

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 8
OFFERED BY MR. UPTON OF MICHIGAN**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

2 (a) SHORT TITLE.—This Act may be cited as the
3 “North American Energy Security and Infrastructure Act
4 of 2015”.

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

Sec. 1. Short title; table of contents.

TITLE I—MODERNIZING AND PROTECTING INFRASTRUCTURE

Subtitle A—Energy Delivery, Reliability, and Security

- Sec. 1101. FERC process coordination.
- Sec. 1102. Resolving environmental and grid reliability conflicts.
- Sec. 1103. Emergency preparedness for energy supply disruptions.
- Sec. 1104. Critical electric infrastructure security.
- Sec. 1105. Strategic Transformer Reserve.
- Sec. 1106. Cyber Sense.
- Sec. 1107. State coverage and consideration of PURPA standards for electric utilities.
- Sec. 1108. Reliability analysis for certain rules that affect electric generating facilities.
- Sec. 1109. Carbon capture, utilization, and sequestration technologies.
- Sec. 1110. Reliability and performance assurance in Regional Transmission Organizations.

Subtitle B—Energy Security and Infrastructure Modernization

- Sec. 1201. Energy Security and Infrastructure Modernization Fund.

Subtitle C—Hydropower Regulatory Modernization

- Sec. 1301. Hydroelectric production and efficiency incentives.

- Sec. 1302. Protection of private property rights in hydropower licensing.
- Sec. 1303. Extension of time for FERC project involving W. Kerr Scott Dam.
- Sec. 1304. Promoting hydropower development at existing nonpowered dams.

TITLE II—21ST CENTURY WORKFORCE

- Sec. 2001. Energy and manufacturing workforce development.

TITLE III—ENERGY SECURITY AND DIPLOMACY

- Sec. 3001. Sense of Congress.
- Sec. 3002. Energy security valuation.
- Sec. 3003. North American energy security plan.
- Sec. 3004. Collective energy security.
- Sec. 3005. Strategic Petroleum Reserve mission readiness plan.
- Sec. 3006. Authorization to export natural gas.

TITLE IV—ENERGY EFFICIENCY AND ACCOUNTABILITY

Subtitle A—Energy Efficiency

CHAPTER 1—FEDERAL AGENCY ENERGY EFFICIENCY

- Sec. 4111. Energy-efficient and energy-saving information technologies.
- Sec. 4112. Energy efficient data centers.
- Sec. 4113. Report on energy and water savings potential from thermal insulation.
- Sec. 4114. Federal purchase requirement.
- Sec. 4115. Energy performance requirement for Federal buildings.
- Sec. 4116. Federal building energy efficiency performance standards; certification system and level for Federal buildings.

CHAPTER 2—ENERGY EFFICIENT TECHNOLOGY AND MANUFACTURING

- Sec. 4121. Inclusion of Smart Grid capability on Energy Guide labels.
- Sec. 4122. Voluntary verification programs for air conditioning, furnace, boiler, heat pump, and water heater products.
- Sec. 4123. Facilitating consensus furnace standards.
- Sec. 4124. Future of Industry program.
- Sec. 4125. No warranty for certain certified Energy Star products.
- Sec. 4126. Clarification to effective date for regional standards.

CHAPTER 3—ENERGY PERFORMANCE CONTRACTING

- Sec. 4131. Use of energy and water efficiency measures in Federal buildings.

CHAPTER 4—SCHOOL BUILDINGS

- Sec. 4141. Coordination of energy retrofitting assistance for schools.

CHAPTER 5—BUILDING ENERGY CODES

- Sec. 4151. Greater energy efficiency in building codes.
- Sec. 4152. Voluntary nature of building asset rating program.

CHAPTER 6—EPCA TECHNICAL CORRECTIONS AND CLARIFICATIONS

- Sec. 4161. Modifying product definitions.
- Sec. 4162. Clarifying rulemaking procedures.

CHAPTER 7—ENERGY AND WATER EFFICIENCY

- Sec. 4171. Smart energy and water efficiency pilot program.
- Sec. 4172. WaterSense.

Subtitle B—Accountability

CHAPTER 1—MARKET MANIPULATION, ENFORCEMENT, AND COMPLIANCE

- Sec. 4211. FERC Office of Compliance Assistance and Public Participation.

CHAPTER 2—MARKET REFORMS

- Sec. 4221. GAO study on wholesale electricity markets.
- Sec. 4222. Clarification of facility merger authorization.

CHAPTER 3—CODE MAINTENANCE

- Sec. 4231. Repeal of off-highway motor vehicles study.
- Sec. 4232. Repeal of methanol study.
- Sec. 4233. Repeal of residential energy efficiency standards study.
- Sec. 4234. Repeal of weatherization study.
- Sec. 4235. Repeal of report to Congress.
- Sec. 4236. Repeal of report by General Services Administration.
- Sec. 4237. Repeal of intergovernmental energy management planning and coordination workshops.
- Sec. 4238. Repeal of Inspector General audit survey and President's Council on Integrity and Efficiency report to Congress.
- Sec. 4239. Repeal of procurement and identification of energy efficient products program.
- Sec. 4240. Repeal of national action plan for demand response.
- Sec. 4241. Repeal of national coal policy study.
- Sec. 4242. Repeal of study on compliance problem of small electric utility systems.
- Sec. 4243. Repeal of study of socioeconomic impacts of increased coal production and other energy development.
- Sec. 4244. Repeal of study of the use of petroleum and natural gas in combustors.
- Sec. 4245. Repeal of submission of reports.
- Sec. 4246. Repeal of electric utility conservation plan.
- Sec. 4247. Emergency energy conservation repeals.
- Sec. 4248. Repeal of State utility regulatory assistance.
- Sec. 4249. Repeal of survey of energy saving potential.
- Sec. 4250. Repeal of photovoltaic energy program.
- Sec. 4251. Repeal of energy auditor training and certification.

CHAPTER 4—USE OF EXISTING FUNDS

- Sec. 4261. Use of existing funds.

1 **TITLE I—MODERNIZING AND**
2 **PROTECTING INFRASTRUCTURE**
3 **Subtitle A—Energy Delivery,**
4 **Reliability, and Security**

5 **SEC. 1101. FERC PROCESS COORDINATION.**

6 Section 15 of the Natural Gas Act (15 U.S.C. 717n)
7 is amended—

8 (1) by amending subsection (b)(2) to read as
9 follows:

10 “(2) OTHER AGENCIES.—

11 “(A) IN GENERAL.—Each Federal and
12 State agency considering an aspect of an appli-
13 cation for Federal authorization shall cooperate
14 with the Commission and comply with the dead-
15 lines established by the Commission.

16 “(B) IDENTIFICATION.—The Commission
17 shall identify, as early as practicable after it is
18 notified by a prospective applicant of a potential
19 project requiring Commission authorization,
20 any Federal or State agency, local government,
21 or Indian tribe that may consider an aspect of
22 an application for that Federal authorization.

23 “(C) NOTIFICATION.—

24 “(i) IN GENERAL.—The Commission
25 shall notify any agency identified under

1 subparagraph (B) of the opportunity to co-
2 operate or participate in the review pro-
3 cess.

4 “(ii) DEADLINE.—A notification
5 issued under clause (i) shall establish a
6 deadline by which a response to the notifi-
7 cation shall be submitted, which may be
8 extended by the Commission for good
9 cause.”;

10 (2) in subsection (c)—

11 (A) in paragraph (1)—

12 (i) by striking “and” at the end of
13 subparagraph (A);

14 (ii) by redesignating subparagraph
15 (B) as subparagraph (C); and

16 (iii) by inserting after subparagraph
17 (A) the following new subparagraph:

18 “(B) set deadlines for all such Federal au-
19 thorizations; and”;

20 (B) by striking paragraph (2); and

21 (C) by adding at the end the following new
22 paragraphs:

23 “(2) DEADLINE FOR FEDERAL AUTHORIZA-
24 TIONS.—A final decision on a Federal authorization
25 is due no later than 90 days after the Commission

1 issues its final environmental document, unless a
2 schedule is otherwise established by Federal law.

3 “(3) CONCURRENT REVIEWS.—Each Federal
4 and State agency considering an aspect of an appli-
5 cation for a Federal authorization shall—

6 “(A) carry out the obligations of that
7 agency under applicable law concurrently, and
8 in conjunction, with the review required by the
9 National Environmental Policy Act of 1969 (42
10 U.S.C. 4321 et seq.), unless doing so would im-
11 pair the ability of the agency to conduct needed
12 analysis or otherwise carry out those obliga-
13 tions;

14 “(B) formulate and implement administra-
15 tive, policy, and procedural mechanisms to en-
16 able the agency to ensure completion of re-
17 quired Federal authorizations no later than 90
18 days after the Commission issues its final envi-
19 ronmental document; and

20 “(C) transmit to the Commission a state-
21 ment—

22 “(i) acknowledging receipt of the
23 schedule established under paragraph (1);
24 and

1 “(ii) setting forth the plan formulated
2 under subparagraph (B) of this paragraph.

3 “(4) ISSUE IDENTIFICATION AND RESOLU-
4 TION.—

5 “(A) IDENTIFICATION.—Federal and State
6 agencies that may consider an aspect of an ap-
7 plication for Federal authorization shall iden-
8 tify, as early as possible, any issues of concern
9 that may delay or prevent an agency from
10 working with the Commission to resolve such
11 issues and granting such authorization.

12 “(B) ISSUE RESOLUTION.—The Commis-
13 sion may forward any issue of concern identi-
14 fied under subparagraph (A) to the heads of
15 the relevant agencies (including, in the case of
16 a failure by the State agency, the Federal agen-
17 cy overseeing the delegated authority) for reso-
18 lution.

19 “(5) FAILURE TO MEET SCHEDULE.—If a Fed-
20 eral or State agency does not complete a proceeding
21 for an approval that is required for a Federal au-
22 thorization in accordance with the schedule estab-
23 lished by the Commission under paragraph (1)—

24 “(A) the applicant may pursue remedies
25 under section 19(d); and

1 “(B) the head of the relevant Federal
2 agency (including, in the case of a failure by a
3 State agency, the Federal agency overseeing the
4 delegated authority) shall notify Congress and
5 the Commission of such failure and set forth a
6 recommended implementation plan to ensure
7 completion of the proceeding for an approval.”;

8 (3) by redesignating subsections (d) through (f)
9 as subsections (g) through (i), respectively; and

10 (4) by inserting after subsection (c) the fol-
11 lowing new subsections:

12 “(d) REMOTE SURVEYS.—If a Federal or State agen-
13 cy considering an aspect of an application for Federal au-
14 thorization requires the applicant to submit environmental
15 data, the agency shall consider any such data gathered
16 by aerial or other remote means that the applicant sub-
17 mits. The agency may grant a conditional approval for
18 Federal authorization, conditioned on the verification of
19 such data by subsequent onsite inspection.

20 “(e) APPLICATION PROCESSING.—The Commission,
21 and Federal and State agencies, may allow an applicant
22 seeking Federal authorization to fund a third party con-
23 tractor to assist in reviewing the application.

24 “(f) ACCOUNTABILITY, TRANSPARENCY, EFFI-
25 CIENCY.—For applications requiring multiple Federal au-

1 thORIZATIONS, the Commission, with input from any Federal
2 or State agency considering an aspect of an application,
3 shall track and make available to the public on the Com-
4 mission’s website information related to the actions re-
5 quired to complete permitting, reviews, and other actions
6 required. Such information shall include the following:

7 “(1) The schedule established by the Commis-
8 sion under subsection (c)(1).

9 “(2) A list of all the actions required by each
10 applicable agency to complete permitting, reviews,
11 and other actions necessary to obtain a final decision
12 on the Federal authorization.

13 “(3) The expected completion date for each
14 such action.

15 “(4) A point of contact at the agency account-
16 able for each such action.

17 “(5) In the event that an action is still pending
18 as of the expected date of completion, a brief expla-
19 nation of the reasons for the delay.”.

20 **SEC. 1102. RESOLVING ENVIRONMENTAL AND GRID RELI-**
21 **ABILITY CONFLICTS.**

22 (a) COMPLIANCE WITH OR VIOLATION OF ENVIRON-
23 MENTAL LAWS WHILE UNDER EMERGENCY ORDER.—
24 Section 202(c) of the Federal Power Act (16 U.S.C.
25 824a(c)) is amended—

1 (1) by inserting “(1)” after “(c)”; and

2 (2) by adding at the end the following:

3 “(2) With respect to an order issued under this sub-
4 section that may result in a conflict with a requirement
5 of any Federal, State, or local environmental law or regu-
6 lation, the Commission shall ensure that such order re-
7 quires generation, delivery, interchange, or transmission
8 of electric energy only during hours necessary to meet the
9 emergency and serve the public interest, and, to the max-
10 imum extent practicable, is consistent with any applicable
11 Federal, State, or local environmental law or regulation
12 and minimizes any adverse environmental impacts.

13 “(3) To the extent any omission or action taken by
14 a party, that is necessary to comply with an order issued
15 under this subsection, including any omission or action
16 taken to voluntarily comply with such order, results in
17 noncompliance with, or causes such party to not comply
18 with, any Federal, State, or local environmental law or
19 regulation, such omission or action shall not be considered
20 a violation of such environmental law or regulation, or
21 subject such party to any requirement, civil or criminal
22 liability, or a citizen suit under such environmental law
23 or regulation.

24 “(4)(A) An order issued under this subsection that
25 may result in a conflict with a requirement of any Federal,

1 State, or local environmental law or regulation shall expire
2 not later than 90 days after it is issued. The Commission
3 may renew or reissue such order pursuant to paragraphs
4 (1) and (2) for subsequent periods, not to exceed 90 days
5 for each period, as the commission determines necessary
6 to meet the emergency and serve the public interest.

7 “(B) In renewing or reissuing an order under sub-
8 paragraph (A), the Commission shall consult with the pri-
9 mary Federal agency with expertise in the environmental
10 interest protected by such law or regulation, and shall in-
11 clude in any such renewed or reissued order such condi-
12 tions as such Federal agency determines necessary to min-
13 imize any adverse environmental impacts to the extent
14 practicable. The conditions, if any, submitted by such Fed-
15 eral agency shall be made available to the public. The
16 Commission may exclude such a condition from the re-
17 newed or reissued order if it determines that such condi-
18 tion would prevent the order from adequately addressing
19 the emergency necessitating such order and provides in
20 the order, or otherwise makes publicly available, an expla-
21 nation of such determination.

22 “(5) If an order issued under this subsection is subse-
23 quently stayed, modified, or set aside by a court pursuant
24 to section 313 or any other provision of law, any omission
25 or action previously taken by a party that was necessary

1 to comply with the order while the order was in effect,
2 including any omission or action taken to voluntarily com-
3 ply with the order, shall remain subject to paragraph
4 (3).”.

5 (b) TEMPORARY CONNECTION OR CONSTRUCTION BY
6 MUNICIPALITIES.—Section 202(d) of the Federal Power
7 Act (16 U.S.C. 824a(d)) is amended by inserting “or mu-
8 nicipality” before “engaged in the transmission or sale of
9 electric energy”.

10 **SEC. 1103. EMERGENCY PREPAREDNESS FOR ENERGY SUP-**
11 **PLY DISRUPTIONS.**

12 (a) FINDING.—Congress finds that recent natural
13 disasters have underscored the importance of having resil-
14 ient oil and natural gas infrastructure and effective ways
15 for industry and government to communicate to address
16 energy supply disruptions.

17 (b) AUTHORIZATION FOR ACTIVITIES TO ENHANCE
18 EMERGENCY PREPAREDNESS FOR NATURAL DISAS-
19 TERS.—The Secretary of Energy shall develop and adopt
20 procedures to—

21 (1) improve communication and coordination
22 between the Department of Energy’s energy re-
23 sponse team, Federal partners, and industry;

24 (2) leverage the Energy Information Adminis-
25 tration’s subject matter expertise within the Depart-

1 ment's energy response team to improve supply
2 chain situation assessments;

3 (3) establish company liaisons and direct com-
4 munication with the Department's energy response
5 team to improve situation assessments;

6 (4) streamline and enhance processes for ob-
7 taining temporary regulatory relief to speed up
8 emergency response and recovery;

9 (5) facilitate and increase engagement among
10 States, the oil and natural gas industry, and the De-
11 partment in developing State and local energy assur-
12 ance plans;

13 (6) establish routine education and training
14 programs for key government emergency response
15 positions with the Department and States; and

16 (7) involve States and the oil and natural gas
17 industry in comprehensive drill and exercise pro-
18 grams.

19 (c) COOPERATION.—The activities carried out under
20 subsection (b) shall include collaborative efforts with State
21 and local government officials and the private sector.

22 (d) REPORT.—Not later than 180 days after the date
23 of enactment of this Act, the Secretary of Energy shall
24 submit to Congress a report describing the effectiveness
25 of the activities authorized under this section.

1 **SEC. 1104. CRITICAL ELECTRIC INFRASTRUCTURE SECUR-**
2 **RITY.**

3 (a) CRITICAL ELECTRIC INFRASTRUCTURE SECUR-
4 RITY.—Part II of the Federal Power Act (16 U.S.C. 824
5 et seq.) is amended by adding after section 215 the fol-
6 lowing new section:

7 **“SEC. 215A. CRITICAL ELECTRIC INFRASTRUCTURE SECUR-**
8 **RITY.**

9 “(a) DEFINITIONS.—For purposes of this section:

10 “(1) BULK-POWER SYSTEM; ELECTRIC RELI-
11 ABILITY ORGANIZATION; REGIONAL ENTITY.—The
12 terms ‘bulk-power system’, ‘Electric Reliability Or-
13 ganization’, and ‘regional entity’ have the meanings
14 given such terms in paragraphs (1), (2), and (7) of
15 section 215(a), respectively.

16 “(2) CRITICAL ELECTRIC INFRASTRUCTURE.—
17 The term ‘critical electric infrastructure’ means a
18 system or asset of the bulk-power system, whether
19 physical or virtual, the incapacity or destruction of
20 which would negatively affect national security, eco-
21 nomic security, public health or safety, or any com-
22 bination of such matters.

23 “(3) CRITICAL ELECTRIC INFRASTRUCTURE IN-
24 FORMATION.—The term ‘critical electric infrastruc-
25 ture information’ means information related to crit-
26 ical electric infrastructure, or proposed critical elec-

1 trical infrastructure, generated by or provided to the
2 Commission or other Federal agency, other than
3 classified national security information, that is des-
4 ignated as critical electric infrastructure information
5 by the Commission under subsection (d)(2). Such
6 term includes information that qualifies as critical
7 energy infrastructure information under the Com-
8 mission’s regulations.

9 “(4) DEFENSE CRITICAL ELECTRIC INFRA-
10 STRUCTURE.—The term ‘defense critical electric in-
11 frastructure’ means any electric infrastructure lo-
12 cated in the United States (including the territories)
13 that serves a facility designated by the Secretary
14 pursuant to subsection (c), but is not owned or oper-
15 ated by the owner or operator of such facility.

16 “(5) ELECTROMAGNETIC PULSE.—The term
17 ‘electromagnetic pulse’ means 1 or more pulses of
18 electromagnetic energy emitted by a device capable
19 of disabling or disrupting operation of, or destroy-
20 ing, electronic devices or communications networks,
21 including hardware, software, and data, by means of
22 such a pulse.

23 “(6) GEOMAGNETIC STORM.—The term ‘geo-
24 magnetic storm’ means a temporary disturbance of

1 the Earth's magnetic field resulting from solar activ-
2 ity.

3 “(7) GRID SECURITY EMERGENCY.—The term
4 ‘grid security emergency’ means the occurrence or
5 imminent danger of—

6 “(A)(i) a malicious act using electronic
7 communication or an electromagnetic pulse, or
8 a geomagnetic storm event, that could disrupt
9 the operation of those electronic devices or com-
10 munications networks, including hardware, soft-
11 ware, and data, that are essential to the reli-
12 ability of critical electric infrastructure or of de-
13 fense critical electric infrastructure; and

14 “(ii) disruption of the operation of such
15 devices or networks, with significant adverse ef-
16 fects on the reliability of critical electric infra-
17 structure or of defense critical electric infra-
18 structure, as a result of such act or event; or

19 “(B)(i) a direct physical attack on critical
20 electric infrastructure or on defense critical
21 electric infrastructure; and

22 “(ii) significant adverse effects on the reli-
23 ability of critical electric infrastructure or of de-
24 fense critical electric infrastructure as a result
25 of such physical attack.

1 “(8) SECRETARY.—The term ‘Secretary’ means
2 the Secretary of Energy.

3 “(b) AUTHORITY TO ADDRESS GRID SECURITY
4 EMERGENCY.—

5 “(1) AUTHORITY.—Whenever the President
6 issues and provides to the Secretary a written direc-
7 tive or determination identifying a grid security
8 emergency, the Secretary may, with or without no-
9 tice, hearing, or report, issue such orders for emer-
10 gency measures as are necessary in the judgment of
11 the Secretary to protect or restore the reliability of
12 critical electric infrastructure or of defense critical
13 electric infrastructure during such emergency. As
14 soon as practicable but not later than 180 days after
15 the date of enactment of this section, the Secretary
16 shall, after notice and opportunity for comment, es-
17 tablish rules of procedure that ensure that such au-
18 thority can be exercised expeditiously.

19 “(2) NOTIFICATION OF CONGRESS.—Whenever
20 the President issues and provides to the Secretary a
21 written directive or determination under paragraph
22 (1), the President shall promptly notify congress-
23 sional committees of relevant jurisdiction, including
24 the Committee on Energy and Commerce of the
25 House of Representatives and the Committee on En-

1 ergy and Natural Resources of the Senate, of the
2 contents of, and justification for, such directive or
3 determination.

4 “(3) CONSULTATION.—Before issuing an order
5 for emergency measures under paragraph (1), the
6 Secretary shall, to the extent practicable in light of
7 the nature of the grid security emergency and the
8 urgency of the need for action, consult with appro-
9 priate governmental authorities in Canada and Mex-
10 ico, entities described in paragraph (4), the Elec-
11 tricity Sub-sector Coordinating Council, the Commis-
12 sion, and other appropriate Federal agencies regard-
13 ing implementation of such emergency measures.

14 “(4) APPLICATION.—An order for emergency
15 measures under this subsection may apply to—

16 “(A) the Electric Reliability Organization;

17 “(B) a regional entity; or

18 “(C) any owner, user, or operator of crit-
19 ical electric infrastructure or of defense critical
20 electric infrastructure within the United States.

21 “(5) EXPIRATION AND REISSUANCE.—

22 “(A) IN GENERAL.—Except as provided in
23 subparagraph (B), an order for emergency
24 measures issued under paragraph (1) shall ex-
25 pire no later than 15 days after its issuance.

1 “(B) EXTENSIONS.—The Secretary may
2 reissue an order for emergency measures issued
3 under paragraph (1) for subsequent periods,
4 not to exceed 15 days for each such period, pro-
5 vided that the President, for each such period,
6 issues and provides to the Secretary a written
7 directive or determination that the grid security
8 emergency identified under paragraph (1) con-
9 tinues to exist or that the emergency measure
10 continues to be required.

