  
18 tential, navigation uses, fisheries, aquaculture uses,  
19 recreational uses, habitat, conservation, and military  
20 uses.”; and

21 (2) by striking subsection (b) and inserting the  
22 following:

23 “(b) IMPLEMENTATION.—The Secretary shall carry  
24 out the inventory and analysis under subsection (a) in 3

1 phases, with priority given to all or part of applicable plan-  
2 ning areas of the outer Continental Shelf—

3 “(1) estimated to have the greatest potential for  
4 energy development in barrel of oil equivalent; and

5 “(2) outside of any leased area or area sched-  
6 uled for leasing prior to calendar year 2011 under  
7 any outer Continental Shelf 5-year leasing program  
8 or amendment to the program under section 18 of  
9 the Outer Continental Shelf Lands Act (43 U.S.C.  
10 1344).

11 “(c) REPORTS.—

12 “(1) IN GENERAL.—Not later than 90 days  
13 after the date of enactment of this paragraph, the  
14 Secretary shall submit to the Committee on Energy  
15 and Natural Resources of the Senate and the Com-  
16 mittee on Natural Resources of the House of Rep-  
17 resentatives a report that provides a plan for exe-  
18 cuting the seismic inventories required under this  
19 section, including an estimate of the costs to com-  
20 plete the seismic inventory by region and environ-  
21 mental and permitting activities to facilitate expedi-  
22 tious completion.

23 “(2) FIRST PHASE.—Not later than 2 years  
24 after the date of enactment of this paragraph, the  
25 Secretary shall submit to Congress a report describ-

1       ing the results of the first phase of the inventory  
2       and analysis under subsection (a).

3               “(3) SUBSEQUENT PHASES.—Not later than 2  
4       years after the date on which the report is submitted  
5       under paragraph (2) and 2 years thereafter, the Sec-  
6       retary shall submit to Congress a report describing  
7       the results of the second and third phases, respec-  
8       tively, of the inventory and analysis under subsection  
9       (a).

10              “(4) PUBLIC AVAILABILITY.—A report sub-  
11       mitted under paragraph (2) or (3) shall be—

12                      “(A) made publicly available; and

13                      “(B) updated not less frequently than once  
14       every 5 years.”.

15       (b) RELATIONSHIP TO 5-YEAR PROGRAM.—The re-  
16       quirement that the Secretary of the Interior carry out the  
17       inventory required by the amendment made by subsection  
18       (a) shall not be considered to require, authorize, or provide  
19       a basis or justification for delay by the Secretary of the  
20       Interior or any other agency of the issuance of any outer  
21       Continental Shelf leasing program or amendment to the  
22       program under section 18 of the Outer Continental Shelf  
23       Lands Act (43 U.S.C. 1344), or any lease sale pursuant  
24       to that section.

1           (c) PERMITS.—Nothing in this section or an amend-  
2 ment made by this section precludes the issuance by the  
3 Secretary of the Interior of a permit to conduct geological  
4 and geophysical exploration of the outer Continental Shelf  
5 in accordance with the Outer Continental Shelf Lands Act  
6 (43 U.S.C. 1331 et seq.) and other applicable law.

7           (d) FUNDING.—Section 999H(d) of the Energy Pol-  
8 icy Act of 2005 (42 U.S.C. 16378(d)) is amended—

9                   (1) by striking paragraph (1) and inserting the  
10 following:

11                   “(1) Thirty-five percent shall be used for activi-  
12 ties under section 999A(b)(1), except that for each  
13 of fiscal years 2010 through 2015 the amount made  
14 available under this paragraph shall be used to carry  
15 out section 357 (for the completion of necessary en-  
16 vironmental analyses under the National Environ-  
17 mental Policy Act of 1969 (42 U.S.C. 4321 et seq.),  
18 with a priority given to completion of programmatic  
19 environmental impact statements necessary to carry  
20 out the seismic inventory or portions of the inven-  
21 tory required by section 357, and the use of seismic  
22 technology to obtain accurate resource estimates).”;

23                   and

24                   (2) in paragraph (4)—

1 (A) by inserting “(A) except as provided in  
2 subparagraph (B),” before “25”; and

3 (B) by adding at the end the following:

4 “(B) notwithstanding subparagraph (A),  
5 for each of fiscal years 2010 through 2015—

6 “(i) 15 percent shall be used for the  
7 purposes described in subparagraph (A);  
8 and

9 “(ii) 10 percent shall be used for the  
10 activities described in paragraph (1).”.

11 (e) AUTHORIZATION OF APPROPRIATIONS.—There  
12 are authorized to be appropriated to carry out this section  
13 and the amendments made by this section, to remain  
14 available until expended without fiscal year limitation—

15 (1) \$100,000,000 for each of fiscal years 2012  
16 through 2017; and

17 (2) \$50,000,000 for each of fiscal years 2018  
18 through 2020.

19 **SEC. 203. OFFSHORE SAFETY BUREAU.**

20 (a) IN GENERAL.—The Outer Continental Shelf  
21 Lands Act (43 U.S.C. 1331 et seq.) is amended by adding  
22 to the end the following:

23 **“SEC. 32. OFFSHORE SAFETY BUREAU.**

24 “(a) ESTABLISHMENT OF BUREAU.—

25 “(1) ESTABLISHMENT.—

1           “(A) IN GENERAL.—Subject to the discre-  
2           tion granted by Reorganization Plan Number 3  
3           of 1950 (64 Stat. 1262; 43 U.S.C. 1451 note),  
4           the Secretary shall establish in the Department  
5           of the Interior a bureau to carry out the safety  
6           and environmental regulatory functions vested  
7           in the Secretary by this Act and the Federal Oil  
8           and Gas Royalty Management Act of 1982 (30  
9           U.S.C. 1701 et seq.) related to the outer Conti-  
10          nental Shelf.

11           “(B) CONFLICTS OF INTEREST.—In estab-  
12          lishing the bureau under subparagraph (A), the  
13          Secretary shall ensure, to the maximum extent  
14          practicable, that any potential organizational  
15          conflicts of interest related to environmental  
16          protection and safety are eliminated.

17           “(2) DIRECTOR.—The bureau shall be headed  
18          by a Director, who shall be appointed by the Presi-  
19          dent, by and with the advice and consent of the Sen-  
20          ate.

21           “(3) COMPENSATION.—The Director shall be  
22          compensated at the rate provided for level V of the  
23          Executive Schedule under section 5316 of title 5,  
24          United States Code.

1           “(4) QUALIFICATIONS.—The Director shall be a  
2 person who, by reason of professional background  
3 and demonstrated ability and experience, is specially  
4 qualified to carry out the duties of the office.

5           “(b) SPECIAL PERSONNEL AUTHORITIES.—

6           “(1) DIRECT HIRING AUTHORITY FOR CRITICAL  
7 PERSONNEL.—

8           “(A) IN GENERAL.—Notwithstanding sec-  
9 tions 3104, 3304, and 3309 through 3318 of  
10 title 5, United States Code, the Secretary may,  
11 on a determination that there is a severe short-  
12 age of candidates or a critical hiring need for  
13 particular positions, recruit and directly appoint  
14 highly qualified accountants, scientists, engi-  
15 neers, or critical technical personnel into the  
16 competitive service, as officers or employees of  
17 the organizational unit established under this  
18 section.

19           “(B) REQUIREMENTS.—In exercising the  
20 authority granted under subparagraph (A), the  
21 Secretary shall ensure that any action taken by  
22 the Secretary—

23           “(i) is consistent with the merit prin-  
24 ciples of chapter 23 of title 5, United  
25 States Code; and



1                   “(ii) complies with the public notice  
2                   requirements of section 3327 of title 5,  
3                   United States Code.

4                   “(2) CRITICAL PAY AUTHORITY.—

5                   “(A) IN GENERAL.—Notwithstanding sec-  
6                   tion 5377 of title 5, United States Code, and  
7                   without regard to the provisions of that title  
8                   governing appointments in the competitive serv-  
9                   ice or the Senior Executive Service and chap-  
10                  ters 51 and 53 of that title (relating to classi-  
11                  fication and pay rates), the Secretary may es-  
12                  tablish, fix the compensation of, and appoint in-  
13                  dividuals to critical positions needed to carry  
14                  out the functions of the organizational unit es-  
15                  tablished under this section, if the Secretary  
16                  certifies that—

17                               “(i) the positions—

18                                       “(I) require expertise of an ex-  
19                                       tremely high level in a scientific or  
20                                       technical field; and

21                                       “(II) the organizational unit es-  
22                                       tablished in this section would not  
23                                       successfully accomplish an important  
24                                       mission without such an individual;  
25                                       and

1           “(ii) exercise of the authority is nec-  
2           essary to recruit an individual exceptionally  
3           well qualified for the position.

4           “(B) LIMITATIONS.—The authority grant-  
5           ed under subparagraph (A) shall be subject to  
6           the following conditions:

7                   “(i) The number of critical positions  
8                   authorized by subparagraph (A) may not  
9                   exceed 40 at any one time in the bureau  
10                  established under this section.

11                   “(ii) The term of an appointment  
12                   under subparagraph (A) may not exceed 4  
13                   years.

14                   “(iii) An individual appointed under  
15                   subparagraph (A) may not have been an  
16                   employee of the Department of the Interior  
17                   during the 2-year period prior to the date  
18                   of appointment.

19                   “(iv) Total annual compensation for  
20                   any individual appointed under subpara-  
21                   graph (A) may not exceed the highest total  
22                   annual compensation payable at the rate  
23                   determined under section 104 of title 3,  
24                   United States Code.

1           “(v) An individual appointed under  
2           subparagraph (A) may not be considered  
3           to be an employee for purposes of sub-  
4           chapter II of chapter 75 of title 5, United  
5           States Code.

6           “(C) NOTIFICATION.—Each year, the Sec-  
7           retary shall submit to Congress a notification  
8           that lists each individual appointed under this  
9           paragraph.

10          “(3) REEMPLOYMENT OF CIVILIAN RETIR-  
11          EES.—

12                 “(A) IN GENERAL.—Notwithstanding part  
13                 553 of title 5, Code of Federal Regulations (re-  
14                 lating to reemployment of civilian retirees to  
15                 meet exceptional employment needs), or suc-  
16                 cessor regulations, the Secretary may approve  
17                 the reemployment of an individual to a par-  
18                 ticular position without reduction or termi-  
19                 nation of annuity if the hiring of the individual  
20                 is necessary to carry out a critical function of  
21                 any of the organizational units established  
22                 under this section for which suitably qualified  
23                 candidates do not exist.

1           “(B) LIMITATIONS.—An annuitant hired  
2 with full salary and annuities under the author-  
3 ity granted by subparagraph (A)—

4           “(i) shall not be considered an em-  
5 ployee for purposes of subchapter III of  
6 chapter 83 and chapter 84 of title 5,  
7 United States Code;

8           “(ii) may not elect to have retirement  
9 contributions withheld from the pay of the  
10 annuitant;

11           “(iii) may not use any employment  
12 under this paragraph as a basis for a sup-  
13 plemental or recomputed annuity; and

14           “(iv) may not participate in the Thrift  
15 Savings Plan under subchapter III of  
16 chapter 84 of title 5, United States Code.

17           “(C) LIMITATION ON TERM.—The term of  
18 employment of any individual hired under sub-  
19 paragraph (A) may not exceed an initial term  
20 of 2 years, with an additional 2-year appoint-  
21 ment under exceptional circumstances.

22           “(c) CONTINUITY OF AUTHORITY.—Subject to the  
23 discretion granted by Reorganization Plan Number 3 of  
24 1950 (64 Stat. 1262; 43 U.S.C. 1451 note), any reference  
25 in any law, rule, regulation, directive, or instruction, or

1 certificate or other official document, in force immediately  
2 prior to the date of enactment of this section—

3 “(1) to the Minerals Management Service that  
4 pertains to any of the duties and authorities de-  
5 scribed in this section shall be deemed to refer and  
6 apply to the bureau established under this section;

7 “(2) to the Director of the Minerals Manage-  
8 ment Service that pertains to any of the duties and  
9 authorities described in this section shall be consid-  
10 ered to refer and apply to the Director of the bureau  
11 under this section to whom the Secretary has as-  
12 signed the respective duty or authority; and

13 “(3) to any other position in the Minerals Man-  
14 agement Service that pertains to any of the duties  
15 and authorities described in this section shall be con-  
16 sidered to refer and apply to that same or equivalent  
17 position in the bureau established under this sec-  
18 tion.”.

19 (b) CONFORMING AMENDMENT.—Section 5316 of  
20 title 5, United States Code, is amended by striking “Direc-  
21 tor, Bureau of Mines, Department of the Interior” and  
22 inserting the following:

23 “Bureau Directors, Department of the Interior  
24 (2).”.

1     **TITLE III—ALTERNATIVE FUEL**  
 2                     **DEPLOYMENT**

3             **Subtitle A—Energy Provisions**

4     **SEC. 301. BIOENERGY RESEARCH AND DEVELOPMENT.**

5             Section 932 of the Energy Policy Act of 2005 (42  
 6 U.S.C. 16232) is amended—

7                     (1) by redesignating subsections (g) and (h) as  
 8 subsections (f) and (g), respectively; and

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

10             “(h) AUTHORIZATION OF APPROPRIATIONS.—There  
 11 are authorized to be appropriated to carry out this sec-  
 12 tion—

13                     “(1) \$2,898,000,000 for fiscal year 2009, of  
 14 which \$150,000,000 shall be for subsection (d); and

15                     “(2) \$2,919,000,000 for fiscal year 2010, of  
 16 which \$150,000,000 shall be for subsection (d).”.

17     **SEC. 302. ALTERNATIVE FUELED AUTOMOBILE PRODUC-**  
 18                     **TION REQUIREMENT.**

19             (a) DEFINITION OF ALTERNATIVE FUELED VEHI-  
 20 CLE.—Section 32901 of title 49, United States Code, is  
 21 amended by striking paragraph (2) and inserting the fol-  
 22 lowing:

23                     “(2)(A) ‘alternative fueled automobile’ means  
 24 an automobile that is a—

25                             “(i) dedicated automobile; or

1 “(ii) dual fueled automobile.

2 “(B) The term ‘alternative fueled automobile’  
3 does not include a dedicated automobile that oper-  
4 ates exclusively on gasoline or diesel fuel.”.

5 (b) REQUIREMENT.—Section 32905 of title 49,  
6 United States Code is amended by adding at the end the  
7 following:

8 “(g) ALTERNATIVE FUELED AUTOMOBILES.—Each  
9 manufacturer that manufactures automobiles for sale or  
10 use in the United States shall ensure that—

11 “(1) not less than 75 percent of such auto-  
12 mobiles manufactured for each of model years 2016  
13 through 2019 are alternative fueled automobiles;  
14 and

15 “(2) 100 percent of such automobiles manufac-  
16 tured for model year 2020 and each subsequent  
17 model year are alternative fueled automobiles.”.

18 **SEC. 303. DEFINITION OF RENEWABLE BIOMASS.**

19 Section 211(o)(1) of the Clean Air Act (42 U.S.C.  
20 7545(o)(1)) is amended by striking subparagraph (I) and  
21 inserting the following:

22 “(I) RENEWABLE BIOMASS.—The term ‘re-  
23 newable biomass’ means—

24 “(i) materials, pre-commercial  
25 thinnings, or invasive species from Na-

1 tional Forest System land and public lands  
2 (as defined in section 103 of the Federal  
3 Land Policy and Management Act of 1976  
4 (43 U.S.C. 1702)) that—

5 “(I) are byproducts of preventive  
6 treatments that are removed—

7 “(aa) to reduce hazardous  
8 fuels;

9 “(bb) to reduce or contain  
10 disease or insect infestation; or

11 “(cc) to restore ecosystem  
12 health;

13 “(II) would not otherwise be used  
14 for higher-value products; and

15 “(III) are harvested in accord-  
16 ance with—

17 “(aa) applicable law and  
18 land management plans; and

19 “(bb) the requirements  
20 for—

21 “(AA) old-growth main-  
22 tenance, restoration, and  
23 management direction of  
24 paragraphs (2), (3), and (4)  
25 of subsection (e) of section



1                   102 of the Healthy Forests  
2                   Restoration Act of 2003 (16  
3                   U.S.C. 6512); and

4                   “(BB) large-tree reten-  
5                   tion of subsection (f) of that  
6                   section; or

7                   “(ii) any organic matter that is avail-  
8                   able on a renewable or recurring basis  
9                   from non-Federal land or land belonging to  
10                  an Indian or Indian tribe that is held in  
11                  trust by the United States or subject to a  
12                  restriction against alienation imposed by  
13                  the United States, including—

14                  “(I) renewable plant material, in-  
15                  cluding—

16                          “(aa) feed grains;

17                          “(bb) other agricultural  
18                          commodities;

19                          “(cc) other plants and trees;  
20                          and

21                          “(dd) algae; and

22                  “(II) waste material, including—

23                          “(aa) crop residue;

1                   “(bb) other vegetative waste  
2 material (including wood waste  
3 and wood residues);

4                   “(cc) animal waste and by-  
5 products (including fats, oils,  
6 greases, and manure); and

7                   “(dd) food waste and yard  
8 waste.”.

9 **SEC. 304. LOAN GUARANTEES FOR RENEWABLE FUEL PIPE-**  
10 **LINES.**

11           Subtitle C of title II of the Energy Independence and  
12 Security Act of 2007 (42 U.S.C. 17051 et seq.) is amend-  
13 ed by adding at the end the following:

14 **“SEC. 249. LOAN GUARANTEES FOR RENEWABLE FUEL**  
15 **PIPELINES.**

16           “(a) DEFINITIONS.—In this section:

17                   “(1) COST.—The term ‘cost’ has the meaning  
18 given the term ‘cost of a loan guarantee’ in section  
19 502(5)(C) of the Federal Credit Reform Act of 1990  
20 (2 U.S.C. 661a(5)(C)).

21                   “(2) ELIGIBLE PROJECT.—The term ‘eligible  
22 project’ means a project described in subsection  
23 (b)(1).

24                   “(3) GUARANTEE.—

1           “(A) IN GENERAL.—The term ‘guarantee’  
2           has the meaning given the term ‘loan guar-  
3           antee’ in section 502 of the Federal Credit Re-  
4           form Act of 1990 (2 U.S.C. 661a).

5           “(B) INCLUSION.—The term ‘guarantee’  
6           includes a loan guarantee commitment (as de-  
7           fined in section 502 of the Federal Credit Re-  
8           form Act of 1990 (2 U.S.C. 661a)).

9           “(4) RENEWABLE FUEL.—The term ‘renewable  
10          fuel’ means fuel that is produced from renewable  
11          biomass and that is used to replace or reduce the  
12          quantity of fossil fuel present in a transportation  
13          fuel.

14          “(5) RENEWABLE FUEL PIPELINE.—The term  
15          ‘renewable fuel pipeline’ means a common carrier  
16          pipeline for transporting renewable fuel.

17          “(b) LOAN GUARANTEES.—

18                 “(1) IN GENERAL.—The Secretary shall make  
19                 guarantees under this section for projects that pro-  
20                 vide for—

21                         “(A) the construction of new renewable  
22                         fuel pipelines; or

23                         “(B) the modification of pipelines to trans-  
24                         port renewable fuel.

1           “(2) ELIGIBILITY.—In determining the eligi-  
2           bility of a project for a guarantee under this section,  
3           the Secretary shall consider—

4                   “(A) the volume of renewable fuel to be  
5                   moved by the renewable fuel pipeline;

6                   “(B) the size of the markets to be served  
7                   by the renewable fuel pipeline;

8                   “(C) the existence of sufficient storage to  
9                   facilitate access to the markets served by the  
10                  renewable fuel pipeline;

11                  “(D) the proximity of the renewable fuel  
12                  pipeline to renewable fuel production facilities;

13                  “(E) the investment of the entity carrying  
14                  out the proposed project in terminal infrastruc-  
15                  ture;

16                  “(F) the experience of the entity carrying  
17                  out the proposed project in working with renew-  
18                  able fuel;

19                  “(G) the ability of the entity carrying out  
20                  the proposed project to maintain the quality of  
21                  the renewable fuel through—

22                          “(i) the terminal system of the entity;

23                          and

24                          “(ii) the dedicated pipeline system;

1           “(H) the ability of the entity carrying out  
2           the proposed project to complete the project in  
3           a timely manner; and

4           “(I) the ability of the entity carrying out  
5           the proposed project to secure property rights-  
6           of-way in order to move the proposed project  
7           forward in a timely manner.

8           “(3) AMOUNT.—Unless otherwise provided by  
9           law, a guarantee by the Secretary under this section  
10          shall not exceed an amount equal to 90 percent of  
11          the eligible project cost of the renewable fuel pipeline  
12          that is the subject of the guarantee, as estimated at  
13          the time at which the guarantee is issued or subse-  
14          quently modified while the eligible project is under  
15          construction.

16          “(4) TERMS AND CONDITIONS.—Guarantees  
17          under this section shall be provided in accordance  
18          with section 1702 of the Energy Policy Act of 2005  
19          (42 U.S.C. 16512), except that subsection (c) of  
20          that section shall not apply to guarantees made  
21          under this section.

22          “(5) FINAL RULE.—Not later than 90 days  
23          after the date of enactment of this section, the Sec-  
24          retary shall publish in the Federal Register a final  
25          rule directing the Director of the Department of En-

1       ergy Loan Guarantee Program Office to initiate the  
2       loan guarantee program under this section in ac-  
3       cordance with this section.

4       “(c) FUNDING.—

5               “(1) IN GENERAL.—There are authorized to be  
6       appropriated such sums as are necessary to provide  
7       \$4,000,000,000 in guarantees under this section.

8               “(2) USE OF OTHER APPROPRIATED FUNDS.—

9       To the extent that the amounts made available  
10      under title XVII of the Energy Policy Act of 2005  
11      (42 U.S.C. 16511 et seq.) have not been disbursed  
12      to programs under that title, the Secretary may use  
13      the amounts to carry out this section.”.