11 “(6) COST RECOVERY.—

12 “(A) CRITICAL ELECTRIC INFRASTRUC-
13 TURE.—If the Commission determines that
14 owners, operators, or users of critical electric
15 infrastructure have incurred substantial costs to
16 comply with an order for emergency measures
17 issued under this subsection and that such costs
18 were prudently incurred and cannot reasonably
19 be recovered through regulated rates or market
20 prices for the electric energy or services sold by
21 such owners, operators, or users, the Commis-
22 sion shall, consistent with the requirements of
23 section 205, after notice and an opportunity for
24 comment, establish a mechanism that permits

1 such owners, operators, or users to recover such
2 costs.

3 “(B) DEFENSE CRITICAL ELECTRIC INFRA-
4 STRUCTURE.—To the extent the owner or oper-
5 ator of defense critical electric infrastructure is
6 required to take emergency measures pursuant
7 to an order issued under this subsection, the
8 owners or operators of a critical defense facility
9 or facilities designated by the Secretary pursu-
10 ant to subsection (c) that rely upon such infra-
11 structure shall bear the full incremental costs of
12 the measures.

13 “(7) TEMPORARY ACCESS TO CLASSIFIED IN-
14 FORMATION.—The Secretary, and other appropriate
15 Federal agencies, shall, to the extent practicable and
16 consistent with their obligations to protect classified
17 information, provide temporary access to classified
18 information related to a grid security emergency for
19 which emergency measures are issued under para-
20 graph (1) to key personnel of any entity subject to
21 such emergency measures to enable optimum com-
22 munication between the entity and the Secretary and
23 other appropriate Federal agencies regarding the
24 grid security emergency.

1 “(c) DESIGNATION OF CRITICAL DEFENSE FACILI-
2 TIES.—Not later than 180 days after the date of enact-
3 ment of this section, the Secretary, in consultation with
4 other appropriate Federal agencies and appropriate own-
5 ers, users, or operators of infrastructure that may be de-
6 fense critical electric infrastructure, shall identify and des-
7 ignate facilities located in the United States (including the
8 territories) that are—

9 “(1) critical to the defense of the United States;
10 and

11 “(2) vulnerable to a disruption of the supply of
12 electric energy provided to such facility by an exter-
13 nal provider.

14 The Secretary may, in consultation with appropriate Fed-
15 eral agencies and appropriate owners, users, or operators
16 of defense critical electric infrastructure, periodically re-
17 vise the list of designated facilities as necessary.

18 “(d) PROTECTION AND SHARING OF CRITICAL ELEC-
19 TRIC INFRASTRUCTURE INFORMATION.—

20 “(1) PROTECTION OF CRITICAL ELECTRIC IN-
21 FRASTRUCTURE INFORMATION.—Critical electric in-
22 frastructure information—

23 “(A) shall be exempt from disclosure under
24 section 552(b)(3) of title 5, United States Code;
25 and

1 “(B) shall not be made available by any
2 Federal, State, political subdivision or tribal au-
3 thority pursuant to any Federal, State, political
4 subdivision or tribal law requiring public disclo-
5 sure of information or records.

6 “(2) DESIGNATION AND SHARING OF CRITICAL
7 ELECTRIC INFRASTRUCTURE INFORMATION.—Not
8 later than one year after the date of enactment of
9 this section, the Commission, in consultation with
10 the Secretary of Energy, shall promulgate such reg-
11 ulations and issue such orders as necessary to—

12 “(A) designate information as critical elec-
13 tric infrastructure information;

14 “(B) prohibit the unauthorized disclosure
15 of critical electric infrastructure information;

16 “(C) ensure there are appropriate sanc-
17 tions in place for Commissioners, officers, em-
18 ployees, or agents of the Commission who
19 knowingly and willfully disclose critical electric
20 infrastructure information in a manner that is
21 not authorized under this section; and

22 “(D) taking into account standards of the
23 Electric Reliability Organization, facilitate vol-
24 untary sharing of critical electric infrastructure
25 information with, between, and by—

1 “(i) Federal, State, political subdivi-
2 sion, and tribal authorities;

3 “(ii) the Electric Reliability Organiza-
4 tion;

5 “(iii) regional entities;

6 “(iv) information sharing and analysis
7 centers established pursuant to Presi-
8 dential Decision Directive 63;

9 “(v) owners, operators, and users of
10 critical electric infrastructure in the United
11 States; and

12 “(vi) other entities determined appro-
13 priate by the Commission.

14 “(3) CONSIDERATIONS.—In promulgating regu-
15 lations and issuing orders under paragraph (2), the
16 Commission shall take into consideration the role of
17 State commissions in reviewing the prudence and
18 cost of investments, determining the rates and terms
19 of conditions for electric services, and ensuring the
20 safety and reliability of the bulk-power system and
21 distribution facilities within their respective jurisdic-
22 tions.

23 “(4) PROTOCOLS.—The Commission shall, in
24 consultation with Canadian and Mexican authorities,
25 develop protocols for the voluntary sharing of critical

1 electric infrastructure information with Canadian
2 and Mexican authorities and owners, operators, and
3 users of the bulk-power system outside the United
4 States.

5 “(5) NO REQUIRED SHARING OF INFORMA-
6 TION.—Nothing in this section shall require a person
7 or entity in possession of critical electric infrastruc-
8 ture information to share such information with
9 Federal, State, political subdivision, or tribal au-
10 thorities, or any other person or entity.

11 “(6) DISCLOSURE OF NON-CRITICAL ELECTRIC
12 INFRASTRUCTURE INFORMATION.—In implementing
13 this section, the Commission shall segregate critical
14 electric infrastructure information within documents
15 and electronic communications, wherever feasible, to
16 facilitate disclosure of information that is not des-
17 ignated as critical electric infrastructure informa-
18 tion.

19 “(e) SECURITY CLEARANCES.—The Secretary shall
20 facilitate and, to the extent practicable, expedite the acqui-
21 sition of adequate security clearances by key personnel of
22 any entity subject to the requirements of this section, to
23 enable optimum communication with Federal agencies re-
24 garding threats to the security of the critical electric infra-
25 structure. The Secretary, the Commission, and other ap-

1 appropriate Federal agencies shall, to the extent practicable
2 and consistent with their obligations to protect classified
3 and critical electric infrastructure information, share time-
4 ly actionable information regarding grid security with ap-
5 propriate key personnel of owners, operators, and users
6 of the critical electric infrastructure.

7 “(f) CLARIFICATIONS OF LIABILITY.—

8 “(1) COMPLIANCE WITH OR VIOLATION OF THIS
9 ACT.—Except as provided in paragraph (4), to the
10 extent any action or omission taken by an entity
11 that is necessary to comply with an order for emer-
12 gency measures issued under subsection (b)(1), in-
13 cluding any action or omission taken to voluntarily
14 comply with such order, results in noncompliance
15 with, or causes such entity not to comply with any
16 rule, order, regulation, or provision of this Act, in-
17 cluding any reliability standard approved by the
18 Commission pursuant to section 215, such action or
19 omission shall not be considered a violation of such
20 rule, order, regulation, or provision.

21 “(2) RELATION TO SECTION 202(c).—Except as
22 provided in paragraph (4), an action or omission
23 taken by an owner, operator, or user of critical elec-
24 tric infrastructure or of defense critical electric in-
25 frastructure to comply with an order for emergency

1 measures issued under subsection (b)(1) shall be
2 treated as an action or omission taken to comply
3 with an order issued under section 202(c) for pur-
4 poses of such section.

5 “(3) SHARING OR RECEIPT OF INFORMATION.—
6 No cause of action shall lie or be maintained in any
7 Federal or State court for the sharing or receipt of
8 information under, and that is conducted in accord-
9 ance with, subsection (d).

10 “(4) RULE OF CONSTRUCTION.—Nothing in
11 this subsection shall be construed to require dis-
12 missal of a cause of action against an entity that,
13 in the course of complying with an order for emer-
14 gency measures issued under subsection (b)(1) by
15 taking an action or omission for which they would
16 be liable but for paragraph (1) or (2), takes such ac-
17 tion or omission in a grossly negligent manner.”.

18 (b) CONFORMING AMENDMENTS.—

19 (1) JURISDICTION.—Section 201(b)(2) of the
20 Federal Power Act (16 U.S.C. 824(b)(2)) is amend-
21 ed by inserting “215A,” after “215,” each place it
22 appears.

23 (2) PUBLIC UTILITY.—Section 201(e) of the
24 Federal Power Act (16 U.S.C. 824(e)) is amended
25 by inserting “215A,” after “215,”.

1 **SEC. 1105. STRATEGIC TRANSFORMER RESERVE.**

2 (a) FINDING.—Congress finds that the storage of
3 strategically located spare large power transformers and
4 emergency mobile substations will reduce the vulnerability
5 of the United States to multiple risks facing electric grid
6 reliability, including physical attack, cyber attack, electro-
7 magnetic pulse, geomagnetic disturbances, severe weather,
8 and seismic events.

9 (b) DEFINITIONS.—In this section:

10 (1) BULK-POWER SYSTEM.—The term “bulk-
11 power system” has the meaning given such term in
12 section 215(a) of the Federal Power Act (16 U.S.C.
13 824o(a)).

14 (2) CRITICALLY DAMAGED LARGE POWER
15 TRANSFORMER.—The term “critically damaged large
16 power transformer” means a large power trans-
17 former that—

18 (A) has sustained extensive damage such
19 that—

20 (i) repair or refurbishment is not eco-
21 nomically viable; or

22 (ii) the extensive time to repair or re-
23 furbish the large power transformer would
24 create an extended period of instability in
25 the bulk-power system; and

1 (B) prior to sustaining such damage, was
2 part of the bulk-power system.

3 (3) CRITICAL ELECTRIC INFRASTRUCTURE.—
4 The term “critical electric infrastructure” has the
5 meaning given that term in section 215A of the Fed-
6 eral Power Act.

7 (4) ELECTRIC RELIABILITY ORGANIZATION.—
8 The term “Electric Reliability Organization” has the
9 meaning given such term in section 215(a) of the
10 Federal Power Act (16 U.S.C. 824o(a)).

11 (5) EMERGENCY MOBILE SUBSTATION.—The
12 term “emergency mobile substation” means a mobile
13 substation or mobile transformer that is—

14 (A) assembled and permanently mounted
15 on a trailer that is capable of highway travel
16 and meets relevant Department of Transpor-
17 tation regulations; and

18 (B) intended for express deployment and
19 capable of being rapidly placed into service.

20 (6) LARGE POWER TRANSFORMER.—The term
21 “large power transformer” means a power trans-
22 former with a maximum nameplate rating of 100
23 megavolt-amperes or higher, including related crit-
24 ical equipment, that is, or is intended to be, a part
25 of the bulk-power system.

1 (7) SECRETARY.—The term “Secretary” means
2 the Secretary of Energy.

3 (8) SPARE LARGE POWER TRANSFORMER.—The
4 term “spare large power transformer” means a large
5 power transformer that is stored within the Stra-
6 tegic Transformer Reserve to be available to tempo-
7 rarily replace a critically damaged large power trans-
8 former.

9 (c) STRATEGIC TRANSFORMER RESERVE PLAN.—

10 (1) PLAN.—Not later than one year after the
11 date of enactment of this Act, the Secretary, acting
12 through the Office of Electricity Delivery and En-
13 ergy Reliability, shall, in consultation with the Fed-
14 eral Energy Regulatory Commission, the Electricity
15 Sub-sector Coordinating Council, the Electric Reli-
16 ability Organization, and owners and operators of
17 critical electric infrastructure and defense and mili-
18 tary installations, prepare and submit to Congress a
19 plan to establish a Strategic Transformer Reserve
20 for the storage, in strategically-located facilities, of
21 spare large power transformers and emergency mo-
22 bile substations in sufficient numbers to temporarily
23 replace critically damaged large power transformers
24 and substations that are critical electric infrastruc-
25 ture or serve defense and military installations.

1 (2) INCLUSIONS.—The Strategic Transformer
2 Reserve plan shall include a description of—

3 (A) the appropriate number and type of
4 spare large power transformers necessary to
5 provide or restore sufficient resiliency to the
6 bulk-power system, critical electric infrastruc-
7 ture, and defense and military installations to
8 mitigate significant impacts to the electric grid
9 resulting from—

- 10 (i) physical attack;
11 (ii) cyber attack;
12 (iii) electromagnetic pulse attack;
13 (iv) geomagnetic disturbances;
14 (v) severe weather; or
15 (vi) seismic events;

16 (B) other critical electric grid equipment
17 for which an inventory of spare equipment, in-
18 cluding emergency mobile substations, is nec-
19 essary to provide or restore sufficient resiliency
20 to the bulk-power system, critical electric infra-
21 structure, and defense and military installa-
22 tions;

23 (C) the degree to which utility sector ac-
24 tions or initiatives, including individual utility
25 ownership of spare equipment, joint ownership

1 of spare equipment inventory, sharing agree-
2 ments, or other spare equipment reserves or ar-
3 rangements, satisfy the needs identified under
4 subparagraphs (A) and (B);

5 (D) the potential locations for, and feasi-
6 bility and appropriate number of, strategic stor-
7 age locations for reserve equipment, including
8 consideration of—

9 (i) the physical security of such loca-
10 tions;

11 (ii) the protection of the confiden-
12 tiality of such locations; and

13 (iii) the proximity of such locations to
14 sites of potentially critically damaged large
15 power transformers and substations that
16 are critical electric infrastructure or serve
17 defense and military installations, so as to
18 enable efficient delivery of equipment to
19 such sites;

20 (E) the necessary degree of flexibility of
21 spare large power transformers to be included
22 in the Strategic Transformer Reserve to con-
23 form to different substation configurations, in-
24 cluding consideration of transformer—

1 (i) power and voltage rating for each
2 winding;

3 (ii) overload requirements;

4 (iii) impedance between windings;

5 (iv) configuration of windings; and

6 (v) tap requirements;

7 (F) an estimate of the direct cost of the
8 Strategic Transformer Reserve, as proposed, in-
9 cluding—

10 (i) the cost of storage facilities;

11 (ii) the cost of the equipment; and

12 (iii) management, maintenance, and
13 operation costs;

14 (G) the funding options available to estab-
15 lish, stock, manage, and maintain the Strategic
16 Transformer Reserve, including consideration of
17 fees on owners and operators of bulk-power sys-
18 tem facilities, critical electric infrastructure,
19 and defense and military installations relying on
20 the Strategic Transformer Reserve, use of Fed-
21 eral appropriations, and public-private cost-
22 sharing options;

23 (H) the ease and speed of transportation,
24 installation, and energization of spare large
25 power transformers to be included in the Stra-

1 ategic Transformer Reserve, including consider-
2 ation of factors such as—

3 (i) transformer transportation weight;

4 (ii) transformer size;

5 (iii) topology of critical substations;

6 (iv) availability of appropriate trans-
7 former mounting pads;

8 (v) flexibility of the spare large power
9 transformers as described in subparagraph
10 (E); and

11 (vi) ability to rapidly transition a
12 spare large power transformer from stor-
13 age to energization;

14 (I) eligibility criteria for withdrawal of
15 equipment from the Strategic Transformer Re-
16 serve;

17 (J) the process by which owners or opera-
18 tors of critically damaged large power trans-
19 formers or substations that are critical electric
20 infrastructure or serve defense and military in-
21 stallations may apply for a withdrawal from the
22 Strategic Transformer Reserve;

23 (K) the process by which equipment with-
24 drawn from the Strategic Transformer Reserve

1 is returned to the Strategic Transformer Re-
2 serve or is replaced;

3 (L) possible fees to be paid by users of
4 equipment withdrawn from the Strategic Trans-
5 former Reserve;

6 (M) possible fees to be paid by owners and
7 operators of large power transformers and sub-
8 stations that are critical electric infrastructure
9 or serve defense and military installations to
10 cover operating costs of the Strategic Trans-
11 former Reserve;

12 (N) the domestic and international large
13 power transformer supply chain;

14 (O) the potential reliability, cost, and oper-
15 ational benefits of including emergency mobile
16 substations in any Strategic Transformer Re-
17 serve established under this section; and

18 (P) other considerations for designing, con-
19 structing, stocking, funding, and managing the
20 Strategic Transformer Reserve.

21 (d) ESTABLISHMENT.—The Secretary may establish
22 a Strategic Transformer Reserve in accordance with the
23 plan prepared pursuant to subsection (c) after the date
24 that is 6 months after the date on which such plan is sub-
25 mitted to Congress.

1 (e) DISCLOSURE OF INFORMATION.—Any informa-
2 tion included in the Strategic Transformer Reserve plan,
3 or shared in the preparation and development of such
4 plan, the disclosure of which could cause harm to critical
5 electric infrastructure, shall be exempt from disclosure
6 under section 552(b)(3) of title 5, United States Code, and
7 any State, tribal, or local law requiring disclosure of infor-
8 mation or records.

9 **SEC. 1106. CYBER SENSE.**

10 (a) IN GENERAL.—The Secretary of Energy shall es-
11 tablish a voluntary Cyber Sense program to identify and
12 promote cyber-secure products intended for use in the
13 bulk-power system, as defined in section 215(a) of the
14 Federal Power Act (16 U.S.C. 824o(a)).

15 (b) PROGRAM REQUIREMENTS.—In carrying out sub-
16 section (a), the Secretary of Energy shall—

17 (1) establish a Cyber Sense testing process to
18 identify products and technologies intended for use
19 in the bulk-power system, including products relat-
20 ing to industrial control systems, such as supervisory
21 control and data acquisition systems;

22 (2) for products tested and identified under the
23 Cyber Sense program, establish and maintain
24 cybersecurity vulnerability reporting processes and a
25 related database;

1 (3) promulgate regulations regarding vulner-
2 ability reporting processes for products tested and
3 identified under the Cyber Sense program;

4 (4) provide technical assistance to utilities,
5 product manufacturers, and other electric sector
6 stakeholders to develop solutions to mitigate identi-
7 fied vulnerabilities in products tested and identified
8 under the Cyber Sense program;

9 (5) biennially review products tested and identi-
10 fied under the Cyber Sense program for
11 vulnerabilities and provide analysis with respect to
12 how such products respond to and mitigate cyber
13 threats;

14 (6) develop procurement guidance for utilities
15 for products tested and identified under the Cyber
16 Sense program;

17 (7) provide reasonable notice to the public, and
18 solicit comments from the public, prior to estab-
19 lishing or revising the Cyber Sense testing process;

20 (8) oversee Cyber Sense testing carried out by
21 third parties; and

22 (9) consider incentives to encourage the use in
23 the bulk-power system of products tested and identi-
24 fied under the Cyber Sense program.

1 (c) DISCLOSURE OF INFORMATION.—Any vulner-
2 ability reported pursuant to regulations promulgated
3 under subsection (b)(3), the disclosure of which could
4 cause harm to critical electric infrastructure (as defined
5 in section 215A of the Federal Power Act), shall be ex-
6 empt from disclosure under section 552(b)(3) of title 5,
7 United States Code, and any State, tribal, or local law
8 requiring disclosure of information or records.

9 (d) FEDERAL GOVERNMENT LIABILITY.—Consistent
10 with other voluntary Federal Government certification
11 programs, nothing in this section shall be construed to au-
12 thorize the commencement of an action against the United
13 States Government with respect to the testing and identi-
14 fication of a product under the Cyber Sense program.

15 **SEC. 1107. STATE COVERAGE AND CONSIDERATION OF**
16 **PURPA STANDARDS FOR ELECTRIC UTILI-**
17 **TIES.**

18 (a) STATE CONSIDERATION OF RESILIENCY AND AD-
19 VANCED ENERGY ANALYTICS TECHNOLOGIES AND RELI-
20 ABLE GENERATION.—

21 (1) CONSIDERATION.—Section 111(d) of the
22 Public Utility Regulatory Policies Act of 1978 (16
23 U.S.C. 2621(d)) is amended by adding the following
24 at the end:

1 “(20) IMPROVING THE RESILIENCE OF ELEC-
2 TRIC INFRASTRUCTURE.—

3 “(A) IN GENERAL.—Each electric utility
4 shall develop a plan to use resiliency-related
5 technologies, upgrades, measures, and other ap-
6 proaches designed to improve the resilience of
7 electric infrastructure, mitigate power outages,
8 continue delivery of vital services, and maintain
9 the flow of power to facilities critical to public
10 health, safety, and welfare, to the extent prac-
11 ticable using the most current data, metrics,
12 and frameworks related to current and future
13 threats, including physical and cyber attacks,
14 electromagnetic pulse attacks, geomagnetic dis-
15 turbances, seismic events, and severe weather
16 and other environmental stressors.

17 “(B) RESILIENCY-RELATED TECH-
18 NOLOGIES.—For purposes of this paragraph,
19 examples of resiliency-related technologies, up-
20 grades, measures, and other approaches in-
21 clude—

22 “(i) hardening, or other enhanced pro-
23 tection, of utility poles, wiring, cabling,
24 and other distribution components, facili-
25 ties, or structures;

1 “(ii) advanced grid technologies capa-
2 ble of isolating or repairing problems re-
3 motely, such as advanced metering infra-
4 structure, high-tech sensors, grid moni-
5 toring and control systems, and remote re-
6 configuration and redundancy systems;

7 “(iii) cybersecurity products and com-
8 ponents;

9 “(iv) distributed generation, including
10 back-up generation to power critical facili-
11 ties and essential services, and related inte-
12 gration components, such as advanced in-
13 verter technology;

14 “(v) microgrid systems, including hy-
15 brid microgrid systems for isolated commu-
16 nities;

17 “(vi) combined heat and power;

18 “(vii) waste heat resources;

19 “(viii) non-grid-scale energy storage
20 technologies;

21 “(ix) wiring, cabling, and other dis-
22 tribution components, including submers-
23 ible distribution components, and enclo-
24 sures;

1 “(x) electronically controlled reclosers
2 and similar technologies for power restora-
3 tion, including emergency mobile sub-
4 stations, as defined in section 1105 of the
5 North American Energy Security and In-
6 frastructure Act of 2015;

7 “(xi) advanced energy analytics tech-
8 nology, such as Internet-based and cloud-
9 based computing solutions and subscription
10 licensing models;

11 “(xii) measures that enhance resil-
12 ience through planning, preparation, re-
13 sponse, and recovery activities;

14 “(xiii) operational capabilities to en-
15 hance resilience through rapid response re-
16 covery; and

17 “(xiv) measures to ensure availability
18 of key critical components through con-
19 tracts, cooperative agreements, stockpiling
20 and prepositioning, or other measures.

21 “(C) RATE RECOVERY.—Each State regu-
22 latory authority (with respect to each electric
23 utility for which it has ratemaking authority)
24 shall consider authorizing each such electric
25 utility to recover any capital, operating expendi-

1 ture, or other costs of the electric utility related
2 to the procurement, deployment, or use of resil-
3 iency-related technologies, including a reason-
4 able rate of return on the capital expenditures
5 of the electric utility for the procurement, de-
6 ployment, or use of resiliency-related tech-
7 nologies.

8 “(21) PROMOTING INVESTMENTS IN ADVANCED
9 ENERGY ANALYTICS TECHNOLOGY.—

10 “(A) IN GENERAL.—Each electric utility
11 shall develop and implement a plan for deploy-
12 ing advanced energy analytics technology.

13 “(B) RATE RECOVERY.—Each State regu-
14 latory authority (with respect to each electric
15 utility for which it has ratemaking authority)
16 shall consider confirming and clarifying, if nec-
17 essary, that each such electric utility is author-
18 ized to recover the costs of the electric utility
19 relating to the procurement, deployment, or use
20 of advanced energy analytics technology, includ-
21 ing a reasonable rate of return on all such costs
22 incurred by the electric utility for the procure-
23 ment, deployment, or use of advanced energy
24 analytics technology, provided such technology
25 is used by the electric utility for purposes of re-

1 alizing operational efficiencies, cost savings, en-
2 hanced energy management and customer en-
3 gagement, improvements in system reliability,
4 safety, and cybersecurity, or other benefits to
5 ratepayers.

6 “(C) ADVANCED ENERGY ANALYTICS
7 TECHNOLOGY.—For purposes of this para-
8 graph, examples of advanced energy analytics
9 technology include Internet-based and cloud-
10 based computing solutions and subscription li-
11 censing models, including software as a service
12 that uses cyber-physical systems to allow the
13 correlation of data aggregated from appropriate
14 data sources and smart grid sensor networks,
15 employs analytics and machine learning, or em-
16 ploys other advanced computing solutions and
17 models.

18 “(22) ASSURING ELECTRIC RELIABILITY WITH
19 RELIABLE GENERATION.—

20 “(A) ASSURANCE OF ELECTRIC RELI-
21 ABILITY.—Each electric utility shall adopt or
22 modify policies to ensure that such electric util-
23 ity incorporates reliable generation into its inte-
24 grated resource plan to assure the availability

1 of electric energy over a 10-year planning pe-
2 riod.

3 “(B) RELIABLE GENERATION.—For pur-
4 poses of this paragraph, ‘reliable generation’
5 means electric generation facilities with reli-
6 ability attributes that include—

7 “(i)(I) possession of adequate fuel on-
8 site to enable operation for an extended pe-
9 riod of time;

10 “(II) the operational ability to gen-
11 erate electric energy from more than one
12 source; or

13 “(III) fuel certainty, through firm
14 contractual obligations, that ensures ade-
15 quate fuel supply to enable operation, for
16 an extended period of time, for the dura-
17 tion of an emergency or severe weather
18 conditions;

19 “(ii) operational characteristics that
20 enable the generation of electric energy for
21 the duration of an emergency or severe
22 weather conditions; and

23 “(iii) unless procured through other
24 procurement mechanisms, essential reli-

1 ability services, including frequency sup-
2 port and regulation services.”.

3 (2) COMPLIANCE.—

4 (A) TIME LIMITATIONS.—Section 112(b)
5 of the Public Utility Regulatory Policies Act of
6 1978 (16 U.S.C. 2622(b)) is amended by add-
7 ing at the end the following:

8 “(7)(A) Not later than 1 year after the date of
9 enactment of this paragraph, each State regulatory
10 authority (with respect to each electric utility for
11 which it has ratemaking authority) and each non-
12 regulated electric utility shall commence the consid-
13 eration referred to in section 111, or set a hearing
14 date for consideration, with respect to the standards
15 established by paragraphs (20) and (22) of section
16 111(d).

17 “(B) Not later than 2 years after the date of
18 the enactment of this paragraph, each State regu-
19 latory authority (with respect to each electric utility
20 for which it has ratemaking authority) and each
21 nonregulated electric utility shall complete the con-
22 sideration, and shall make the determination, re-
23 ferred to in section 111 with respect to each stand-
24 ard established by paragraphs (20) and (22) of sec-
25 tion 111(d).

1 “(8)(A) Not later than 6 months after the date
2 of enactment of this paragraph, each State regu-
3 latory authority (with respect to each electric utility
4 for which it has ratemaking authority) and each
5 nonregulated electric utility shall commence the con-
6 sideration referred to in section 111, or set a hear-
7 ing date for consideration, with respect to the stand-
8 ard established by paragraph (21) of section 111(d).

9 “(B) Not later than 1 year after the date of en-
10 actment of this paragraph, each State regulatory au-
11 thority (with respect to each electric utility for which
12 it has ratemaking authority) and each nonregulated
13 electric utility shall complete the consideration, and
14 shall make the determination, referred to in section
15 111 with respect to the standard established by
16 paragraph (21) of section 111(d).”.

17 (B) FAILURE TO COMPLY.—Section 112(c)
18 of the Public Utility Regulatory Policies Act of
19 1978 (16 U.S.C. 2622(c)) is amended by add-
20 ing the following at the end: “In the case of the
21 standards established by paragraphs (20)
22 through (22) of section 111(d), the reference
23 contained in this subsection to the date of en-
24 actment of this Act shall be deemed to be a ref-

1 erence to the date of enactment of such para-
2 graphs.”.

3 (C) PRIOR STATE ACTIONS.—Section 112
4 of the Public Utility Regulatory Policies Act of
5 1978 (16 U.S.C. 2622(d)) is amended by add-
6 ing at the end the following new subsection:

7 “(g) PRIOR STATE ACTIONS.—Subsections (b) and
8 (c) of this section shall not apply to a standard established
9 by paragraph (20), (21), or (22) of section 111(d) in the
10 case of any electric utility in a State if—

11 “(1) before the date of enactment of this sub-
12 section, the State has implemented for such utility
13 the standard concerned (or a comparable standard);

14 “(2) the State regulatory authority for such
15 State or relevant nonregulated electric utility has
16 conducted a proceeding to consider implementation
17 of the standard concerned (or a comparable stand-
18 ard) for such utility during the 3-year period ending
19 on the date of enactment of this subsection; or

20 “(3) the State legislature has voted on the im-
21 plementation of the standard concerned (or a com-
22 parable standard) for such utility during the 3-year
23 period ending on the date of enactment of this sub-
24 section.”.

1 (b) COVERAGE FOR COMPETITIVE MARKETS.—Sec-
2 tion 102 of the Public Utility Regulatory Policies Act of
3 1978 (16 U.S.C. 2612) is amended by adding at the end
4 the following:

5 “(d) The requirements of this title do not apply to
6 the operations of an electric utility, or to proceedings re-
7 specting such operations, to the extent that such oper-
8 ations or proceedings, or any portion thereof, relate to the
9 competitive sale of retail electric energy that is unbundled
10 or separated from the regulated provision or sale of dis-
11 tribution service.”.

12 **SEC. 1108. RELIABILITY ANALYSIS FOR CERTAIN RULES**
13 **THAT AFFECT ELECTRIC GENERATING FA-**
14 **CILITIES.**

15 (a) APPLICABILITY.—This section shall apply with
16 respect to any proposed or final covered rule issued by
17 a Federal agency for which compliance with the rule may
18 impact an electric utility generating unit or units, includ-
19 ing by resulting in closure or interruption to operations
20 of such a unit or units.

21 (b) RELIABILITY ANALYSIS.—

22 (1) ANALYSIS OF RULES.—The Federal Energy
23 Regulatory Commission, in consultation with the
24 Electric Reliability Organization, shall conduct an
25 independent reliability analysis of a proposed or final

1 covered rule under this section to evaluate the antici-
2 pated effects of implementation and enforcement of
3 the rule on—

4 (A) electric reliability and resource ade-
5 quacy;

6 (B) the electricity generation portfolio of
7 the United States;

8 (C) the operation of wholesale electricity
9 markets; and

10 (D) energy delivery and infrastructure, in-
11 cluding electric transmission facilities and nat-
12 ural gas pipelines.

13 (2) RELEVANT INFORMATION.—

14 (A) MATERIALS FROM FEDERAL AGEN-
15 CIES.—A Federal agency shall provide to the
16 Commission materials and information relevant
17 to the analysis required under paragraph (1)
18 for a rule, including relevant data, modeling,
19 and resource adequacy and reliability assess-
20 ments, prepared or relied upon by such agency
21 in developing the rule.

22 (B) ANALYSES FROM OTHER ENTITIES.—
23 The Electric Reliability Organization, regional
24 entities, regional transmission organizations,
25 independent system operators, and other reli-

1 ability coordinators and planning authorities
2 shall timely conduct analyses and provide such
3 information as may be reasonably requested by
4 the Commission.

5 (3) NOTICE.—A Federal agency shall provide to
6 the Commission notice of the issuance of any pro-
7 posed or final covered rule not later than 15 days
8 after the date of such issuance.

9 (c) PROPOSED RULES.—Not later than 150 days
10 after the date of publication in the Federal Register of
11 a proposed rule described in subsection (a), the Federal
12 Energy Regulatory Commission shall make available to
13 the public an analysis of the proposed rule conducted in
14 accordance with subsection (b), and any relevant special
15 assessment or seasonal or long-term reliability assessment
16 completed by the Electric Reliability Organization.

17 (d) FINAL RULES.—

18 (1) INCLUSION.—A final rule described in sub-
19 section (a) shall include, if available at the time of
20 issuance, a copy of the analysis conducted pursuant
21 to subsection (c) of the rule as proposed.

22 (2) ANALYSIS.—Not later than 120 days after
23 the date of publication in the Federal Register of a
24 final rule described in subsection (a), the Federal
25 Energy Regulatory Commission shall make available

1 to the public an analysis of the final rule conducted
2 in accordance with subsection (b), and any relevant
3 special assessment or seasonal or long-term reli-
4 ability assessment completed by the Electric Reli-
5 ability Organization.

6 (e) DEFINITIONS.—In this section:

7 (1) ELECTRIC RELIABILITY ORGANIZATION.—
8 The term “Electric Reliability Organization” has the
9 meaning given to such term in section 215(a) of the
10 Federal Power Act (16 U.S.C. 824o(a)).

11 (2) FEDERAL AGENCY.—The term “Federal
12 agency” means an agency, as that term is defined
13 in section 551 of title 5, United States Code.

14 (3) COVERED RULE.—The term “covered rule”
15 means a proposed or final rule that is estimated by
16 the Federal agency issuing the rule, or the Director
17 of the Office of Management and Budget, to result
18 in an annual effect on the economy of
19 \$1,000,000,000 or more.

20 **SEC. 1109. CARBON CAPTURE, UTILIZATION, AND SEQUES-**
21 **TRATION TECHNOLOGIES.**

22 (a) AMENDMENTS TO THE ENERGY POLICY ACT OF
23 2005.—

1 (1) FOSSIL ENERGY.—Section 961(a) of the
2 Energy Policy Act of 2005 (42 U.S.C. 16291(a)) is
3 amended by adding at the end the following:

4 “(8) Improving the conversion, use, and storage
5 of carbon dioxide produced from fossil fuels.”.

6 (2) COAL AND RELATED TECHNOLOGIES PRO-
7 GRAM.—Section 962(b)(1) of the Energy Policy Act
8 of 2005 (42 U.S.C. 16292(b)(1)) is amended—

9 (A) by striking “during each of calendar
10 years 2008, 2010, 2012, and 2016, and during
11 each fiscal year beginning after September 30,
12 2021,” and inserting “during each fiscal year
13 beginning after September 30, 2016,”;

14 (B) by inserting “allow for large-scale
15 demonstration and” after “technologies that
16 would”; and

17 (C) by inserting “commercial use,” after
18 “use of coal for”.

19 (b) INCREASED ACCOUNTABILITY WITH RESPECT TO
20 CARBON CAPTURE, UTILIZATION, AND SEQUESTRATION
21 PROJECTS.—

22 (1) DOE EVALUATION.—

23 (A) IN GENERAL.—The Secretary of En-
24 ergy (in this subsection referred to as the “Sec-
25 retary”) shall, in accordance with this sub-

1 section, annually conduct an evaluation, and
2 make recommendations, with respect to each
3 project conducted by the Secretary for research,
4 development, demonstration, or deployment of
5 carbon capture, utilization, and sequestration
6 technologies (also known as carbon capture and
7 storage and utilization technologies).

8 (B) SCOPE.—For purposes of this sub-
9 section, a project includes any contract, lease,
10 cooperative agreement, or other similar trans-
11 action with a public agency or private organiza-
12 tion or person, entered into or performed, or
13 any payment made, by the Secretary for re-
14 search, development, demonstration, or deploy-
15 ment of carbon capture, utilization, and seques-
16 tration technologies.

17 (2) REQUIREMENTS FOR EVALUATION.—In con-
18 ducting an evaluation of a project under this sub-
19 section, the Secretary shall—

20 (A) examine if the project has made ad-
21 vancements towards achieving any specific goal
22 of the project with respect to a carbon capture,
23 utilization, and sequestration technology; and

24 (B) evaluate and determine if the project
25 has made significant progress in advancing a

1 carbon capture, utilization, and sequestration
2 technology.

3 (3) RECOMMENDATIONS.—For each evaluation
4 of a project conducted under this subsection, if the
5 Secretary determines that—

6 (A) significant progress in advancing a
7 carbon capture, utilization, and sequestration
8 technology has been made, the Secretary shall
9 assess the funding of the project and make a
10 recommendation as to whether increased fund-
11 ing is necessary to advance the project; or

12 (B) significant progress in advancing a
13 carbon capture, utilization, and sequestration
14 technology has not been made, the Secretary
15 shall—

16 (i) assess the funding of the project
17 and make a recommendation as to whether
18 increased funding is necessary to advance
19 the project;

20 (ii) assess and determine if the project
21 has reached its full potential; and

22 (iii) make a recommendation as to
23 whether the project should continue.

24 (4) REPORTS.—

1 (A) REPORT ON EVALUATIONS AND REC-
2 OMMENDATIONS.—Not later than 2 years after
3 the date of enactment of this Act, and every 2
4 years thereafter, the Secretary shall—

5 (i) issue a report on the evaluations
6 conducted and recommendations made dur-
7 ing the previous year pursuant to this sub-
8 section; and

9 (ii) make each such report available
10 on the internet website of the Department
11 of Energy.

12 (B) REPORT.—Not later than 2 years after
13 the date of enactment of this Act, and every 3
14 years thereafter, the Secretary shall submit to
15 the Subcommittee on Energy and Power of the
16 Committee on Energy and Commerce of the
17 House of Representatives and the Committee
18 on Energy and Natural Resources of the Senate
19 a report on—

20 (i) the evaluations conducted and rec-
21 ommendations made during the previous 3
22 years pursuant to this subsection; and

23 (ii) the progress of the Department of
24 Energy in advancing carbon capture, utili-
25 zation, and sequestration technologies, in-

1 cluding progress in achieving the Depart-
2 ment of Energy’s goal of having an array
3 of advanced carbon capture and sequestra-
4 tion technologies ready by 2020 for large-
5 scale demonstration.

6 **SEC. 1110. RELIABILITY AND PERFORMANCE ASSURANCE**
7 **IN REGIONAL TRANSMISSION ORGANIZA-**
8 **TIONS.**

9 Part II of the Federal Power Act (16 U.S.C. 824 et
10 seq.), as amended by section 1104, is further amended by
11 adding after section 215A the following new section:

12 **“SEC. 215B. RELIABILITY AND PERFORMANCE ASSURANCE**
13 **IN REGIONAL TRANSMISSION ORGANIZA-**
14 **TIONS.**

15 “(a) EXISTING CAPACITY MARKETS.—

16 “(1) ANALYSIS CONCERNING CAPACITY MARKET
17 DESIGN.—Not later than 180 days after the date of
18 enactment of this section, each Regional Trans-
19 mission Organization, and each Independent System
20 Operator, that operates a capacity market, or a com-
21 parable market intended to ensure the procurement
22 and availability of sufficient future electric energy
23 resources, that is subject to the jurisdiction of the
24 Commission, shall provide to the Commission an

1 analysis of how the structure of such market meets
2 the following criteria:

3 “(A) The structure of such market utilizes
4 competitive market forces to the extent prac-
5 ticable in procuring capacity resources.

6 “(B) Consistent with subparagraph (A),
7 the structure of such market includes resource-
8 neutral performance criteria that ensure the
9 procurement of sufficient capacity from physical
10 generation facilities that have reliability at-
11 tributes that include—

12 “(i)(I) possession of adequate fuel on-
13 site to enable operation for an extended pe-
14 riod of time;

15 “(II) the operational ability to gen-
16 erate electric energy from more than one
17 fuel source; or

18 “(III) fuel certainty, through firm
19 contractual obligations, that ensures ade-
20 quate fuel supply to enable operation, for
21 an extended period of time, for the dura-
22 tion of an emergency or severe weather
23 conditions;

24 “(ii) operational characteristics that
25 enable the generation of electric energy for

1 the duration of an emergency or severe
2 weather conditions; and

3 “(iii) unless procured through other
4 markets or procurement mechanisms, es-
5 sential reliability services, including fre-
6 quency support and regulation services.

7 “(2) COMMISSION EVALUATION AND REPORT.—
8 Not later than 1 year after the date of enactment
9 of this section, the Commission shall make publicly
10 available, and submit to the Committee on Energy
11 and Commerce in the House of Representatives and
12 the Committee on Energy and Natural Resources in
13 the Senate, a report containing—

14 “(A) evaluation of whether the structure of
15 each market addressed in an analysis submitted
16 pursuant to paragraph (1) meets the criteria
17 under such paragraph, based on the analysis;
18 and

19 “(B) to the extent a market so addressed
20 does not meet such criteria, any recommenda-
21 tions with respect to the procurement of suffi-
22 cient capacity, as described in paragraph
23 (1)(B).

24 “(b) COMMISSION EVALUATION AND REPORT FOR
25 NEW SCHEDULES.—

1 “(1) INCLUSION OF ANALYSIS IN FILING.—Ex-
2 cept as provided in subsection (a)(2), whenever a
3 Regional Transmission Organization or Independent
4 System Operator files a new schedule under section
5 205 to establish a market described in subsection
6 (a)(1), or that substantially modifies the capacity
7 market design of a market described in subsection
8 (a)(1), the Regional Transmission Organization or
9 Independent System Operator shall include in any
10 such filing the analysis required by subsection
11 (a)(1).

12 “(2) EVALUATION AND REPORT.—Not later
13 than 180 days of receiving an analysis under para-
14 graph (1), the Commission shall make publicly avail-
15 able, and submit to the Committee on Energy and
16 Commerce in the House of Representatives and the
17 Committee on Energy and Natural Resources in the
18 Senate, a report containing—

19 “(A) an evaluation of whether the struc-
20 ture of the market addressed in the analysis
21 meets the criteria under subsection (a)(1),
22 based on the analysis; and

23 “(B) to the extent the market does not
24 meet such criteria, any recommendations with

1 respect to the procurement of sufficient capac-
2 ity, as described in subsection (a)(1)(B).

3 “(c) EFFECT ON EXISTING APPROVALS.—Nothing in
4 this section shall be considered to—

5 “(1) require a modification of the Commission’s
6 approval of the capacity market design approved
7 pursuant to docket numbers ER15–623–000, EL15–
8 29–000, EL14–52–000, and ER14–2419–000; or

9 “(2) provide grounds for the Commission to
10 grant rehearing or otherwise modify orders issued in
11 those dockets.”.

12 **Subtitle B—Energy Security and** 13 **Infrastructure Modernization**

14 **SEC. 1201. ENERGY SECURITY AND INFRASTRUCTURE MOD-** 15 **ERNIZATION FUND.**

16 (a) ESTABLISHMENT.—There is hereby established in
17 the Treasury of the United States a fund to be known
18 as the Energy Security and Infrastructure Modernization
19 Fund (referred to in this section as the “Fund”), con-
20 sisting of—

21 (1) collections deposited in the Fund under sub-
22 section (c); and

23 (2) amounts otherwise appropriated to the
24 Fund.

25 (b) PURPOSE.—The purpose of the Fund is—

1 (1) to provide for the construction, mainte-
2 nance, repair, and replacement of Strategic Petro-
3 leum Reserve facilities; and

4 (2) for carrying out non-Strategic Petroleum
5 Reserve projects needed to enhance the energy secu-
6 rity of the United States by increasing the resilience,
7 reliability, safety, and security of energy supply,
8 transmission, storage, or distribution infrastructure.

9 (c) COLLECTION AND DEPOSIT OF SALE PROCEEDS
10 IN FUND.—

11 (1) DRAWDOWN AND SALE.—Notwithstanding
12 section 161 of the Energy Policy and Conservation
13 Act (42 U.S.C. 6241), to the extent provided in ad-
14 vance in appropriation Acts, the Secretary of Energy
15 shall draw down and sell crude oil from the Stra-
16 tegic Petroleum Reserve in amounts as authorized
17 under subsection (e), except as provided in para-
18 graphs (2) and (3). Amounts received for a sale
19 under this subsection shall be deposited into the
20 Fund during the fiscal year in which the sale occurs.
21 Such amounts shall remain available in the Fund
22 without fiscal year limitation.

23 (2) EMERGENCY PROTECTION.—The Secretary
24 shall not draw down and sell crude oil under this
25 subsection in amounts that would limit the authority

1 to sell petroleum products under section 161(h) of
2 the Energy Policy and Conservation Act (42 U.S.C.
3 6241(h)) in the full amount authorized by that sub-
4 section.

5 (3) INVESTMENT PROTECTION.—The Secretary
6 shall not draw down and sell crude oil under this
7 subsection at a price lower than the average price
8 paid for oil in the Strategic Petroleum Reserve.

9 (d) AUTHORIZED USES OF FUND.—

10 (1) IN GENERAL.—Amounts in the Fund may
11 be used for, or may be credited as offsetting collec-
12 tions for amounts used for, carrying out the pro-
13 grams described in paragraphs (2) and (3), to the
14 extent provided in advance in appropriation Acts.

15 (2) PROGRAM TO MODERNIZE THE STRATEGIC
16 PETROLEUM RESERVE.—

17 (A) FINDINGS.—Congress finds the fol-
18 lowing:

19 (i) The Strategic Petroleum Reserve
20 is one of the Nation's most valuable energy
21 security assets.

22 (ii) The age and condition of the Stra-
23 tegic Petroleum Reserve have diminished
24 its value as a Federal energy security
25 asset.

1 (iii) Global oil markets and the loca-
2 tion and amount of United States oil pro-
3 duction and refining capacity have dra-
4 matically changed in the 40 years since the
5 establishment of the Strategic Petroleum
6 Reserve.

7 (iv) Maximizing the energy security
8 value of the Strategic Petroleum Reserve
9 requires a modernized infrastructure that
10 meets the drawdown and distribution needs
11 of changed domestic and international oil
12 and refining market conditions.

13 (B) REAFFIRMATION OF POLICY.—Con-
14 gress reaffirms the continuing strategic impor-
15 tance and need for the Strategic Petroleum Re-
16 serve as found and declared in section 151 of
17 the Energy Policy and Conservation Act (42
18 U.S.C. 6231).

19 (C) PROGRAM.—The Secretary of Energy
20 shall establish a Strategic Petroleum Reserve
21 modernization program to protect the United
22 States economy from the impacts of emergency
23 petroleum product supply disruptions. The pro-
24 gram shall include—

1 (i) operational improvements to ex-
2 tend the useful life of surface and sub-
3 surface infrastructure;

4 (ii) maintenance of cavern storage in-
5 tegrity; and

6 (iii) addition of infrastructure and fa-
7 cilities to maximize the drawdown and in-
8 cremental distribution capacity of the Stra-
9 tegic Petroleum Reserve.