## 14               **Subtitle B—Tax Provisions**

### 15   **SEC. 311. VARIABLE VEETC RATE BASED ON PRICE OF** 16               **CRUDE OIL.**

17      (a) EXCISE TAX CREDIT.—

18               (1) IN GENERAL.—Subparagraph (A) of section  
19      6426(b)(2) of the Internal Revenue Code of 1986 is  
20      amended—

21                   (A) by striking “and” at the end of clause

22                   (i),

23                   (B) by striking “calendar years beginning  
24                   after 2008, 45 cents.” in clause (ii) and insert-

1           ing “calendar quarters beginning after 2008  
 2           and before July 1, 2011, 45 cents, and”, and  
 3           (C) by adding at the end the following new  
 4           clause:

5                           “(iii) in the case of calendar quarters  
 6                           beginning after June 30, 2011, the appli-  
 7                           cable rate determined in accordance with  
 8                           the following table:

| <b>“If the average price of crude oil<br/>during the preceding calendar<br/>quarter is:</b> | <b>The applicable rate for<br/>the calendar quarter is:</b> |
|---|---|
| Not more than \$50/barrel .....   | 30 cents  |
| More than \$50 but not more than \$60/barrel .....  | 24 cents  |
| More than \$60 but not more than \$70/barrel .....  | 18 cents  |
| More than \$70 but not more than \$80/barrel .....  | 12 cents  |
| More than \$80 but not more than \$90/barrel .....  | 6 cents   |
| More than \$90/barrel .....   | 0 cents.  |

9           For purposes of the preceding table, the  
 10           average price of crude oil for any calendar  
 11           quarter shall be the average 3-month fu-  
 12           tures price on the New York Mercantile  
 13           Exchange for light sweet crude oil for such  
 14           calendar quarter. Each applicable rate  
 15           under the preceding table shall be reduced  
 16           by 2 cents for each calendar year begin-  
 17           ning after 2011.”.

18           (2) EXTENSION OF TAX CREDIT OR PAY-  
 19           MENT.—Sections 6426(b)(6) and 6427(e)(6)(A) of  
 20           such Code are each amended by striking “2011” and  
 21           inserting “2014”.

1 (b) INCOME TAX CREDIT.—

2 (1) IN GENERAL.—The table contained in sec-  
3 tion 40(h)(2) of the Internal Revenue Code of 1986  
4 is amended—

5 (A) by striking “calendar year” in the  
6 heading for the first column,

7 (B) by inserting “Calendar year” before  
8 “2001”,

9 (C) by inserting “Calendar year” before  
10 “2003”,

11 (D) by inserting “Calendar year” before  
12 “2005”,

13 (E) by inserting “Calendar years” before  
14 “2009”,

15 (F) by striking “2011” and inserting “the  
16 last calendar quarter beginning before July 1,  
17 2011”,

18 (G) by striking the period at the end of the  
19 table, and

20 (H) by adding at the end the following:

|   |   |
|---|---|
| “Any calendar quarter begin-<br>ning after June 30, 2011,<br>and before 2015. | 1st 2d applicable rate.”.<br>applicable<br>rate |
|---|---|

21 (2) APPLICABLE RATES.—Paragraph (3) of sec-  
22 tion 40(h) of such Code is amended to read as fol-  
23 lows:



1           “(3) APPLICABLE RATES.—For purposes of this  
2           subsection, the 1st applicable rate and the 2d appli-  
3           cable rate shall be determined in accordance with  
4           the following table:

| “If the average price of crude oil during the preceding calendar quarter is: | The 1st applicable rate for the calendar quarter is: | The 2d applicable rate for the calendar quarter is: |
|--|--|---|
| Not more than \$50/barrel .....  | 30 cents   | 22.20 cents   |
| More than \$50 but not more than \$60/barrel.                                | 24 cents   | 17.76 cents   |
| More than \$60 but not more than \$70/barrel.                                | 18 cents   | 13.33 cents   |
| More than \$70 but not more than \$80/barrel.                                | 12 cents   | 8.88 cents  |
| More than \$80 but not more than \$90/barrel.                                | 6 cents  | 4.44 cents  |
| More than \$90/barrel .....  | 0 cents  | 0 cents.  |

5           For purposes of the preceding table, the average  
6           price of crude oil for any calendar quarter shall be  
7           the average 3-month futures price on the New York  
8           Mercantile Exchange for light sweet crude oil for  
9           such calendar quarter. Each 1st applicable rate  
10          under the preceding table shall be reduced by 2  
11          cents for each calendar year beginning after 2011  
12          and each 2d applicable rate under such table shall  
13          be reduced by 1.48 cents for each such year.”.

14           (3) EXTENSION OF TAX CREDIT.—Section 40 of  
15          such Code is amended—

16                   (A) by striking “2011” in subsection  
17                   (e)(1)(A) and inserting “2014”,

18                   (B) by striking “2012” in subsection  
19                   (e)(1)(B) and inserting “2015”, and

1 (C) by striking “2011” in subsection  
2 (h)(1) and inserting “2014”.

3 (c) REPEAL OF DEADWOOD.—Section 6426(b)(2) of  
4 the Internal Revenue Code of 1986 is amended by striking  
5 subparagraph (C).

6 (d) EFFECTIVE DATE.—The amendments made by  
7 this section shall apply to any sale, use, or removal for  
8 any period after June 30, 2011.

9 **SEC. 312. EXTENSION OF CELLULOSIC BIOFUEL PRODUCER**  
10 **CREDIT THROUGH 2016.**

11 (a) IN GENERAL.—Section 40(b)(6) of the Internal  
12 Revenue Code of 1986 is amended by striking subpara-  
13 graph (H).

14 (b) CONFORMING AMENDMENT.—Section 40(e) of  
15 the Internal Revenue Code of 1986 is amended by striking  
16 paragraph (3).

17 **SEC. 313. EXTENSION AND MODIFICATION OF ALTER-**  
18 **NATIVE FUEL VEHICLE REFUELING PROP-**  
19 **ERTY CREDIT.**

20 (a) EXTENSION.—Subsection (g) of section 30C of  
21 the Internal Revenue Code of 1986 is amended by striking  
22 “placed in service” and all that follows and inserting  
23 “placed in service after December 31, 2016.”.

24 (b) ONLY CERTAIN ETHANOL BLENDS ELIGIBLE  
25 FOR CREDIT.—Subparagraph (A) of section 30C(c)(2) of

1 the Internal Revenue Code of 1986 is amended to read  
2 as follows:

3 “(A) Any fuel—

4 “(i) at least 85 percent of the volume  
5 of which consists of one or more of the fol-  
6 lowing: natural gas, compressed natural  
7 gas, liquified natural gas, liquefied petro-  
8 leum gas, or hydrogen, or

9 “(ii) at least 85 percent of the volume  
10 of which consists of—

11 “(I) ethanol, or

12 “(II) ethanol and one or more of  
13 the fuels described in clause (i), but  
14 only if at least 20 percent and not  
15 more than 85 percent of the volume of  
16 such fuel consists of ethanol.”.

17 (c) CREDIT FOR DUAL-USE REFUELING PROP-  
18 erty.—Subsection (e) of section 30C of the Internal Rev-  
19 enue Code of 1986 is amended by adding at the end the  
20 following new paragraph:

21 “(6) DUAL-USE REFUELING PROPERTY.—

22 “(A) IN GENERAL.—In the case of any  
23 dual-use refueling property, 100 percent of the  
24 cost of such property shall be treated as quali-  
25 fied alternative fuel refueling property if the

1 taxpayer certifies, in such time and manner as  
2 the Secretary shall prescribe, that such prop-  
3 erty will be used in more than a de minimis ca-  
4  capacity for the purposes described in section  
5  179A(d)(3)(A) (applied as specified in sub-  
6  section (c)(2)).

7           “(B) RECAPTURE.—If at any time within  
8  5 years after the date of the certification under  
9  subparagraph (A) the dual-use refueling prop-  
10 erty ceases to be used as required under such  
11  subparagraph, 100 percent of the cost of such  
12  property shall be subject to recapture under  
13  paragraph (5).

14           “(C) DUAL-USE REFUELING PROPERTY.—  
15  For purposes of this paragraph, the term ‘dual-  
16  use refueling property’ means property that is  
17  both qualified alternative fuel vehicle refueling  
18  property and property used—

19                   “(i) to store or dispense fuels not de-  
20  scribed in subsection (c)(2), or

21                   “(ii) to store fuels described in sub-  
22  section (c)(2) for any purpose other than  
23  delivery of such fuel into the fuel tank of  
24  a motor vehicle.”.

1 (d) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to property placed in service after  
3 December 31, 2011.

4 **SEC. 314. EXTENSION OF SPECIAL DEPRECIATION ALLOW-**  
5 **ANCE FOR CELLULOSIC BIOFUEL PLANT**  
6 **PROPERTY.**

7 Subparagraph (D) of section 168(l)(2) of the Internal  
8 Revenue Code of 1986 is amended by striking “January  
9 1, 2013” and inserting “January 1, 2017”.

10 **SEC. 315. INCENTIVES FOR BIODIESEL AND RENEWABLE**  
11 **DIESEL.**

12 (a) CREDITS FOR BIODIESEL AND RENEWABLE DIE-  
13 SEL USED AS FUEL.—Subsection (g) of section 40A of  
14 the Internal Revenue Code of 1986 is amended by striking  
15 “December 31, 2011” and inserting “December 31,  
16 2016”.

17 (b) EXCISE TAX CREDITS AND OUTLAY PAYMENTS  
18 FOR BIODIESEL AND RENEWABLE DIESEL FUEL MIX-  
19 TURES.—

20 (1) Paragraph (6) of section 6426(c) is amend-  
21 ed by striking “December 31, 2011” and inserting  
22 “December 31, 2016”.

23 (2) Subparagraph (B) of section 6427(e)(6) is  
24 amended by striking “December 31, 2011” and in-  
25 serting “December 31, 2016”.

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to fuel sold or used after December  
3 31, 2011.

4 **SEC. 316. ALTERNATIVE FUELS EXCISE TAX CREDITS.**

5 (a) IN GENERAL.—Sections 6426(d)(5), 6426(e)(3),  
6 and 6427(e)(6)(C) of the Internal Revenue Code of 1986  
7 are each amended by striking “December 31, 2011” and  
8 inserting “December 31, 2016”.

9 (b) EFFECTIVE DATE.—The amendments made by  
10 this section shall apply to fuel sold or used after December  
11 31, 2011.

12 **TITLE IV—CLEANER SOURCES**  
13 **OF ELECTRICITY**

14 **Subtitle A—Energy Provisions**

15 **SEC. 401. CLEAN ENERGY STANDARD.**

16 (a) IN GENERAL.—The Secretary of Energy shall es-  
17 tablish a clean energy standard that promotes the use of  
18 renewable and other low-carbon sources of electricity.

19 (b) ADMINISTRATION.—In establishing the clean en-  
20 ergy standard, the Secretary shall, to the maximum extent  
21 practicable, take into account the likely timelines for the  
22 availability of new electricity technologies to ensure that  
23 the standard is technically achievable and affordable for  
24 energy consumers.

1 **SEC. 402. LARGE-SCALE CARBON STORAGE PROGRAM.**

2 (a) IN GENERAL.—Subtitle F of title IX of the En-  
3 ergy Policy Act of 2005 (42 U.S.C. 16291 et seq.) is  
4 amended by inserting after section 963 (42 U.S.C. 16293)  
5 the following:

6 **“SEC. 963A. LARGE-SCALE CARBON STORAGE PROGRAM.**

7 “(a) DEFINITIONS.—In this section:

8 “(1) INDUSTRIAL SOURCE.—The term ‘indus-  
9 trial source’ means any source of carbon dioxide that  
10 is not naturally occurring.

11 “(2) LARGE-SCALE.—The term ‘large-scale’  
12 means the injection of over 1,000,000 tons of carbon  
13 dioxide each year from industrial sources into a geo-  
14 logical formation.

15 “(3) SECRETARY CONCERNED.—The term ‘Sec-  
16 retary concerned’ means—

17 “(A) the Secretary of Agriculture (acting  
18 through the Chief of the Forest Service), with  
19 respect to National Forest System land; and

20 “(B) the Secretary of the Interior, with re-  
21 spect to land managed by the Bureau of Land  
22 Management (including land held for the ben-  
23 efit of an Indian tribe).

24 “(b) PROGRAM.—In addition to the research, develop-  
25 ment, and demonstration program authorized by section  
26 963, the Secretary shall carry out a program to dem-

1 onstrate the commercial application of integrated systems  
2 for the capture, injection, monitoring, and long-term geo-  
3 logical storage of carbon dioxide from industrial sources.

4 “(c) AUTHORIZED ASSISTANCE.—In carrying out the  
5 program, the Secretary may enter into cooperative agree-  
6 ments to provide financial and technical assistance to up  
7 to 10 demonstration projects.

8 “(d) PROJECT SELECTION.—The Secretary shall  
9 competitively select recipients of cooperative agreements  
10 under this section from among applicants that—

11 “(1) provide the Secretary with sufficient geo-  
12 logical site information (including hydrogeological  
13 and geophysical information) to establish that the  
14 proposed geological storage unit is capable of long-  
15 term storage of the injected carbon dioxide, includ-  
16 ing—

17 “(A) the location, extent, and storage ca-  
18 pacity of the geological storage unit at the site  
19 into which the carbon dioxide will be injected;

20 “(B) the principal potential modes of  
21 geomechanical failure in the geological storage  
22 unit;

23 “(C) the ability of the geological storage  
24 unit to retain injected carbon dioxide; and



1           “(D) the measurement, monitoring, and  
2           verification requirements necessary to ensure  
3           adequate information on the operation of the  
4           geological storage unit during and after the in-  
5           jection of carbon dioxide;

6           “(2) possess the land or interests in land nec-  
7           essary for—

8           “(A) the injection and storage of the car-  
9           bon dioxide at the proposed geological storage  
10          unit; and

11          “(B) the closure, monitoring, and long-  
12          term stewardship of the geological storage unit;

13          “(3) possess or have a reasonable expectation of  
14          obtaining all necessary permits and authorizations  
15          under applicable Federal and State laws (including  
16          regulations); and

17          “(4) agree to comply with each requirement of  
18          subsection (e).

19          “(e) TERMS AND CONDITIONS.—The Secretary shall  
20          condition receipt of financial assistance pursuant to a co-  
21          operative agreement under this section on the recipient  
22          agreeing to—

23          “(1) comply with all applicable Federal and  
24          State laws (including regulations), including a cer-  
25          tification by the appropriate regulatory authority

1 that the project will comply with Federal and State  
2 requirements to protect drinking water supplies;

3 “(2) in the case of industrial sources subject to  
4 the Clean Air Act (42 U.S.C. 7401 et seq.), inject  
5 only carbon dioxide captured from industrial sources  
6 in compliance with that Act;

7 “(3) comply with all applicable construction and  
8 operating requirements for deep injection wells;

9 “(4) measure, monitor, and test to verify that  
10 carbon dioxide injected into the injection zone is  
11 not—

12 “(A) escaping from or migrating beyond  
13 the confinement zone; or

14 “(B) endangering an underground source  
15 of drinking water;

16 “(5) comply with applicable well-plugging, post-  
17 injection site care, and site closure requirements, in-  
18 cluding—

19 “(A)(i) maintaining financial assurances  
20 during the post-injection closure and monitoring  
21 phase until a certificate of closure is issued by  
22 the Secretary; and

23 “(ii) promptly undertaking remediation ac-  
24 tivities for any leak from the geological storage

1 unit that would endanger public health or safe-  
2 ty or natural resources; and

3 “(B) complying with subsection (f);

4 “(6) comply with applicable long-term care re-  
5 quirements;

6 “(7) maintain financial protection in a form  
7 and in an amount acceptable to—

8 “(A) the Secretary;

9 “(B) the Secretary with jurisdiction over  
10 the land; and

11 “(C) the Administrator of the Environ-  
12 mental Protection Agency; and

13 “(8) provide the assurances described in section  
14 963(c)(4)(B).

15 “(f) POST INJECTION CLOSURE AND MONITORING  
16 ELEMENTS.—In assessing whether a project complies with  
17 site closure requirements under subsection (e)(5), the Sec-  
18 retary, in consultation with the Administrator of the Envi-  
19 ronmental Protection Agency, shall determine whether the  
20 recipient of financial assistance has demonstrated contin-  
21 uous compliance with each of the following over a period  
22 of not less than 10 consecutive years after the plume of  
23 carbon dioxide has stabilized within the geologic formation  
24 that comprises the geologic storage unit following the ces-  
25 sation of injection activities:

1           “(1) The estimated location and extent of the  
2 project footprint (including the detectable plume of  
3 carbon dioxide and the area of elevated pressure re-  
4 sulting from the project) has not substantially  
5 changed and is contained within the geologic storage  
6 unit.

7           “(2) The injection zone formation pressure has  
8 ceased to increase following cessation of carbon diox-  
9 ide injection into the geologic storage unit.

10           “(3) There is no leakage of either carbon diox-  
11 ide or displaced formation fluid from the geologic  
12 storage unit that is endangering public health and  
13 safety, including underground sources of drinking  
14 water and natural resources.

15           “(4) The injected or displaced formation fluids  
16 are not expected to migrate in the future in a man-  
17 ner that encounters a potential leakage pathway.

18           “(5) The injection wells at the site completed  
19 into or through the injection zone or confining zone  
20 are plugged and abandoned in accordance with the  
21 applicable requirements of Federal or State law gov-  
22 erning the wells.

23           “(g) INDEMNIFICATION AGREEMENTS.—

1           “(1) DEFINITION OF LIABILITY.—In this sub-  
2           section, the term ‘liability’ means any legal liability  
3           for—

4                   “(A) bodily injury, sickness, disease, or  
5           death;

6                   “(B) loss of or damage to property, or loss  
7           of use of property; or

8                   “(C) injury to or destruction or loss of nat-  
9           ural resources, including fish, wildlife, and  
10          drinking water supplies.

11          “(2) AGREEMENTS.—Not later than 1 year  
12          after the date of the receipt by the Secretary of a  
13          completed application for a demonstration project,  
14          the Secretary may agree to indemnify and hold  
15          harmless the recipient of a cooperative agreement  
16          under this section from liability arising out of or re-  
17          sulting from a demonstration project in excess of the  
18          amount of liability covered by financial protection  
19          maintained by the recipient under subsection (e)(7).

20          “(3) EXCEPTION FOR GROSS NEGLIGENCE AND  
21          INTENTIONAL MISCONDUCT.—Notwithstanding para-  
22          graph (1), the Secretary may not indemnify the re-  
23          cipient of a cooperative agreement under this section  
24          from liability arising out of conduct of a recipient

1 that is grossly negligent or that constitutes inten-  
2 tional misconduct.

3 “(4) COLLECTION OF FEES.—

4 “(A) IN GENERAL.—The Secretary shall  
5 collect a fee from any person with whom an  
6 agreement for indemnification is executed under  
7 this subsection in an amount that is equal to  
8 the net present value of payments made by the  
9 United States to cover liability under the in-  
10 demnification agreement.

11 “(B) AMOUNT.—The Secretary shall estab-  
12 lish, by regulation, criteria for determining the  
13 amount of the fee, taking into account—

14 “(i) the likelihood of an incident re-  
15 sulting in liability to the United States  
16 under the indemnification agreement; and

17 “(ii) other factors pertaining to the  
18 hazard of the indemnified project.

19 “(C) USE OF FEES.—Fees collected under  
20 this paragraph shall be deposited in the Treas-  
21 ury and credited to miscellaneous receipts.

22 “(5) CONTRACTS IN ADVANCE OF APPROPRIA-  
23 TIONS.—

24 “(A) IN GENERAL.—Subject to subpara-  
25 graph (B), the Secretary The Secretary may

1 enter into agreements of indemnification under  
2 this subsection in advance of appropriations  
3 and incur obligations without regard to section  
4 1341 of title 31, United States Code (commonly  
5 known as the ‘Anti-Deficiency Act’), or section  
6 11 of title 41, United States Code (commonly  
7 known as the ‘Adequacy of Appropriations  
8 Act’).

9 “(B) LIMITATION.—The amount of indem-  
10 nification under this subsection shall not exceed  
11 \$10,000,000,000 (adjusted not less than once  
12 during each 5-year period following the date of  
13 enactment of this section, in accordance with  
14 the aggregate percentage change in the Con-  
15 sumer Price Index since the previous adjust-  
16 ment under this subparagraph), in the aggre-  
17 gate, for all persons indemnified in connection  
18 with an agreement and for each project, includ-  
19 ing such legal costs as are approved by the Sec-  
20 retary.

21 “(6) CONDITIONS OF AGREEMENTS OF INDEM-  
22 NIFICATION.—

23 “(A) IN GENERAL.—An agreement of in-  
24 demnification under this subsection may con-  
25 tain such terms as the Secretary considers ap-

1           appropriate to carry out the purposes of this sec-  
2           tion.

3           “(B) ADMINISTRATION.—The agreement  
4           shall provide that, if the Secretary makes a de-  
5           termination the United States will probably be  
6           required to make indemnity payments under the  
7           agreement, the Attorney General—

8                   “(i) shall collaborate with the recipi-  
9                   ent of an award under this subsection; and

10                   “(ii) may—

11                           “(I) approve the payment of any  
12                           claim under the agreement of indem-  
13                           nification;

14                           “(II) appear on behalf of the re-  
15                           cipient;

16                           “(III) take charge of an action;  
17                           and

18                           “(IV) settle or defend an action.

19           “(C) SETTLEMENT OF CLAIMS.—

20                   “(i) IN GENERAL.—The Attorney  
21                   General shall have final authority on behalf  
22                   of the United States to settle or approve  
23                   the settlement of any claim under this sub-  
24                   section on a fair and reasonable basis with



1           due regard for the purposes of this sub-  
2           section.

3                   “(ii) EXPENSES.—The settlement  
4           shall not include expenses in connection  
5           with the claim incurred by the recipient.

6           “(h) FEDERAL LAND.—

7                   “(1) IN GENERAL.—The Secretary concerned  
8           may authorize the siting of a project on Federal  
9           land under the jurisdiction of the Secretary con-  
10          cerned in a manner consistent with applicable laws  
11          and land management plans and subject to such  
12          terms and conditions as the Secretary concerned de-  
13          termines to be necessary.

14                   “(2) FRAMEWORK FOR GEOLOGICAL CARBON  
15          SEQUESTRATION ON PUBLIC LAND.—In determining  
16          whether to authorize a project on Federal land, the  
17          Secretary concerned shall take into account the  
18          framework for geological carbon sequestration on  
19          public land prepared in accordance with section 714  
20          of the Energy Independence and Security Act of  
21          2007 (Public Law 110–140; 121 Stat. 1715).

22                   “(i) ACCEPTANCE OF TITLE AND LONG-TERM MONI-  
23          TORING.—

24                   “(1) IN GENERAL.—As a condition of a cooper-  
25          ative agreement under this section, the Secretary

1 may accept title to, or transfer of administrative ju-  
2 risdiction from another Federal agency over, any  
3 land or interest in land necessary for the monitoring,  
4 remediation, or long-term stewardship of a project  
5 site.