10 (3) PROGRAM TO ENHANCE ELECTRIC INFRA-
11 STRUCTURE RESILIENCE, RELIABILITY, AND ENERGY
12 SECURITY.—

13 (A) PROGRAM.—The Secretary shall estab-
14 lish a competitive grant program to provide
15 grants to States, units of local government, and
16 Indian tribe economic development entities to
17 enhance energy security through measures for
18 electricity delivery infrastructure hardening and
19 enhanced resilience and reliability.

20 (B) PURPOSE OF GRANTS.—The Secretary
21 may make grants on a competitive basis to en-
22 able broader use of resiliency-related tech-
23 nologies, upgrades, and institutional measures
24 and practices designed to—

- 1 (i) improve the resilience, reliability,
2 and security of electricity delivery infra-
3 structure;
- 4 (ii) improve preparedness and restora-
5 tion time to mitigate power disturbances
6 resulting from physical and cyber attacks,
7 electromagnetic pulse attacks, geomagnetic
8 disturbances, seismic events, and severe
9 weather and other environmental stressors;
- 10 (iii) continue delivery of power to fa-
11 cilities critical to public health, safety, and
12 welfare, including hospitals, assisted living
13 facilities, and schools;
- 14 (iv) continue delivery of power to elec-
15 tricity-dependent essential services, includ-
16 ing fueling stations and pumps, wastewater
17 and sewage treatment facilities, gas pipe-
18 line infrastructure, communications sys-
19 tems, transportation services and systems,
20 and services provided by emergency first
21 responders; and
- 22 (v) enhance regional grid resilience
23 and the resilience of electricity-dependent
24 regional infrastructure.

1 (C) EXAMPLES.—Resiliency-related tech-
2 nologies, upgrades, and measures with respect
3 to which grants may be made under this para-
4 graph include—

5 (i) hardening, or other enhanced pro-
6 tection, of utility poles, wiring, cabling,
7 and other distribution components, facili-
8 ties, or structures;

9 (ii) advanced grid technologies capable
10 of isolating or repairing problems remotely,
11 such as advanced metering infrastructure,
12 high-tech sensors, grid monitoring and
13 control systems, and remote reconfigura-
14 tion and redundancy systems;

15 (iii) cybersecurity products and com-
16 ponents;

17 (iv) distributed generation, including
18 back-up generation to power critical facili-
19 ties and essential services, and related inte-
20 gration components, such as advanced in-
21 verter technology;

22 (v) microgrid systems, including hy-
23 brid microgrid systems for isolated commu-
24 nities;

25 (vi) combined heat and power;

1 (vii) waste heat resources;

2 (viii) non-grid-scale energy storage
3 technologies;

4 (ix) wiring, cabling, and other dis-
5 tribution components, including submers-
6 ible distribution components, and enclo-
7 sures;

8 (x) electronically controlled reclosers
9 and similar technologies for power restora-
10 tion, including emergency mobile sub-
11 stations, as defined in section 1105 of the
12 North American Energy Security and In-
13 frastructure Act of 2015;

14 (xi) advanced energy analytics tech-
15 nology, such as Internet-based and cloud-
16 based computing solutions and subscription
17 licensing models;

18 (xii) measures that enhance resilience
19 through planning, preparation, response,
20 and recovery activities;

21 (xiii) operational capabilities to en-
22 hance resilience through rapid response re-
23 covery; and

24 (xiv) measures to ensure availability
25 of key critical components through con-

1 tracts, cooperative agreements, stockpiling
2 and prepositioning, or other measures.

3 (D) IMPLEMENTATION.—Specific projects
4 or programs established, or to be established,
5 pursuant to awards provided under this para-
6 graph shall be implemented through the States
7 by public and publicly regulated entities on a
8 cost-shared basis.

9 (E) COOPERATION.—In carrying out
10 projects or programs established, or to be estab-
11 lished, pursuant to awards provided under this
12 paragraph, award recipients shall cooperate, as
13 applicable, with—

- 14 (i) State public utility commissions;
- 15 (ii) State energy offices;
- 16 (iii) electric infrastructure owners and
17 operators; and
- 18 (iv) other entities responsible for
19 maintaining electric reliability.

20 (F) DATA AND METRICS.—

21 (i) IN GENERAL.—To the extent prac-
22 ticable, award recipients shall utilize the
23 most current data, metrics, and frame-
24 works related to—

1 (I) electricity delivery infrastruc-
2 ture hardening and enhancing resil-
3 ience and reliability; and

4 (II) current and future threats,
5 including physical and cyber attacks,
6 electromagnetic pulse, geomagnetic
7 disturbances, seismic events, and se-
8 vere weather and other environmental
9 stressors.

10 (ii) METRICS.—Award recipients shall
11 demonstrate to the Secretary with measur-
12 able and verifiable data how the deploy-
13 ment of resiliency-related technologies, up-
14 grades, and technologies achieve improve-
15 ments in the resiliency and recovery of
16 electricity delivery infrastructure and re-
17 lated services, including a comparison of
18 data collected before and after deployment.
19 Metrics for demonstrating improvements in
20 resiliency and recovery may include—

21 (I) power quality during power
22 disturbances when delivered power
23 does not meet power quality require-
24 ments of the customer;

1 (II) duration of customer inter-
2 ruptions;

3 (III) number of customers im-
4 pacted;

5 (IV) cost impacts, including busi-
6 ness and other economic losses;

7 (V) impacts on electricity-depend-
8 ent essential services and critical fa-
9 cilities; and

10 (VI) societal impacts.

11 (iii) FURTHERING ENERGY ASSUR-
12 ANCE PLANS.—Award recipients shall dem-
13 onstrate to the Secretary how projects or
14 programs established, or to be established,
15 pursuant to awards provided under this
16 paragraph further applicable State and
17 local energy assurance plans.

18 (G) MATCHING CONTRIBUTIONS.—The
19 Secretary may not make a grant under this
20 paragraph unless the applicant agrees to make
21 available non-Federal contributions (which may
22 include in-kind contributions) in an amount not
23 less than 50 percent of the Federal contribu-
24 tion.

1 (e) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated (and drawdowns and
3 sales under subsection (c) in an equal amount are author-
4 ized)—

5 (1) for carrying out subsection (d)(2),
6 \$500,000,000 for the period encompassing fiscal
7 years 2017 through 2020; and

8 (2) for carrying out subsection (d)(4),
9 \$250,000,000 for the period encompassing fiscal
10 years 2017 through 2020, of which not more than
11 5 percent may be used for administrative expenses.

12 (f) TRANSMISSION OF DEPARTMENT BUDGET RE-
13 QUESTS.—The Secretary of Energy shall prepare and sub-
14 mit in the Department’s annual budget request to Con-
15 gress—

16 (1) an itemization of the amounts of funds nec-
17 essary to carry out subsection (d); and

18 (2) a designation of any activities thereunder
19 for which a multiyear budget authority would be ap-
20 propriate.

21 (g) SUNSET.—The authority of the Secretary to
22 drawdown and sell crude oil from the Strategic Petroleum
23 Reserve under this section shall expire at the end of fiscal
24 year 2020.

1 **Subtitle C—Hydropower**
2 **Regulatory Modernization**

3 **SEC. 1301. HYDROELECTRIC PRODUCTION AND EFFI-**
4 **CIENCY INCENTIVES.**

5 (a) HYDROELECTRIC PRODUCTION INCENTIVES.—

6 Section 242 of the Energy Policy Act of 2005 (42
7 U.S.C.15881) is amended—

8 (1) in subsection (c), by striking “10” and in-
9 serting “20”;

10 (2) in subsection (f), by striking “20” and in-
11 serting “30”; and

12 (3) in subsection (g), by striking “each of the
13 fiscal years 2006 through 2015” and inserting “each
14 of fiscal years 2016 through 2025”.

15 (b) HYDROELECTRIC EFFICIENCY IMPROVEMENT.—

16 Section 243(c) of the Energy Policy Act of 2005 (42
17 U.S.C. 15882(c)) is amended by striking “each of the fis-
18 cal years 2006 through 2015” and inserting “each of fis-
19 cal years 2016 through 2025”.

20 **SEC. 1302. PROTECTION OF PRIVATE PROPERTY RIGHTS IN**
21 **HYDROPOWER LICENSING.**

22 (a) LICENCES.—Section 4(e) of the Federal Power
23 Act (16 U.S.C. 797(e)) is amended—

24 (1) by striking “and” after “recreational oppor-
25 tunities,”; and

1 the good faith, due diligence, and public interest require-
2 ments of that section and the Commission's procedures
3 under that section, extend the time period during which
4 the licensee is required to commence the construction of
5 the project for up to 3 consecutive 2-year periods from
6 the date of the expiration of the extension originally issued
7 by the Commission.

8 (b) REINSTATEMENT OF EXPIRED LICENSE.—If the
9 period required for commencement of construction of the
10 project described in subsection (a) has expired prior to the
11 date of the enactment of this Act, the Commission may
12 reinstate the license effective as of the date of its expira-
13 tion and the first extension authorized under subsection
14 (a) shall take effect on the date of such expiration.

15 **SEC. 1304. PROMOTING HYDROPOWER DEVELOPMENT AT**
16 **EXISTING NONPOWERED DAMS.**

17 Part I of the Federal Power Act (16 U.S.C. 792 et
18 seq.) is amended by adding at the end the following:

19 **“SEC. 34. PROMOTING HYDROPOWER DEVELOPMENT AT**
20 **EXISTING NONPOWERED DAMS.**

21 **“(a) EXEMPTIONS FOR QUALIFYING FACILITIES.—**

22 **“(1) EXEMPTION QUALIFICATIONS.—**Subject to
23 the requirements of this subsection, the Commission
24 may grant an exemption in whole or in part from
25 the requirements of this part, including any license

1 requirements contained in this part, to any facility
2 the Commission determines is a qualifying facility.

3 “(2) CONSULTATION WITH FEDERAL AND
4 STATE AGENCIES.—In granting any exemption under
5 this subsection, the Commission shall consult with—

6 “(A) the United States Fish and Wildlife
7 Service, the National Marine Fisheries Service,
8 and the State agency exercising administrative
9 control over the fish and wildlife resources of
10 the State in which the facility will be located,
11 in the manner provided by the Fish and Wild-
12 life Coordination Act;

13 “(B) any Federal department supervising
14 any public lands or reservations occupied by the
15 project; and

16 “(C) any Indian tribe affected by the
17 project.

18 “(3) EXEMPTION CONDITIONS.—

19 “(A) IN GENERAL.—The Commission shall
20 include in any exemption granted under this
21 subsection only such terms and conditions that
22 the Commission determines are—

23 “(i) necessary to protect public safety;

24 or

1 “(ii) reasonable, economically feasible,
2 and essential to prevent loss of or damage
3 to, or to mitigate adverse effects on, fish
4 and wildlife resources directly caused by
5 the construction and operation of the
6 qualifying facility, as compared to the envi-
7 ronmental baseline existing at the time the
8 Commission grants the exemption.

9 “(B) NO CHANGES TO RELEASE RE-
10 GIME.—No Federal authorization required with
11 respect to a qualifying facility described in
12 paragraph (1), including an exemption granted
13 by the Commission under this subsection, may
14 include any condition or other requirement that
15 results in any material change to the storage,
16 control, withdrawal, diversion, release, or flow
17 operations of the associated qualifying nonpow-
18 ered dam.

19 “(4) ENVIRONMENTAL REVIEW.—The Commis-
20 sion’s environmental review under the National En-
21 vironmental Policy Act of 1969 of a proposed ex-
22 emption under this subsection shall consist only of
23 an environmental assessment, unless the Commis-
24 sion determines, by rule or order, that the Commis-
25 sion’s obligations under such Act for granting ex-

1 emptions under this subsection can be met through
2 a categorical exclusion.

3 “(5) VIOLATION OF TERMS OF EXEMPTION.—
4 Any violation of a term or condition of any exemp-
5 tion granted under this subsection shall be treated
6 as a violation of a rule or order of the Commission
7 under this Act.

8 “(6) ANNUAL CHARGES FOR ENHANCEMENT
9 ACTIVITIES.—Exemptees under this subsection for
10 any facility located at a non-Federal dam shall pay
11 to the United States reasonable annual charges in
12 an amount to be fixed by the Commission for the
13 purpose of funding environmental enhancement
14 projects in watersheds in which facilities exempted
15 under this subsection are located. Such annual
16 charges shall be equivalent to the annual charges for
17 use of a Government dam under section 10(e), un-
18 less the Commission determines, by rule, that a
19 lower charge is appropriate to protect exemptees’ in-
20 vestment in the project or avoid increasing the price
21 to consumers of power due to such charges. The pro-
22 ceeds of charges made by the Commission under this
23 paragraph shall be paid into the Treasury of the
24 United States and credited to miscellaneous receipts.
25 Subject to annual appropriation Acts, such proceeds

1 shall be available to Federal and State fish and wild-
2 life agencies for purposes of carrying out specific en-
3 vironmental enhancement projects in watersheds in
4 which one or more facilities exempted under this
5 subsection are located. Not later than 180 days after
6 the date of enactment of this section, the Commis-
7 sion shall establish rules, after notice and oppor-
8 tunity for public comment, for the collection and ad-
9 ministration of annual charges under this para-
10 graph.

11 “(7) EFFECT OF JURISDICTION.—The jurisdic-
12 tion of the Commission over any qualifying facility
13 exempted under this subsection shall extend only to
14 the qualifying facility exempted and any associated
15 primary transmission line, and shall not extend to
16 any conduit, dam, impoundment, shoreline or other
17 land, or any other project work associated with the
18 qualifying facility exempted under this subsection.

19 “(b) DEFINITIONS.—For purposes of this section—

20 “(1) FEDERAL AUTHORIZATION.—The term
21 ‘Federal authorization’—

22 “(A) means any authorization required
23 under Federal law with respect to an applica-
24 tion for a license, license amendment, or exemp-
25 tion under this part; and

1 “(B) includes any permits, special use au-
2 thorizations, certifications, opinions, or other
3 approvals as may be required under Federal law
4 to approve or implement the license, license
5 amendment, or exemption under this part.

6 “(2) QUALIFYING CRITERIA.—The term ‘quali-
7 fying criteria’ means, with respect to a facility—

8 “(A) as of the date of enactment of this
9 section, the facility is not licensed under, or ex-
10 empted from the license requirements contained
11 in, this part;

12 “(B) the facility will be associated with a
13 qualifying nonpowered dam;

14 “(C) the facility will be constructed, oper-
15 ated, and maintained for the generation of elec-
16 tric power;

17 “(D) the facility will use for such genera-
18 tion any withdrawals, diversions, releases, or
19 flows from the associated qualifying nonpow-
20 ered dam, including its associated impoundment
21 or other infrastructure; and

22 “(E) the operation of the facility will not
23 result in any material change to the storage,
24 control, withdrawal, diversion, release, or flow

1 operations of the associated qualifying nonpow-
2 ered dam.

3 “(3) QUALIFYING FACILITY.—The term ‘quali-
4 fying facility’ means a facility that is determined
5 under this section to meet the qualifying criteria.

6 “(4) QUALIFYING NONPOWERED DAM.—The
7 term ‘qualifying nonpowered dam’ means any dam,
8 dike, embankment, or other barrier—

9 “(A) the construction of which was com-
10 pleted on or before the date of enactment of
11 this section;

12 “(B) that is operated for the control, re-
13 lease, or distribution of water for agricultural,
14 municipal, navigational, industrial, commercial,
15 environmental, recreational, aesthetic, or flood
16 control purposes;

17 “(C) that, as of the date of enactment of
18 this section, is not equipped with hydropower
19 generating works that are licensed under, or ex-
20 empted from the license requirements contained
21 in, this part; and

22 “(D) that, in the case of a non-Federal
23 dam, has been certified by an independent con-
24 sultant approved by the Commission as com-

1 plying with the Commission’s dam safety re-
2 quirements.”.

3 **TITLE II—21ST CENTURY**
4 **WORKFORCE**

5 **SEC. 2001. ENERGY AND MANUFACTURING WORKFORCE DE-**
6 **VELOPMENT.**

7 (a) IN GENERAL.—The Secretary of Energy (in this
8 section referred to as the “Secretary”) shall establish and
9 carry out a comprehensive program to improve education
10 and training for energy and manufacturing-related jobs in
11 order to increase the number of skilled workers trained
12 to work in energy and manufacturing-related fields, in-
13 cluding by—

14 (1) encouraging underrepresented groups, in-
15 cluding religious and ethnic minorities, women, vet-
16 erans, individuals with disabilities, and
17 socioeconomically disadvantaged individuals to enter
18 into the science, technology, engineering, and mathe-
19 matics (in this section referred to as “STEM”)
20 fields;

21 (2) encouraging the Nation’s education system
22 to equip students with the skills, mentorships, train-
23 ing, and technical expertise necessary to fill the em-
24 ployment opportunities vital to managing and oper-

1 ating the Nation's energy and manufacturing indus-
2 tries;

3 (3) providing students and other candidates for
4 employment with the necessary skills and certifi-
5 cations for skilled, semiskilled, and highly skilled en-
6 ergy and manufacturing-related jobs; and

7 (4) strengthening and more fully engaging De-
8 partment of Energy programs and labs in carrying
9 out the Department's Minorities in Energy Initia-
10 tive.

11 (b) **PRIORITY.**—The Secretary shall make educating
12 and training underrepresented groups for energy and
13 manufacturing-related jobs a national priority under the
14 program established under subsection (a).

15 (c) **DIRECT ASSISTANCE.**—In carrying out the pro-
16 gram established under subsection (a), the Secretary shall
17 provide direct assistance (including financial assistance
18 awards, technical expertise, wraparound services, career
19 coaching, mentorships, internships, and partnerships) to
20 schools, community colleges, workforce development orga-
21 nizations, nonprofit organizations, labor organizations, ap-
22 prenticeship programs, and minority serving institutions.
23 The Secretary shall distribute direct assistance in a man-
24 ner proportional to energy and manufacturing industry

1 needs and demand for jobs, consistent with information
2 obtained under subsections (e)(3) and (i).

3 (d) CLEARINGHOUSE.—In carrying out the program
4 established under subsection (a), the Secretary shall estab-
5 lish a clearinghouse to—

6 (1) maintain and update information and re-
7 sources on training and workforce development pro-
8 grams for energy and manufacturing-related jobs,
9 including job training and workforce development
10 programs available to assist displaced and unem-
11 ployed energy and manufacturing workers
12 transitioning to new employment; and

13 (2) act as a resource, and provide guidance, for
14 schools, community colleges, universities (including
15 minority serving institutions), workforce develop-
16 ment programs, labor management organizations,
17 and industry organizations that would like to de-
18 velop and implement energy and manufacturing-re-
19 lated training programs.

20 (e) COLLABORATION.—In carrying out the program
21 established under subsection (a), the Secretary—

22 (1) shall collaborate with schools, community
23 colleges, universities (including minority serving in-
24 stitutions), workforce training organizations, na-
25 tional laboratories, unions, State energy offices,

1 workforce investment boards, and the energy and
2 manufacturing industries;

3 (2) shall encourage and foster collaboration,
4 mentorships, and partnerships among organizations
5 (including unions, industry, schools, community col-
6 leges, workforce development organizations, and col-
7 leges and universities) that currently provide effec-
8 tive job training programs in the energy and manu-
9 facturing fields and institutions (including schools,
10 community colleges, workforce development pro-
11 grams, and colleges and universities) that seek to es-
12 tablish these types of programs in order to share
13 best practices and approaches that best suit local,
14 State, and national needs; and

15 (3) shall collaborate with the Bureau of Labor
16 Statistics, the Department of Commerce, the Bureau
17 of the Census, and the energy and manufacturing
18 industries to develop a comprehensive and detailed
19 understanding of the energy and manufacturing
20 workforce needs and opportunities by State and by
21 region, and publish an annual report on energy and
22 manufacturing job creation by the sectors enumer-
23 ated in subsection (i).

24 (f) GUIDELINES FOR EDUCATIONAL INSTITU-
25 TIONS.—

1 (1) IN GENERAL.—In carrying out the program
2 established under subsection (a), the Secretary, in
3 collaboration with the Secretary of Education, the
4 Secretary of Commerce, the Secretary of Labor, the
5 National Science Foundation, and industry shall de-
6 velop voluntary guidelines and best practices for
7 educational institutions of all levels, including for el-
8 ementary and secondary schools and community col-
9 leges and for undergraduate, graduate, and post-
10 graduate university programs, to help provide grad-
11 uates with the skills necessary to work in energy and
12 manufacturing-related jobs.

13 (2) INPUT.—The Secretary shall solicit input
14 from the oil, gas, coal, renewable, nuclear, utility,
15 energy-intensive and advanced manufacturing, and
16 pipeline industries in developing guidelines under
17 paragraph (1).

18 (3) ENERGY AND MANUFACTURING EFFICIENCY
19 AND CONSERVATION INITIATIVES.—The guidelines
20 developed under paragraph (1) shall include grade-
21 specific guidelines for teaching energy and manufac-
22 turing efficiency and conservation initiatives to edu-
23 cate students and families.

24 (4) STEM EDUCATION.—The guidelines devel-
25 oped under paragraph (1) shall promote STEM edu-

1 cation as it relates to job opportunities in energy
2 and manufacturing-related fields of study in schools,
3 community colleges, and universities nationally.

4 (g) OUTREACH TO MINORITY SERVING INSTITU-
5 TIONS.—In carrying out the program established under
6 subsection (a), the Secretary shall—

7 (1) give special consideration to increasing out-
8 reach to minority serving institutions (including his-
9 torically black colleges and universities, predomi-
10 nantly black institutions, Hispanic serving institu-
11 tions, and tribal institutions);

12 (2) make resources available to minority serving
13 institutions with the objective of increasing the num-
14 ber of skilled minorities and women trained to go
15 into the energy and manufacturing sectors;

16 (3) encourage industry to improve the opportu-
17 nities for students of minority serving institutions to
18 participate in industry internships and cooperative
19 work/study programs; and

20 (4) partner with the Department of Energy lab-
21 oratories to increase underrepresented groups' par-
22 ticipation in internships, fellowships, traineeships,
23 and employment at all Department of Energy lab-
24 oratories.

1 (h) OUTREACH TO DISPLACED AND UNEMPLOYED
2 ENERGY AND MANUFACTURING WORKERS.—In carrying
3 out the program established under subsection (a), the Sec-
4 retary shall—

5 (1) give special consideration to increasing out-
6 reach to employers and job trainers preparing dis-
7 placed and unemployed energy and manufacturing
8 workers for emerging energy and manufacturing
9 jobs;

10 (2) make resources available to institutions
11 serving displaced and unemployed energy and manu-
12 facturing workers with the objective of training indi-
13 viduals to re-enter the energy and manufacturing
14 workforce;

15 (3) encourage the energy and manufacturing in-
16 dustries to improve opportunities for displaced and
17 unemployed energy and manufacturing workers to
18 participate in internships and cooperative work/study
19 programs; and

20 (4) work closely with the energy and manufac-
21 turing industries to identify energy and manufac-
22 turing operations, such as coal-fired power plants
23 and coal mines, scheduled for closure and to provide
24 early intervention assistance to workers employed at
25 such energy and manufacturing operations by—

1 (A) giving special consideration to employ-
2 ers and job trainers preparing such workers for
3 emerging energy and manufacturing jobs;

4 (B) making resources available to institu-
5 tions serving such workers with the objective of
6 training them to re-enter the energy and manu-
7 facturing workforce; and

8 (C) encouraging the energy and manufac-
9 turing industries to improve opportunities for
10 such workers to participate in internships and
11 cooperative work study programs.

12 (i) GUIDELINES TO DEVELOP SKILLS FOR AN EN-
13 ERGY AND MANUFACTURING INDUSTRY WORKFORCE.—In
14 carrying out the program established under subsection (a),
15 the Secretary shall collaborate with representatives from
16 the energy and manufacturing industries (including the
17 oil, gas, coal, nuclear, utility, pipeline, renewable, petro-
18 chemical, manufacturing, and electrical construction sec-
19 tors) to identify the areas of highest need in each sector
20 and to develop guidelines for the skills necessary to de-
21 velop a workforce trained to go into the following sectors
22 of the energy and manufacturing sectors:

23 (1) Energy efficiency industry, including work
24 in energy efficiency, conservation, weatherization, or
25 retrofitting, or as inspectors or auditors.

1 (2) Pipeline industry, including work in pipeline
2 construction and maintenance or work as engineers
3 or technical advisors.

4 (3) Utility industry, including work in the gen-
5 eration, transmission, and distribution of electricity
6 and natural gas, such as utility technicians, opera-
7 tors, lineworkers, engineers, scientists, and informa-
8 tion technology specialists.

9 (4) Alternative fuels, including work in biofuel
10 development and production.

11 (5) Nuclear industry, including work as sci-
12 entists, engineers, technicians, mathematicians, or
13 security personnel.

14 (6) Oil and gas industry, including work as sci-
15 entists, engineers, technicians, mathematicians, pe-
16 trochemical engineers, or geologists.

17 (7) Renewable industry, including work in the
18 development, manufacturing, and production of re-
19 newable energy sources (such as solar, hydropower,
20 wind, or geothermal energy).

21 (8) Coal industry, including work as coal min-
22 ers, engineers, developers and manufacturers of
23 state-of-the-art coal facilities, technology vendors,
24 coal transportation workers and operators, or mining
25 equipment vendors.

1 (9) Manufacturing industry, including work as
2 operations technicians, operations and design in ad-
3 ditive manufacturing, 3–D printing, advanced com-
4 posites, and advanced aluminum and other metal al-
5 loys, industrial energy efficiency management sys-
6 tems, including power electronics, and other innova-
7 tive technologies.

8 (10) Chemical manufacturing industry, includ-
9 ing work in construction (such as welders, pipe-
10 fitters, and tool and die makers) or as instrument
11 and electrical technicians, machinists, chemical proc-
12 ess operators, chemical engineers, quality and safety
13 professionals, and reliability engineers.

14 (j) ENROLLMENT IN TRAINING AND APPRENTICE-
15 SHIP PROGRAMS.—In carrying out the program estab-
16 lished under subsection (a), the Secretary shall work with
17 industry, organized labor, and community-based workforce
18 organizations to help identify students and other can-
19 didates, including from underrepresented communities
20 such as minorities, women, and veterans, to enroll into
21 training and apprenticeship programs for energy and
22 manufacturing-related jobs.

1 **TITLE III—ENERGY SECURITY**
2 **AND DIPLOMACY**

3 **SEC. 3001. SENSE OF CONGRESS.**

4 Congress finds the following:

5 (1) North America’s energy revolution has sig-
6 nificantly enhanced energy security in the United
7 States, and fundamentally changed the Nation’s en-
8 ergy future from that of scarcity to abundance.

9 (2) North America’s energy abundance has in-
10 creased global energy supplies and reduced the price
11 of energy for consumers in the United States and
12 abroad.

13 (3) Allies and trading partners of the United
14 States, including in Europe and Asia, are seeking
15 stable and affordable energy supplies from North
16 America to enhance their energy security.

17 (4) The United States has an opportunity to
18 improve its energy security and promote greater sta-
19 bility and affordability of energy supplies for its al-
20 lies and trading partners through a more integrated,
21 secure, and competitive North American energy sys-
22 tem.

23 (5) The United States also has an opportunity
24 to promote such objectives by supporting the free
25 flow of energy commodities and more open, trans-

1 parent, and competitive global energy markets, and
2 through greater Federal agency coordination relating
3 to regulations or agency actions that significantly af-
4 fect the supply, distribution, or use of energy.

5 **SEC. 3002. ENERGY SECURITY VALUATION.**

6 (a) ESTABLISHMENT OF ENERGY SECURITY VALU-
7 ATION METHODS.—Not later than one year after the date
8 of enactment of this Act, the Secretary of Energy, in col-
9 laboration with the Secretary of State, shall develop and
10 transmit, after public notice and comment, to the Com-
11 mittee on Energy and Commerce and the Committee on
12 Foreign Affairs of the House of Representatives and the
13 Committee on Energy and Natural Resources and the
14 Committee on Foreign Relations of the Senate a report
15 that develops recommended United States energy security
16 valuation methods. In developing the report, the Secre-
17 taries may consider the recommendations of the Adminis-
18 tration’s Quadrennial Energy Review released on April 21,
19 2015. The report shall—

20 (1) evaluate and define United States energy
21 security to reflect modern domestic and global en-
22 ergy markets and the collective needs of the United
23 States and its allies and partners;

24 (2) identify transparent and uniform or coordi-
25 nated procedures and criteria to ensure that energy-

1 related actions that significantly affect the supply,
2 distribution, or use of energy are evaluated with re-
3 spect to their potential impact on energy security,
4 including their impact on—

5 (A) consumers and the economy;

6 (B) energy supply diversity and resiliency;

7 (C) well-functioning and competitive en-
8 ergy markets;

9 (D) United States trade balance; and

10 (E) national security objectives; and

11 (3) include a recommended implementation
12 strategy that identifies and aims to ensure that the
13 procedures and criteria referred to in paragraph (2)
14 are—

15 (A) evaluated consistently across the Fed-
16 eral Government; and

17 (B) weighed appropriately and balanced
18 with environmental considerations required by
19 Federal law.

20 (b) PARTICIPATION.—In developing the report re-
21 ferred to in subsection (a), the Secretaries may consult
22 with relevant Federal, State, private sector, and inter-
23 national participants, as appropriate and consistent with
24 applicable law.

1 **SEC. 3003. NORTH AMERICAN ENERGY SECURITY PLAN.**

2 (a) REQUIREMENT.—Not later than one year after
3 the date of enactment of this Act, the Secretary of Energy,
4 in collaboration with the Secretary of State, shall develop
5 and transmit to the Committee on Energy and Commerce
6 and the Committee on Foreign Affairs of the House of
7 Representatives and the Committee on Energy and Nat-
8 ural Resources and the Committee on Foreign Relations
9 of the Senate the plan described in subsection (b).

10 (b) PURPOSE.—The plan referred to in subsection (a)
11 shall include—

12 (1) a recommended framework and implementa-
13 tion strategy to—

14 (A) improve planning and coordination
15 with Canada and Mexico to enhance energy in-
16 tegration, strengthen North American energy
17 security, and promote efficiencies in the explo-
18 ration, production, storage, supply, distribution,
19 marketing, pricing, and regulation of North
20 American energy resources; and

21 (B) address—

22 (i) North American energy public
23 data, statistics, and mapping collaboration;

24 (ii) responsible and sustainable best
25 practices for the development of unconven-
26 tional oil and natural gas; and

1 (iii) modern, resilient energy infra-
2 structure for North America, including
3 physical infrastructure as well as institu-
4 tional infrastructure such as policies, regu-
5 lations, and practices relating to energy de-
6 velopment; and

7 (2) a recommended framework and implementa-
8 tion strategy to improve collaboration with Carib-
9 bean and Central American partners on energy secu-
10 rity, including actions to support—

11 (A) more open, transparent, and competi-
12 tive energy markets;

13 (B) regulatory capacity building;

14 (C) improvements to energy transmission
15 and storage; and

16 (D) improvements to the performance of
17 energy infrastructure and efficiency.

18 (c) PARTICIPATION.—In developing the plan referred
19 to in subsection (a), the Secretaries may consult with
20 other Federal, State, private sector, and international par-
21 ticipants, as appropriate and consistent with applicable
22 law.

23 **SEC. 3004. COLLECTIVE ENERGY SECURITY.**

24 (a) IN GENERAL.—The Secretary of Energy and the
25 Secretary of State shall collaborate to strengthen domestic

1 energy security and the energy security of the allies and
2 trading partners of the United States, including through
3 actions that support or facilitate—

4 (1) energy diplomacy;

5 (2) the delivery of United States assistance, in-
6 cluding energy resources and technologies, to pre-
7 vent or mitigate an energy security crisis;

8 (3) the development of environmentally and
9 commercially sustainable energy resources;

10 (4) open, transparent, and competitive energy
11 markets; and

12 (5) regulatory capacity building.

13 (b) ENERGY SECURITY FORUMS.—Not later than one
14 year after the date of enactment of this Act, the Secretary
15 of Energy, in collaboration with the Secretary of State,
16 shall convene not less than 2 forums to promote the collec-
17 tive energy security of the United States and its allies and
18 trading partners. The forums shall include participation
19 by the Secretary of Energy and the Secretary of State.
20 In addition, an invitation shall be extended to—

21 (1) appropriate representatives of foreign gov-
22 ernments that are allies or trading partners of the
23 United States; and

24 (2) independent experts and industry represent-
25 atives.

1 (c) REQUIREMENTS.—The forums shall—

2 (1) consist of at least one Trans-Atlantic and
3 one Trans-Pacific energy security forum;

4 (2) be designed to foster dialogue among gov-
5 ernment officials, independent experts, and industry
6 representatives regarding—

7 (A) the current state of global energy mar-
8 kets;

9 (B) trade and investment issues relevant to
10 energy; and

11 (C) barriers to more open, competitive, and
12 transparent energy markets; and

13 (3) be recorded and made publically available
14 on the Department of Energy's website, including,
15 not later than 30 days after each forum, publication
16 on the website any significant outcomes.

17 (d) NOTIFICATION.—At least 30 days before each of
18 the forums referred to in subsection (b), the Secretary of
19 Energy shall send a notification regarding the forum to—

20 (1) the chair and the ranking minority member
21 of the Committee on Energy and Commerce and the
22 Committee on Foreign Affairs of the House of Rep-
23 resentatives; and

24 (2) the chair and ranking minority member of
25 the Committee on Energy and Natural Resources

1 and the Committee on Foreign Relations of the Sen-
2 ate.

3 **SEC. 3005. STRATEGIC PETROLEUM RESERVE MISSION**
4 **READINESS PLAN.**

5 Not later than 180 days after the date of enactment
6 of this Act, the Secretary of Energy shall conduct a long-
7 range strategic review of the Strategic Petroleum Reserve
8 and develop and transmit to Congress a plan that includes
9 an analysis and implementation schedule that—

10 (1) specifies near-term and long-term roles of
11 the Strategic Petroleum Reserve relative to United
12 States energy security and economic goals and objec-
13 tives;

14 (2) describes existing legal authorities gov-
15 erning the policies, configuration, and capabilities of
16 the Strategic Petroleum Reserve;

17 (3) identifies Strategic Petroleum Reserve con-
18 figuration and performance capabilities and rec-
19 ommends an action plan to achieve the optimal—

20 (A) capacity, location, and composition of
21 petroleum products in the Reserve; and

22 (B) storage and distributional capabilities;
23 and

24 (4) estimates the resources required to attain
25 and maintain the Strategic Petroleum Reserve's

1 long-term sustainability and operational effective-
2 ness.

3 **SEC. 3006. AUTHORIZATION TO EXPORT NATURAL GAS.**

4 (a) **DECISION DEADLINE.**—For proposals that must
5 also obtain authorization from the Federal Energy Regu-
6 latory Commission or the United States Maritime Admin-
7 istration to site, construct, expand, or operate LNG export
8 facilities, the Department of Energy shall issue a final de-
9 cision on any application for the authorization to export
10 natural gas under section 3 of the Natural Gas Act (15
11 U.S.C. 717b) not later than 30 days after the later of—

12 (1) the conclusion of the review to site, con-
13 struct, expand, or operate the LNG facilities re-
14 quired by the National Environmental Policy Act of
15 1969 (42 U.S.C. 4321 et seq.); or

16 (2) the date of enactment of this Act.

17 (b) **CONCLUSION OF REVIEW.**—For purposes of sub-
18 section (a), review required by the National Environ-
19 mental Policy Act of 1969 shall be considered concluded—

20 (1) for a project requiring an Environmental
21 Impact Statement, 30 days after publication of a
22 Final Environmental Impact Statement;

23 (2) for a project for which an Environmental
24 Assessment has been prepared, 30 days after publi-

1 cation by the Department of Energy of a Finding of
2 No Significant Impact; and

3 (3) upon a determination by the lead agency
4 that an application is eligible for a categorical exclu-
5 sion pursuant to National Environmental Policy Act
6 of 1969 implementing regulations.

7 (c) PUBLIC DISCLOSURE OF EXPORT DESTINA-
8 TIONS.—Section 3 of the Natural Gas Act (15 U.S.C.
9 717b) is amended by adding at the end the following:

10 “(g) PUBLIC DISCLOSURE OF LNG EXPORT DES-
11 TINATIONS.—As a condition for approval of any authoriza-
12 tion to export LNG, the Secretary of Energy shall require
13 the applicant to publicly disclose the specific destination
14 or destinations of any such authorized LNG exports.”.

15 **TITLE IV—ENERGY EFFICIENCY**
16 **AND ACCOUNTABILITY**

17 **Subtitle A—Energy Efficiency**

18 **CHAPTER 1—FEDERAL AGENCY ENERGY**

19 **EFFICIENCY**

20 **SEC. 4111. ENERGY-EFFICIENT AND ENERGY-SAVING IN-**
21 **FORMATION TECHNOLOGIES.**

22 (a) AMENDMENT.—Subtitle C of title V of the En-
23 ergy Independence and Security Act of 2007 (Public Law
24 110–140; 121 Stat. 1661) is amended by adding at the
25 end the following:

1 **“SEC. 530. ENERGY-EFFICIENT AND ENERGY-SAVING INFOR-**
2 **MATION TECHNOLOGIES.**

3 “(a) DEFINITIONS.—In this section:

4 “(1) DIRECTOR.—The term ‘Director’ means
5 the Director of the Office of Management and Budg-
6 et.

7 “(2) INFORMATION TECHNOLOGY.—The term
8 ‘information technology’ has the meaning given that
9 term in section 11101 of title 40, United States
10 Code.

11 “(b) DEVELOPMENT OF IMPLEMENTATION STRAT-
12 EGY.—Not later than 1 year after the date of enactment
13 of this section, each Federal agency shall coordinate with
14 the Director, the Secretary, and the Administrator of the
15 Environmental Protection Agency to develop an implemen-
16 tation strategy (that includes best practices and measure-
17 ment and verification techniques) for the maintenance,
18 purchase, and use by the Federal agency of energy-effi-
19 cient and energy-saving information technologies, taking
20 into consideration the performance goals established under
21 subsection (d).

22 “(c) ADMINISTRATION.—In developing an implemen-
23 tation strategy under subsection (b), each Federal agency
24 shall consider—

25 “(1) advanced metering infrastructure;

1 “(2) energy-efficient data center strategies and
2 methods of increasing asset and infrastructure utili-
3 zation;

4 “(3) advanced power management tools;

5 “(4) building information modeling, including
6 building energy management;

7 “(5) secure telework and travel substitution
8 tools; and

9 “(6) mechanisms to ensure that the agency re-
10 realizes the energy cost savings brought about through
11 increased efficiency and utilization.

12 “(d) PERFORMANCE GOALS.—

13 “(1) IN GENERAL.—Not later than 180 days
14 after the date of enactment of this section, the Di-
15 rector, in consultation with the Secretary, shall es-
16 tablish performance goals for evaluating the efforts
17 of Federal agencies in improving the maintenance,
18 purchase, and use of energy-efficient and energy-sav-
19 ing information technology.

20 “(2) BEST PRACTICES.—The Chief Information
21 Officers Council established under section 3603 of
22 title 44, United States Code, shall recommend best
23 practices for the attainment of the performance
24 goals, which shall include Federal agency consider-

1 ation of, to the extent applicable by law, the use
2 of—

3 “(A) energy savings performance con-
4 tracting; and

5 “(B) utility energy services contracting.

6 “(e) REPORTS.—

7 “(1) AGENCY REPORTS.—Each Federal agency
8 shall include in the report of the agency under sec-
9 tion 527 a description of the efforts and results of
10 the agency under this section.

11 “(2) OMB GOVERNMENT EFFICIENCY REPORTS
12 AND SCORECARDS.—Effective beginning not later
13 than October 1, 2017, the Director shall include in
14 the annual report and scorecard of the Director re-
15 quired under section 528 a description of the efforts
16 and results of Federal agencies under this section.”.

17 (b) CONFORMING AMENDMENT.—The table of con-
18 tents for the Energy Independence and Security Act of
19 2007 is amended by adding after the item relating to sec-
20 tion 529 the following:

 “Sec. 530. Energy-efficient and energy-saving information technologies.”.

21 **SEC. 4112. ENERGY EFFICIENT DATA CENTERS.**

22 Section 453 of the Energy Independence and Security
23 Act of 2007 (42 U.S.C. 17112) is amended—

1 (1) in subsection (b)(2)(D)(iv), by striking “de-
2 termined by the organization” and inserting “pro-
3 posed by the stakeholders”;

4 (2) by striking subsection (b)(3); and

5 (3) by striking subsections (e) through (g) and
6 inserting the following:

7 “(c) **STAKEHOLDER INVOLVEMENT.**—The Secretary
8 and the Administrator shall carry out subsection (b) in
9 collaboration with information technology industry and
10 other key stakeholders, with the goal of producing results
11 that accurately reflect the most relevant and useful infor-
12 mation available. In such collaboration, the Secretary and
13 the Administrator shall pay particular attention to organi-
14 zations that—

15 “(1) have members with expertise in energy ef-
16 ficiency and in the development, operation, and
17 functionality of data centers, information technology
18 equipment, and software, such as representatives of
19 hardware manufacturers, data center operators, and
20 facility managers;

21 “(2) obtain and address input from Department
22 of Energy National Laboratories or any college, uni-
23 versity, research institution, industry association,
24 company, or public interest group with applicable ex-
25 pertise;

1 “(3) follow—

2 “(A) commonly accepted procedures for
3 the development of specifications; and

4 “(B) accredited standards development
5 processes; and

6 “(4) have a mission to promote energy effi-
7 ciency for data centers and information technology.

8 “(d) MEASUREMENTS AND SPECIFICATIONS.—The
9 Secretary and the Administrator shall consider and assess
10 the adequacy of the specifications, measurements, best
11 practices, and benchmarks described in subsection (b) for
12 use by the Federal Energy Management Program, the En-
13 ergy Star Program, and other efficiency programs of the
14 Department of Energy or the Environmental Protection
15 Agency.

16 “(e) STUDY.—The Secretary, in collaboration with
17 the Administrator, shall, not later than 18 months after
18 the date of enactment of the North American Energy Se-
19 curity and Infrastructure Act of 2015, make available to
20 the public an update to the Report to Congress on Server
21 and Data Center Energy Efficiency published on August
22 2, 2007, under section 1 of Public Law 109–431 (120
23 Stat. 2920), that provides—

24 “(1) a comparison and gap analysis of the esti-
25 mates and projections contained in the original re-

1 port with new data regarding the period from 2008
2 through 2015;

3 “(2) an analysis considering the impact of in-
4 formation technologies, including virtualization and
5 cloud computing, in the public and private sectors;

6 “(3) an evaluation of the impact of the com-
7 bination of cloud platforms, mobile devices, social
8 media, and big data on data center energy usage;

9 “(4) an evaluation of water usage in data cen-
10 ters and recommendations for reductions in such
11 water usage; and

12 “(5) updated projections and recommendations
13 for best practices through fiscal year 2020.

14 “(f) DATA CENTER ENERGY PRACTITIONER PRO-
15 GRAM.—The Secretary, in collaboration with key stake-
16 holders and the Director of the Office of Management and
17 Budget, shall maintain a data center energy practitioner
18 program that leads to the certification of energy practi-
19 tioners qualified to evaluate the energy usage and effi-
20 ciency opportunities in Federal data centers. Each Federal
21 agency shall consider having the data centers of the agen-
22 cy evaluated every 4 years, in accordance with section
23 543(f) of the National Energy Conservation Policy Act (42
24 U.S.C. 8253), by energy practitioners certified pursuant
25 to such program.

1 “(g) OPEN DATA INITIATIVE.—The Secretary, in col-
2 laboration with key stakeholders and the Director of the
3 Office of Management and Budget, shall establish an open
4 data initiative for Federal data center energy usage data,
5 with the purpose of making such data available and acces-
6 sible in a manner that encourages further data center in-
7 novation, optimization, and consolidation. In establishing
8 the initiative, the Secretary shall consider the use of the
9 online Data Center Maturity Model.

10 “(h) INTERNATIONAL SPECIFICATIONS AND
11 METRICS.—The Secretary, in collaboration with key
12 stakeholders, shall actively participate in efforts to har-
13 monize global specifications and metrics for data center
14 energy and water efficiency.

15 “(i) DATA CENTER UTILIZATION METRIC.—The Sec-
16 retary, in collaboration with key stakeholders, shall facili-
17 tate the development of an efficiency metric that measures
18 the energy efficiency of a data center (including equipment
19 and facilities).

20 “(j) PROTECTION OF PROPRIETARY INFORMATION.—
21 The Secretary and the Administrator shall not disclose
22 any proprietary information or trade secrets provided by
23 any individual or company for the purposes of carrying
24 out this section or the programs and initiatives established
25 under this section.”.

1 **SEC. 4113. REPORT ON ENERGY AND WATER SAVINGS PO-**
2 **TENTIAL FROM THERMAL INSULATION.**

3 (a) REPORT.—Not later than 1 year after the date
4 of enactment of this Act, the Secretary of Energy, in con-
5 sultation with appropriate Federal agencies and relevant
6 stakeholders, shall submit to the Committee on Energy
7 and Natural Resources of the Senate and the Committee
8 on Energy and Commerce of the House of Representatives
9 a report on the impact of thermal insulation on both en-
10 ergy and water use systems for potable hot and chilled
11 water in Federal buildings, and the return on investment
12 of installing such insulation.

13 (b) CONTENTS.—The report shall include—

14 (1) an analysis based on the cost of municipal
15 or regional water for delivered water and the avoided
16 cost of new water; and

17 (2) a summary of energy and water savings, in-
18 cluding short-term and long-term (20 years) projec-
19 tions of such savings.

20 **SEC. 4114. FEDERAL PURCHASE REQUIREMENT.**

21 (a) DEFINITIONS.—Section 203(b) of the Energy
22 Policy Act of 2005 (42 U.S.C. 15852(b)) is amended by
23 striking paragraph (2) and inserting the following:

24 “(2) RENEWABLE ENERGY.—The term ‘renew-
25 able energy’ means electric energy, or thermal en-
26 ergy if resulting from a thermal energy project

1 placed in service after December 31, 2014, gen-
2 erated from, or avoided by, solar, wind, biomass,
3 landfill gas, ocean (including tidal, wave, current,
4 and thermal), geothermal, municipal solid waste (in
5 accordance with subsection (e)), qualified waste heat
6 resource, or new hydroelectric generation capacity
7 achieved from increased efficiency or additions of
8 new capacity at an existing hydroelectric project.