6 “(2) LONG-TERM MONITORING ACTIVITIES.—  
7 After accepting title to, or transfer of, a site closed  
8 in accordance with this section, the Secretary shall  
9 monitor the site and conduct any remediation activi-  
10 ties to ensure the geological integrity of the site and  
11 prevent any endangerment of public health or safety.

12 “(3) FUNDING.—There is appropriated to the  
13 Secretary, out of funds of the Treasury not other-  
14 wise appropriated, such sums as are necessary to  
15 carry out paragraph (2).”.

16 (b) CONFORMING AMENDMENTS.—

17 (1) Section 963 of the Energy Policy Act of  
18 2005 (42 U.S.C. 16293) is amended—

19 (A) by redesignating subsections (a)  
20 through (d) as subsections (b) through (e), re-  
21 spectively;

22 (B) by inserting before subsection (b) (as  
23 so redesignated) the following:

24 “(a) DEFINITIONS.—In this section:

1           “(1) INDUSTRIAL SOURCE.—The term ‘indus-  
2           trial source’ means any source of carbon dioxide that  
3           is not naturally occurring.

4           “(2) LARGE-SCALE.—The term ‘large-scale’  
5           means the injection of over 1,000,000 tons of carbon  
6           dioxide from industrial sources over the lifetime of  
7           the project.”;

8                   (C) in subsection (b) (as so redesignated),  
9                   by striking “IN GENERAL” and inserting “PRO-  
10                   GRAM”;

11                   (D) in subsection (c) (as so redesignated),  
12                   by striking “subsection (a)” and inserting “sub-  
13                   section (b)”;

14                   (E) in subsection (d)(3) (as so redesign-  
15                   ated), by striking subparagraph (D).

16           (2) Sections 703(a)(3) and 704 of the Energy  
17           Independence and Security Act of 2007 (42 U.S.C.  
18           17251(a)(3), 17252) are amended by striking “sec-  
19           tion 963(c)(3) of the Energy Policy Act of 2005 (42  
20           U.S.C. 16293(c)(3))” each place it appears and in-  
21           serting “section 963(d)(3) of the Energy Policy Act  
22           of 2005 (42 U.S.C. 16293(d)(3))”.

1 **SEC. 403. LOAN GUARANTEES FOR NUCLEAR POWER AND**  
2 **OTHER INNOVATIVE SOURCES.**

3 Section 20320(a) of the Continuing Appropriations  
4 Resolution, 2007 (42 U.S.C. 16515(a)) is amended by  
5 striking “\$4,000,000,000” and inserting  
6 “\$40,000,000,000”.

7 **SEC. 404. NUCLEAR ENERGY WORKFORCE.**

8 Section 1101 of the Energy Policy Act of 2005 (42  
9 U.S.C. 16411) is amended—

10 (1) in subsection (b)(1)—

11 (A) in subparagraph (A), by striking  
12 “and” at the end;

13 (B) in subparagraph (B), by striking the  
14 period and inserting “; and”; and

15 (C) by adding at the end the following:

16 “(C) nuclear utility and nuclear energy  
17 product and service industries.”;

18 (2) by redesignating subsection (d) as sub-  
19 section (e); and

20 (3) by inserting after subsection (c) the fol-  
21 lowing:

22 “(d) WORKFORCE TRAINING.—

23 “(1) IN GENERAL.—The Secretary of Labor, in  
24 cooperation with the Secretary, shall promulgate  
25 regulations to implement a program to provide  
26 grants to enhance workforce training for any occu-

1       pation in the workforce of the nuclear utility and nu-  
2       clear energy products and services industries for  
3       which a shortage is identified or predicted in the re-  
4       port under subsection (b)(2).

5           “(2) CONSULTATION.—In carrying out this sub-  
6       section, the Secretary of Labor shall consult with  
7       representatives of the nuclear utility and nuclear en-  
8       ergy products and services industries, including or-  
9       ganized labor organizations and multiemployer asso-  
10      ciations that jointly sponsor apprenticeship pro-  
11      grams that provide training for skills needed in  
12      those industries.

13          “(3) AUTHORIZATION OF APPROPRIATIONS.—  
14      There are authorized to be appropriated to the Sec-  
15      retary of Labor, working in coordination with the  
16      Secretary and the Secretary of Education to carry  
17      out this subsection \$20,000,000 for each of fiscal  
18      years 2012 through 2016.”.

19 **SEC. 405. INTERAGENCY WORKING GROUP TO PROMOTE**  
20                   **DOMESTIC MANUFACTURING BASE FOR NU-**  
21                   **CLEAR COMPONENTS AND EQUIPMENT.**

22      (a) PURPOSES.—The purposes of this section are—  
23          (1) to increase the competitiveness of the  
24      United States nuclear energy products and services  
25      industries;

1           (2) to identify the stimulus or incentives nec-  
2           essary to cause United States manufacturers of nu-  
3           clear energy products to expand manufacturing ca-  
4           pacity;

5           (3) to facilitate the export of United States nu-  
6           clear energy products and services;

7           (4) to reduce the trade deficit of the United  
8           States through the export of United States nuclear  
9           energy products and services;

10          (5) to retain and create nuclear energy manu-  
11          facturing and related service jobs in the United  
12          States;

13          (6) to integrate the objectives described in para-  
14          graphs (1) through (5), in a manner consistent with  
15          the interests of the United States, into the foreign  
16          policy of the United States; and

17          (7) to authorize funds for increasing United  
18          States capacity to manufacture nuclear energy prod-  
19          ucts and supply nuclear energy services.

20          (b) ESTABLISHMENT.—

21           (1) IN GENERAL.—There is established an  
22           interagency working group (referred to in this sec-  
23           tion as the “Working Group”) that, in consultation  
24           with representative industry organizations and man-  
25           ufacturers of nuclear energy products, shall make

1 recommendations to coordinate the actions and pro-  
2 grams of the Federal Government in order to pro-  
3 mote increasing domestic manufacturing capacity  
4 and export of domestic nuclear energy products and  
5 services.

6 (2) COMPOSITION.—The Working Group shall  
7 be composed of—

8 (A) the Secretary of Energy (or a des-  
9 ignee), who shall serve as Chairperson of the  
10 Working Group; and

11 (B) representatives of—

12 (i) the Department of Energy;

13 (ii) the Department of Commerce;

14 (iii) the Department of Defense;

15 (iv) the Department of Treasury;

16 (v) the Department of State;

17 (vi) the Environmental Protection  
18 Agency;

19 (vii) the United States Agency for  
20 International Development;

21 (viii) the Export-Import Bank of the  
22 United States;

23 (ix) the Trade and Development  
24 Agency;

- 1 (x) the Small Business Administra-  
2 tion;
- 3 (xi) the Office of the United States  
4 Trade Representative; and
- 5 (xii) other Federal agencies, as deter-  
6 mined by the President.

7 (c) DUTIES OF WORKING GROUP.—The Working  
8 Group shall—

9 (1) not later than 180 days after the date of  
10 enactment of this Act, identify the actions necessary  
11 to promote the safe development and application in  
12 foreign countries of nuclear energy products and  
13 services—

14 (A) to increase electricity generation from  
15 nuclear energy sources through development of  
16 new generation facilities;

17 (B) to improve the efficiency, safety, and  
18 reliability of existing nuclear generating facili-  
19 ties through modifications; and

20 (C) enhance the safe treatment, handling,  
21 storage, and disposal of used nuclear fuel;

22 (2) not later than 180 days after the date of  
23 enactment of this Act, identify—

24 (A) mechanisms (including tax stimuli for  
25 investment, loans and loan guarantees, and



1 grants) necessary for United States companies  
2 to increase—

3 (i) the capacity of the companies to  
4 produce or provide nuclear energy products  
5 and services; and

6 (ii) exports of nuclear energy products  
7 and services; and

8 (B) administrative or legislative initiatives  
9 that are necessary—

10 (i) to encourage United States compa-  
11 nies to increase the manufacturing capac-  
12 ity of the companies for nuclear energy  
13 products;

14 (ii) to provide technical and financial  
15 assistance and support to small and mid-  
16 sized businesses to establish quality assur-  
17 ance programs in accordance with domestic  
18 and international nuclear quality assurance  
19 code requirements;

20 (iii) to encourage, through financial  
21 incentives, private sector capital invest-  
22 ment to expand manufacturing capacity;  
23 and

24 (iv) to provide technical assistance  
25 and financial incentives to small and mid-

1 sized businesses to develop the workforce  
2 necessary to increase manufacturing capac-  
3 ity and meet domestic and international  
4 nuclear quality assurance code require-  
5 ments;

6 (3) not later than 270 days after the date of  
7 enactment of this Act, submit to Congress a report  
8 that describes the findings of the Working Group  
9 under paragraphs (1) and (2), including rec-  
10 ommendations for new legislative authority, as nec-  
11 essary; and

12 (4) encourage the agencies represented by mem-  
13 bership in the Working Group—

14 (A) to provide technical training and edu-  
15 cation for international development personnel  
16 and local users in other countries;

17 (B) to provide financial and technical as-  
18 sistance to nonprofit institutions that support  
19 the marketing and export efforts of domestic  
20 companies that provide nuclear energy products  
21 and services;

22 (C) to develop nuclear energy projects in  
23 foreign countries;

24 (D) to provide technical assistance and  
25 training materials to loan officers of the World

1 Bank, international lending institutions, com-  
2 mercial and energy attaches at embassies of the  
3 United States, and other appropriate personnel  
4 in order to provide information about nuclear  
5 energy products and services to foreign govern-  
6 ments or other potential project sponsors;

7 (E) to support, through financial incen-  
8 tives, private sector efforts to commercialize  
9 and export nuclear energy products and services  
10 in accordance with the subsidy codes of the  
11 World Trade Organization; and

12 (F) to augment budgets for trade and de-  
13 velopment programs in order to support  
14 prefeasibility or feasibility studies for projects  
15 that use nuclear energy products and services.

16 (d) PERSONNEL AND SERVICE MATTERS.—The Sec-  
17 retary and the heads of agencies represented by member-  
18 ship in the Working Group shall detail such personnel and  
19 furnish such services to the Working Group, with or with-  
20 out reimbursement, as are necessary to carry out the func-  
21 tions of the Working Group.

22 (e) AUTHORIZATION OF APPROPRIATIONS.—There is  
23 authorized to be appropriated to the Secretary to carry  
24 out this section \$20,000,000 for each of fiscal years 2012  
25 through 2016.

## 1           **Subtitle B—Tax Provisions**

### 2   **SEC. 411. SEVEN-YEAR AMORTIZATION FOR CERTAIN SYS-** 3                   **TEMS INSTALLED ON COAL-FIRED ELECTRIC** 4                   **GENERATION UNITS.**

5           (a) IN GENERAL.—Subsection (d) of section 169 of  
6 the Internal Revenue Code of 1986 is amended by adding  
7 at the end the following new paragraph:

8                   “(6) SPECIAL RULE FOR SYSTEMS INSTALLED  
9           ON COAL-FIRED ELECTRIC GENERATION UNITS.—

10                   “(A) IN GENERAL.—Any mechanical or  
11           electronic system—

12                           “(i) which is installed on a coal-fired  
13                           electric generation unit after the date of  
14                           the enactment of this paragraph, and

15                           “(ii) which reduces carbon dioxide  
16                           emissions per net megawatt hour of elec-  
17                           tricity generation by 1 or more of the  
18                           means described in subparagraph (B) or  
19                           any other means,

20           shall be treated for purposes of this section as  
21           a new identifiable treatment facility which  
22           abates or controls atmospheric pollution or con-  
23           tamination by removing, altering, disposing,  
24           storing, or preventing the creation or emission  
25           of pollutants, contaminants, wastes, or heat.

1 Paragraph (1)(C) of this subsection, and sub-  
2 section (e), shall not apply to any system which  
3 is so treated.

4 “(B) MEANS FOR REDUCING EMISSIONS.—  
5 The means described in this subparagraph  
6 are—

7 “(i) optimizing combustion,

8 “(ii) optimizing sootblowing and heat  
9 transfer,

10 “(iii) upgrading steam temperature  
11 control capabilities,

12 “(iv) reducing exit gas temperatures  
13 (air heater modifications),

14 “(v) predrying low rank coals using  
15 power plant waste heat,

16 “(vi) modifying steam turbines or  
17 change the steam path/blading,

18 “(vii) replacing single speed motors  
19 with variable speed drives for fans and  
20 pumps, and

21 “(viii) improving operational controls,  
22 including neural networks.

23 “(C) SPECIAL RULE FOR MINIMUM TAX.—  
24 Section 56(a)(5) shall not apply to property to  
25 which this paragraph applies.”.

1 (b) EFFECTIVE DATE.—The amendment made by  
 2 this section shall apply to property placed in service after  
 3 the date of the enactment of this Act.

4 **SEC. 412. CREDIT FOR CARBON SEQUESTRATION FROM**  
 5 **COAL FACILITIES.**

6 (a) IN GENERAL.—Subpart E of part IV of sub-  
 7 chapter A of chapter 1 of the Internal Revenue Code of  
 8 1986 is amended by inserting after section 48D the fol-  
 9 lowing new section:

10 **“SEC. 48E. QUALIFYING CARBON DIOXIDE CAPTURE,**  
 11 **TRANSPORT, AND STORAGE EQUIPMENT**  
 12 **CREDIT.**

13 “(a) GENERAL RULE.—For purposes of section 46,  
 14 the qualifying carbon dioxide capture, transport, and stor-  
 15 age equipment credit for any taxable year is an amount  
 16 equal to 30 percent of the qualified investment for such  
 17 taxable year.

18 “(b) QUALIFIED INVESTMENT.—

19 “(1) IN GENERAL.—For purposes of subsection  
 20 (a), the qualified investment for any taxable year is  
 21 the basis of eligible carbon dioxide capture, trans-  
 22 port, and storage property placed in service by the  
 23 taxpayer during such taxable year which is part of  
 24 a qualifying clean coal project—

1           “(A)(i) the construction, reconstruction, or  
2           erection of which is completed by the taxpayer,  
3           or

4           “(ii) which is acquired by the taxpayer if  
5           the original use of such property commences  
6           with the taxpayer, and

7           “(B) with respect to which depreciation (or  
8           amortization in lieu of depreciation) is allow-  
9           able.

10          “(2) SPECIAL RULE FOR CERTAIN SUBSIDIZED  
11          PROPERTY.—Rules similar to section 48(a)(4) shall  
12          apply for purposes of this section.

13          “(3) CERTAIN QUALIFIED PROGRESS EXPENDI-  
14          TURES RULES MADE APPLICABLE.—Rules similar to  
15          the rules of subsections (c)(4) and (d) of section 46  
16          (as in effect on the day before the enactment of the  
17          Revenue Reconciliation Act of 1990) shall apply for  
18          purposes of this section.

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

20                 “(1) QUALIFYING CLEAN COAL PROJECT.—

21                         “(A) IN GENERAL.—The term ‘qualifying  
22                         clean coal project’ means any project if such  
23                         project—

24                                 “(i) uses—

1                   “(I) gasification technology (as  
2                   defined in section 48B(c)(2)), or

3                   “(II) the processing of coal, bio-  
4                   mass, or both

5                   to produce electricity, qualified transpor-  
6                   tation fuels, or substitute natural gas, and

7                   “(ii)(I) is a new project which is de-  
8                   signed to meet the requirements of sub-  
9                   paragraphs (B), (C), and (D), as applica-  
10                  ble, or

11                  “(II) consists of retrofits to existing  
12                  equipment such that the project meets the  
13                  requirements of subparagraphs (B), (C),  
14                  and (D), as applicable.

15                  “(B) REQUIREMENTS FOR ELECTRICITY  
16                  PRODUCTION.—

17                  “(i) IN GENERAL.—In the case of a  
18                  qualifying clean coal project which is used  
19                  to produce electricity, the project shall  
20                  meet the emission requirement of clause  
21                  (ii) and the carbon capture requirement of  
22                  clause (iii).

23                  “(ii) EMISSION REQUIREMENT.—The  
24                  requirement of this clause is met if the  
25                  project is designed—



1           “(I) to emit carbon dioxide at an  
2           average annual rate of less than 1,100  
3           pounds per net megawatt hour of elec-  
4           trical generation, or

5           “(II) such that the carbon diox-  
6           ide emissions of such project are no  
7           greater than half of the average car-  
8           bon dioxide emissions for facilities  
9           producing electricity during 2005  
10          from the same coal rank as such  
11          project, as determined under regula-  
12          tions prescribed by the Secretary in  
13          consultation with the Secretary of En-  
14          ergy and the Administrator of the En-  
15          vironmental Protection Agency.

16          “(iii) CARBON CAPTURE REQUIRE-  
17          MENT.—The requirement of this clause is  
18          met—

19                 “(I) if such unit is among the  
20                 first 1,000 megawatts of electric gen-  
21                 eration units certified by the Sec-  
22                 retary under subsection (e), to cap-  
23                 ture and sequester not less than  
24                 500,000 metric tons per year of car-  
25                 bon dioxide,

1                   “(II) if such unit is among the  
2                   next 3,000 megawatts of electric gen-  
3                   eration units certified by the Sec-  
4                   retary under subsection (e), to cap-  
5                   ture and sequester not less than  
6                   1,000,000 metric tons per year of car-  
7                   bon dioxide, and

8                   “(III) for any other unit, to cap-  
9                   ture and sequester not less than  
10                  2,000,000 metric tons per year of car-  
11                  bon dioxide.

12                  “(C) REQUIREMENTS FOR TRANSPOR-  
13                  TATION FUELS.—

14                  “(i) IN GENERAL.—In the case of any  
15                  qualifying clean coal project which is used  
16                  to produce qualified transportation fuels,  
17                  such project shall be designed such that  
18                  the cycle-wide carbon dioxide emissions for  
19                  such fuels are no greater than half of the  
20                  average cycle-wide carbon dioxide emis-  
21                  sions for comparable products during  
22                  2005, as determined under regulations pre-  
23                  scribed by the Secretary in consultation  
24                  with the Secretary of Energy and the Ad-

1            administrator of the Environmental Protec-  
2            tion Agency.

3            “(ii) CYCLE-WIDE CARBON DIOXIDE  
4            EMISSIONS.—For purposes of this subpara-  
5            graph, the term ‘cycle-wide carbon dioxide  
6            emissions’ means the total emissions of  
7            carbon dioxide in production and consump-  
8            tion of a product.

9            “(iii) COMPARABLE PRODUCTS.—For  
10           purposes of this subparagraph, the term  
11           ‘comparable product’ means any transpor-  
12           tation fuel derived from crude oil or coal.

13           “(D) REQUIREMENTS FOR SUBSTITUTE  
14           NATURAL GAS.—In the case of any qualifying  
15           clean coal project which is used to produce sub-  
16           stitute natural gas, such project shall be de-  
17           signed such that the cycle-wide carbon dioxide  
18           emissions for such gas is no greater than half  
19           of the average cycle-wide carbon dioxide emis-  
20           sions for such gas during 2005, as determined  
21           under regulations prescribed by the Secretary in  
22           consultation with the Secretary of Energy and  
23           the Administrator of the Environmental Protec-  
24           tion Agency. For purposes of this subpara-  
25           graph, the term ‘cycle-wide carbon dioxide emis-

1           sions’ means the total emissions of carbon diox-  
2           ide in production and consumption of a prod-  
3           uct.

4           “(2) ELIGIBLE CARBON DIOXIDE CAPTURE,  
5           TRANSPORT, AND STORAGE PROPERTY.—The term  
6           ‘eligible carbon dioxide capture, transport, and stor-  
7           age property’ means any property—

8                   “(A) which is used to capture, transport,  
9                   or store carbon dioxide emitted at a qualifying  
10                  clean coal project, including equipment used to  
11                  separate and pressurize carbon dioxide for  
12                  transport (including equipment to operate such  
13                  equipment),

14                  “(B)(i) the construction, reconstruction, or  
15                  erection of which is completed by the taxpayer,  
16                  or

17                  “(ii) which is acquired by the taxpayer if  
18                  the original use of such property commences  
19                  with the taxpayer, and

20                  “(C) with respect to which depreciation (or  
21                  amortization in lieu of depreciation) is allow-  
22                  able.

23           “(3) QUALIFIED TRANSPORTATION FUEL.—The  
24           term ‘qualified transportation fuel’ means any liquid  
25           fuel derived from the co-processing of coal and re-

1 newable biomass (as defined in section 9001(12) of  
2 the Food, Conservation, and Energy Act of 2008).

3 “(4) COAL.—The term ‘coal’ means bituminous  
4 coal, subbituminous coal, and lignite.

5 “(d) AGGREGATE CREDITS.—

6 “(1) IN GENERAL.—No credit shall be allowed  
7 under this section with respect to any qualifying  
8 clean coal project unless such project is certified by  
9 the Secretary under subsection (e).

10 “(2) LIMITATION ON PROJECTS CERTIFIED.—

11 The Secretary may certify under subsection (e) no  
12 more than—

13 “(A) 20 projects described in subsection  
14 (c)(1)(A)(ii)(I), and

15 “(B) 20 projects described in subsection  
16 (c)(1)(A)(ii)(II).

17 “(e) CERTIFICATION.—

18 “(1) CERTIFICATION PROCESS.—The Secretary,  
19 in consultation with the Secretary of Energy and the  
20 Administrator of the Environmental Protection  
21 Agency, shall establish a certification process to de-  
22 termine if a project meets all criteria and other re-  
23 quirements to be recognized as a qualifying clean  
24 coal project.

1           “(2) FEEDSTOCK REQUIREMENTS.—After the  
2 date of publication by the Secretary of the final cer-  
3 tification process referred to in paragraph (1), the  
4 Secretary shall allocate the limitation in subsection  
5 (d)(2) in equal amounts among—

6           “(A) projects using bituminous coal as a  
7 primary feedstock,

8           “(B) projects using subbituminous coal as  
9 a primary feedstock, and

10          “(C) projects using lignite as a primary  
11 feedstock.

12          “(3) REDISTRIBUTION.—The Secretary may re-  
13 allocate credits if the Secretary determines that  
14 there is an insufficient quantity of qualifying appli-  
15 cations for certification, pending at the time of re-  
16 view, to comply with the feedstock requirements of  
17 paragraph (2). The Secretary may conduct an addi-  
18 tional program for applications for certification and  
19 reallocate available credits without regard to the  
20 feedstock requirement which was not satisfied as a  
21 result of insufficient applications for certification.

22          “(4) REQUIREMENTS FOR APPLICATIONS FOR  
23 CERTIFICATION.—An application for certification  
24 shall contain such information as the Secretary may  
25 require in order to make a determination to accept

1 or reject the application and establish applicable  
2 credit entitlement. Any information contained in the  
3 application shall be protected as provided in section  
4 552(b)(4) of title 5, United States Code.