9 “(3) QUALIFIED WASTE HEAT RESOURCE.—The
10 term ‘qualified waste heat resource’ means—

11 “(A) exhaust heat or flared gas from any
12 industrial process;

13 “(B) waste gas or industrial tail gas that
14 would otherwise be flared, incinerated, or vent-
15 ed;

16 “(C) a pressure drop in any gas for an in-
17 dustrial or commercial process; or

18 “(D) such other forms of waste heat as the
19 Secretary determines appropriate.”.

20 (b) PAPER RECYCLING.—Section 203 of the Energy
21 Policy Act of 2005 (42 U.S.C. 15852) is amended by add-
22 ing at the end the following:

23 “(e) PAPER RECYCLING.—

24 “(1) SEPARATE COLLECTION.—For purposes of
25 this section, any Federal agency may consider elec-

1 tric energy generation purchased from a facility to
2 be renewable energy if the municipal solid waste
3 used by the facility to generate the electricity is—

4 “(A) separately collected (within the mean-
5 ing of section 246.101(z) of title 40, Code of
6 Federal Regulations, as in effect on the date of
7 enactment of the North American Energy Secu-
8 rity and Infrastructure Act of 2015) from
9 paper that is commonly recycled; and

10 “(B) processed in a way that keeps paper
11 that is commonly recycled segregated from non-
12 recyclable solid waste.

13 “(2) INCIDENTAL INCLUSION.—Municipal solid
14 waste used to generate electric energy that meets the
15 conditions described in paragraph (1) shall be con-
16 sidered renewable energy even if the municipal solid
17 waste contains incidental commonly recycled paper.

18 “(3) NO EFFECT ON EXISTING PROCESSES.—
19 Nothing in paragraph (1) shall be interpreted to re-
20 quire a State or political subdivision of a State, di-
21 rectly or indirectly, to change the systems, processes,
22 or equipment it uses to collect, treat, dispose of, or
23 otherwise use municipal solid waste, within the
24 meaning of the Solid Waste Disposal Act (42 U.S.C.
25 6901 et seq.), nor require a change to the regula-

1 tions that implement subtitle D of such Act (42
 2 U.S.C. 6941 et seq.).”.

3 **SEC. 4115. ENERGY PERFORMANCE REQUIREMENT FOR**
 4 **FEDERAL BUILDINGS.**

5 Section 543 of the National Energy Conservation
 6 Policy Act (42 U.S.C. 8253) is amended—

7 (1) by striking subsection (a) and inserting the
 8 following:

9 “(a) **ENERGY PERFORMANCE REQUIREMENT FOR**
 10 **FEDERAL BUILDINGS.**—

11 “(1) **REQUIREMENT.**—Subject to paragraph
 12 (2), each agency shall apply energy conservation
 13 measures to, and shall improve the design for the
 14 construction of, the Federal buildings of the agency
 15 (including each industrial or laboratory facility) so
 16 that the energy consumption per gross square foot
 17 of the Federal buildings of the agency in fiscal years
 18 2006 through 2017 is reduced, as compared with the
 19 energy consumption per gross square foot of the
 20 Federal buildings of the agency in fiscal year 2003,
 21 by the percentage specified in the following table:

| “Fiscal Year | Percentage Reduction |
|---------------------|---------------------------------|
| 2006 | 2 |
| 2007 | 4 |
| 2008 | 9 |
| 2009 | 12 |
| 2010 | 15 |
| 2011 | 18 |
| 2012 | 21 |

| “Fiscal Year | Percentage Reduction |
|---------------------|-----------------------------|
| 2013 | 24 |
| 2014 | 27 |
| 2015 | 30 |
| 2016 | 33 |
| 2017 | 36. |

1 “(2) EXCLUSION FOR BUILDINGS WITH ENERGY
2 INTENSIVE ACTIVITIES.—

3 “(A) IN GENERAL.—An agency may ex-
4 clude from the requirements of paragraph (1)
5 any building (including the associated energy
6 consumption and gross square footage) in which
7 energy intensive activities are carried out.

8 “(B) REPORTS.—Each agency shall iden-
9 tify and list in each report made under section
10 548(a) the buildings designated by the agency
11 for exclusion under subparagraph (A).

12 “(3) REVIEW.—Not later than December 31,
13 2017, the Secretary shall—

14 “(A) review the results of the implementa-
15 tion of the energy performance requirements es-
16 tablished under paragraph (1); and

17 “(B) based on the review conducted under
18 subparagraph (A), submit to Congress a report
19 that addresses the feasibility of requiring each
20 agency to apply energy conservation measures
21 to, and improve the design for the construction
22 of, the Federal buildings of the agency (includ-

1 ing each industrial or laboratory facility) so
2 that the energy consumption per gross square
3 foot of the Federal buildings of the agency in
4 each of fiscal years 2018 through 2030 is re-
5 duced, as compared with the energy consump-
6 tion per gross square foot of the Federal build-
7 ings of the agency in the prior fiscal year, by
8 3 percent.”; and

9 (2) in subsection (f)—

10 (A) in paragraph (1)—

11 (i) by redesignating subparagraphs
12 (E), (F), and (G) as subparagraphs (F),
13 (G), and (H), respectively; and

14 (ii) by inserting after subparagraph
15 (D) the following:

16 “(E) ONGOING COMMISSIONING.—The
17 term ‘ongoing commissioning’ means an ongo-
18 ing process of commissioning using monitored
19 data, the primary goal of which is to ensure
20 continuous optimum performance of a facility,
21 in accordance with design or operating needs,
22 over the useful life of the facility, while meeting
23 facility occupancy requirements.”;

24 (B) in paragraph (2), by adding at the end
25 the following:

1 “(C) ENERGY MANAGEMENT SYSTEM.—An
2 energy manager designated under subparagraph
3 (A) shall consider use of a system to manage
4 energy use at the facility and certification of
5 the facility in accordance with the International
6 Organization for Standardization standard
7 numbered 50001 and entitled ‘Energy Manage-
8 ment Systems.’”;

9 (C) by striking paragraphs (3) and (4) and
10 inserting the following:

11 “(3) ENERGY AND WATER EVALUATIONS AND
12 COMMISSIONING.—

13 “(A) EVALUATIONS.—Except as provided
14 in subparagraph (B), effective beginning on the
15 date that is 180 days after the date of enact-
16 ment of the North American Energy Security
17 and Infrastructure Act of 2015, and annually
18 thereafter, each energy manager shall complete,
19 for each calendar year, a comprehensive energy
20 and water evaluation and recommissioning or
21 retrocommissioning for approximately 25 per-
22 cent of the facilities of that energy manager’s
23 agency that meet the criteria under paragraph
24 (2)(B) in a manner that ensures that an eval-

1 uation of each facility is completed at least once
2 every 4 years.

3 “(B) EXCEPTIONS.—An evaluation and re-
4 commissioning or recommissioning shall not be
5 required under subparagraph (A) with respect
6 to a facility that—

7 “(i) has had a comprehensive energy
8 and water evaluation during the 8-year pe-
9 riod preceding the date of the evaluation;

10 “(ii)(I) has been commissioned, re-
11 commissioned, or retrocommissioned dur-
12 ing the 10-year period preceding the date
13 of the evaluation; or

14 “(II) is under ongoing commissioning,
15 recommissioning, or retrocommissioning;

16 “(iii) has not had a major change in
17 function or use since the previous evalua-
18 tion and commissioning, recommissioning,
19 or retrocommissioning;

20 “(iv) has been benchmarked with pub-
21 lic disclosure under paragraph (8) within
22 the year preceding the evaluation; and

23 “(v)(I) based on the benchmarking,
24 has achieved at a facility level the most re-
25 cent cumulative energy savings target

1 under subsection (a) compared to the ear-
2 lier of—

3 “(aa) the date of the most recent
4 evaluation; or

5 “(bb) the date—

6 “(AA) of the most recent
7 commissioning, recommissioning,
8 or retrocommissioning; or

9 “(BB) on which ongoing
10 commissioning, recommissioning,
11 or retrocommissioning began; or

12 “(II) has a long-term contract in
13 place guaranteeing energy savings at least
14 as great as the energy savings target under
15 subclause (I).

16 “(4) IMPLEMENTATION OF IDENTIFIED ENERGY
17 AND WATER EFFICIENCY MEASURES.—

18 “(A) IN GENERAL.—Not later than 2 years
19 after the date of completion of each evaluation
20 under paragraph (3), each energy manager
21 may—

22 “(i) implement any energy- or water-
23 saving measure that the Federal agency
24 identified in the evaluation conducted

1 under paragraph (3) that is life-cycle cost
2 effective; and

3 “(ii) bundle individual measures of
4 varying paybacks together into combined
5 projects.

6 “(B) MEASURES NOT IMPLEMENTED.—
7 Each energy manager, as part of the certifi-
8 cation system under paragraph (7) and using
9 guidelines developed by the Secretary, shall pro-
10 vide an explanation regarding any life-cycle
11 cost-effective measures described in subpara-
12 graph (A)(i) that have not been implemented.”;
13 and

14 (D) in paragraph (7)(C), by adding at the
15 end the following:

16 “(iii) SUMMARY REPORT.—The Sec-
17 retary shall make publicly available a re-
18 port that summarizes the information
19 tracked under subparagraph (B)(i) by each
20 agency and, as applicable, by each type of
21 measure.”.

1 **SEC. 4116. FEDERAL BUILDING ENERGY EFFICIENCY PER-**
2 **FORMANCE STANDARDS; CERTIFICATION**
3 **SYSTEM AND LEVEL FOR FEDERAL BUILD-**
4 **INGS.**

5 (a) DEFINITIONS.—Section 303 of the Energy Con-
6 servation and Production Act (42 U.S.C. 6832) is amend-
7 ed—

8 (1) in paragraph (6), by striking “to be con-
9 structed” and inserting “constructed or altered”;
10 and

11 (2) by adding at the end the following:

12 “(17) MAJOR RENOVATION.—The term ‘major
13 renovation’ means a modification of building energy
14 systems sufficiently extensive that the whole building
15 can meet energy standards for new buildings, based
16 on criteria to be established by the Secretary
17 through notice and comment rulemaking.”.

18 (b) FEDERAL BUILDING EFFICIENCY STANDARDS.—
19 Section 305 of the Energy Conservation and Production
20 Act (42 U.S.C. 6834) is amended—

21 (1) in subsection (a)(3)—

22 (A) by striking “(3)(A) Not later than”
23 and all that follows through the end of subpara-
24 graph (B) and inserting the following:

1 “(3) REVISED FEDERAL BUILDING ENERGY EFFI-
2 CIENCY PERFORMANCE STANDARDS; CERTIFICATION FOR
3 GREEN BUILDINGS.—

4 “(A) REVISED FEDERAL BUILDING ENERGY EF-
5 FICIENCY PERFORMANCE STANDARDS.—

6 “(i) IN GENERAL.—Not later than 1 year
7 after the date of enactment of the North Amer-
8 ican Energy Security and Infrastructure Act of
9 2015, the Secretary shall establish, by rule, re-
10 vised Federal building energy efficiency per-
11 formance standards that require that—

12 “(I) new Federal buildings and alter-
13 ations and additions to existing Federal
14 buildings—

15 “(aa) meet or exceed the most re-
16 cent revision of the IECC (in the case
17 of residential buildings) or ASHRAE
18 Standard 90.1 (in the case of com-
19 mercial buildings) as of the date of
20 enactment of the North American En-
21 ergy Security and Infrastructure Act
22 of 2015; and

23 “(bb) meet or exceed the energy
24 provisions of State and local building
25 codes applicable to the building, if the

1 codes are more stringent than the
2 IECC or ASHRAE Standard 90.1, as
3 applicable;

4 “(II) unless demonstrated not to be
5 life-cycle cost effective for new Federal
6 buildings and Federal buildings with major
7 renovations—

8 “(aa) the buildings be designed
9 to achieve energy consumption levels
10 that are at least 30 percent below the
11 levels established in the version of the
12 ASHRAE Standard or the IECC, as
13 appropriate, that is applied under
14 subclause (I)(aa), including updates
15 under subparagraph (B); and

16 “(bb) sustainable design prin-
17 ciples are applied to the location,
18 siting, design, and construction of all
19 new Federal buildings and replace-
20 ment Federal buildings;

21 “(III) if water is used to achieve en-
22 ergy efficiency, water conservation tech-
23 nologies shall be applied to the extent that
24 the technologies are life-cycle cost effective;
25 and

1 “(IV) if life-cycle cost effective, as
2 compared to other reasonably available
3 technologies, not less than 30 percent of
4 the hot water demand for each new Fed-
5 eral building or Federal building under-
6 going a major renovation be met through
7 the installation and use of solar hot water
8 heaters.

9 “(ii) LIMITATION.—Clause (i)(I) shall not
10 apply to unaltered portions of existing Federal
11 buildings and systems that have been added to
12 or altered.

13 “(B) UPDATES.—Not later than 1 year after
14 the date of approval of each subsequent revision of
15 ASHRAE Standard 90.1 or the IECC, as appro-
16 priate, the Secretary shall determine whether the re-
17 vised standards established under subparagraph (A)
18 should be updated to reflect the revisions, based on
19 the energy savings and life-cycle cost-effectiveness of
20 the revisions.”;

21 (B) in subparagraph (C), by striking “(C)
22 In the budget request” and inserting the fol-
23 lowing:

24 “(C) BUDGET REQUEST.—In the budget re-
25 quest”; and

1 (C) in subparagraph (D)—

2 (i) by striking clause “(D) Not later
3 than” and all that follows through the end
4 of the first sentence of clause (i)(III) and
5 inserting the following:

6 “(D) CERTIFICATION FOR GREEN BUILD-
7 INGS.—

8 “(i) IN GENERAL.—”;

9 (ii) by striking clause (ii);

10 (iii) in clause (iii), by striking “(iii) In
11 identifying” and inserting the following:

12 “(ii) CONSIDERATIONS.—In identifying”;

13 (iv) in clause (iv)—

14 (I) by striking “(iv) At least
15 once” and inserting the following:

16 “(iii) STUDY.—At least once”; and

17 (II) by striking “clause (iii)” and
18 inserting “clause (ii)”;

19 (v) in clause (v)—

20 (I) by striking “(v) The Sec-
21 retary may” and inserting the fol-
22 lowing:

23 “(iv) INTERNAL CERTIFICATION PROC-
24 ESSES.—The Secretary may”; and

1 (II) by striking “clause (i)(III)”
2 each place it appears and inserting
3 “clause (i)”;

4 (vi) in clause (vi)—

5 (I) by striking “(vi) With re-
6 spect” and inserting the following:

7 “(v) PRIVATIZED MILITARY HOUSING.—

8 With respect”; and

9 (II) by striking “develop alter-
10 native criteria to those established by
11 subclauses (I) and (III) of clause (i)
12 that achieve an equivalent result in
13 terms of energy savings, sustainable
14 design, and” and inserting “develop
15 alternative certification systems and
16 levels than the systems and levels
17 identified under clause (i) that achieve
18 an equivalent result in terms of”; and

19 (vii) in clause (vii), by striking “(vii)

20 In addition to” and inserting the following:

21 “(vi) WATER CONSERVATION TECH-

22 NOLOGIES.—In addition to”; and

23 (2) by striking subsections (c) and (d) and in-
24 serting the following:

25 “(c) PERIODIC REVIEW.—The Secretary shall—

1 “(1) every 5 years, review the Federal building
2 energy standards established under this section; and

3 “(2) on completion of a review under paragraph
4 (1), if the Secretary determines that significant en-
5 ergy savings would result, upgrade the standards to
6 include all new energy efficiency and renewable en-
7 ergy measures that are technologically feasible and
8 economically justified.”.

9 **CHAPTER 2—ENERGY EFFICIENT**
10 **TECHNOLOGY AND MANUFACTURING**

11 **SEC. 4121. INCLUSION OF SMART GRID CAPABILITY ON EN-**
12 **ERGY GUIDE LABELS.**

13 Section 324(a)(2) of the Energy Policy and Conserva-
14 tion Act (42 U.S.C. 6294(a)(2)) is amended by adding the
15 following at the end:

16 “(J)(i) Not later than 1 year after the date
17 of enactment of this subparagraph, the Com-
18 mission shall initiate a rulemaking to consider
19 making a special note in a prominent manner
20 on any Energy Guide label for any product that
21 includes Smart Grid capability that—

22 “(I) Smart Grid capability is a fea-
23 ture of that product;

24 “(II) the use and value of that feature
25 depend on the Smart Grid capability of the

1 utility system in which the product is in-
2 stalled and the active utilization of that
3 feature by the customer; and

4 “(III) on a utility system with Smart
5 Grid capability, the use of the product’s
6 Smart Grid capability could reduce the
7 customer’s cost of the product’s annual op-
8 eration as a result of the incremental en-
9 ergy and electricity cost savings that would
10 result from the customer taking full advan-
11 tage of such Smart Grid capability.

12 “(ii) Not later than 3 years after the date
13 of enactment of this subparagraph, the Com-
14 mission shall complete the rulemaking initiated
15 under clause (i).”.

16 **SEC. 4122. VOLUNTARY VERIFICATION PROGRAMS FOR AIR**
17 **CONDITIONING, FURNACE, BOILER, HEAT**
18 **PUMP, AND WATER HEATER PRODUCTS.**

19 Section 326(b) of the Energy Policy and Conserva-
20 tion Act (42 U.S.C. 6296(b)) is amended by adding at
21 the end the following:

22 “(6) VOLUNTARY VERIFICATION PROGRAMS FOR AIR
23 CONDITIONING, FURNACE, BOILER, HEAT PUMP, AND
24 WATER HEATER PRODUCTS.—

1 “(A) RELIANCE ON VOLUNTARY PROGRAMS.—
2 For the purpose of verifying compliance with energy
3 conservation standards established under sections
4 325 and 342 for covered products described in para-
5 graphs (3), (4), (5), (9), and (11) of section 322(a)
6 and covered equipment described in subparagraphs
7 (B), (C), (D), (F), (I), (J), and (K) of section
8 340(1), the Secretary shall rely on testing conducted
9 by recognized voluntary verification programs that
10 are recognized by the Secretary in accordance with
11 subparagraph (B).

12 “(B) RECOGNITION OF VOLUNTARY
13 VERIFICATION PROGRAMS.—

14 “(i) IN GENERAL.—Not later than 180
15 days after the date of enactment of this para-
16 graph, the Secretary shall initiate a negotiated
17 rulemaking in accordance with subchapter III
18 of chapter 5 of title 5, United States Code
19 (commonly known as the ‘Negotiated Rule-
20 making Act of 1990’) to develop criteria that
21 have consensus support for achieving recogni-
22 tion by the Secretary as an approved voluntary
23 verification program. Any subsequent amend-
24 ment to such criteria may be made only pursu-
25 ant to a subsequent negotiated rulemaking in

1 accordance with subchapter III of chapter 5 of
2 title 5, United States Code.

3 “(ii) MINIMUM REQUIREMENTS.—The cri-
4 teria developed under clause (i) shall, at a min-
5 imum, ensure that a voluntary verification pro-
6 gram—

7 “(I) is nationally recognized;

8 “(II) is operated by a third party and
9 not directly operated by a program partici-
10 pant;

11 “(III) satisfies any applicable ele-
12 ments of—

13 “(aa) International Organization
14 for Standardization standard num-
15 bered 17025; and

16 “(bb) any other relevant Inter-
17 national Organization for Standard-
18 ization standards identified and
19 agreed to through the negotiated rule-
20 making under clause (i);

21 “(IV) at least annually tests inde-
22 pendently obtained products following the
23 test procedures established under this title
24 to verify the certified rating of a represent-

1 ative sample of products and equipment
2 within the scope of the program;

3 “(V) maintains a publicly available
4 list of all ratings of products subject to
5 verification;

6 “(VI) requires the changing of the
7 performance rating or removal of the prod-
8 uct or equipment from the program if test-
9 ing determines that the performance rating
10 does not meet the levels the manufacturer
11 has certified to the Secretary;

12 “(VII) requires new program partici-
13 pants to substantiate ratings through test
14 data generated in accordance with Depart-
15 ment of Energy regulations;

16 “(VIII) allows for challenge testing of
17 products and equipment within the scope
18 of the program;

19 “(IX) requires program participants
20 to disclose the performance rating of all
21 covered products and equipment within the
22 scope of the program for the covered prod-
23 uct or equipment;

24 “(X) provides to the Secretary—

1 “(aa) an annual report of all test
2 results, the contents of which shall be
3 determined through the negotiated
4 rulemaking process under clause (i);
5 and

6 “(bb) test reports, on the request
7 of the Secretary, that note any in-
8 structions specified by the manufac-
9 turer or the representative of the
10 manufacturer for the purpose of con-
11 ducting the verification testing, to be
12 exempted from disclosure under sec-
13 tion 552(b)(4) of title 5, United
14 States Code; and

15 “(XI) satisfies any additional require-
16 ments or standards that the Secretary
17 shall establish consistent with this sub-
18 paragraph.

19 “(iii) CESSATION OF RECOGNITION.—The
20 Secretary may only cease recognition of a vol-
21 untary verification program as an approved pro-
22 gram described in subparagraph (A) upon a
23 finding that the program is not meeting its obli-
24 gations for compliance through program review

1 criteria developed during the negotiated rule-
2 making conducted under subparagraph (B).

3 “(C) ADMINISTRATION.—

4 “(i) IN GENERAL.—The Secretary shall not
5 require—

6 “(I) manufacturers to participate in a
7 recognized voluntary verification program
8 described in subparagraph (A); or

9 “(II) participating manufacturers to
10 provide information that has already been
11 provided to the Secretary.

12 “(ii) LIST OF COVERED PRODUCTS.—The
13 Secretary may maintain a publicly available list
14 of covered products and equipment that distin-
15 guishes between products that are and are not
16 covered products and equipment verified
17 through a recognized voluntary verification pro-
18 gram described in subparagraph (A).

19 “(iii) PERIODIC VERIFICATION TESTING.—
20 The Secretary—

21 “(I) shall not subject products or
22 equipment that have been verification test-
23 ed under a recognized voluntary
24 verification program described in subpara-
25 graph (A) to periodic verification testing to

1 verify the accuracy of the certified per-
2 formance rating of the products or equip-
3 ment; but

4 “(II) may require testing of products
5 or equipment described in subclause (I)—

6 “(aa) if the testing is nec-
7 essary—

8 “(AA) to assess the overall
9 performance of a voluntary
10 verification program;

11 “(BB) to address specific
12 performance issues;

13 “(CC) for use in updating
14 test procedures and standards; or

15 “(DD) for other purposes
16 consistent with this title; or

17 “(bb) if such testing is agreed to
18 during the negotiated rulemaking con-
19 ducted under subparagraph (B).

20 “(D) EFFECT ON OTHER AUTHORITY.—Noth-
21 ing in this paragraph limits the authority of the Sec-
22 retary to enforce compliance with any law.”.

1 **SEC. 4123. FACILITATING CONSENSUS FURNACE STAND-**
2 **ARDS.**

3 (a) CONGRESSIONAL FINDINGS AND DECLARATION
4 OF PURPOSE.—

5 (1) FINDINGS.—Congress finds that—

6 (A) acting pursuant to the requirements of
7 section 325 of the Energy Policy and Conserva-
8 tion Act (42 U.S.C. 6295), the Secretary of En-
9 ergy is considering amending the energy con-
10 servation standards applicable to residential
11 non-weatherized gas furnaces and mobile home
12 gas furnaces;

13 (B) numerous stakeholders, representing
14 manufacturers, distributors, and installers of
15 residential non-weatherized gas furnaces and
16 mobile home furnaces, natural gas utilities,
17 home builders, multifamily property owners,
18 and energy efficiency, environmental, and con-
19 sumer advocates have begun negotiations in an
20 attempt to agree on a consensus recommenda-
21 tion to the Secretary on levels for such stand-
22 ards that will meet the statutory criteria; and

23 (C) the stakeholders believe these negotia-
24 tions are likely to result in a consensus rec-
25 ommendation, but several of the stakeholders

1 do not support suspending the current rule-
2 making.

3 (2) PURPOSE.—It is the purpose of this section
4 to provide the stakeholders described in paragraph
5 (1) with an opportunity to continue negotiations for
6 a limited time period to facilitate the proposal for
7 adoption of standards that enjoy consensus support,
8 while not delaying the current rulemaking except to
9 the extent necessary to provide such opportunity.

10 (b) OPPORTUNITY FOR A NEGOTIATED FURNACE
11 STANDARD.—Section 325(f)(4) of the Energy Policy and
12 Conservation Act (42 U.S.C. 6295(f)(4)) is amended by
13 adding after subparagraph (D) the following:

14 “(E)(i) Unless the Secretary has published such a no-
15 tice prior to the date of enactment of this Act, the Sec-
16 retary shall publish, not later than October 31, 2015, a
17 supplemental notice of proposed rulemaking or a notice
18 of data availability updating the proposed rule entitled
19 ‘Energy Conservation Program for Consumer Products:
20 Energy Conservation Standards for Residential Furnaces’
21 and published in the Federal Register on March 12, 2015
22 (80 Fed. Reg. 13119), to provide notice and an oppor-
23 tunity for comment on—

24 “(I) dividing non-weatherized gas furnaces
25 into two or more product classes with separate

1 energy conservation standards based on capac-
2 ity; and

3 “(II) any other matters the Secretary de-
4 termines appropriate.

5 “(ii) On receipt of a statement that is submitted on
6 or before January 1, 2016, jointly by interested persons
7 that are fairly representative of relevant points of view,
8 that contains recommended standards for non-weatherized
9 gas furnaces and mobile home gas furnaces that are con-
10 sistent with the requirements of this part (except that the
11 date on which such standards will apply may be earlier
12 or later than the date required under this part), the Sec-
13 retary shall evaluate the standards proposed in the joint
14 statement for consistency with the requirements of sub-
15 section (o), and shall publish notice of the potential adop-
16 tion of the standards proposed in the joint statement,
17 modified as necessary to ensure consistency with sub-
18 section (o). The Secretary shall solicit public comment for
19 a period of at least 30 days with respect to such notice.

20 “(iii) Not later than July 31, 2016, but not before
21 July 1, 2016, the Secretary shall publish a final rule con-
22 taining a determination of whether the standards for non-
23 weatherized gas furnaces and mobile home gas furnaces
24 should be amended. Such rule shall contain any such
25 amendments to the standards.”.

1 **SEC. 4124. FUTURE OF INDUSTRY PROGRAM.**

2 (a) IN GENERAL.—Section 452 of the Energy Inde-
3 pendence and Security Act of 2007 (42 U.S.C. 17111) is
4 amended by striking the section heading and inserting the
5 following: “**FUTURE OF INDUSTRY PROGRAM**”.

6 (b) DEFINITION OF ENERGY SERVICE PROVIDER.—
7 Section 452(a) of the Energy Independence and Security
8 Act of 2007 (42 U.S.C. 17111(a)) is amended—

9 (1) by redesignating paragraphs (3) through
10 (5) as paragraphs (4) through (6), respectively; and
11 (2) by inserting after paragraph (2):

12 “(3) ENERGY SERVICE PROVIDER.—The term
13 ‘energy service provider’ means any business pro-
14 viding technology or services to improve the energy
15 efficiency, water efficiency, power factor, or load
16 management of a manufacturing site or other indus-
17 trial process in an energy-intensive industry, or any
18 utility operating under a utility energy service
19 project.”.

20 (c) INDUSTRIAL RESEARCH AND ASSESSMENT CEN-
21 TERS.—Section 452(e) of the Energy Independence and
22 Security Act of 2007 (42 U.S.C. 17111(e)) is amended—

23 (1) by redesignating paragraphs (1) through
24 (5) as subparagraphs (A) through (E), respectively,
25 and indenting appropriately;

1 (2) by striking “The Secretary” and inserting
2 the following:

3 “(1) IN GENERAL.—The Secretary”;

4 (3) in subparagraph (A) (as redesignated by
5 paragraph (1)), by inserting before the semicolon at
6 the end the following: “, including assessments of
7 sustainable manufacturing goals and the implemen-
8 tation of information technology advancements for
9 supply chain analysis, logistics, system monitoring,
10 industrial and manufacturing processes, and other
11 purposes”; and

12 (4) by adding at the end the following:

13 “(2) COORDINATION.—To increase the value
14 and capabilities of the industrial research and as-
15 sessment centers, the centers shall—

16 “(A) coordinate with Manufacturing Ex-
17 tension Partnership Centers of the National In-
18 stitute of Standards and Technology;

19 “(B) coordinate with the Building Tech-
20 nologies Office of the Department of Energy to
21 provide building assessment services to manu-
22 facturers;

23 “(C) increase partnerships with the Na-
24 tional Laboratories of the Department of En-
25 ergy to leverage the expertise and technologies

1 of the National Laboratories for national indus-
2 trial and manufacturing needs; and

3 “(D) increase partnerships with energy
4 service providers and technology providers to le-
5 verage private sector expertise and accelerate
6 deployment of new and existing technologies
7 and processes for energy efficiency, power fac-
8 tor, and load management.

9 “(3) OUTREACH.—The Secretary shall provide
10 funding for—

11 “(A) outreach activities by the industrial
12 research and assessment centers to inform
13 small- and medium-sized manufacturers of the
14 information, technologies, and services avail-
15 able; and

16 “(B) coordination activities by each indus-
17 trial research and assessment center to leverage
18 efforts with—

19 “(i) Federal and State efforts;

20 “(ii) the efforts of utilities and energy
21 service providers;

22 “(iii) the efforts of regional energy ef-
23 ficiency organizations; and

24 “(iv) the efforts of other industrial re-
25 search and assessment centers.

1 “(A) the product has been certified by a
2 certification body recognized by the Energy
3 Star program;

4 “(B) the Administrator has approved cor-
5 rective measures, including a determination of
6 whether or not consumer compensation is ap-
7 propriate; and

8 “(C) the responsible party has fully com-
9 plied with all approved corrective measures.

10 “(2) CONSTRUUAL.—Nothing in this subsection
11 shall be construed to require the Administrator to
12 modify any procedure or take any other action.”.

13 **SEC. 4126. CLARIFICATION TO EFFECTIVE DATE FOR RE-**
14 **REGIONAL STANDARDS.**

15 Section 325(o)(6)(E)(ii) of the Energy Policy and
16 Conservation Act (42 U.S.C. 6295(o)(6)(E)(ii)) is amend-
17 ed by striking “installed” and inserting “manufactured or
18 imported into the United States”.

19 **CHAPTER 3—ENERGY PERFORMANCE**
20 **CONTRACTING**

21 **SEC. 4131. USE OF ENERGY AND WATER EFFICIENCY MEAS-**
22 **URES IN FEDERAL BUILDINGS.**

23 (a) REPORTS.—Section 548(b) of the National En-
24 ergy Conservation Policy Act (42 U.S.C. 8258(b)) is
25 amended—

1 (1) in paragraph (3), by striking “and” at the
2 end;

3 (2) in paragraph (4), by striking the period at
4 the end and inserting “; and”; and

5 (3) by adding at the end the following new
6 paragraph:

7 “(5) the status of each agency’s energy savings
8 performance contracts and utility energy service con-
9 tracts, the investment value of such contracts, the
10 guaranteed energy savings for the previous year as
11 compared to the actual energy savings for the pre-
12 vious year, the plan for entering into such contracts
13 in the coming year, and information explaining why
14 any previously submitted plans for such contracts
15 were not implemented.”.

16 (b) FEDERAL ENERGY MANAGEMENT DEFINI-
17 TIONS.—Section 551(4) of the National Energy Conserva-
18 tion Policy Act (42 U.S.C. 8259(4)) is amended by strik-
19 ing “or retrofit activities” and inserting “retrofit activi-
20 ties, or energy consuming devices and required support
21 structures”.

22 (c) AUTHORITY TO ENTER INTO CONTRACTS.—Sec-
23 tion 801(a)(2)(F) of the National Energy Conservation
24 Policy Act (42 U.S.C. 8287(a)(2)(F)) is amended—

25 (1) in clause (i), by striking “or” at the end;

1 (2) in clause (ii), by striking the period at the
2 end and inserting “; or”; and

3 (3) by adding at the end the following new
4 clause:

5 “(iii) limit the recognition of oper-
6 ation and maintenance savings associated
7 with systems modernized or replaced with
8 the implementation of energy conservation
9 measures, water conservation measures, or
10 any series of energy conservation measures
11 and water conservation measures.”.

12 (d) MISCELLANEOUS AUTHORITY.—Section
13 801(a)(2) of the National Energy Conservation Policy Act
14 (42 U.S.C. 8287(a)) is amended by adding at the end the
15 following:

16 “(H) MISCELLANEOUS AUTHORITY.—Not-
17 withstanding any other provision of law, a Fed-
18 eral agency may sell or transfer energy savings
19 and apply the proceeds of such sale or transfer
20 to fund a contract under this title.”.

21 (e) PAYMENT OF COSTS.—Section 802 of the Na-
22 tional Energy Conservation Policy Act (42 U.S.C. 8287a)
23 is amended by striking “(and related operation and main-
24 tenance expenses)” and inserting “, including related op-
25 erations and maintenance expenses”.

1 (f) ENERGY SAVINGS PERFORMANCE CONTRACTS
2 DEFINITIONS.—Section 804(2) of the National Energy
3 Conservation Policy Act (42 U.S.C. 8287c(2)) is amend-
4 ed—

5 (1) in subparagraph (A), by striking “federally
6 owned building or buildings or other federally owned
7 facilities” and inserting “Federal building (as de-
8 fined in section 551 (42 U.S.C. 8259))” each place
9 it appears;

10 (2) in subparagraph (C), by striking “; and”
11 and inserting a semicolon;

12 (3) in subparagraph (D), by striking the period
13 at the end and inserting a semicolon; and

14 (4) by adding at the end the following new sub-
15 paragraphs:

16 “(E) the use, sale, or transfer of energy in-
17 centives, rebates, or credits (including renew-
18 able energy credits) from Federal, State, or
19 local governments or utilities; and

20 “(F) any revenue generated from a reduc-
21 tion in energy or water use, more efficient
22 waste recycling, or additional energy generated
23 from more efficient equipment.”.

1 **CHAPTER 4—SCHOOL BUILDINGS**

2 **SEC. 4141. COORDINATION OF ENERGY RETROFITTING AS-**
3 **SISTANCE FOR SCHOOLS.**

4 Section 392 of the Energy Policy and Conservation
5 Act (42 U.S.C. 6371a) is amended by adding at the end
6 the following:

7 “(e) COORDINATION OF ENERGY RETROFITTING AS-
8 SISTANCE FOR SCHOOLS.—

9 “(1) DEFINITION OF SCHOOL.—Notwith-
10 standing section 391(6), for the purposes of this
11 subsection, the term ‘school’ means—

12 “(A) an elementary school or secondary
13 school (as defined in section 9101 of the Ele-
14 mentary and Secondary Education Act of 1965
15 (20 U.S.C. 7801));

16 “(B) an institution of higher education (as
17 defined in section 102(a) of the Higher Edu-
18 cation Act of 1965 (20 U.S.C. 1002(a)));

19 “(C) a school of the defense dependents’
20 education system under the Defense Depend-
21 ents’ Education Act of 1978 (20 U.S.C. 921 et
22 seq.) or established under section 2164 of title
23 10, United States Code;

24 “(D) a school operated by the Bureau of
25 Indian Affairs;

1 “(E) a tribally controlled school (as de-
2 fined in section 5212 of the Tribally Controlled
3 Schools Act of 1988 (25 U.S.C. 2511)); and

4 “(F) a Tribal College or University (as de-
5 fined in section 316(b) of the Higher Education
6 Act of 1965 (20 U.S.C. 1059e(b))).

7 “(2) ESTABLISHMENT OF CLEARINGHOUSE.—
8 The Secretary, acting through the Office of Energy
9 Efficiency and Renewable Energy, shall establish a
10 clearinghouse to disseminate information regarding
11 available Federal programs and financing mecha-
12 nisms that may be used to help initiate, develop, and
13 finance energy efficiency, distributed generation, and
14 energy retrofitting projects for schools.

15 “(3) REQUIREMENTS.—In carrying out para-
16 graph (2), the Secretary shall—

17 “(A) consult with appropriate Federal
18 agencies to develop a list of Federal programs
19 and financing mechanisms that are, or may be,
20 used for the purposes described in paragraph
21 (2); and

22 “(B) coordinate with appropriate Federal
23 agencies to develop a collaborative education
24 and outreach effort to streamline communica-
25 tions and promote available Federal programs

1 and financing mechanisms described in sub-
2 paragraph (A), which may include the develop-
3 ment and maintenance of a single online re-
4 source that includes contact information for rel-
5 evant technical assistance in the Office of En-
6 ergy Efficiency and Renewable Energy that
7 States, local education agencies, and schools
8 may use to effectively access and use such Fed-
9 eral programs and financing mechanisms.”.

10 **CHAPTER 5—BUILDING ENERGY CODES**

11 **SEC. 4151. GREATER ENERGY EFFICIENCY IN BUILDING** 12 **CODES.**

13 (a) DEFINITIONS.—Section 303 of the Energy Con-
14 servation and Production Act (42 U.S.C. 6832), as
15 amended by section 4116, is further amended—

16 (1) by striking paragraph (14) and inserting
17 the following:

18 “(14) MODEL BUILDING ENERGY CODE.—The
19 term ‘model building energy code’ means a voluntary
20 building energy code or standard developed and up-
21 dated through a consensus process among interested
22 persons, such as the IECC or ASHRAE Standard
23 90.1 or a code used by other appropriate organiza-
24 tions regarding which the Secretary has issued a de-
25 termination that buildings subject to it would

1 achieve greater energy efficiency than under a pre-
2 viously developed code.”; and

3 (2) by adding at the end the following:

4 “(18) ASHRAE STANDARD 90.1.—The term
5 ‘ASHRAE Standard 90.1’ means the American So-
6 ciety of Heating, Refrigerating and Air-Conditioning
7 Engineers ANSI/ASHRAE/IES Standard 90/1 En-
8 ergy Standard for Buildings Except Low-Rise Resi-
9 dential Buildings.

10 “(19) COST-EFFECTIVE.—The term ‘cost-effec-
11 tive’ means having a simple payback of 10 years or
12 less.

13 “(20) IECC.—The term ‘IECC’ means the
14 International Energy Conservation Code as pub-
15 lished by the International Code Council.

16 “(21) INDIAN TRIBE.—The term ‘Indian tribe’
17 has the meaning given the term in section 4 of the
18 Native American Housing Assistance and Self-De-
19 termination Act of 1996 (25 U.S.C. 4103).

20 “(22) SIMPLE PAYBACK.—The term ‘simple
21 payback’ means the time in years that is required
22 for energy savings to exceed the incremental first
23 cost of a new requirement or code.

24 “(23) TECHNICALLY FEASIBLE.—The term
25 ‘technically feasible’ means capable of being

1 shall certify whether or not the State or Indian
2 tribe, respectively, has reviewed and updated
3 the energy provisions of the building code of the
4 State or Indian tribe, respectively.

5 “(B) DEMONSTRATION.—The certification
6 shall include a statement of whether or not the
7 energy savings for the code provisions that are
8 in effect throughout the State or Indian tribal
9 territory meet or exceed—

10 “(i) the energy savings of the most re-
11 cently published model building energy
12 code; or

13 “(ii) the targets established under sec-
14 tion 307(b)(2).

15 “(C) NO MODEL BUILDING ENERGY CODE
16 UPDATE.—If a model building energy code is
17 not updated by a target date established under
18 section 307(b)(2)(D), each State or Indian tribe
19 shall, not later than 3 years after the specified
20 date, certify whether or not the State or Indian
21 tribe, respectively, has reviewed and updated
22 the energy provisions of the building code of the
23 State or Indian tribe, respectively, to meet or
24 exceed the target in section 307(b)(2).

1 “(2) VALIDATION BY SECRETARY.—Not later
2 than 90 days after a State or Indian tribe certifi-
3 cation under paragraph (1), the Secretary shall—

4 “(A) determine whether the code provi-
5 sions of the State or Indian tribe, respectively,
6 meet the criteria specified in paragraph (1);

7 “(B) determine whether the certification
8 submitted by the State or Indian tribe, respec-
9 tively, is complete; and

10 “(C) if the requirements of subparagraph
11 (B) are satisfied, validate the certification.

12 “(3) LIMITATION.—Nothing in this section
13 shall be interpreted to require a State or Indian
14 tribe to adopt any building code or provision within
15 a code.

16 “(c) IMPROVEMENTS IN COMPLIANCE WITH BUILD-
17 ING ENERGY CODES.—

18 “(1) REQUIREMENT.—

19 “(A) IN GENERAL.—Not later than 3 years
20 after the date of a certification under sub-
21 section (b), each State and Indian tribe shall
22 certify whether or not the State or Indian tribe,
23 respectively, has—

24 “(i) achieved full compliance under
25 paragraph (3) with the applicable certified

1 State or Indian tribe building energy code
2 or with the associated model building en-
3 ergy code; or

4 “(ii) made significant progress under
5 paragraph (4) toward achieving compliance
6 with the applicable certified State or In-
7 dian tribe building energy code or with the
8 associated model building energy code.

9 “(B) REPEAT CERTIFICATIONS.—If the
10 State or Indian tribe certifies progress toward
11 achieving compliance, the State or Indian tribe
12 shall repeat the certification until the State or
13 Indian tribe certifies that the State or Indian
14 tribe has achieved full compliance.

15 “(2) MEASUREMENT OF COMPLIANCE.—A cer-
16 tification under paragraph (1) shall include docu-
17 mentation of the rate of compliance based on—

18 “(A) inspections of a random sample of the
19 buildings covered by the code in the preceding
20 year; or

21 “(B) an alternative method that yields an
22 accurate measure of compliance.

23 “(3) ACHIEVEMENT OF COMPLIANCE.—A State
24 or Indian tribe shall be considered to achieve full
25 compliance under paragraph (1) if—

1 “(A) at least 90 percent of building space
2 covered by the code in the preceding year sub-
3 stantially meets all the requirements of the ap-
4 plicable code specified in paragraph (1), or
5 achieves equivalent or greater energy savings
6 level; or

7 “(B) the estimated excess energy use of
8 buildings that did not meet the applicable code
9 specified in paragraph (1) in the preceding
10 year, compared to a baseline of comparable
11 buildings that meet this code, is not more than
12 5 percent of the estimated energy use of all
13 buildings covered by this code during the pre-
14 ceding year.

15 “(4) SIGNIFICANT PROGRESS TOWARD
16 ACHIEVEMENT OF COMPLIANCE.—A State or Indian
17 tribe shall be considered to have made significant
18 progress toward achieving compliance for purposes
19 of paragraph (1) if the State or Indian tribe—

20 “(A) has developed and is implementing a
21 plan for achieving compliance during the 8-year
22 period beginning on the date of enactment of
23 this paragraph, including annual targets for
24 compliance and active training and enforcement
25 programs; and

1 “(B) has met the most recent target under
2 subparagraph (A).

3 “(5) VALIDATION BY SECRETARY.—Not later
4 than 90 days after a State or Indian tribe certifi-
5 cation under paragraph (1), the Secretary shall—

6 “(A) determine whether the State or In-
7 dian tribe has demonstrated meeting the cri-
8 teria of this subsection, including accurate
9 measurement of compliance;

10 “(B) determine whether the certification
11 submitted by the State or Indian tribe is com-
12 plete; and

13 “(C) if the requirements of subparagraph
14 (B) are satisfied, validate the certification.

15 “(6) LIMITATION.—Nothing in this section
16 shall be interpreted to require a State or Indian
17 tribe to adopt any building code or provision within
18 a code.

19 “(d) STATES OR INDIAN TRIBES THAT DO NOT
20 ACHIEVE COMPLIANCE.—

21 “(1) REPORTING.—A State or Indian tribe that
22 has not made a certification required under sub-
23 section (b) or (c) by the applicable deadline shall
24 submit to the Secretary a report on the status of the

1 State or Indian tribe with respect to meeting the re-
2 quirements and submitting the certification.

3 “(2) STATE SOVEREIGNTY.—Nothing in this
4 section shall be interpreted to require a State or In-
5 dian tribe to adopt any building code or provision
6 within a code.

7 “(3) LOCAL GOVERNMENT.—In any State or
8 Indian tribe for which the Secretary has not vali-
9 dated a certification under subsection (b) or (c), a
10 local government may be eligible for Federal support
11 by meeting the certification requirements of sub-
12 sections (b) and (c).

13 “(4) ANNUAL REPORTS BY SECRETARY.—

14 “(A) IN GENERAL.—The Secretary shall
15 annually submit to Congress, and publish in the
16 Federal Register, a report on—

17 “(i) the status of model building en-
18 ergy codes;

19 “(ii) the status of code adoption and
20 compliance in the States and Indian tribes;

21 “(iii) implementation of this section;
22 and

23 “(iv) improvements in energy savings
24 over time as a result of the targets estab-
25 lished under section 307(b)(2).

1 “(B) IMPACTS.—The report shall include
2 estimates of impacts of past action under this
3 section, and potential impacts of further action,
4 on—

5 “(i) upfront financial and construction
6 costs, cost benefits and returns (using a
7 return on investment analysis), and life-
8 time energy use for buildings;

9 “(ii) resulting energy costs to individ-
10 uals and businesses; and

11 “(iii) resulting overall annual building
12 ownership and operating costs.

13 “(e) TECHNICAL ASSISTANCE TO STATES AND IN-
14 DIAN TRIBES.—

15 “(1) IN GENERAL.—The Secretary shall, upon
16 request, provide technical assistance to States and
17 Indian tribes to implement the goals and require-
18 ments of this section—

19 “(A) to implement State residential and
20 commercial building energy codes; and

21 “(B) to document the rate of compliance
22 with a building energy code.