5 “(f) DENIAL OF DOUBLE BENEFIT.—No credit shall  
6 be allowed under this section for any property for which  
7 credit is allowed under sections 48A, 48B, or 48C.”.

8 (b) CONFORMING AMENDMENTS.—

9 (1) Section 46 of such Code (relating to amount  
10 of credit) is amended by striking “and” at the end  
11 of paragraph (5), by striking the period at the end  
12 of paragraph (6) and inserting “, and”, and by add-  
13 ing at the end the following new paragraph:

14 “(7) the qualifying carbon dioxide capture,  
15 transport, and storage equipment credit.”.

16 (2) Subparagraph (C) of section 49(a)(1) of  
17 such Code is amended by striking “and” at the end  
18 of clause (v), by striking the period at the end of  
19 clause (vi) and inserting “, and”, and by adding  
20 after clause (vi) the following new clause:

21 “(vii) the basis of any qualifying car-  
22 bon dioxide capture, transport, and storage  
23 equipment under section 48E.”.

24 (3) The table of sections for subpart E of part  
25 IV of subchapter A of chapter 1 of such Code is

1 amended by inserting after the item relating to sec-  
 2 tion 48D the following new item:

“Sec. 48E. Qualifying carbon dioxide capture, transport, and storage equip-  
 ment credit.”.

3 (c) EFFECTIVE DATE.—The amendments made by  
 4 this section shall apply to periods after the date of the  
 5 enactment of this Act under rules similar to the rules of  
 6 section 48(m) of the Internal Revenue Code of 1986 (as  
 7 in effect on the day before the date of the enactment of  
 8 the Revenue Reconciliation Act of 1990).

9 **SEC. 413. MODIFICATIONS TO CREDIT FOR CARBON DIOX-**  
 10 **IDE SEQUESTRATION.**

11 (a) CREDIT ALLOWED FOR USES OTHER THAN TER-  
 12 TIARY INJECTANTS.—

13 (1) IN GENERAL.—Paragraph (2) of section  
 14 45Q(a) of the Internal Revenue Code of 1986 is  
 15 amended to read as follows:

16 “(2) \$10 per metric ton of qualified carbon di-  
 17 oxide which is—

18 “(A) captured by the taxpayer at a quali-  
 19 fied facility, and

20 “(B) either—

21 “(i) used as a tertiary injectant in a  
 22 qualified enhanced oil or natural gas recov-  
 23 ery project and disposed of in secure geo-  
 24 logical storage, or



1           “(ii) converted to a stable form in  
2           which such carbon dioxide is securely and  
3           permanently sequestered and used for a  
4           beneficial economic purpose.”.

5           (2) CREDIT ALLOWED FOR OTHER SECURE  
6           STORAGE.—Subparagraph (B) of section 45Q(a)(1)  
7           of such Code is amended—

8           (A) by striking “by the taxpayer” each  
9           place it appears; and

10           (B) by inserting “or converted to a stable  
11           form in which it is securely and permanently se-  
12           questered” after “secure geological storage”.

13           (3) SECURELY AND PERMANENTLY SEQUES-  
14           TERED.—Paragraph (2) of section 45Q(d) is amend-  
15           ed—

16           (A) by striking all that precedes “in con-  
17           sultation with the Administrator” and inserting  
18           the following:

19           “(2) SECURE GEOLOGICAL STORAGE AND PER-  
20           MANENT SEQUESTRATION.—

21           “(A) SECURE GEOLOGICAL STORAGE.—The  
22           Secretary”;

23           (B) by striking “(2)(C)” and inserting  
24           “(2)(B)(i)”;

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

3 “(B) SECURE PERMANENT SEQUESTRATION.—The Secretary, in consultation with the  
4 Administrator of the Environmental Protection  
5 Agency, shall establish regulations for deter-  
6 mining adequate security measures for the per-  
7 manent sequestration of carbon dioxide for uses  
8 described in paragraph (1)(B) or (2)(B)(ii) of  
9 subsection (a) such that the carbon dioxide does  
10 not escape into the atmosphere.”.

12 (4) CONFORMING AMENDMENT.—Subparagraph  
13 (B) of section 45Q(1) of such Code is amended by  
14 inserting “or through secure and permanent seques-  
15 tration” after “secure geological storage”.

16 (b) MODIFICATION TO DEFINITION OF QUALIFIED  
17 CARBON DIOXIDE.—Subparagraph (A) of section  
18 45Q(b)(1) of the Internal Revenue Code of 1986 is  
19 amended by striking “otherwise” and inserting “, but for  
20 the capture and sequestration or conversion to a stable  
21 form,”.

22 (c) PERSON ENTITLED TO CREDIT.—

23 (1) IN GENERAL.—Paragraph (5) of section  
24 45Q(d) of the Internal Revenue Code of 1986 is  
25 amended to read as follows:

1 “(5) CREDIT ATTRIBUTABLE TO TAXPAYER.—

2 “(A) IN GENERAL.—Except as provided in  
3 subparagraph (B), any credit under this section  
4 shall be attributable to the person that captures  
5 and physically or contractually ensures the dis-  
6 posal of or the use as a tertiary injectant of the  
7 qualified carbon dioxide.

8 “(B) TRANSFER OF CREDIT.—A taxpayer  
9 may transfer the credit under subsection (a) to  
10 the person responsible for disposing, converting,  
11 or using the qualified carbon dioxide. Such  
12 transfer shall only be effective if the taxpayer  
13 submits to the Secretary, at such time and in  
14 such manner as the Secretary prescribes, a  
15 statement concerning the transfer which con-  
16 tains—

17 “(i) the name, address, and taxpayer  
18 identification number of the taxpayer  
19 transferring the credit,

20 “(ii) the name, address, and taxpayer  
21 identification number of the taxpayer re-  
22 ceiving the transfer, and

23 “(iii) such other information relating  
24 to such transfer as the Secretary may re-  
25 quire.”.

1           (2) RULES.—Not later than 180 days after the  
2 date of the enactment of this Act, the Secretary of  
3 the Treasury shall prescribe rules relating to the  
4 transfer of credits under section 45Q of the Internal  
5 Revenue Code of 1986 pursuant to subparagraph  
6 (B) section 45Q(d)(5) of such Code, as added by  
7 paragraph (1).

8           (d) EXTENSION OF CREDIT.—

9           (1) CREDIT ALLOWED FOR 10-YEAR CREDIT PE-  
10 RIOD.—Paragraphs (1)(A) and (2)(A) of section  
11 45Q(a) of the Internal Revenue Code of 1986 are  
12 each amended by inserting “during the 10-year pe-  
13 riod beginning on the date the carbon capture equip-  
14 ment described in subsection (c)(2) is placed in serv-  
15 ice” before the comma at the end.

16           (2) TERMINATION.—Paragraph (2) of section  
17 45Q(c) of such Code is amended by inserting “by  
18 the taxpayer before January 1, 2018” before the  
19 comma at the end.

20           (3) CONFORMING AMENDMENT.—Section 45Q  
21 of such Code is amended by striking subsection (e).

22           (e) EFFECTIVE DATE.—The amendments made by  
23 this section shall apply to carbon dioxide captured after  
24 the date of the enactment of this Act.

1 **SEC. 414. CLEAN ENERGY COAL BONDS.**

2 (a) IN GENERAL.—

3 (1) TREATMENT AS TAX CREDIT BONDS.—Sub-  
4 part I of part IV of subchapter A of chapter 1 of  
5 the Internal Revenue Code of 1986 is amended by  
6 adding at the end the following new section:

7 **“SEC. 54G. CLEAN ENERGY COAL BONDS.**

8 “(a) CLEAN ENERGY COAL BOND.—For purposes of  
9 this subchapter—

10 “(1) IN GENERAL.—The term ‘clean energy  
11 coal bond’ means any bond issued as part of an  
12 issue if—

13 “(A) the bond is issued by a qualified  
14 issuer pursuant to an allocation by the Sec-  
15 retary to such issuer of a portion of the na-  
16 tional clean energy coal bond limitation under  
17 subsection (b)(2),

18 “(B) 100 percent of the available project  
19 proceeds from the sale of such issue are to be  
20 used for capital expenditures incurred by quali-  
21 fied borrowers for 1 or more qualified projects,

22 “(C) the qualified issuer designates such  
23 bond for purposes of this section and the bond  
24 is in registered form, and

1           “(D) in lieu of the requirements of section  
2           54A(d)(2), the issue meets the requirements of  
3           subsection (c).

4           “(2) QUALIFIED PROJECT; SPECIAL USE  
5           RULES.—

6           “(A) IN GENERAL.—The term ‘qualified  
7           project’ means a qualified clean coal project (as  
8           defined in subsection (f)(1)) placed in service by  
9           a qualified borrower.

10           “(B) REFINANCING RULES.—For purposes  
11           of paragraph (1)(B), a qualified project may be  
12           refinanced with proceeds of a clean energy coal  
13           bond only if the indebtedness being refinanced  
14           (including any obligation directly or indirectly  
15           refinanced by such indebtedness) was originally  
16           incurred by a qualified borrower after the date  
17           of the enactment of this section.

18           “(C) REIMBURSEMENT.—For purposes of  
19           paragraph (1)(B), a clean energy coal bond  
20           may be issued to reimburse a qualified borrower  
21           for amounts paid after the date of the enact-  
22           ment of this section with respect to a qualified  
23           project, but only if—

24                   “(i) prior to the payment of the origi-  
25                   nal expenditure, the qualified borrower de-

1           clared its intent to reimburse such expendi-  
2           ture with the proceeds of a clean energy  
3           coal bond,

4           “(ii) not later than 60 days after pay-  
5           ment of the original expenditure, the quali-  
6           fied issuer adopts an official intent to re-  
7           imburse the original expenditure with such  
8           proceeds, and

9           “(iii) reimbursement is not made later  
10          than 18 months after the date the original  
11          expenditure is paid or the date the project  
12          is placed in service or abandoned, but in  
13          no event more than 3 years after the origi-  
14          nal expenditure is paid.

15          “(D) TREATMENT OF CHANGES IN USE.—

16          For purposes of paragraph (1)(B), the proceeds  
17          of an issue shall not be treated as used for a  
18          qualified project to the extent that a qualified  
19          borrower takes any action within its control  
20          which causes such proceeds not to be used for  
21          a qualified project. The Secretary shall pre-  
22          scribe regulations specifying remedial actions  
23          that may be taken (including conditions to tak-  
24          ing such remedial actions) to prevent an action  
25          described in the preceding sentence from caus-

1           ing a bond to fail to be a clean energy coal  
2           bond.

3           “(b) LIMITATION ON AMOUNT OF BONDS DES-  
4           IGNATED.—

5           “(1) NATIONAL LIMITATION.—There is a na-  
6           tional clean energy coal bond limitation of  
7           \$5,000,000,000.

8           “(2) ALLOCATION BY SECRETARY.—The Sec-  
9           retary shall allocate the amount described in para-  
10          graph (1) among qualified projects in such manner  
11          as the Secretary determines appropriate.

12          “(c) SPECIAL RULES RELATING TO EXPENDI-  
13          TURES.—

14          “(1) IN GENERAL.—An issue shall be treated as  
15          meeting the requirements of this subsection if, as of  
16          the date of issuance, the qualified issuer reasonably  
17          expects—

18                 “(A) 100 percent or more of the available  
19                 project proceeds from the sale of the issue are  
20                 to be spent for 1 or more qualified projects  
21                 within the 5-year period beginning on the date  
22                 of issuance of the clean energy bond,

23                 “(B) a binding commitment with a third  
24                 party to spend at least 10 percent of such avail-  
25                 able project proceeds from the sale of the issue



1 will be incurred within the 6-month period be-  
2 ginning on the date of issuance of the clean en-  
3 ergy bond or, in the case of a clean energy bond  
4 the available project proceeds of which are to be  
5 loaned to 2 or more qualified borrowers, such  
6 binding commitment will be incurred within the  
7 6-month period beginning on the date of the  
8 loan of such proceeds to a qualified borrower,  
9 and

10 “(C) such projects will be completed with  
11 due diligence and the available project proceeds  
12 from the sale of the issue will be spent with due  
13 diligence.

14 “(2) EXTENSION OF PERIOD.—Upon submis-  
15 sion of a request prior to the expiration of the period  
16 described in paragraph (1)(A), the Secretary may  
17 extend such period if the qualified issuer establishes  
18 that the failure to satisfy the 5-year requirement is  
19 due to reasonable cause and the related projects will  
20 continue to proceed with due diligence.

21 “(3) FAILURE TO SPEND REQUIRED AMOUNT  
22 OF BOND PROCEEDS WITHIN 5 YEARS.—To the ex-  
23 tent that less than 100 percent of the available  
24 project proceeds of such issue are expended by the  
25 close of the 5-year period beginning on the date of

1 issuance (or if an extension has been obtained under  
2 paragraph (2), by the close of the extended period),  
3 the qualified issuer shall redeem all of the non-  
4 qualified bonds within 90 days after the end of such  
5 period. For purposes of this paragraph, the amount  
6 of the nonqualified bonds required to be redeemed  
7 shall be determined in the same manner as under  
8 section 142.

9 “(d) REDUCED CREDIT AMOUNT.—The annual credit  
10 determined under section 54A(b) with respect to any clean  
11 coal energy bond shall be 70 percent of the amount so  
12 determined without regard to this subsection.

13 “(e) COOPERATIVE ELECTRIC COMPANY; QUALIFIED  
14 ENERGY TAX CREDIT BOND LENDER; GOVERNMENTAL  
15 BODY; QUALIFIED BORROWER.—For purposes of this sec-  
16 tion—

17 “(1) COOPERATIVE ELECTRIC COMPANY.—The  
18 term ‘cooperative electric company’ means a mutual  
19 or cooperative electric company described in section  
20 501(c)(12) or section 1381(a)(2)(C), or a not-for-  
21 profit electric utility which has received a loan or  
22 loan guarantee under the Rural Electrification Act.

23 “(2) CLEAN ENERGY BOND LENDER.—The  
24 term ‘clean energy bond lender’ means a lender  
25 which is a cooperative which is owned by, or has out-

1 standing loans to, 100 or more cooperative electric  
2 companies and is in existence on February 1, 2002,  
3 and shall include any affiliated entity which is con-  
4 trolled by such lender.

5 “(3) PUBLIC POWER ENTITY.—The term ‘public  
6 power entity’ means a State utility with a service ob-  
7 ligation, as such terms are defined in section 217 of  
8 the Federal Power Act (as in effect on the date of  
9 enactment of this paragraph).

10 “(4) QUALIFIED ISSUER.—The term ‘qualified  
11 issuer’ means—

12 “(A) a clean energy bond lender,

13 “(B) a cooperative electric company, or

14 “(C) a public power entity.

15 “(5) QUALIFIED BORROWER.—The term ‘quali-  
16 fied borrower’ means—

17 “(A) a mutual or cooperative electric com-  
18 pany described in section 501(c)(12) or  
19 1381(a)(2)(C), or

20 “(B) a public power entity.

21 “(f) SPECIAL RULES RELATING TO POOL BONDS.—

22 No portion of a pooled financing bond may be allocable  
23 to any loan unless the borrower has entered into a written  
24 loan commitment for such portion prior to the issue date  
25 of such issue.

1       “(g) OTHER DEFINITIONS AND SPECIAL RULES.—

2 For purposes of this section—

3           “(1) QUALIFIED CLEAN COAL PROJECT.—For  
4 purposes of this section, the term ‘qualified clean  
5 coal project’ means—

6           “(A) an atmospheric pollution control facil-  
7 ity (within the meaning of section 169(d)(6)),

8           “(B) a qualifying clean coal project (within  
9 the meaning of section 48E(c)(1)), or

10          “(C) a qualified facility (within the mean-  
11 ing of section 45Q(c)).

12          “(2) POOLED FINANCING BOND.—The term  
13 ‘pooled financing bond’ shall have the meaning given  
14 such term by section 149(f)(4)(A).”.

15          (2) BONDS NOT SUBJECT TO MATURITY LIMITA-  
16 TION.—Paragraph (5) of section 54A(d) of such  
17 Code is amended by adding at the end the following  
18 new subparagraph:

19           “(C) SPECIAL RULE FOR CLEAN ENERGY  
20 COAL BONDS.—The requirements of this para-  
21 graph shall not apply to a clean energy coal  
22 bond under section 54G.”.

23          (3) CONFORMING AMENDMENTS.—

24           (A) Paragraph (1) of section 54A(d) of the  
25 Internal Revenue Code of 1986 is amended by

1 striking “or” at the end of subparagraph (D),  
 2 by inserting “or” at the end of subparagraph  
 3 (E), and by inserting after subparagraph (E)  
 4 the following new subparagraph:

5 “(F) a clean energy coal bond.”.

6 (B) The table of sections for subpart I of  
 7 part IV of subchapter A of chapter 1 of the In-  
 8 ternal Revenue Code of 1986 is amended by  
 9 adding at the end the following new item:

“Sec. 54G. Clean energy coal bonds.”.

10 (b) BONDS TREATED AS SPECIFIED TAX CREDIT  
 11 BONDS.—

12 (1) IN GENERAL.—Section 6431(f)(3)(A) of the  
 13 Internal Revenue Code of 1986 is amended by strik-  
 14 ing “or” at the end of clause (iii), by striking “and”  
 15 at the end of clause (iv) and inserting “or”, and by  
 16 adding at the end the following new clause:

17 “(v) a clean energy coal bond (as de-  
 18 fined in section 54G), and”.

19 (2) SPECIAL RULE.—Paragraph (2) of section  
 20 6431(f) of such Code is amended—

21 (A) by striking “clause (i) or (ii)” and in-  
 22 serting “clause (i), (ii), or (v)”;

23 (B) by striking the heading and inserting  
 24 “SPECIAL RULE FOR CERTAIN BONDS”.

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to bonds issued after the date of  
3 the enactment of this Act.

4 **SEC. 415. NEW CLEAN RENEWABLE ENERGY BONDS.**

5 (a) IN GENERAL.—Subsection (c) of section 54C of  
6 the Internal Revenue Code of 1986 is amended by adding  
7 at the end the following new paragraph:

8 “(5) SECOND ADDITIONAL LIMITATION.—Sub-  
9 ject to paragraph (4), the national new clean renew-  
10 able energy bond limitation shall be increased by  
11 \$1,600,000,000. Such increase shall be allocated by  
12 the Secretary consistent with the rules of para-  
13 graphs (2) and (3).”

14 (b) EFFECTIVE DATE.—The amendment made by  
15 this section shall apply to allocations after December 31,  
16 2010.

17 **SEC. 416. SEVEN-YEAR ACCELERATED DEPRECIATION FOR**  
18 **NEW NUCLEAR POWER FACILITIES.**

19 (a) IN GENERAL.—Subparagraph (C) of section  
20 168(e)(3) of the Internal Revenue Code of 1986 (relating  
21 to 7-year property) is amended—

22 (1) by striking “and” at the end of clause (iv);

23 (2) by redesignating clause (v) as clause (vi);

24 and

1           (3) by inserting after clause (iv) the following  
2           new clause:

3                           “(v) any qualified nuclear power facil-  
4                           ity the original use of which commences  
5                           with the taxpayer.”.

6           (b) QUALIFIED NUCLEAR POWER FACILITY.—Sec-  
7           tion 168(e) of the Internal Revenue Code of 1986 is  
8           amended by adding at the end the following new para-  
9           graph:

10                          “(9) QUALIFIED NUCLEAR POWER FACILITY.—  
11           The term ‘qualified nuclear power facility’ means an  
12           advanced nuclear facility (as defined in section  
13           45J(d)(2))—

14                           “(A) which, when placed in service, will  
15                           use nuclear power to produce electricity,

16                           “(B) the construction of which is approved  
17                           by the Nuclear Regulatory Commission on or  
18                           before December 31, 2013, and

19                           “(C) which is placed in service before Jan-  
20                           uary 1, 2021.”.

21           (c)           CONFORMING           AMENDMENT.—Section  
22           168(e)(3)(E)(vii) of the Internal Revenue Code of 1986  
23           is amended by inserting “and not described in subpara-  
24           graph (C)(v) of this paragraph” after “section  
25           1245(a)(3)”.

1 (d) **EFFECTIVE DATE.**—The amendments made by  
 2 this section shall apply to property placed in service in  
 3 taxable years beginning after the date of enactment of this  
 4 Act.

5 **SEC. 417. LONG TERM EXTENSION OF RENEWABLE ELEC-**  
 6 **TRICITY PRODUCTION CREDIT.**

7 Subsection (d) of section 45 of the Internal Revenue  
 8 Code of 1986 is amended—

9 (1) by striking “January 1, 2013” in paragraph  
 10 (1) and inserting “January 1, 2017”; and

11 (2) by striking “January 1, 2014” each place  
 12 it appears in paragraphs (2), (3), (4), (6), (7), (9),  
 13 and (11) and inserting “January 1, 2017”.

14 **TITLE V—DOMESTIC ENERGY**  
 15 **DEPLOYMENT**

16 **Subtitle A—Clean Energy**  
 17 **Financing**

18 **SEC. 501. PURPOSE.**

19 The purpose of this subtitle is to promote the domes-  
 20 tic development and deployment of clean energy tech-  
 21 nologies required for the 21st century through the im-  
 22 provement of existing programs and the establishment of  
 23 a self-sustaining Clean Energy Deployment Administra-  
 24 tion that will provide for an attractive investment environ-  
 25 ment through partnership with and support of the private



1 capital market in order to promote access to affordable  
2 financing for accelerated and widespread deployment of—

3 (1) clean energy technologies;

4 (2) advanced or enabling energy infrastructure  
5 technologies;

6 (3) energy efficiency technologies in residential,  
7 commercial, and industrial applications, including  
8 end-use efficiency in buildings; and

9 (4) manufacturing technologies for any of the  
10 technologies or applications described in this section.

11 **SEC. 502. DEFINITIONS.**

12 In this subtitle:

13 (1) ADMINISTRATION.—The term “Administra-  
14 tion” means the Clean Energy Deployment Adminis-  
15 tration established by section 505.

16 (2) ADMINISTRATOR.—The term “Adminis-  
17 trator” means the Administrator of the Administra-  
18 tion.

19 (3) ADVISORY COUNCIL.—The term “Advisory  
20 Council” means the Energy Technology Advisory  
21 Council of the Administration.

22 (4) BREAKTHROUGH TECHNOLOGY.—The term  
23 “breakthrough technology” means a clean energy  
24 technology that—

1 (A) presents a significant opportunity to  
2 advance the goals developed under section 504,  
3 as assessed under the methodology established  
4 by the Advisory Council; but

5 (B) has generally not been considered a  
6 commercially ready technology as a result of  
7 high perceived technology risk or other similar  
8 factors.

9 (5) CLEAN ENERGY TECHNOLOGY.—The term  
10 “clean energy technology” means a technology re-  
11 lated to the production, use, transmission, storage,  
12 control, or conservation of energy that will—

13 (A) reduce the need for additional energy  
14 supplies by using existing energy supplies with  
15 greater efficiency or by transmitting, distrib-  
16 uting, or transporting energy with greater effec-  
17 tiveness through the infrastructure of the  
18 United States;

19 (B) diversify the sources of energy supply  
20 of the United States to strengthen energy secu-  
21 rity and to increase supplies with a favorable  
22 balance of environmental effects if the entire  
23 technology system is considered; or

24 (C) contribute to a stabilization of atmos-  
25 pheric greenhouse gas concentrations through

1 reduction, avoidance, or sequestration of en-  
2 ergy-related emissions.

3 (6) COST.—The term “cost” has the meaning  
4 given the term in section 502 of the Federal Credit  
5 Reform Act of 1990 (2 U.S.C. 661a).

6 (7) DIRECT LOAN.—The term “direct loan” has  
7 the meaning given the term in section 502 of the  
8 Federal Credit Reform Act of 1990 (2 U.S.C. 661a).

9 (8) FUND.—The term “Fund” means the Clean  
10 Energy Investment Fund established by section  
11 503(a).

12 (9) LOAN GUARANTEE.—The term “loan guar-  
13 antee” has the meaning given the term in section  
14 502 of the Federal Credit Reform Act of 1990 (2  
15 U.S.C. 661a).

16 (10) NATIONAL LABORATORY.—The term “Na-  
17 tional Laboratory” has the meaning given the term  
18 in section 2 of the Energy Policy Act of 2005 (42  
19 U.S.C. 15801).

20 (11) SECRETARY.—The term “Secretary”  
21 means the Secretary of Energy.

22 (12) SECURITY.—The term “security” has the  
23 meaning given the term in section 2 of the Securities  
24 Act of 1933 (15 U.S.C. 77b).

25 (13) STATE.—The term “State” means—

- 1 (A) a State;
- 2 (B) the District of Columbia;
- 3 (C) the Commonwealth of Puerto Rico;
- 4 and
- 5 (D) any other territory or possession of the
- 6 United States.

7 (14) **TECHNOLOGY RISK.**—The term “tech-

8 nology risk” means the risks during construction or

9 operation associated with the design, development,

10 and deployment of clean energy technologies (includ-

11 ing the cost, schedule, performance, reliability and

12 maintenance, and accounting for the perceived risk),

13 from the perspective of commercial lenders, that

14 may be increased as a result of the absence of ade-

15 quate historical construction, operating, or perform-

16 ance data from commercial applications of the tech-

17 nology.

18 **SEC. 503. IMPROVEMENTS TO EXISTING PROGRAMS.**

19 (a) **CLEAN ENERGY INVESTMENT FUND.**—

20 (1) **ESTABLISHMENT.**—There is established in

21 the Treasury of the United States a revolving fund,

22 to be known as the “Clean Energy Investment

23 Fund”, consisting of—

24 (A) such amounts as have been appro-

25 priated for administrative expenses to carry out

1 title XVII of the Energy Policy Act of 2005 (42  
2 U.S.C. 16511 et seq.);

3 (B) such amounts as are deposited in the  
4 Fund under this subtitle and amendments made  
5 by this subtitle; and

6 (C) such sums as may be appropriated to  
7 supplement the Fund.

8 (2) EXPENDITURES FROM FUND.—

9 (A) IN GENERAL.—Notwithstanding sec-  
10 tion 1705(e) of the Energy Policy Act of 2005  
11 (42 U.S.C. 16516(e)), amounts in the Fund  
12 shall be available to the Secretary for obligation  
13 without fiscal year limitation, to remain avail-  
14 able until expended.

15 (B) ADMINISTRATIVE EXPENSES.—

16 (i) FEES.—Fees collected for adminis-  
17 trative expenses shall be available without  
18 limitation to cover applicable expenses.

19 (ii) FUND.—To the extent that ad-  
20 ministrative expenses are not reimbursed  
21 through fees, an amount not to exceed 1.5  
22 percent of the amounts in the Fund as of  
23 the beginning of each fiscal year shall be  
24 available to pay the administrative ex-  
25 penses for the fiscal year necessary to

1 carry out title XVII of the Energy Policy  
2 Act of 2005 (42 U.S.C. 16511 et seq.).

3 (3) TRANSFERS OF AMOUNTS.—

4 (A) IN GENERAL.—The amounts required  
5 to be transferred to the Fund under this sub-  
6 section shall be transferred at least monthly  
7 from the general fund of the Treasury to the  
8 Fund on the basis of estimates made by the  
9 Secretary of the Treasury.

10 (B) CASH FLOWS.—Cash flows associated  
11 with costs of the Fund described in section  
12 502(5)(B) of the Federal Credit Reform Act of  
13 1990 (2 U.S.C. 661a(5)(B)) shall be trans-  
14 ferred to appropriate credit accounts.

15 (C) ADJUSTMENTS.—Proper adjustment  
16 shall be made in amounts subsequently trans-  
17 ferred to the extent prior estimates were in ex-  
18 cess of or less than the amounts required to be  
19 transferred.

20 (b) REVISIONS TO LOAN GUARANTEE PROGRAM AU-  
21 THORITY.—

22 (1) DEFINITION OF COMMERCIAL TECH-  
23 NOLOGY.—Section 1701(1) of the Energy Policy Act  
24 of 2005 (42 U.S.C. 16511(1)) is amended by strik-  
25 ing subparagraph (B) and inserting the following:

1           “(B) EXCLUSION.—The term ‘commercial  
2           technology’ does not include a technology if the  
3           sole use of the technology is in connection  
4           with—

5                     “(i) a demonstration project; or

6                     “(ii) a project for which the Secretary  
7                     approved a loan guarantee.”.

8           (2) SPECIFIC APPROPRIATION OR CONTRIBU-  
9           TION.—Section 1702 of the Energy Policy Act of  
10           2005 (42 U.S.C. 16512) is amended by striking sub-  
11           section (b) and inserting the following:

12           “(b) SPECIFIC APPROPRIATION OR CONTRIBU-  
13           TION.—

14                     “(1) IN GENERAL.—No guarantee shall be  
15                     made unless sufficient amounts to account for the  
16                     cost are available—

17                             “(A) in unobligated balances within the  
18                             Clean Energy Investment Fund established  
19                             under section 503(a) of the Fulfilling U.S. En-  
20                             ergy Leadership Act of 2011;

21                             “(B) as a payment from the borrower and  
22                             the payment is deposited in the Clean Energy  
23                             Investment Fund; or

1           “(C) in any combination of balances and  
2           payments described in subparagraphs (A) and  
3           (B), respectively.

4           “(2) LIMITATION.—The source of payments re-  
5           ceived from a borrower under paragraph (1)(B) shall  
6           not be a loan or other debt obligation that is made  
7           or guaranteed by the Federal Government.

8           “(3) RELATION TO OTHER LAWS.—Section  
9           504(b) of the Federal Credit Reform Act of 1990 (2  
10          U.S.C. 661c(b)) shall not apply to a loan or loan  
11          guarantee under this section.”.

12          (3) SUBROGATION.—Section 1702(g)(2) of the  
13          Energy Policy Act of 2005 (42 U.S.C. 16512(g)(2))  
14          is amended by striking subparagraphs (B) and (C)  
15          and inserting the following:

16               “(B) SUPERIORITY OF RIGHTS.—Except as  
17               provided in subparagraph (C), the rights of the  
18               Secretary, with respect to any property ac-  
19               quired pursuant to a guarantee or related  
20               agreements, shall be superior to the rights of  
21               any other person with respect to the property.

22               “(C) TERMS AND CONDITIONS.—A guar-  
23               antee agreement shall include such detailed  
24               terms and conditions as the Secretary deter-  
25               mines appropriate to—



1 “(i) protect the interests of the United  
2 States in the case of default;

3 “(ii) have available all the patents and  
4 technology necessary for any person se-  
5 lected, including the Secretary, to complete  
6 and operate the project;

7 “(iii) provide for sharing the proceeds  
8 received from the sale of project assets  
9 with other creditors or control the disposi-  
10 tion of project assets if necessary to pro-  
11 tect the interests of the United States in  
12 the case of default; and

13 “(iv) provide such lien priority in  
14 project assets as necessary to protect the  
15 interests of the United States in the case  
16 of a default.”.

17 (4) FEES.—Section 1702(h) of the Energy Pol-  
18 icy Act of 2005 (42 U.S.C. 16512(h)) is amended by  
19 striking paragraph (2) and inserting the following:

20 “(2) AVAILABILITY.—Fees collected under this  
21 subsection shall—

22 “(A) be deposited by the Secretary in the  
23 Clean Energy Investment Fund established  
24 under section 503(a) of the Fulfilling U.S. En-  
25 ergy Leadership Act of 2011; and

1           “(B) remain available to the Secretary for  
2           expenditure, without further appropriation or  
3           fiscal year limitation, for administrative ex-  
4           penses incurred in carrying out this title.

5           “(3) ADJUSTMENT.—The Secretary may adjust  
6           the amount or manner of collection of fees under  
7           this title as the Secretary determines is necessary to  
8           promote, to the maximum extent practicable, eligible  
9           projects under this title.

10          “(4) EXCESS FEES.—Of the amount of a fee  
11          imposed on an applicant at the conditional commit-  
12          ment stage, 75 percent of the amount shall be re-  
13          fundable to the applicant if there is no financial  
14          close on the application, unless the Secretary deter-  
15          mines that the administrative costs of the Depart-  
16          ment have exceeded the amount retained.

17          “(5) CREDIT REPORT.—If, in the opinion of the  
18          Secretary, the credit rating of an applicant is not  
19          relevant to the determination of whether or not sup-  
20          port will be provided and the applicant agrees to ac-  
21          cept the credit rating assigned to the applicant by  
22          the Secretary, the Secretary may waive any require-  
23          ment to provide a third-party credit report.”.

1           (5) PROCESSING.—Section 1702 of the Energy  
2           Policy Act of 2005 (42 U.S.C. 16512) is amended  
3           by adding at the end the following:

4           “(k) ACCELERATED REVIEWS.—To the maximum ex-  
5           tent practicable and consistent with sound business prac-  
6           tices, the Secretary shall seek to conduct necessary reviews  
7           concurrently of an application for a loan guarantee under  
8           this title such that decisions as to whether to enter into  
9           a commitment on the application can be issued not later  
10          than 180 days after the date of submission of a completed  
11          application.”.

12          (6) WAGE RATES.—Section 1705(c) of the En-  
13          ergy Policy Act of 2005 (42 U.S.C. 16516(c)) is  
14          amended by striking “support under this section”  
15          and inserting “support under this title”.

16 **SEC. 504. ENERGY TECHNOLOGY DEPLOYMENT GOALS.**

17          (a) GOALS.—Not later than 1 year after the date of  
18          enactment of this Act, the Secretary, after consultation  
19          with the Advisory Council, shall develop and publish for  
20          review and comment in the Federal Register near-, me-  
21          dium-, and long-term goals (including numerical perform-  
22          ance targets at appropriate intervals to measure progress  
23          toward those goals) for the deployment of clean energy  
24          technologies through the credit support programs estab-

1 lished by this subtitle (including an amendment made by  
2 this subtitle) to promote—

3           (1) sufficient electric generating capacity using  
4 clean energy technologies to meet the energy needs  
5 of the United States;

6           (2) clean energy technologies in vehicles and  
7 fuels that will substantially reduce the reliance of  
8 the United States on foreign sources of energy and  
9 insulate consumers from the volatility of world en-  
10 ergy markets;

11           (3) a domestic commercialization and manufac-  
12 turing capacity that will establish the United States  
13 as a world leader in clean energy technologies across  
14 multiple sectors;

15           (4) installation of sufficient infrastructure to  
16 allow for the cost-effective deployment of clean en-  
17 ergy technologies appropriate to each region of the  
18 United States;

19           (5) the transformation of the building stock of  
20 the United States to zero net energy consumption;

21           (6) the recovery, use, and prevention of waste  
22 energy;

23           (7) domestic manufacturing of clean energy  
24 technologies on a scale that is sufficient to achieve  
25 price parity with conventional energy sources;

1           (8) domestic production of commodities and  
2 materials (such as steel, chemicals, polymers, and  
3 cement) using clean energy technologies so that the  
4 United States will become a world leader in environ-  
5 mentally sustainable production of the commodities  
6 and materials;

7           (9) a robust, efficient, and interactive electricity  
8 transmission grid that will allow for the incorpora-  
9 tion of clean energy technologies, distributed genera-  
10 tion, smart grid functions, and demand-response in  
11 each regional electric grid;

12           (10) sufficient availability of financial products  
13 to allow owners and users of residential, retail, com-  
14 mercial, and industrial buildings to make energy ef-  
15 ficiency and distributed generation technology in-  
16 vestments with reasonable payback periods; and

17           (11) such other goals as the Secretary, in con-  
18 sultation with the Advisory Council, determines to be  
19 consistent with the purposes of this subtitle.

20       (b) REVISIONS.—The Secretary shall revise the goals  
21 established under subsection (a), from time to time as ap-  
22 propriate, to account for advances in technology and  
23 changes in energy policy.

24 **SEC. 505. CLEAN ENERGY DEPLOYMENT ADMINISTRATION.**

25       (a) ESTABLISHMENT.—

1           (1) IN GENERAL.—There is established in the  
2 Department of Energy an administration to be  
3 known as the Clean Energy Deployment Administra-  
4 tion, under the direction of the Administrator and  
5 the Board of Directors.

6           (2) STATUS.—

7           (A) IN GENERAL.—The Administration  
8 (including officers, employees, and agents of the  
9 Administration) shall not be responsible to, or  
10 subject to the authority, direction, or control of,  
11 any other officer, employee, or agent of the De-  
12 partment of Energy other than the Secretary,  
13 acting through the Administrator.

14           (B) EXEMPTION FROM REORGANIZA-  
15 TION.—The Administration shall be exempt  
16 from the reorganization authority provided  
17 under section 643 of the Department of Energy  
18 Organization Act (42 U.S.C. 7253).

19           (C) INSPECTOR GENERAL.—Section 12 of  
20 the Inspector General Act of 1978 (5 U.S.C.  
21 App.) is amended—

22           (i) in paragraph (1), by inserting “the  
23 Administrator of the Clean Energy Deploy-  
24 ment Administration;” after “Export-Im-  
25 port Bank;”; and

1 (ii) in paragraph (2), by inserting  
2 “the Clean Energy Deployment Adminis-  
3 tration,” after “Export-Import Bank,”.

4 (3) OFFICES.—

5 (A) PRINCIPAL OFFICE.—The Administra-  
6 tion shall—

7 (i) maintain the principal office of the  
8 Administration in the District of Columbia;  
9 and

10 (ii) for purposes of venue in civil ac-  
11 tions, be considered to be a resident of the  
12 District of Columbia.

13 (B) OTHER OFFICES.—The Administration  
14 may establish other offices in such other places  
15 as the Administration considers necessary or  
16 appropriate for the conduct of the business of  
17 the Administration.

18 (b) ADMINISTRATOR.—

19 (1) IN GENERAL.—The Administrator shall  
20 be—

21 (A) appointed by the President, with the  
22 advice and consent of the Senate, for a 5-year  
23 term; and

24 (B) compensated at the annual rate of  
25 basic pay prescribed for level II of the Execu-

1           tive Schedule under section 5313 of title 5,  
2           United States Code.

3           (2) DUTIES.—The Administrator shall—

4                   (A) serve as the Chief Executive Officer of  
5           the Administration and Chairman of the Board;

6                   (B) ensure that—

7                           (i) the Administration operates in a  
8                           safe and sound manner, including mainte-  
9                           nance of adequate capital and internal con-  
10                           trols (consistent with section 404 of the  
11                           Sarbanes-Oxley Act of 2002 (15 U.S.C.  
12                           7262));

13                           (ii) the operations and activities of the  
14                           Administration foster liquid, efficient, com-  
15                           petitive, and resilient energy and energy ef-  
16                           ficiency finance markets;

17                           (iii) the Administration carries out the  
18                           purposes of this subtitle only through ac-  
19                           tivities that are authorized under and con-  
20                           sistent with this subtitle; and

21                           (iv) the activities of the Administra-  
22                           tion and the manner in which the Adminis-  
23                           tration is operated are consistent with the  
24                           public interest;



1 (C) develop policies and procedures for the  
2 Administration that will—

3 (i) promote a self-sustaining portfolio  
4 of investments that will maximize the value  
5 of investments to effectively promote clean  
6 energy technologies;

7 (ii) promote transparency and open-  
8 ness in Administration operations;

9 (iii) afford the Administration with  
10 sufficient flexibility to meet the purposes of  
11 this subtitle;

12 (iv) provide for the efficient proc-  
13 essing of applications;

14 (v) promote, consistent with the pur-  
15 poses of this Act, the participation of pri-  
16 vate financial institutions and other  
17 sources of private capital, on commercially  
18 reasonable terms, if and to the extent the  
19 capital is available; and

20 (vi) promote the availability of finan-  
21 cial products to small business through  
22 working with entities that have appropriate  
23 expertise extending credit or other relevant  
24 financial services to small companies devel-  
25 oping clean energy technologies; and

1 (D) with the concurrence of the Board, set  
2 expected loss reserves for the support provided  
3 by the Administration consistent with section  
4 506(a)(1)(C).

5 (c) BOARD OF DIRECTORS.—

6 (1) IN GENERAL.—The Board of Directors of  
7 the Administration shall consist of—

8 (A) the Secretary or the designee of the  
9 Secretary, who shall serve as an ex-officio vot-  
10 ing member of the Board of Directors;

11 (B) the Administrator, who shall serve as  
12 the Chairman of the Board of Directors; and

13 (C) 7 additional members who shall—

14 (i) be appointed by the President,  
15 with the advice and consent of the Senate,  
16 for staggered 5-year terms; and

17 (ii) have experience in banking or fi-  
18 nancial services relevant to the operations  
19 of the Administration, including individuals  
20 with substantial experience in the develop-  
21 ment of energy projects, the electricity  
22 generation sector, the transportation sec-  
23 tor, the manufacturing sector, and the en-  
24 ergy efficiency sector.

25 (2) DUTIES.—The Board of Directors shall—

1           (A) oversee the operations of the Adminis-  
2           tration and ensure industry best practices are  
3           followed in all financial transactions involving  
4           the Administration;

5           (B) consult with the Administrator on the  
6           general policies and procedures of the Adminis-  
7           tration to ensure the interests of the taxpayers  
8           are protected;

9           (C) ensure the portfolio of investments are  
10          consistent with purposes of this subtitle and  
11          with the long-term financial stability of the Ad-  
12          ministration;

13          (D) ensure that the operations and activi-  
14          ties of the Administration are consistent with  
15          the development of a robust private sector that  
16          can provide commercial loans or financing prod-  
17          ucts; and

18          (E) not serve on a full-time basis, except  
19          that the Board of Directors shall meet at least  
20          quarterly to review, as appropriate, applications  
21          for credit support and set policies and proce-  
22          dures as necessary.

23          (3) REMOVAL.—An appointed member of the  
24          Board of Directors may be removed from office by  
25          the President for good cause.

1           (4) VACANCIES.—An appointed seat on the  
2 Board of Directors that becomes vacant shall be  
3 filled by appointment by the President, but only for  
4 the unexpired portion of the term of the vacating  
5 member.

6           (5) COMPENSATION OF MEMBERS.—An ap-  
7 pointed member of the Board of Directors shall be  
8 compensated at a rate equal to the daily equivalent  
9 of the annual rate of basic pay prescribed for level  
10 III of the Executive Schedule under section 5314 of  
11 title 5, United States Code, for each day (including  
12 travel time) during which the member is engaged in  
13 the performance of the duties of the Board of Direc-  
14 tors.

15 (d) ENERGY TECHNOLOGY ADVISORY COUNCIL.—

16           (1) IN GENERAL.—The Administration shall  
17 have an Energy Technology Advisory Council con-  
18 sisting of—

19                   (A) 5 members selected by the Secretary;

20                   and

21                   (B) 3 members selected by the Board of  
22 Directors of the Administration.

23           (2) QUALIFICATIONS.—The members of the Ad-  
24 visory Council shall—

25                   (A) have relevant scientific expertise; and

1 (B) in the case of the members selected by  
2 the Secretary under paragraph (1)(A), include  
3 representatives of—

4 (i) the academic community;

5 (ii) the private research community;

6 (iii) National Laboratories;

7 (iv) the technology or project develop-  
8 ment community; and

9 (v) the commercial energy financing  
10 and operations sector.

11 (3) DUTIES.—The Advisory Council shall—

12 (A) develop and publish for comment in  
13 the Federal Register a methodology for assess-  
14 ment of clean energy technologies that will  
15 allow the Administration to evaluate projects  
16 based on the progress likely to be achieved per-  
17 dollar invested in maximizing the attributes of  
18 the definition of clean energy technology, taking  
19 into account the extent to which support for a  
20 clean energy technology is likely to accrue sub-  
21 sequent benefits that are attributable to a com-  
22 mercial scale deployment taking place earlier  
23 than that which otherwise would have occurred  
24 without the support; and

1 (B) advise on the technological approaches  
2 that should be supported by the Administration  
3 to meet the technology deployment goals estab-  
4 lished by the Secretary pursuant to section 504.

5 (4) TERM.—

6 (A) IN GENERAL.—Members of the Advi-  
7 sory Council shall have 5-year staggered terms,  
8 as determined by the Secretary and the Admin-  
9 istrator.

10 (B) REAPPOINTMENT.—A member of the  
11 Advisory Council may be reappointed.

12 (5) COMPENSATION.—A member of the Advi-  
13 sory Council, who is not otherwise compensated as  
14 a Federal employee, shall be compensated at a rate  
15 equal to the daily equivalent of the annual rate of  
16 basic pay prescribed for level IV of the Executive  
17 Schedule under section 5315 of title 5, United  
18 States Code, for each day (including travel time)  
19 during which the member is engaged in the perform-  
20 ance of the duties of the Advisory Council.

21 (e) STAFF.—

22 (1) IN GENERAL.—The Administrator, in con-  
23 sultation with the Board of Directors, may—

1           (A) appoint and terminate such officers,  
2 attorneys, employees, and agents as are nec-  
3 essary to carry out this subtitle; and

4           (B) vest those personnel with such powers  
5 and duties as the Administrator may determine.

6           (2) DIRECT HIRE AUTHORITY.—

7           (A) IN GENERAL.—Notwithstanding sec-  
8 tion 3304 and sections 3309 through 3318 of  
9 title 5, United States Code, the Administrator  
10 may, on a determination that there is a severe  
11 shortage of candidates or a critical hiring need  
12 for particular positions, recruit and directly ap-  
13 point highly qualified critical personnel with  
14 specialized knowledge important to the function  
15 of the Administration into the competitive serv-  
16 ice.

17           (B) EXCEPTION.—The authority granted  
18 under subparagraph (A) shall not apply to posi-  
19 tions in the excepted service or the Senior Exec-  
20 utive Service.

21           (C) REQUIREMENTS.—In exercising the  
22 authority granted under subparagraph (A), the  
23 Administrator shall ensure that any action  
24 taken by the Administrator—

1 (i) is consistent with the merit prin-  
2 ciples of section 2301 of title 5, United  
3 States Code; and

4 (ii) complies with the public notice re-  
5 quirements of section 3327 of title 5,  
6 United States Code.

7 (D) TERMINATION OF EFFECTIVENESS.—  
8 The authority provided by this paragraph ter-  
9 minates effective on the date that is 2 years  
10 after the date of enactment of this Act.

11 (3) CRITICAL PAY AUTHORITY.—

12 (A) IN GENERAL.—Notwithstanding sec-  
13 tion 5377 of title 5, United States Code, and  
14 without regard to the provisions of that title  
15 governing appointments in the competitive serv-  
16 ice or the Senior Executive Service and chap-  
17 ters 51 and 53 of that title (relating to classi-  
18 fication and pay rates), the Administrator may  
19 establish, fix the compensation of, and appoint  
20 individuals to critical positions needed to carry  
21 out the functions of the Administration, if the  
22 Administrator certifies that—

23 (i) the positions require expertise of  
24 an extremely high level in a financial, tech-  
25 nical, or scientific field;



1 (ii) the Administration would not suc-  
2 cessfully accomplish an important mission  
3 without such an individual; and

4 (iii) exercise of the authority is nec-  
5 essary to recruit an individual who is ex-  
6 ceptionally well qualified for the position.

7 (B) LIMITATIONS.—The authority granted  
8 under subparagraph (A) shall be subject to the  
9 following conditions:

10 (i) The number of critical positions  
11 authorized by subparagraph (A) may not  
12 exceed 20 at any one time in the Adminis-  
13 tration.

14 (ii) The term of an appointment  
15 under subparagraph (A) may not exceed 4  
16 years.

17 (iii) An individual appointed under  
18 subparagraph (A) may not have been an  
19 Administration employee at any time dur-  
20 ing the 2-year period preceding the date of  
21 appointment.

22 (iv) Total annual compensation for  
23 any individual appointed under subpara-  
24 graph (A) may not exceed the highest total  
25 annual compensation payable at the rate

1                   determined under section 104 of title 3,  
2                   United States Code.

3                   (v) An individual appointed under  
4                   subparagraph (A) may not be considered  
5                   to be an employee for purposes of sub-  
6                   chapter II of chapter 75 of title 5, United  
7                   States Code.

8                   (C) NOTIFICATION.—Each year, the Ad-  
9                   ministrators shall submit to Congress a notifica-  
10                  tion that lists each individual appointed under  
11                  this paragraph.

12 **SEC. 506. ADMINISTRATION FUNCTIONS.**

13                  (a) OPERATIONAL UNITS.—

14                   (1) DIRECT SUPPORT.—

15                   (A) IN GENERAL.—The Administration  
16                   may issue direct loans, letters of credit, loan  
17                   guarantees, insurance products, or such other  
18                   credit enhancements (including through partici-  
19                   pation as a co-lender or a lending member of a  
20                   syndication) as the Administrator considers ap-  
21                   propriate to deploy clean energy technologies if  
22                   the Administrator has determined that deploy-  
23                   ment of the technologies would benefit or be ac-  
24                   celerated by the support.

1 (B) ELIGIBILITY CRITERIA.—In carrying  
2 out this paragraph and awarding credit support  
3 to projects, the Administrator shall account  
4 for—

5 (i) how the technology rates based on  
6 an evaluation methodology established by  
7 the Advisory Council;

8 (ii) how the project fits with the goals  
9 established under section 504; and

10 (iii) the potential for the applicant to  
11 successfully complete the project.

12 (C) RISK.—

13 (i) EXPECTED LOAN LOSS RE-  
14 SERVE.—The Administrator shall establish  
15 an expected loan loss reserve to account  
16 for estimated losses attributable to activi-  
17 ties under this section that is consistent  
18 with the purposes of—

19 (I) developing breakthrough tech-  
20 nologies to the point at which tech-  
21 nology risk is largely mitigated;

22 (II) achieving widespread deploy-  
23 ment and advancing the commercial  
24 viability of clean energy technologies;  
25 and

1 (III) advancing the goals estab-  
2 lished under section 504.

3 (ii) INITIAL EXPECTED LOAN LOSS  
4 RESERVE.—Until such time as the Admin-  
5 istrator determines sufficient data exist to  
6 establish an expected loan loss reserve that  
7 is appropriate, the Administrator shall con-  
8 sider establishing an initial rate of 10 per-  
9 cent for the portfolio of investments under  
10 this subtitle.

11 (iii) PORTFOLIO INVESTMENT AP-  
12 PROACH.—The Administration shall—

13 (I) use a portfolio investment ap-  
14 proach to mitigate risk and diversify  
15 investments across technologies;

16 (II) to the maximum extent prac-  
17 ticable and consistent with long-term  
18 self-sufficiency, weigh the portfolio of  
19 investments in projects to advance the  
20 goals established under section 504;  
21 and

22 (III) consistent with the expected  
23 loan loss reserve established under  
24 this subparagraph, the purposes of  
25 this subtitle, and section

1           505(b)(2)(B), provide the maximum  
2           practicable percentage of support to  
3           promote breakthrough technologies.

4           (iv) LOSS RATE REVIEW.—

5                 (I) IN GENERAL.—The Board of  
6           Directors shall review on an annual  
7           basis the loss rates of the portfolio to  
8           determine the adequacy of the re-  
9           serves.

10                (II) REPORT.—Not later than 90  
11           days after the date of the initiation of  
12           the review, the Administrator shall  
13           submit to the Committee on Energy  
14           and Natural Resources of the Senate  
15           and the Committee on Energy and  
16           Commerce of the House of Represent-  
17           atives a report describing the results  
18           of the review and any recommended  
19           policy changes.

20           (D) APPLICATION REVIEW.—

21                 (i) IN GENERAL.—To the maximum  
22           extent practicable and consistent with  
23           sound business practices, the Administra-  
24           tion shall seek to consolidate reviews of ap-  
25           plications for credit support under this

1 subtitle such that final decisions on appli-  
2 cations can generally be issued not later  
3 than 180 days after the date of submission  
4 of a completed application.

5 (ii) ENVIRONMENTAL REVIEW.—In  
6 carrying out this subtitle, the Administra-  
7 tion shall, to the maximum extent prac-  
8 ticable—

9 (I) avoid duplicating efforts that  
10 have already been undertaken by  
11 other agencies (including State agen-  
12 cies acting under Federal programs);  
13 and

14 (II) with the advice of the Coun-  
15 cil on Environmental Quality and any  
16 other applicable agencies, use the ad-  
17 ministrative records of similar reviews  
18 conducted throughout the executive  
19 branch to develop the most expedi-  
20 tious review process practicable.

21 (E) WAGE RATE REQUIREMENTS.—

22 (i) IN GENERAL.—No credit support  
23 shall be issued under this section unless  
24 the borrower has provided to the Adminis-  
25 trator reasonable assurances that all labor-

1           ers and mechanics employed by contractors  
2           and subcontractors in the performance of  
3           construction work financed in whole or in  
4           part by the Administration will be paid  
5           wages at rates not less than those pre-  
6           vailing on projects of a character similar to  
7           the contract work in the civil subdivision of  
8           the State in which the contract work is to  
9           be performed as determined by the Sec-  
10          retary of Labor in accordance with sub-  
11          chapter IV of chapter 31 of part A of sub-  
12          title II of title 40, United States Code.

13                 (ii) LABOR STANDARDS.—With re-  
14                 spect to the labor standards specified in  
15                 this section, the Secretary of Labor shall  
16                 have the authority and functions set forth  
17                 in Reorganization Plan Numbered 14 of  
18                 1950 (64 Stat. 1267; 5 U.S.C. App.) and  
19                 section 3145 of title 40, United States  
20                 Code.

21           (2) INDIRECT SUPPORT.—

22                 (A) IN GENERAL.—The Administration  
23                 shall work to develop financial products and ar-  
24                 rangements to both promote the widespread de-  
25                 ployment of, and mobilize private sector support

1 of credit and investment institutions for, clean  
2 energy technologies by facilitating aggregation  
3 of small projects and by providing indirect cred-  
4 it support, including credit enhancement.

5 (B) FINANCIAL PRODUCTS.—The Adminis-  
6 tration—

7 (i) in cooperation with Federal, State,  
8 local, and private sector entities, shall de-  
9 velop debt instruments that provide for the  
10 aggregation of, or directly aggregate,  
11 projects for clean energy technology de-  
12 ployments on a scale appropriate for resi-  
13 dential or commercial applications; and

14 (ii) may insure, purchase, and make  
15 commitments to purchase, any debt instru-  
16 ment associated with the deployment of  
17 clean energy technologies (including instru-  
18 ments secured by liens or other collateral  
19 related to the funding of clean energy tech-  
20 nology) for the purposes of enhancing the  
21 availability of private financing for clean  
22 energy technology deployments.

23 (C) DISPOSITION OF DEBT OR INTER-  
24 EST.—The Administration may acquire, hold,  
25 and sell or otherwise dispose of, pursuant to



1 commitments or otherwise, any debt associated  
2 with the deployment of clean energy tech-  
3 nologies or interest in the debt.

4 (D) PRICING.—

5 (i) IN GENERAL.—The Administrator  
6 may establish requirements, and impose  
7 charges or fees, which may be regarded as  
8 elements of pricing, for different classes of  
9 sellers, servicers, or services.

10 (ii) CLASSIFICATION OF SELLERS AND  
11 SERVICERS.—For the purpose of clause (i),  
12 the Administrator may classify sellers and  
13 servicers as necessary to promote trans-  
14 parency and liquidity and properly charac-  
15 terize the risk of default.

16 (E) ELIGIBILITY.—The Administrator  
17 shall establish—

18 (i) eligibility criteria for loan origina-  
19 tors, sellers, and servicers seeking support  
20 for portfolios of financial obligations relat-  
21 ing to clean energy technologies so as to  
22 ensure the capability of the loan origina-  
23 tors, sellers, and servicers to perform the  
24 functions required to maintain the ex-  
25 pected performance of the portfolios; and

1           (ii) such criteria, standards, guide-  
2 lines, and mechanisms such that, to the  
3 maximum extent practicable, loan origina-  
4 tors and sellers will be able to determine  
5 the eligibility of loans for resale at the time  
6 of initial lending.

7           (F) SECONDARY MARKET SUPPORT.—

8           (i) IN GENERAL.—The Administration  
9 may lend on the security of, and make  
10 commitments to lend on the security of,  
11 any debt that the Administration has  
12 issued or is authorized to purchase under  
13 this section.

14           (ii) AUTHORIZED ACTIONS.—On such  
15 terms and conditions as the Administrator  
16 may prescribe, the Administration may,  
17 based on the debt and with the concu-  
18 rrence of the Board of Directors—

19                   (I) give security or guarantee;

20                   (II) pay interest or other return;

21                   and

22                   (III) issue notes, debentures,  
23 bonds, or other obligations or securi-  
24 ties.

25           (G) LENDING ACTIVITIES.—

1 (i) IN GENERAL.—The Administrator  
2 shall determine—

3 (I) the volume of the lending ac-  
4 tivities of the Administration; and

5 (II) the types of loan ratios, risk  
6 profiles, interest rates, maturities, and  
7 charges or fees in the secondary mar-  
8 ket operations of the Administration.

9 (ii) OBJECTIVES.—Determinations  
10 under clause (i) shall be consistent with  
11 the objectives of—

12 (I) providing an attractive invest-  
13 ment environment for clean energy  
14 technologies;

15 (II) making the operations of the  
16 Administration self-supporting over  
17 the long term; and

18 (III) advancing the goals estab-  
19 lished under section 504.

20 (H) EXEMPT SECURITIES.—All securities  
21 issued or guaranteed by the Administration  
22 shall, to the same extent as securities that are  
23 direct obligations of or obligations guaranteed  
24 as to principal or interest by the United States,  
25 be considered to be exempt securities within the

1 meaning of the laws administered by the Secu-  
2 rities and Exchange Commission.

3 (b) OTHER AUTHORIZED PROGRAMS.—

4 (1) IN GENERAL.—The Secretary may delegate  
5 to the Administration the provision of financial serv-  
6 ices and program management for grant, loan, and  
7 other credit enhancement programs authorized  
8 under any other provision of law.

9 (2) ADMINISTRATION.—In administering any  
10 other program delegated by the Secretary, the Ad-  
11 ministration shall, to the maximum extent prac-  
12 ticable (as determined by the Administrator)—

13 (A) administer the program in a manner  
14 that is consistent with the terms and conditions  
15 of this subtitle; and

16 (B) minimize the administrative costs to  
17 the Federal Government.

18 **SEC. 507. FEDERAL CREDIT AUTHORITY.**

19 (a) TRANSFER OF FUNCTIONS AND AUTHORITY.—

20 (1) IN GENERAL.—Subject to paragraph (2), on  
21 a finding by the Secretary and the Administrator  
22 that the Administration is sufficiently ready to as-  
23 sume the functions and that applicants to those pro-  
24 grams will not be unduly adversely affected but in  
25 no case later than 18 months after the date of en-

1 actment of this Act, all of the functions and author-  
2 ity of the Secretary under title XVII of the Energy  
3 Policy Act of 2005 (42 U.S.C. 16511 et seq.) and  
4 authorities established by this subtitle shall be trans-  
5 ferred to the Administration.

6 (2) FAILURE TO TRANSFER FUNCTIONS.—If the  
7 functions and authorities are not transferred to the  
8 Administration in accordance with paragraph (1),  
9 the Secretary and the Administrator shall submit to  
10 Congress a report on the reasons for delay and an  
11 expected timetable for transfer of the functions and  
12 authorities to the Administration.

13 (3) EFFECT ON EXISTING RIGHTS AND OBLIGA-  
14 TIONS.—The transfer of functions and authority  
15 under this subsection shall not affect the rights and  
16 obligations of any party that arise under a prede-  
17 cessor program or authority prior to the transfer  
18 under this subsection.

19 (4) TRANSFER OF FUND AUTHORITY.—

20 (A) IN GENERAL.—On transfer of func-  
21 tions pursuant to paragraph (1), the Adminis-  
22 tration shall have all authorities to make use of  
23 the Fund reserved for the Secretary before the  
24 transfer.

1 (B) ADMINISTRATIVE EXPENSES.—Effective  
2 tive beginning on the date of enactment of this  
3 Act, the Administrator may make use of up to  
4 1.5 percent of the amounts in the Fund as of  
5 the beginning of each fiscal year to pay admin-  
6 istrative expenses for that fiscal year to carry  
7 out the purposes of this Act.

8 (5) USE.—

9 (A) IN GENERAL.—Amounts in the Fund  
10 shall be available for discharge of liabilities and  
11 all other expenses of the Administration, includ-  
12 ing subsequent transfer to the respective credit  
13 accounts.

14 (B) LIABILITY.—All activities of the Ad-  
15 ministration that could result in a liability for  
16 the United States shall be transparently ac-  
17 counted for and no obligation or liability may  
18 be incurred unless—

19 (i) the appropriate amounts are trans-  
20 ferred to credit accounts for activities pur-  
21 suant to the Federal Credit Reform Act of  
22 1990 (2 U.S.C. 661a); or

23 (ii) sufficient amounts are reserved  
24 within the Fund to account for such liabil-  
25 ities.

1 (6) INITIAL INVESTMENT.—

2 (A) IN GENERAL.—On transfer of func-  
3 tions pursuant to paragraph (1), out of any  
4 funds in the Treasury not otherwise appro-  
5 priated, the Secretary of the Treasury shall  
6 transfer to the Fund to carry out this subtitle  
7 \$10,000,000,000, to remain available until ex-  
8 pended.

9 (B) RECEIPT AND ACCEPTANCE.—The  
10 Fund shall be entitled to receive and shall ac-  
11 cept, and shall be used to carry out this sub-  
12 title, the funds transferred to the Fund under  
13 subparagraph (A), without further appropria-  
14 tion.

15 (7) AUTHORIZATION OF APPROPRIATIONS.—In  
16 addition to funds made available by paragraphs (1)  
17 through (6), there are authorized to be appropriated  
18 to the Fund such sums as are necessary to carry out  
19 this subtitle.

20 (b) PAYMENTS OF LIABILITIES.—

21 (1) IN GENERAL.—Any payment to discharge li-  
22 abilities arising from agreements under this subtitle  
23 shall be made exclusively out of the Fund or the as-  
24 sociated credit account, as appropriate.

1           (2) SECURITY.—Subject to paragraph (1), the  
2 full faith and credit of the United States is pledged  
3 to the payment of all obligations entered into by the  
4 Administration pursuant to this subtitle.

5 (c) FEES.—

6           (1) IN GENERAL.—Consistent with achieving  
7 the purposes of this subtitle, the Administrator shall  
8 charge fees or collect compensation generally in ac-  
9 cordance with commercial rates.

10          (2) AVAILABILITY OF FEES.—All fees collected  
11 by the Administration may be retained by the Ad-  
12 ministration and placed in the Fund and may re-  
13 main available to the Administration, without fur-  
14 ther appropriation or fiscal year limitation, for use  
15 in carrying out the purposes of this subtitle.

16          (3) BREAKTHROUGH TECHNOLOGIES.—The Ad-  
17 ministration shall charge the minimum amount in  
18 fees or compensation practicable for breakthrough  
19 technologies, consistent with the long-term viability  
20 of the Administration, unless the Administration  
21 first determines that a higher charge will not impede  
22 the development of the technology.

23          (4) ALTERNATIVE FEE ARRANGEMENTS.—The  
24 Administration may use such alternative arrange-  
25 ments (such as profit participation, contingent fees,



1 and other valuable contingent interests) as the Ad-  
2 ministration considers appropriate to compensate the  
3 Administration for the expenses of the Administra-  
4 tion and the risk inherent in the support of the Ad-  
5 ministration.

6 (d) COST TRANSFER AUTHORITY.—Amounts col-  
7 lected by the Administration for the cost of a loan or loan  
8 guarantee shall be transferred by the Administration to  
9 the respective credit program accounts.

10 (e) SUPPLEMENTAL BORROWING AUTHORITY.—In  
11 order to maintain sufficient liquidity for activities author-  
12 ized under section 506(a)(2), the Administration may  
13 issue notes, debentures, bonds, or other obligations for  
14 purchase by the Secretary of the Treasury.

15 (f) PUBLIC DEBT TRANSACTIONS.—For the purpose  
16 of subsection (e)—

17 (1) the Secretary of the Treasury may use as  
18 a public debt transaction the proceeds of the sale of  
19 any securities issued under chapter 31 of title 31,  
20 United States Code; and

21 (2) the purposes for which securities may be  
22 issued under that chapter are extended to include  
23 any purchase under this subsection.

24 (g) MAXIMUM OUTSTANDING HOLDING.—The Sec-  
25 retary of the Treasury shall purchase instruments issued

1 under subsection (e) to the extent that the purchase would  
2 not increase the aggregate principal amount of the out-  
3 standing holdings of obligations under subsection (e) by  
4 the Secretary of the Treasury to an amount that is greater  
5 than \$2,000,000,000.

6 (h) RATE OF RETURN.—Each purchase of obligations  
7 by the Secretary of the Treasury under this section shall  
8 be on terms and conditions established to yield a rate of  
9 return determined by the Secretary of the Treasury to be  
10 appropriate, taking into account the current average rate  
11 on outstanding marketable obligations of the United  
12 States as of the last day of the month preceding the pur-  
13 chase.

14 (i) SALE OF OBLIGATIONS.—The Secretary of the  
15 Treasury may at any time sell, on terms and conditions  
16 and at prices determined by the Secretary of the Treasury,  
17 any of the obligations acquired by the Secretary of the  
18 Treasury under this section.

19 (j) PUBLIC DEBT TRANSACTIONS.—All redemptions,  
20 purchases, and sales by the Secretary of the Treasury of  
21 obligations under this section shall be treated as public  
22 debt transactions of the United States.

23 **SEC. 508. GENERAL PROVISIONS.**

24 (a) IMMUNITY FROM IMPAIRMENT, LIMITATION, OR  
25 RESTRICTION.—

1           (1) IN GENERAL.—All rights and remedies of  
2 the Administration (including any rights and rem-  
3 edies of the Administration on, under, or with re-  
4 spect to any mortgage or any obligation secured by  
5 a mortgage) shall be immune from impairment, limi-  
6 tation, or restriction by or under—

7           (A) any law (other than a law enacted by  
8 Congress expressly in limitation of this para-  
9 graph) that becomes effective after the acquisi-  
10 tion by the Administration of the subject or  
11 property on, under, or with respect to which the  
12 right or remedy arises or exists or would so  
13 arise or exist in the absence of the law; or

14           (B) any administrative or other action that  
15 becomes effective after the acquisition.

16           (2) STATE LAW.—The Administrator may con-  
17 duct the business of the Administration without re-  
18 gard to any qualification or law of any State relating  
19 to incorporation.

20           (b) USE OF OTHER AGENCIES.—With the consent of  
21 a department, establishment, or instrumentality (including  
22 any field office), the Administration may—

23           (1) use and act through any department, estab-  
24 lishment, or instrumentality; or

1           (2) use, and pay compensation for, information,  
2           services, facilities, and personnel of the department,  
3           establishment, or instrumentality.

4           (c) **PROCUREMENT.**—The Administrator shall be the  
5           senior procurement officer for the Administration for pur-  
6           poses of section 16(a) of the Office of Federal Procure-  
7           ment Policy Act (41 U.S.C. 414(a)).

8           (d) **FINANCIAL MATTERS.**—

9           (1) **INVESTMENTS.**—Funds of the Administra-  
10          tion may be invested in such investments as the  
11          Board of Directors may prescribe.

12          (2) **FISCAL AGENTS.**—Any Federal Reserve  
13          bank or any bank as to which at the time of the des-  
14          ignation of the bank by the Administrator there is  
15          outstanding a designation by the Secretary of the  
16          Treasury as a general or other depository of public  
17          money, may be designated by the Administrator as  
18          a depository or custodian or as a fiscal or other  
19          agent of the Administration.

20          (e) **JURISDICTION.**—Notwithstanding section 1349 of  
21          title 28, United States Code, or any other provision of  
22          law—

23                 (1) the Administration shall be considered a  
24                 corporation covered by sections 1345 and 1442 of  
25                 title 28, United States Code;

1           (2) all civil actions to which the Administration  
2 is a party shall be considered to arise under the laws  
3 of the United States, and the district courts of the  
4 United States shall have original jurisdiction of all  
5 such actions, without regard to amount or value;  
6 and

7           (3) any civil or other action, case or controversy  
8 in a court of a State, or in any court other than a  
9 district court of the United States, to which the Ad-  
10 ministration is a party may at any time before trial  
11 be removed by the Administration, without the giv-  
12 ing of any bond or security and by following any  
13 procedure for removal of causes in effect at the time  
14 of the removal—

15           (A) to the district court of the United  
16 States for the district and division embracing  
17 the place in which the same is pending; or

18           (B) if there is no such district court, to the  
19 district court of the United States for the dis-  
20 trict in which the principal office of the Admin-  
21 istration is located.

22           (f) PERIODIC REPORTS.—Not later than 1 year after  
23 commencement of operation of the Administration and at  
24 least biannually thereafter, the Administrator shall submit  
25 to the Committee on Energy and Natural Resources of

1 the Senate and the Committee on Energy and Commerce  
2 of the House of Representatives a report that includes a  
3 description of—

4 (1) the technologies supported by activities of  
5 the Administration and how the activities advance  
6 the purposes of this subtitle; and

7 (2) the performance of the Administration on  
8 meeting the goals established under section 504.

9 (g) AUDITS BY THE COMPTROLLER GENERAL.—

10 (1) IN GENERAL.—The programs, activities, re-  
11 cepts, expenditures, and financial transactions of  
12 the Administration shall be subject to audit by the  
13 Comptroller General of the United States under  
14 such rules and regulations as may be prescribed by  
15 the Comptroller General.

16 (2) ACCESS.—The representatives of the Gov-  
17 ernment Accountability Office shall—

18 (A) have access to the personnel and to all  
19 books, accounts, documents, records (including  
20 electronic records), reports, files, and all other  
21 papers, automated data, things, or property be-  
22 longing to, under the control of, or in use by  
23 the Administration, or any agent, representa-  
24 tive, attorney, advisor, or consultant retained by

1 the Administration, and necessary to facilitate  
2 the audit;

3 (B) be afforded full facilities for verifying  
4 transactions with the balances or securities held  
5 by depositories, fiscal agents, and custodians;

6 (C) be authorized to obtain and duplicate  
7 any such books, accounts, documents, records,  
8 working papers, automated data and files, or  
9 other information relevant to the audit without  
10 cost to the Comptroller General; and

11 (D) have the right of access of the Comp-  
12 troller General to such information pursuant to  
13 section 716(c) of title 31, United States Code.

14 (3) ASSISTANCE AND COST.—

15 (A) IN GENERAL.—For the purpose of con-  
16 ducting an audit under this subsection, the  
17 Comptroller General may, in the discretion of  
18 the Comptroller General, employ by contract,  
19 without regard to section 3709 of the Revised  
20 Statutes (41 U.S.C. 5), professional services of  
21 firms and organizations of certified public ac-  
22 countants for temporary periods or for special  
23 purposes.

24 (B) REIMBURSEMENT.—

1 (i) IN GENERAL.—On the request of  
2 the Comptroller General, the Administra-  
3 tion shall reimburse the General Account-  
4 ability Office for the full cost of any audit  
5 conducted by the Comptroller General  
6 under this subsection.

7 (ii) CREDITING.—Such reimburse-  
8 ments shall—

9 (I) be credited to the appropria-  
10 tion account entitled “Salaries and  
11 Expenses, Government Accountability  
12 Office” at the time at which the pay-  
13 ment is received; and

14 (II) remain available until ex-  
15 pended.

16 (h) ANNUAL INDEPENDENT AUDITS.—

17 (1) IN GENERAL.—The Administrator shall—

18 (A) have an annual independent audit  
19 made of the financial statements of the Admin-  
20 istration by an independent public accountant  
21 in accordance with generally accepted auditing  
22 standards; and

23 (B) submit to the Secretary the results of  
24 the audit.



1           (2) CONTENT.—In conducting an audit under  
2 this subsection, the independent public accountant  
3 shall determine and report on whether the financial  
4 statements of the Administration—

5                   (A) are presented fairly in accordance with  
6 generally accepted accounting principles; and

7                   (B) comply with any disclosure require-  
8 ments imposed under this subtitle.

9 (i) FINANCIAL REPORTS.—

10           (1) IN GENERAL.—The Administrator shall  
11 submit to the Secretary annual and quarterly re-  
12 ports of the financial condition and operations of the  
13 Administration, which shall be in such form, contain  
14 such information, and be submitted on such dates as  
15 the Secretary shall require.

16           (2) CONTENTS OF ANNUAL REPORTS.—Each  
17 annual report shall include—

18                   (A) financial statements prepared in ac-  
19 cordance with generally accepted accounting  
20 principles;

21                   (B) any supplemental information or alter-  
22 native presentation that the Secretary may re-  
23 quire; and

24                   (C) an assessment (as of the end of the  
25 most recent fiscal year of the Administration),

1 signed by the chief executive officer and chief  
2 accounting or financial officer of the Adminis-  
3 tration, of—

4 (i) the effectiveness of the internal  
5 control structure and procedures of the  
6 Administration; and

7 (ii) the compliance of the Administra-  
8 tion with applicable safety and soundness  
9 laws.

10 (3) SPECIAL REPORTS.—The Secretary may re-  
11 quire the Administrator to submit other reports on  
12 the condition (including financial condition), man-  
13 agement, activities, or operations of the Administra-  
14 tion, as the Secretary considers appropriate.

15 (4) ACCURACY.—Each report of financial condi-  
16 tion shall contain a declaration by the Administrator  
17 or any other officer designated by the Board of Di-  
18 rectors of the Administration to make the declara-  
19 tion, that the report is true and correct to the best  
20 of the knowledge and belief of the officer.

21 (5) AVAILABILITY OF REPORTS.—Reports re-  
22 quired under this section shall be published and  
23 made publicly available as soon as is practicable  
24 after receipt by the Secretary.

25 (j) SCOPE AND TERMINATION OF AUTHORITY.—

1           (1) NEW OBLIGATIONS.—The Administrator  
2 shall not initiate any new obligations under this sub-  
3 title on or after January 1, 2029.

4           (2) REVERSION TO SECRETARY.—The authori-  
5 ties and obligations of the Administration shall re-  
6 vert to the Secretary on January 1, 2029.

## 7           **Subtitle B—Tax Provisions**

### 8   **SEC. 511. ADVANCED ENERGY MANUFACTURING CREDIT.**

9           (a) IN GENERAL.—Subsection (d) of section 48C of  
10 the Internal Revenue Code of 1986 is amended by adding  
11 at the end the following new paragraph:

12                   “(6) ADDITIONAL 2011 ALLOCATIONS.—

13                           “(A) IN GENERAL.—Not later than 180  
14 days after the date of the enactment of this  
15 paragraph, the Secretary, in consultation with  
16 the Secretary of Energy, shall establish a pro-  
17 gram to consider and award certifications for  
18 qualified investments eligible for credits under  
19 this section to qualifying advanced energy  
20 project sponsors with respect to applications re-  
21 ceived on or after the date of the enactment of  
22 this paragraph.

23                           “(B) LIMITATION.—The total amount of  
24 credits that may be allocated under the pro-  
25 gram described in subparagraph (A) shall not

1 exceed the 2011 allocation amount reduced by  
2 so much of the 2011 allocation amount as is  
3 taken into account as an increase in the limita-  
4 tion described in paragraph (1)(B).

5 “(C) APPLICATION OF CERTAIN RULES.—  
6 Rules similar to the rules of paragraphs (2),  
7 (3), (4), and (5) shall apply for purposes of the  
8 program described in subparagraph (A), except  
9 that—

10 “(i) CERTIFICATION.—Applicants  
11 shall have 2 years from the date that the  
12 Secretary establishes such program to sub-  
13 mit applications.

14 “(ii) SELECTION CRITERIA.—For pur-  
15 poses of paragraph (3)(B)(i), the term ‘do-  
16 mestic job creation (both direct and indi-  
17 rect)’ means the creation of direct jobs in  
18 the United States producing the property  
19 manufactured at the manufacturing facility  
20 described under subsection (c)(1)(A)(i),  
21 and the creation of indirect jobs in the  
22 manufacturing supply chain for such prop-  
23 erty in the United States.

24 “(iii) REVIEW AND REDISTRIBU-  
25 TION.—The Secretary shall conduct a sep-

1           arate review and redistribution under para-  
2           graph (5) with respect to such program  
3           not later than 4 years after the date of the  
4           enactment of this paragraph.

5           “(D) 2011 ALLOCATION AMOUNT.—For  
6           purposes of this subsection, the term ‘2011 allo-  
7           cation amount’ means \$5,000,000,000.

8           “(E) DIRECT PAYMENTS.—In lieu of any  
9           qualifying advanced energy project credit which  
10          would otherwise be determined under this sec-  
11          tion with respect to an allocation to a taxpayer  
12          under this paragraph, the Secretary shall, upon  
13          the election of the taxpayer, make a grant to  
14          the taxpayer in the amount of such credit as so  
15          determined. Rules similar to the rules of section  
16          50 shall apply with respect to any grant made  
17          under this subparagraph.”.

18          (b) PORTION OF 2011 ALLOCATION ALLOCATED TO-  
19          WARD PENDING APPLICATIONS UNDER ORIGINAL PRO-  
20          GRAM.—Subparagraph (B) of section 48C(d)(1) of such  
21          Code is amended by inserting “(increased by so much of  
22          the 2011 allocation amount (not in excess of  
23          \$1,500,000,000) as the Secretary determines necessary to  
24          make allocations to qualified investments with respect to  
25          which qualifying applications were submitted before the

1 date of the enactment of paragraph (6))” after  
2 “\$2,300,000,000”.

3 (c) CONFORMING AMENDMENT.—Paragraph (2) of  
4 section 1324(b) of title 31, United States Code, is amend-  
5 ed by inserting “48C(d)(6)(E),” after “36C,”.

6 **SEC. 512. SPECIAL RULE FOR SALES OF ELECTRIC TRANS-**  
7 **MISSION PROPERTY.**

8 Paragraph (3) of section 451(i) of the Internal Rev-  
9 enue Code of 1986 is amended by striking “January 1,  
10 2012” and inserting “January 1, 2017”.

11 **SEC. 513. DEPRECIATION OF NATURAL GAS DISTRIBUTION**  
12 **LINES.**

13 (a) IN GENERAL.—Clause (viii) of section  
14 168(e)(3)(E) of the Internal Revenue Code of 1986 is  
15 amended by striking “January 1, 2011” and inserting  
16 “January 1, 2017”.

17 (b) EFFECTIVE DATE.—The amendment made by  
18 this section shall apply to property placed in service after  
19 December 31, 2010.

20 **SEC. 514. CREDIT FOR STEEL INDUSTRY FUEL.**

21 (a) CREDIT PERIOD.—

22 (1) IN GENERAL.—Subclause (II) of section  
23 45(e)(8)(D)(ii) is amended to read as follows:

24 “(II) CREDIT PERIOD.—In lieu  
25 of the 10-year period referred to in

1 clauses (i) and (ii)(II) of subpara-  
2 graph (A), the credit period shall be  
3 the period beginning on the date that  
4 the facility first produces steel indus-  
5 try fuel that is sold to an unrelated  
6 person after September 30, 2008, and  
7 ending 3 years after such date.”.

8 (2) CONFORMING AMENDMENT.—Section  
9 45(e)(8)(D) is amended by striking clause (iii) and  
10 by redesignating clause (iv) as clause (iii).

11 (b) EXTENSION OF PLACED-IN-SERVICE DATE.—  
12 Subparagraph (A) of section 45(d)(8) is amended—

13 (1) by striking “(or any modification to a facil-  
14 ity)”;

15 (2) by striking “2010” and inserting “2017”.

16 (c) CLARIFICATIONS.—

17 (1) STEEL INDUSTRY FUEL.—Subclause (I) of  
18 section 45(e)(7)(C)(i) is amended by inserting “, a  
19 blend of coal and petroleum coke, or other coke feed-  
20 stock” after “on coal”.

21 (2) OWNERSHIP INTEREST.—Section 45(d)(8)  
22 is amended by adding at the end the following new  
23 flush sentence:

24 “With respect to a facility producing steel industry  
25 fuel, no person (including a ground lessor, customer,

1 supplier, or technology licensor) shall be treated as  
2 having an ownership interest in the facility or as  
3 otherwise entitled to the credit allowable under sub-  
4 section (a) with respect to such facility if such per-  
5 son's rent, license fee, or other entitlement to net  
6 payments from the owner of such facility is meas-  
7 ured by a fixed dollar amount or a fixed amount per  
8 ton, or otherwise determined without regard to the  
9 profit or loss of such facility.”.

10 (3) PRODUCTION AND SALE.—Subparagraph  
11 (D) of section 45(e)(8), as amended by subsection  
12 (a)(2), is amended by redesignating clause (iii) as  
13 clause (iv) and by inserting after clause (ii) the fol-  
14 lowing new clause:

15 “(iii) PRODUCTION AND SALE.—The  
16 owner of a facility producing steel industry  
17 fuel shall be treated as producing and sell-  
18 ing steel industry fuel where that owner  
19 manufactures such steel industry fuel from  
20 coal, a blend of coal and petroleum coke,  
21 or other coke feedstock to which it has  
22 title. The sale of such steel industry fuel  
23 by the owner of the facility to a person  
24 who is not the owner of the facility shall  
25 not fail to qualify as a sale to an unrelated



1 person solely because such purchaser may  
2 also be a ground lessor, supplier, or cus-  
3 tomer.”.

4 (d) SPECIFIED CREDIT FOR PURPOSES OF ALTER-  
5 NATIVE MINIMUM TAX EXCLUSION.—Subclause (II) of  
6 section 38(c)(4)(B)(iii) is amended by inserting “(in the  
7 case of a refined coal production facility producing steel  
8 industry fuel, during the credit period set forth in section  
9 45(e)(8)(D)(ii)(II))” after “service”.

10 (e) EFFECTIVE DATES.—

11 (1) IN GENERAL.—The amendments made by  
12 subsections (a), (b), and (d) shall apply to fuel pro-  
13 duced and sold after December 31, 2009.

14 (2) CLARIFICATIONS.—The amendments made  
15 by subsection (c) shall take effect as if included in  
16 the amendments made by the Energy Improvement  
17 and Extension Act of 2008.

18 **SEC. 515. CREDIT FOR PRODUCING FUEL FROM COKE OR**  
19 **COKE GAS.**

20 (a) IN GENERAL.—Paragraph (1) of section 45K(g)  
21 is amended by striking “January 1, 2010” and inserting  
22 “January 1, 2017”.

23 (b) EFFECTIVE DATE.—The amendment made by  
24 this section shall apply to facilities placed in service after  
25 December 31, 2009.

1 **TITLE VI—ENERGY EFFICIENCY**  
 2 **Subtitle A—Rural Energy Savings**  
 3 **Program**

4 **SEC. 601. RURAL ENERGY SAVINGS PROGRAM.**

5 Title IX of the Farm Security and Rural Investment  
 6 Act of 2002 (7 U.S.C. 8101 et seq.) is amended by adding  
 7 the following:

8 **“SEC. 9014. RURAL ENERGY SAVINGS PROGRAM.**

9 “(a) PURPOSE.—The purpose of this section is to cre-  
 10 ate and save jobs by providing loans to qualified con-  
 11 sumers that will use the loan proceeds to implement en-  
 12 ergy efficiency measures to achieve significant reductions  
 13 in energy costs, energy consumption, or carbon emissions.

14 “(b) DEFINITIONS.—In this section:

15 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-  
 16 tity’ means—

17 “(A) any public power district, public util-  
 18 ity district, or similar entity, or any electric co-  
 19 operative described in sections 501(c)(12) or  
 20 1381(a)(2)(C) of the Internal Revenue Code of  
 21 1986, that borrowed and repaid, prepaid, or is  
 22 paying an electric loan made or guaranteed by  
 23 the Rural Utilities Service (or any predecessor  
 24 agency); or

1           “(B) any entity primarily owned or con-  
2           trolled by an entity or entities described in sub-  
3           paragraph (A).

4           “(2) ENERGY EFFICIENCY MEASURES.—The  
5           term ‘energy efficiency measures’ means, for or at  
6           property served by an eligible entity, structural im-  
7           provements and investments in cost-effective, com-  
8           mercial off-the-shelf technologies to reduce home en-  
9           ergy use.

10           “(3) QUALIFIED CONSUMER.—The term ‘quali-  
11           fied consumer’ means a consumer served by an eligi-  
12           ble entity that has the ability to repay a loan made  
13           under subsection (d), as determined by an eligible  
14           entity.

15           “(4) QUALIFIED ENTITY.—The term ‘qualified  
16           entity’ means a non-governmental, not-for-profit or-  
17           ganization that the Secretary determines has signifi-  
18           cant experience, on a national basis, in providing eli-  
19           gible entities with—

20                   “(A) energy, environmental, energy effi-  
21                   ciency, and information research and tech-  
22                   nology;

23                   “(B) training, education, and consulting;

1           “(C) guidance in energy and operational  
2 issues and rural community and economic de-  
3 velopment;

4           “(D) advice in legal and regulatory mat-  
5 ters affecting electric service and the environ-  
6 ment; and

7           “(E) other relevant assistance.

8           “(5) SECRETARY.—The term ‘Secretary’ means  
9 the Secretary of Agriculture, acting through the  
10 Rural Utilities Service.

11          “(c) LOANS AND GRANTS TO ELIGIBLE ENTITIES.—

12           “(1) LOANS AUTHORIZED.—Subject to para-  
13 graph (2), the Secretary shall make loans to eligible  
14 entities that agree to use the loan funds to make  
15 loans to qualified consumers as described in sub-  
16 section (d) for the purpose of implementing energy  
17 efficiency measures.

18           “(2) LIST, PLAN, AND MEASUREMENT AND  
19 VERIFICATION REQUIRED.—

20           “(A) IN GENERAL.—As a condition to re-  
21 ceiving a loan or grant under this subsection,  
22 an eligible entity shall—

23           “(i) establish a list of energy effi-  
24 ciency measures that is expected to de-

1           crease energy use or costs of qualified con-  
2           sumers;

3           “(ii) prepare an implementation plan  
4           for use of the loan funds; and

5           “(iii) provide for appropriate measure-  
6           ment and verification to ensure the effec-  
7           tiveness of the energy efficiency loans  
8           made by the eligible entity and that there  
9           is no conflict of interest in the carrying out  
10          of this section.

11          “(B) REVISION OF LIST OF ENERGY EFFI-  
12          CIENCY MEASURES.—An eligible entity may up-  
13          date the list required under subparagraph  
14          (A)(i) to account for newly available efficiency  
15          technologies, subject to the approval of the Sec-  
16          retary.

17          “(C) EXISTING ENERGY EFFICIENCY PRO-  
18          GRAMS.—An eligible entity that, on or before  
19          the date of the enactment of this section or  
20          within 60 days after such date, has already es-  
21          tablished an energy efficiency program for  
22          qualified consumers may use an existing list of  
23          energy efficiency measures, implementation  
24          plan, or measurement and verification system of  
25          that program to satisfy the requirements of

1           subparagraph (A) if the Secretary determines  
2           the list, plans, or systems are consistent with  
3           the purposes of this section.

4           “(3) NO INTEREST.—A loan under this sub-  
5           section shall bear no interest.

6           “(4) REPAYMENT.—A loan under this sub-  
7           section shall be repaid not more than 10 years from  
8           the date on which an advance on the loan is first  
9           made to the eligible entity.

10          “(5) LOAN FUND ADVANCES.—The Secretary  
11          shall provide eligible entities with a schedule of not  
12          more than ten years for advances of loan funds, ex-  
13          cept that any advance of loan funds to an eligible  
14          entity in any single year shall not exceed 50 percent  
15          of the approved loan amount.

16          “(6) JUMP-START GRANTS.—The Secretary  
17          shall make grants available to eligible entities se-  
18          lected to receive a loan under this subsection in  
19          order to assist an eligible entity to defray costs, in-  
20          cluding costs of contractors for equipment and labor,  
21          except that no eligible entity may receive a grant  
22          amount that is greater than four percent of the loan  
23          amount.

24          “(d) LOANS TO QUALIFIED CONSUMERS.—

1           “(1) TERMS OF LOANS.—Loans made by an eli-  
2           gible entity to qualified consumers using loan funds  
3           provided by the Secretary under subsection (c)—

4                   “(A) may bear interest, not to exceed three  
5                   percent, to be used for purposes that include es-  
6                   tablishing a loan loss reserve and to offset per-  
7                   sonnel and program costs of eligible entities to  
8                   provide the loans;

9                   “(B) shall finance energy efficiency meas-  
10                  ures for the purpose of decreasing energy usage  
11                  or costs of the qualified consumer by an  
12                  amount such that a loan term of not more than  
13                  ten years will not pose an undue financial bur-  
14                  den on the qualified consumer, as determined  
15                  by the eligible entity;

16                  “(C) shall not be used to fund energy effi-  
17                  ciency measures made to personal property un-  
18                  less the personal property—

19                          “(i) is or becomes attached to real  
20                          property as a fixture; or

21                          “(ii) is a manufactured home;

22                  “(D) shall be repaid through charges  
23                  added to the electric bill of the qualified con-  
24                  sumer; and

1           “(E) shall require an energy audit by an  
2           eligible entity to determine the impact of pro-  
3           posed energy efficiency measures on the energy  
4           costs and consumption of the qualified con-  
5           sumer.

6           “(2) CONTRACTORS.—In addition to any other  
7           qualified general contractor, eligible entities may  
8           serve as general contractors.

9           “(e) CONTRACT FOR MEASUREMENT AND  
10          VERIFICATION, TRAINING, AND TECHNICAL ASSIST-  
11          ANCE.—

12           “(1) CONTRACT REQUIRED.—Not later than 60  
13          days after the date of enactment of this section, the  
14          Secretary shall enter into one or more contracts with  
15          a qualified entity for the purposes of—

16           “(A) providing measurement and  
17          verification activities, including—

18           “(i) developing and completing a rec-  
19          ommended protocol for measurement and  
20          verification for the Rural Utilities Service;

21           “(ii) establishing a national measure-  
22          ment and verification committee consisting  
23          of representatives of eligible entities to as-  
24          sist the contractor in carrying out this sec-  
25          tion;



1           “(iii) providing measurement and  
2           verification consulting services to eligible  
3           entities that receive loans under this sec-  
4           tion; and

5           “(iv) providing training in measure-  
6           ment and verification; and

7           “(B) developing a program to provide tech-  
8           nical assistance and training to the employees  
9           of eligible entities to carry out this section.

10          “(2) USE OF SUBCONTRACTORS AUTHOR-  
11          IZED.—A qualified entity that enters into a contract  
12          under paragraph (1) may use subcontractors to as-  
13          sist the qualified entity in performing the contract.

14          “(f) FAST START DEMONSTRATION PROJECTS.—

15          “(1) DEMONSTRATION PROJECTS REQUIRED.—  
16          The Secretary shall enter into agreements with eligi-  
17          ble entities (or groups of eligible entities) that have  
18          energy efficiency programs described in subsection  
19          (c)(2)(C) to establish an energy efficiency loan dem-  
20          onstration projects consistent with the purposes of  
21          this section that—

22                 “(A) implement approaches to energy au-  
23                 dits and investments in energy efficiency meas-  
24                 ures that yield measurable and predictable sav-  
25                 ings;

1           “(B) use measurement and verification  
2 processes to determine the effectiveness of en-  
3 ergy efficiency loans made by eligible entities;

4           “(C) include training for employees of eli-  
5 gible entities, including any contractors of such  
6 entities, to implement or oversee the activities  
7 described in subparagraphs (A) and (B);

8           “(D) provide for the participation of a ma-  
9 jority of eligible entities in a State;

10          “(E) reduce the need for generating capac-  
11 ity;

12          “(F) provide efficiency loans to—

13           “(i) not fewer than 20,000 consumers,  
14 in the case of a single eligible entity; or

15           “(ii) not fewer than 80,000 con-  
16 sumers, in the case of a group of eligible  
17 entities; and

18          “(G) serve areas where a large percentage  
19 of consumers reside—

20           “(i) in manufactured homes; or

21           “(ii) in housing units that are more  
22 than 50 years old.

23          “(2) DEADLINE FOR IMPLEMENTATION.—The  
24 agreements required by paragraph (1) shall be en-

1       tered into not later than 90 days after the date of  
2       enactment of this section.

3           “(3) EFFECT ON AVAILABILITY OF LOANS NA-  
4       TIONALLY.—Nothing in this subsection shall delay  
5       the availability of loans to eligible entities on a na-  
6       tional basis beginning not later than 180 days after  
7       the date of enactment of this section.

8           “(4) ADDITIONAL DEMONSTRATION PROJECT  
9       AUTHORITY.—The Secretary may conduct dem-  
10      onstration projects in addition to the project re-  
11      quired by paragraph (1). The additional demonstra-  
12      tion projects may be carried out without regard to  
13      subparagraphs (D), (F), or (G) of paragraph (1).

14          “(g) ADDITIONAL AUTHORITY.—The authority pro-  
15      vided in this section is in addition to any authority of the  
16      Secretary to offer loans or grants under any other law.

17          “(h) AUTHORIZATION OF APPROPRIATIONS.—

18           “(1) IN GENERAL.—There is authorized to be  
19      appropriated to the Secretary to carry out this sec-  
20      tion \$993,000,000 for fiscal year 2012, to remain  
21      available until expended.

22           “(2) AMOUNTS FOR LOANS, GRANTS, STAFF-  
23      ING.—Of the amounts appropriated pursuant to the  
24      authorization of appropriations in paragraph (1), the  
25      Secretary shall make available—

1           “(A) \$755,000,000 for the purpose of cov-  
2           ering the cost of direct loans to eligible entities  
3           under subsection (c) to subsidize gross obliga-  
4           tions in the principal amount of not to exceed  
5           \$4,900,000,000;

6           “(B) \$25,000,000 for measurement and  
7           verification activities under subsection  
8           (e)(1)(A);

9           “(C) \$2,000,000 for the contract for train-  
10          ing and technical assistance authorized by sub-  
11          section (e)(1)(B);

12          “(D) \$200,000,000 for jump-start grants  
13          authorized by subsection (c)(6); and

14          “(E) \$1,100,000 for each of fiscal years  
15          2012 through 2021 for 10 additional employees  
16          of the Rural Utilities Service to carry out this  
17          section.

18          “(i) EFFECTIVE PERIOD.—Subject to subsection  
19 (h)(1) and except as otherwise provided in this section,  
20 the loans, grants, and other expenditures required to be  
21 made under this section are authorized to be made during  
22 each of fiscal years 2012 through 2016.

23          “(j) REGULATIONS.—

24                 “(1) IN GENERAL.—Except as otherwise pro-  
25                 vided in this subsection, not later than 120 days

1 after the date of enactment of this section, the Sec-  
2 retary shall promulgate such regulations as are nec-  
3 essary to implement this section.

4 “(2) PROCEDURE.—The promulgation of the  
5 regulations and administration of this section shall  
6 be made without regard to—

7 “(A) chapter 35 of title 44, United States  
8 Code (commonly known as the ‘Paperwork Re-  
9 duction Act’); and

10 “(B) the Statement of Policy of the Sec-  
11 retary of Agriculture effective July 24, 1971  
12 (36 Fed. Reg. 13804), relating to notices of  
13 proposed rulemaking and public participation in  
14 rulemaking.

15 “(3) CONGRESSIONAL REVIEW OF AGENCY  
16 RULEMAKING.—In carrying out this section, the Sec-  
17 retary shall use the authority provided under section  
18 808 of title 5, United States Code.

19 “(4) INTERIM REGULATIONS.—Notwithstanding  
20 paragraphs (1) and (2), to the extent regulations are  
21 necessary to carry out any provision of this section,  
22 the Secretary shall implement such regulations  
23 through the promulgation of an interim rule.”.

## 1           **Subtitle B—Tax Provisions**

### 2   **SEC. 611. ENERGY-EFFICIENT COMMERCIAL BUILDINGS.**

3           (a) INCREASE IN DEDUCTION.—

4                 (1) IN GENERAL.—Subparagraph (A) of section  
5           179D(b)(1) of the Internal Revenue Code of 1986 is  
6           amended by striking “\$1.80” and inserting “\$3.00”.

7                 (2) PARTIAL ALLOWANCE.—Clause (ii) of sec-  
8           tion 179D(d)(1)(A) of such Code is amended by  
9           striking “\$.60” and inserting “\$1.50”.

10           (b) EXTENSION.—Subsection (h) of section 179D of  
11   the Internal Revenue Code of 1986 is amended by striking  
12   “December 31, 2013” and inserting “December 31,  
13   2016”.

14           (c) EFFECTIVE DATE.—The amendments made by  
15   this section shall apply to property placed in service after  
16   December 31, 2010.

### 17   **SEC. 612. ENERGY-EFFICIENT NEW HOMES.**

18           (a) IN GENERAL.—Subsection (g) of section 45L of  
19   the Internal Revenue Code of 1986 is amended by striking  
20   “December 31, 2011” and inserting “December 31,  
21   2016”.

22           (b) EFFECTIVE DATE.—The amendment made by  
23   this section shall apply to homes acquired after December  
24   31, 2011.

1 **SEC. 613. ENERGY-EFFICIENT EXISTING HOMES.**

2 (a) IN GENERAL.—Paragraph (2) of section 25C(g)  
3 of the Internal Revenue Code of 1986 is amended by strik-  
4 ing “December 31, 2011” and inserting “December 31,  
5 2016”.

6 (b) EFFECTIVE DATE.—The amendment made by  
7 this section shall apply to property placed in service after  
8 December 31, 2011.

9 **SEC. 614. ENERGY-EFFICIENT APPLIANCES.**

10 (a) IN GENERAL.—Section 45M(b) of the Internal  
11 Revenue Code of 1986 is amended by striking “2011”  
12 each place it appears and inserting “2011, 2012, 2013,  
13 2014, 2015, or 2016”.

14 (b) DIRECT PAYMENT OF CREDIT.—

15 (1) IN GENERAL.—Within 90 days after the  
16 date of the enactment of this Act, the Secretary of  
17 Energy, in consultation with the Secretary of the  
18 Treasury, shall establish a program under which a  
19 manufacturer of qualified energy efficient appliances  
20 (within the meaning of section 45M of the Internal  
21 Revenue Code of 1986) may apply for, and receive,  
22 direct payment of the reduced credit amount of the  
23 credit which would otherwise be determined under  
24 section 45M of the Internal Revenue Code of 1986  
25 with respect to such appliances. Such request shall

1 be approved or denied not later than 90 days after  
2 such request is received.

3 (2) ADVANCE DETERMINATION.—The Secretary  
4 of Energy shall provide under the program estab-  
5 lished under paragraph (1) that the reduced credit  
6 amount with respect to a manufacturer of qualified  
7 energy efficient appliances may be determined at the  
8 beginning of the taxable year based on the manufac-  
9 turer's projected production of such appliances for  
10 such year.

11 (3) PAYMENT.—The Secretary of Energy shall  
12 notify the Secretary of the Treasury of the approval  
13 of a request under paragraph (1), and the Secretary  
14 of the Treasury shall make the direct payment of  
15 the reduced credit amount to the manufacturer, not  
16 later than 90 days after such request is received by  
17 the Secretary of Energy.

18 (4) RECONCILIATION OF CREDIT AND DIRECT  
19 PAYMENT.—The Secretary of the Treasury shall, by  
20 regulations, provide for recapturing the amount of  
21 any direct payments to a manufacturer under this  
22 subsection for a taxable year which exceed the re-  
23 duced credit amount for such manufacturer with re-  
24 spect to such taxable year.



1           (5) SECTION 45M CREDIT NOT ALLOWED.—No  
2           credit shall be allowed under section 45M of such  
3           Code with respect to any manufacturer who receives  
4           the direct payment of the reduced credit amount  
5           under this subsection.

6           (6) REDUCED CREDIT AMOUNT.—For purposes  
7           of this subsection, the reduced credit amount is 85  
8           percent.

## 9           **TITLE VII—ENERGY RESEARCH** 10           **AND DEVELOPMENT**

### 11           **SEC. 701. NEXT STEP ENERGY STORAGE RESEARCH CEN-** 12           **TER.**

13           (a) ESTABLISHMENT.—The Secretary shall establish  
14           a center, to be known as the “Next Step Energy Storage  
15           Research Center” (referred to in this section as the “Cen-  
16           ter”) to provide for the conduct of research on, and the  
17           development and deployment of advanced energy storage  
18           materials and systems for—

19                   (1) mobile and stationary applications; and

20                   (2) transportation, residential, and commercial  
21           uses.

22           (b) AUTHORIZED RESEARCH ACTIVITIES.—The Cen-  
23           ter may use amounts made available under this section  
24           for research on—

- 1           (1) innovative concepts that incorporate new  
2 materials and chemical processes in electrochemical  
3 energy storage technologies;
- 4           (2) the interactions of materials that control  
5 electrochemical processes in electrical energy storage  
6 technologies;
- 7           (3) designing innovative materials and inter-  
8 facial structures to enable improvements in energy  
9 storage technologies, with an emphasis on—
  - 10           (A) electrode and electrolyte interfaces and  
11           interfacial processes;
  - 12           (B) innovations in electrolytes;
  - 13           (C) innovations in cathode and anode tech-  
14           nology; and
  - 15           (D) nanoscale structures and nanostruc-  
16           tured materials;
- 17           (4) innovative characterization tools for energy  
18 storage technologies to assist in understanding key  
19 processes at the atomic level and molecular level;
- 20           (5) methods to improve cost and performance  
21 projections for energy storage technologies;
- 22           (6) ways in which to increase energy storage ca-  
23 pabilities;
- 24           (7) ways in which to develop the capability for  
25 fast recharge cycles in energy storage technologies;

1           (8) ways in which to address lifetime concerns  
2 relating to energy storage technologies, including ex-  
3 tending useful lifetimes and end-of-life battery recy-  
4 cling—

5           (A) to prevent spread of contamination  
6 from used batteries; and

7           (B) to develop techniques to repurpose  
8 used materials in new batteries; and

9           (9) requirements for the transition of produc-  
10 tion of energy storage systems in a laboratory set-  
11 ting to the commercial production of energy storage  
12 systems.

13       (c) LIMITATION ON USE OF FUNDS.—Amounts made  
14 available under this section shall not be used for the con-  
15 struction of new facilities for the Center, but may be ap-  
16 plied toward the cost of leasing facilities, and purchasing  
17 or renting equipment, for the Center.

18       (d) ANNUAL REPORTS.—

19           (1) IN GENERAL.—Annually, the Secretary  
20 shall submit to Congress a report that describes the  
21 progress of the Center with respect to meeting the  
22 research goals for the Center established by the Sec-  
23 retary for the fiscal year covered by the report.

24           (2) PENALTY.—If an annual report submitted  
25 under paragraph (1) indicates that the Center did

1 not meet the goal for the fiscal year described in  
2 that paragraph, the amounts to be made available  
3 for the Center for the subsequent fiscal year shall be  
4 reduced by 10 percent.

5 (e) AUTHORIZATION OF APPROPRIATIONS.—There  
6 are authorized to be appropriated to carry out this sec-  
7 tion—

8 (1) \$30,000,000 for fiscal year 2012; and

9 (2) \$25,000,000 for each of fiscal years 2013  
10 through 2017.

11 **SEC. 702. NUCLEAR POWER INITIATIVES.**

12 Section 952 of the Energy Policy Act of 2005 (42  
13 U.S.C. 16272) is amended by adding at the end the fol-  
14 lowing:

15 “(f) SMALL MODULAR REACTOR INITIATIVE.—

16 “(1) DEFINITIONS.—In this subsection:

17 “(A) CHAIRMAN.—The term ‘Chairman’  
18 means the Chairman of the Commission.

19 “(B) COMMISSION.—The term ‘Commis-  
20 sion’ means the Nuclear Regulatory Commis-  
21 sion.

22 “(C) SMALL MODULAR REACTOR.—The  
23 term ‘small modular reactor’ means a nuclear  
24 reactor with a rated capacity of less than 300  
25 electrical megawatts.

1           “(2) DUTY OF SECRETARY.—Not later than 10  
2 years after the date of enactment of this subsection,  
3 the Secretary shall carry out, through cooperative  
4 agreements with private sector partners, a pro-  
5 gram—

6           “(A) to develop a standard design for  
7 small modular reactors that—

8           “(i) satisfies enhanced safety and pro-  
9 liferation controls; and

10           “(ii) may be implemented through  
11 cost-efficient manufacturing and construc-  
12 tion;

13           “(B) to obtain a design certification from  
14 the Commission for the standard design;

15           “(C) to develop a licensing application pro-  
16 cedure for each small modular reactor that is  
17 the subject of the standard design; and

18           “(D) to obtain a license from the Commis-  
19 sion for the standard design.

20           “(3) REQUIREMENTS.—

21           “(A) CONSULTATION WITH CHAIRMAN.—

22 To ensure that the activities of the Secretary  
23 under this subsection are cost-effective and  
24 compliment the activities of the Commission, in

1 carrying out this subsection, the Secretary shall  
2 consult with the Chairman.

3 “(B) STANDARD DESIGN.—The standard  
4 design developed under this subsection shall in-  
5 clude a design for optimizing the staffing re-  
6 quirements of the small modular reactor that is  
7 the subject of the standard design—

8 “(i) to minimize the cost of electricity  
9 produced by the small modular reactor;  
10 and

11 “(ii) to improve overall plant econom-  
12 ies of the small modular reactor without  
13 compromising safety.

14 “(C) STAFFING REQUIREMENTS.—In car-  
15 rying out this subsection, the Secretary shall  
16 submit to Congress and the Commission a re-  
17 port that identifies each issue that the Sec-  
18 retary determines—

19 “(i) would impact the staffing require-  
20 ments of a small modular reactor that is  
21 the subject of the standard design under  
22 this subsection; and

23 “(ii) shall be considered in the devel-  
24 opment and deployment of each small mod-

1                   ular reactor that is the subject of the  
2                   standard design under this subsection.

3           “(g) ADVANCED NUCLEAR FUELS AND FUEL SYS-  
4   TEMS INVESTIGATION PROGRAM.—

5           “(1) DUTY OF SECRETARY.—Not later than  
6   180 days after the date of enactment of this sub-  
7   section, the Secretary shall initiate an advanced nu-  
8   clear fuels and fuel systems investigation program to  
9   promote—

10                   “(A) the investigation of advanced nuclear  
11                   fuels that have a higher burn efficiency and  
12                   higher proliferation resistance; and

13                   “(B) the development of nuclear plants  
14                   with increased proliferation resistance and  
15                   lower capital costs that meet each safety re-  
16                   quirement of the Nuclear Regulatory Commis-  
17                   sion.

18           “(2) REQUIREMENTS.—

19                   “(A) THORIUM FOCUS.—In carrying out  
20   the program under this subsection, the Sec-  
21   retary shall focus on thorium as a nuclear fuel  
22   with respect to the Fuel Cycle Research and  
23   Development program of the Department of  
24   Energy—

1           “(i) to develop an experimental reac-  
2           tor design;

3           “(ii) to designate a location to con-  
4           struct the reactor that is the subject of the  
5           design under clause (i); and

6           “(iii) to design a cost and construc-  
7           tion schedule regarding the reactor de-  
8           scribed in clause (ii).

9           “(B) 5-YEAR STRATEGY.—

10           “(i) IN GENERAL.—In carrying out  
11           the program under this subsection, the  
12           Secretary shall develop a 5-year strategy  
13           for Generation IV System nuclear plant  
14           technology (including nuclear plant tech-  
15           nology more advanced than Generation IV  
16           nuclear energy systems) to provide coordi-  
17           nation with the Advanced Reactor Con-  
18           cepts program of the Department of En-  
19           ergy.

20           “(ii) ROADMAP.—

21           “(I) IN GENERAL.—In developing  
22           the 5-year strategy under this sub-  
23           paragraph, the Secretary shall include  
24           a roadmap for the long-term funding  
25           that is required—



1                   “(aa) to design, construct,  
2                   and start operations of an ad-  
3                   vanced reactor concept; and

4                   “(bb) to overcome technical  
5                   and scientific challenges pre-  
6                   venting commercialization.

7                   “(II)        REQUIREMENTS.—The  
8                   roadmap described in subclause (I)  
9                   shall include a schedule for commer-  
10                  cial implementation of technologies in-  
11                  vestigated by the Secretary under the  
12                  Advanced Reactor Concepts program  
13                  of the Department of Energy.

14               “(h) SPENT FUEL RESEARCH PROGRAM.—

15                   “(1) DEFINITION OF RESEARCH AND DEVELOP-  
16                  MENT CENTER.—In this subsection, the term ‘re-  
17                  search and development center’ means a spent fuel  
18                  recycling research and development center des-  
19                  ignated under paragraph (2)(A).

20                   “(2) SPENT FUEL RECYCLING RESEARCH AND  
21                  DEVELOPMENT CENTER.—

22                   “(A) IN GENERAL.—Not later than 90  
23                  days after the date of enactment of this sub-  
24                  section, the Secretary shall designate a National

1 Laboratory as a spent fuel recycling research  
2 and development center.

3 “(B) PURPOSE.—

4 “(i) IN GENERAL.—In accordance  
5 with clause (ii), the research and develop-  
6 ment center shall serve as the lead site for  
7 continuing research and development of  
8 advanced nuclear fuel cycles and isotope  
9 separation technologies.

10 “(ii) RESEARCH INITIATIVES.—In car-  
11 rying out clause (i), the research and de-  
12 velopment center shall provide coordination  
13 with the Secretary regarding the Fuel  
14 Cycle Research and Development program  
15 of the Department of Energy—

16 “(I) to minimize any redundancy  
17 of related research programs;

18 “(II) to develop a strategic goal  
19 and a plan to attain the strategic  
20 goal; and

21 “(III) to maintain the focus of  
22 the research program toward the stra-  
23 tegic goal described in subclause (II).

24 “(C) REPORT.—Not later than 180 days  
25 after the date of enactment of this subsection,

1 the Secretary shall submit to the appropriate  
2 committees of Congress a report that contains,  
3 for the period covered by the report, a descrip-  
4 tion of each unfulfilled responsibility of the De-  
5 partment of Energy regarding the Nuclear  
6 Waste Policy Act of 1982 (42 U.S.C. 10101 et  
7 seq.).

8 “(i) SPENT FUEL STORAGE RESEARCH PROGRAM.—

9 “(1) IN GENERAL.—Not later than 180 days  
10 after the date of enactment of this subsection, the  
11 Secretary shall initiate a spent fuel storage research  
12 program, to be carried out as a component of the  
13 Fuel Cycle Research and Development program of  
14 the Department of Energy.

15 “(2) REQUIREMENTS.—In carrying out the pro-  
16 gram under this subsection, the Secretary shall—

17 “(A) analyze the sustainability of the on-  
18 site pool storage of spent fuel;

19 “(B) develop a cost-benefit analysis of re-  
20 racking spent fuel in ponds as compared to dry  
21 cask storage, to be provided to nuclear power  
22 plant owners and operators to assist with fuel  
23 storage decisionmaking; and

24 “(C) develop a 15-year strategy for the  
25 storage of the spent nuclear fuel of the United

1 States, including recommendations, cost-esti-  
2 mates, and schedules for resolving the accumu-  
3 lation of spent nuclear fuel.

4 “(3) AUTHORIZATION OF APPROPRIATIONS.—  
5 There is authorized to be appropriated to the Sec-  
6 retary to carry out the program under this sub-  
7 section \$300,000,000 for the period of fiscal years  
8 2012 through 2015.”.

9 **TITLE VIII—BUDGETARY**  
10 **EFFECTS**

11 **SEC. 801. BUDGETARY EFFECTS.**

12 The budgetary effects of this Act, for the purpose of  
13 complying with the Statutory Pay-As-You-Go Act of 2010,  
14 shall be determined by reference to the latest statement  
15 titled “Budgetary Effects of PAYGO Legislation” for this  
16 Act, submitted for printing in the Congressional Record  
17 by the Chairman of the Senate Budget Committee, pro-  
18 vided that such statement has been submitted prior to the  
19 vote on passage.

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