23 “(2) TECHNICAL ASSISTANCE.—The assistance
24 shall include, as requested by the State or Indian
25 tribe, technical assistance in—

1 “(A) evaluating the energy savings of
2 building energy codes;

3 “(B) assessing the economic consider-
4 ations, referenced in section 307(b)(4), of im-
5 plementing building energy codes;

6 “(C) building energy analysis and design
7 tools;

8 “(D) energy simulation models;

9 “(E) building demonstrations;

10 “(F) developing the definitions of energy
11 use intensity and building types for use in
12 model building energy codes to evaluate the effi-
13 ciency impacts of the model building energy
14 codes; and

15 “(G) complying with a performance-based
16 pathway referenced in the model code.

17 “(3) EXCLUSION.—For purposes of this section,
18 ‘technical assistance’ shall not include actions that
19 promote or discourage the adoption of a particular
20 building energy code, code provision, or energy sav-
21 ings target to a State or Indian tribe.

22 “(4) INFORMATION QUALITY AND TRANS-
23 PARENCY.—For purposes of this section, information
24 provided by the Secretary, attendant to any tech-
25 nical assistance provided to a State or Indian tribe,

1 is ‘influential information’ and shall satisfy the
2 guidelines established by the Office of Management
3 and Budget and published at 67 Federal Register
4 8,452 (Feb. 22, 2002).

5 “(f) FEDERAL SUPPORT.—

6 “(1) IN GENERAL.—The Secretary shall provide
7 support to States and Indian tribes—

8 “(A) to implement the reporting require-
9 ments of this section; and

10 “(B) to implement residential and commer-
11 cial building energy codes, including increasing
12 and verifying compliance with the codes and
13 training of State, tribal, and local building code
14 officials to implement and enforce the codes.

15 “(2) EXCLUSION.—Support shall not be given
16 to support adoption and implementation of model
17 building energy codes for which the Secretary has
18 made a determination under section 307(g)(1)(C)
19 that the code is not cost-effective.

20 “(3) TRAINING.—Support shall be offered to
21 States to train State and local building code officials
22 to implement and enforce codes described in para-
23 graph (1)(B).

24 “(4) LOCAL GOVERNMENTS.—States may work
25 under this subsection with local governments that

1 implement and enforce codes described in paragraph
2 (1)(B).

3 “(g) VOLUNTARY PROGRAMS TO EXCEED MODEL
4 BUILDING ENERGY CODE.—

5 “(1) IN GENERAL.—The Secretary shall provide
6 technical assistance, as described in subsection (e),
7 for the development of voluntary programs that ex-
8 ceed the model building energy codes for residential
9 and commercial buildings for use as—

10 “(A) voluntary incentive programs adopted
11 by local, tribal, or State governments; and

12 “(B) non-binding guidelines for energy-ef-
13 ficient building design.

14 “(2) TARGETS.—The voluntary programs de-
15 scribed in paragraph (1) shall be designed—

16 “(A) to achieve substantial energy savings
17 compared to the model building energy codes;
18 and

19 “(B) to meet targets under section 307(b),
20 if available, up to 3 to 6 years in advance of the
21 target years.

22 “(h) STUDIES.—

23 “(1) GAO STUDY.—

24 “(A) The Comptroller General of the
25 United States shall conduct a study of the im-

1 pacts of updating the national model building
2 energy codes for residential and commercial
3 buildings. In conducting the study, the Comp-
4 troller General shall consider and report, at a
5 minimum—

6 “(i) the actual energy consumption
7 savings stemming from updated energy
8 codes compared to the energy consumption
9 savings predicted during code development;

10 “(ii) the actual consumer cost savings
11 stemming from updated energy codes com-
12 pared to predicted consumer cost savings;
13 and

14 “(iii) an accounting of expenditures of
15 the Federal funds under each program au-
16 thorized by this title.

17 “(B) REPORT TO CONGRESS.—Not later
18 than 3 years after the date of enactment of the
19 North American Energy Security and Infra-
20 structure Act of 2015, the Comptroller General
21 of the United States shall submit a report to
22 the Committee on Energy and Natural Re-
23 sources of the Senate and the Committee on
24 Energy and Commerce of the House of Rep-

1 representatives including the study findings and
2 conclusions.

3 “(2) FEASIBILITY STUDY.—The Secretary, in
4 consultation with building science experts from the
5 National Laboratories and institutions of higher
6 education, designers and builders of energy-efficient
7 residential and commercial buildings, code officials,
8 and other stakeholders, shall undertake a study of
9 the feasibility, impact, economics, and merit of—

10 “(A) code improvements that would require
11 that buildings be designed, sited, and con-
12 structed in a manner that makes the buildings
13 more adaptable in the future to become zero-
14 net-energy after initial construction, as ad-
15 vances are achieved in energy-saving tech-
16 nologies;

17 “(B) code procedures to incorporate a ten-
18 year payback, not just first-year energy use, in
19 trade-offs and performance calculations; and

20 “(C) legislative options for increasing en-
21 ergy savings from building energy codes, includ-
22 ing additional incentives for effective State and
23 local verification of compliance with and en-
24 forcement of a code.

1 “(3) ENERGY DATA IN MULTI-TENANT BUILD-
2 INGS.—The Secretary, in consultation with appro-
3 priate representatives of the utility, utility regu-
4 latory, building ownership, and other stakeholders,
5 shall—

6 “(A) undertake a study of best practices
7 regarding delivery of aggregated energy con-
8 sumption information to owners and managers
9 of residential and commercial buildings with
10 multiple tenants and uses; and

11 “(B) consider the development of a memo-
12 randum of understanding between and among
13 affected stakeholders to reduce barriers to the
14 delivery of aggregated energy consumption in-
15 formation to such owners and managers.

16 “(i) EFFECT ON OTHER LAWS.—Nothing in this sec-
17 tion or section 307 supersedes or modifies the application
18 of sections 321 through 346 of the Energy Policy and
19 Conservation Act (42 U.S.C. 6291 et seq.).

20 “(j) FUNDING LIMITATIONS.—No Federal funds
21 shall be—

22 “(1) used to support actions by the Secretary,
23 or States, to promote or discourage the adoption of
24 a particular building energy code, code provision, or
25 energy saving target to a State or Indian tribe; or

1 “(2) provided to private third parties or non-
2 governmental organizations to engage in such activi-
3 ties.”.

4 (c) FEDERAL BUILDING ENERGY EFFICIENCY
5 STANDARDS.—Section 305 of the Energy Conservation
6 and Production Act (42 U.S.C. 6834) is amended by strik-
7 ing “voluntary building energy code” each place it appears
8 in subsections (a)(2)(B) and (b) and inserting “model
9 building energy code”.

10 (d) MODEL BUILDING ENERGY CODES.—

11 (1) AMENDMENT.—Section 307 of the Energy
12 Conservation and Production Act (42 U.S.C. 6836)
13 is amended to read as follows:

14 **“SEC. 307. SUPPORT FOR MODEL BUILDING ENERGY**
15 **CODES.**

16 “(a) IN GENERAL.—The Secretary shall provide tech-
17 nical assistance, as described in subsection (c), for updat-
18 ing of model building energy codes.

19 “(b) TARGETS.—

20 “(1) IN GENERAL.—The Secretary shall provide
21 technical assistance, for updating the model building
22 energy codes.

23 “(2) TARGETS.—

24 “(A) IN GENERAL.—The Secretary shall
25 provide technical assistance to States, Indian

1 tribes, local governments, nationally recognized
2 code and standards developers, and other inter-
3 ested parties for updating of model building en-
4 ergy codes by establishing one or more aggre-
5 gate energy savings targets through rulemaking
6 in accordance with section 553 of title 5,
7 United States Code, to achieve the purposes of
8 this section.

9 “(B) SEPARATE TARGETS.—Separate tar-
10 gets may be established for commercial and res-
11 idential buildings.

12 “(C) BASELINES.—The baseline for updat-
13 ing model building energy codes shall be the
14 2009 IECC for residential buildings and
15 ASHRAE Standard 90.1–2010 for commercial
16 buildings.

17 “(D) SPECIFIC YEARS.—

18 “(i) IN GENERAL.—Targets for spe-
19 cific years shall be established and revised
20 by the Secretary through rulemaking in ac-
21 cordance with section 553 of title 5,
22 United States Code, and coordinated with
23 nationally recognized code and standards
24 developers at a level that—

1 “(I) is at the maximum level of
2 energy efficiency that is technically
3 feasible and cost effective, while ac-
4 counting for the economic consider-
5 ations under paragraph (4); and

6 “(II) promotes the achievement
7 of commercial and residential high
8 performance buildings through high
9 performance energy efficiency (within
10 the meaning of section 401 of the En-
11 ergy Independence and Security Act
12 of 2007 (42 U.S.C. 17061)).

13 “(ii) INITIAL TARGETS.—Not later
14 than 1 year after the date of enactment of
15 this clause, the Secretary shall establish
16 initial targets under this subparagraph.

17 “(iii) DIFFERENT TARGET YEARS.—
18 Subject to clause (i), prior to the applica-
19 ble year, the Secretary may set a later tar-
20 get year for any of the model building en-
21 ergy codes described in subparagraph (A)
22 if the Secretary determines that a target
23 cannot be met.

24 “(E) SMALL BUSINESS.—When estab-
25 lishing targets under this paragraph through

1 rulemaking, the Secretary shall ensure compli-
2 ance with the Small Business Regulatory En-
3 forcement Fairness Act of 1996 (5 U.S.C. 601
4 note; Public Law 104–121) for any indirect eco-
5 nomic effect on small entities that is reasonably
6 foreseeable and a result of such rule.

7 “(3) APPLIANCE STANDARDS AND OTHER FAC-
8 TORS AFFECTING BUILDING ENERGY USE.—In es-
9 tablishing energy savings targets under paragraph
10 (2), the Secretary shall develop and adjust the tar-
11 gets in recognition of potential savings and costs re-
12 lating to—

13 “(A) efficiency gains made in appliances,
14 lighting, windows, insulation, and building enve-
15 lope sealing;

16 “(B) advancement of distributed genera-
17 tion and on-site renewable power generation
18 technologies;

19 “(C) equipment improvements for heating,
20 cooling, ventilation systems and water heating
21 systems;

22 “(D) building management systems and
23 smart grid technologies to reduce energy use;
24 and

1 “(E) other technologies, practices, and
2 building systems regarding building plug load
3 and other energy uses.

4 In developing and adjusting the targets, the Sec-
5 retary shall use climate zone weighted averages for
6 equipment efficiency for heating, cooling, ventilation,
7 and water heating systems, using equipment that is
8 actually installed.

9 “(4) ECONOMIC CONSIDERATIONS.—In estab-
10 lishing and revising energy savings targets under
11 paragraph (2), the Secretary shall consider the eco-
12 nomic feasibility of achieving the proposed targets
13 established under this section and the potential costs
14 and savings for consumers and building owners, by
15 conducting a return on investment analysis, using a
16 simple payback methodology over a 3-, 5-, and 7-
17 year period. The Secretary shall not propose or pro-
18 vide technical or financial assistance for any code,
19 provision in the code, or energy target, or amend-
20 ment thereto, that has a payback greater than 10
21 years.

22 “(c) TECHNICAL ASSISTANCE TO MODEL BUILDING
23 ENERGY CODE-SETTING AND STANDARD DEVELOPMENT
24 ORGANIZATIONS.—

1 “(1) IN GENERAL.—The Secretary shall, on a
2 timely basis, provide technical assistance to model
3 building energy code-setting and standard develop-
4 ment organizations consistent with the goals of this
5 section.

6 “(2) TECHNICAL ASSISTANCE.—The assistance
7 shall include, as requested by the organizations,
8 technical assistance in—

9 “(A) evaluating the energy savings of
10 building energy codes;

11 “(B) assessing the economic consider-
12 ations, under subsection (b)(4), of code or
13 standards proposals or revisions;

14 “(C) building energy analysis and design
15 tools;

16 “(D) energy simulation models;

17 “(E) building demonstrations;

18 “(F) developing definitions of energy use
19 intensity and building types for use in model
20 building energy codes to evaluate the efficiency
21 impacts of the model building energy codes;

22 “(G) developing a performance-based path-
23 way for compliance;

1 “(H) developing model building energy
2 codes by Indian tribes in accordance with tribal
3 law; and

4 “(I) code development meetings, including
5 through direct Federal employee participation
6 in committee meetings, hearings and online
7 communication, voting, and presenting research
8 and technical or economic analyses during such
9 meetings.

10 “(3) EXCLUSION.—Except as provided in para-
11 graph (2)(I), for purposes of this section, ‘technical
12 assistance’ shall not include actions that promote or
13 discourage the adoption of a particular building en-
14 ergy code, code provision, or energy savings target.

15 “(4) INFORMATION QUALITY AND TRANS-
16 PARENCY.—For purposes of this section, information
17 provided by the Secretary, attendant to development
18 of any energy savings targets, is influential informa-
19 tion and shall satisfy the guidelines established by
20 the Office of Management and Budget and published
21 at 67 Federal Register 8,452 (Feb. 22, 2002).

22 “(d) AMENDMENT PROPOSALS.—

23 “(1) IN GENERAL.—The Secretary may submit
24 timely model building energy code amendment pro-
25 posals that are technically feasible, cost-effective,

1 and technology-neutral to the model building energy
2 code-setting and standard development organiza-
3 tions, with supporting evidence, sufficient to enable
4 the model building energy codes to meet the targets
5 established under subsection (b)(2).

6 “(2) PROCESS AND FACTORS.—All amendment
7 proposals submitted by the Secretary shall be pub-
8 lished in the Federal Register and made available on
9 the Department of Energy website 90 days prior to
10 any submittal to a code development body, and shall
11 be subject to a public comment period of not less
12 than 60 days. Information provided by the Sec-
13 retary, attendant to submission of any amendment
14 proposals, is influential information and shall satisfy
15 the guidelines established by the Office of Manage-
16 ment and Budget and published at 67 Federal Reg-
17 ister 8,452 (Feb. 22, 2002). When calculating the
18 costs and benefits of an amendment, the Secretary
19 shall use climate zone weighted averages for equip-
20 ment efficiency for heating, cooling, ventilation, and
21 water heating systems, using equipment that is actu-
22 ally installed.

23 “(e) ANALYSIS METHODOLOGY.—The Secretary shall
24 make publicly available the entire calculation methodology
25 (including input assumptions and data) used by the Sec-

1 retary to estimate the energy savings of code or standard
2 proposals and revisions.

3 “(f) METHODOLOGY DEVELOPMENT.—The Secretary
4 shall establish a methodology for evaluating cost-effective-
5 ness of energy code changes in multifamily buildings that
6 incorporates economic parameters representative of typical
7 multifamily buildings.

8 “(g) DETERMINATION.—

9 “(1) REVISION OF MODEL BUILDING ENERGY
10 CODES.—If the provisions of the IECC or ASHRAE
11 Standard 90.1 regarding building energy use are re-
12 vised, the Secretary shall make a preliminary deter-
13 mination not later than 90 days after the date of the
14 revision, and a final determination not later than 15
15 months after the date of the revision, on whether or
16 not the revision—

17 “(A) improves energy efficiency in build-
18 ings compared to the existing IECC or
19 ASHRAE Standard 90.1, as applicable;

20 “(B) meets the applicable targets under
21 subsection (b)(2); and

22 “(C) is technically feasible and cost-effec-
23 tive.

24 “(2) CODES OR STANDARDS NOT MEETING CRI-
25 TERIA.—

1 “(A) IN GENERAL.—If the Secretary
2 makes a preliminary determination under para-
3 graph (1)(B) that a revised IECC or ASHRAE
4 Standard 90.1 does not meet the targets estab-
5 lished under subsection (b)(2), is not technically
6 feasible, or is not cost-effective, the Secretary
7 may at the same time provide technical assist-
8 ance, as described in subsection (c), to the
9 International Code Council or ASHRAE, as ap-
10 plicable, with proposed changes that would re-
11 sult in a model building energy code or stand-
12 ard that meets the criteria, and with supporting
13 evidence. Proposed changes submitted by the
14 Secretary shall be published in the Federal
15 Register and made available on the Department
16 of Energy website 90 days prior to any sub-
17 mittal to a code development body, and shall be
18 subject to a public comment period of not less
19 than 60 days. Information provided by the Sec-
20 retary, attendant to submission of any amend-
21 ment proposals, is influential information and
22 shall satisfy the guidelines established by the
23 Office of Management and Budget and pub-
24 lished at 67 Federal Register 8,452 (Feb. 22,
25 2002).

1 “(B) INCORPORATION OF CHANGES.—

2 “(i) IN GENERAL.—On receipt of the
3 technical assistance, as described in sub-
4 section (c), the International Code Council
5 or ASHRAE, as applicable, shall, prior to
6 the Secretary making a final determination
7 under paragraph (1), have an additional
8 270 days to accept or reject the proposed
9 changes made by the Secretary to the
10 model building energy code or standard.

11 “(ii) FINAL DETERMINATION.—A
12 final determination under paragraph (1)
13 shall be on the final revised model building
14 energy code or standard.

15 “(h) ADMINISTRATION.—In carrying out this section,
16 the Secretary shall—

17 “(1) publish notice of targets, amendment pro-
18 posals and supporting analysis and determinations
19 under this section in the Federal Register to provide
20 an explanation of and the basis for such actions, in-
21 cluding any supporting modeling, data, assumptions,
22 protocols, and cost-benefit analysis, including return
23 on investment;

24 “(2) provide an opportunity for public comment
25 on targets and supporting analysis and determina-

1 tions under this section, in accordance with section
2 553 of title 5, United States Code; and

3 “(3) provide an opportunity for public comment
4 on amendment proposals.

5 “(i) VOLUNTARY CODES AND STANDARDS.—Not
6 withstanding any other provision of this section, any
7 model building code or standard established under this
8 section shall not be binding on a State, local government,
9 or Indian tribe as a matter of Federal law.”.

10 (2) CONFORMING AMENDMENT.—The item re-
11 lating to section 307 in the table of contents for the
12 Energy Conservation and Production Act is amend-
13 ed to read as follows:

“Sec. 307. Support for model building energy codes.”.

14 **SEC. 4152. VOLUNTARY NATURE OF BUILDING ASSET RAT-**
15 **ING PROGRAM.**

16 (a) IN GENERAL.—Any program of the Secretary of
17 Energy that may enable the owner of a commercial build-
18 ing or a residential building to obtain a rating, score, or
19 label regarding the actual or anticipated energy usage or
20 performance of a building shall be made available on a
21 voluntary, optional, and market-driven basis.

22 (b) DISCLAIMER AS TO REGULATORY INTENT.—In-
23 formation disseminated by the Secretary of Energy re-
24 garding the program described in subsection (a), including
25 any information made available by the Secretary on a

1 website, shall include language plainly stating that such
2 program is not developed or intended to be the basis for
3 a regulatory program by a Federal, State, local, or munic-
4 ipal government body.

5 **CHAPTER 6—EPCA TECHNICAL**
6 **CORRECTIONS AND CLARIFICATIONS**

7 **SEC. 4161. MODIFYING PRODUCT DEFINITIONS.**

8 (a) **AUTHORITY TO MODIFY DEFINITIONS.**—

9 (1) **COVERED PRODUCTS.**—Section 322 of the
10 Energy Policy and Conservation Act (42 U.S.C.
11 6292) is amended by adding at the end the fol-
12 lowing:

13 “(c) **MODIFYING DEFINITIONS OF COVERED PROD-**
14 **UCTS.**—

15 “(1) **IN GENERAL.**—For any covered product
16 for which a definition is provided in section 321, the
17 Secretary may, by rule, unless prohibited herein,
18 modify such definition in order to—

19 “(A) address significant changes in the
20 product or the market occurring since the defi-
21 nition was established; and

22 “(B) better enable improvements in the en-
23 ergy efficiency of the product as part of an en-
24 ergy using system.

1 “(2) ANTI-BACKSLIDING EXEMPTION.—Section
2 325(o)(1) shall not apply to adjustments to covered
3 product definitions made pursuant to this sub-
4 section.

5 “(3) PROCEDURE FOR MODIFYING DEFINI-
6 TION.—

7 “(A) IN GENERAL.—Notice of any adjust-
8 ment to the definition of a covered product and
9 an explanation of the reasons therefor shall be
10 published in the Federal Register and oppor-
11 tunity provided for public comment.

12 “(B) CONSENSUS REQUIRED.—Any
13 amendment to the definition of a covered prod-
14 uct under this subsection must have consensus
15 support, as reflected in—

16 “(i) the outcome of negotiations con-
17 ducted in accordance with the subchapter
18 III of chapter 5 of title 5, United States
19 Code (commonly known as the ‘Negotiated
20 Rulemaking Act of 1990’); or

21 “(ii) the Secretary’s receipt of a state-
22 ment that is submitted jointly by inter-
23 ested persons that are fairly representative
24 of relevant points of view (including rep-
25 resentatives of manufacturers of covered

1 products, States, and efficiency advocates),
2 as determined by the Secretary, which con-
3 tains a recommended modified definition
4 for a covered product.

5 “(4) EFFECT OF A MODIFIED DEFINITION.—

6 “(A) For any type or class of consumer
7 product which becomes a covered product pur-
8 suant to this subsection—

9 “(i) The Secretary may establish test
10 procedures for such type or class of cov-
11 ered product pursuant to section 323 and
12 energy conservation standards pursuant to
13 section 325(1);

14 “(ii) The Commission may prescribe
15 labeling rules pursuant to section 324 if
16 the Commission determines that labeling in
17 accordance with that section is techno-
18 logically and economically feasible and like-
19 ly to assist consumers in making pur-
20 chasing decisions;

21 “(iii) section 327 shall begin to apply
22 to such type or class of covered product in
23 accordance with section 325(ii)(1); and

1 “(iv) standards previously promul-
2 gated under section 325 shall not apply to
3 such type or class of product.

4 “(B) For any type or class of consumer
5 product which ceases to be a covered product
6 pursuant to this subsection, the provisions of
7 this part shall no longer apply to the type or
8 class of consumer product.”.

9 (2) COVERED EQUIPMENT.—Section 341 of the
10 Energy Policy and Conservation Act (42 U.S.C.
11 6312) is amended by adding at the end the fol-
12 lowing:

13 “(d) MODIFYING DEFINITIONS OF COVERED EQUIP-
14 MENT.—

15 “(1) IN GENERAL.—For any covered equipment
16 for which a definition is provided in section 340, the
17 Secretary may, by rule, unless prohibited herein,
18 modify such definition in order to—

19 “(A) address significant changes in the
20 product or the market occurring since the defi-
21 nition was established; and

22 “(B) better enable improvements in the en-
23 ergy efficiency of the equipment as part of an
24 energy using system.

1 “(2) ANTI-BACKSLIDING EXEMPTION.—Section
2 325(o)(1) shall not apply to adjustments to covered
3 equipment definitions made pursuant to this sub-
4 section.

5 “(3) PROCEDURE FOR MODIFYING DEFINI-
6 TION.—

7 “(A) IN GENERAL.—Notice of any adjust-
8 ment to the definition of a type of covered
9 equipment and an explanation of the reasons
10 therefor shall be published in the Federal Reg-
11 ister and opportunity provided for public com-
12 ment.

13 “(B) CONSENSUS REQUIRED.—Any
14 amendment to the definition of a type of cov-
15 ered equipment under this subsection must have
16 consensus support, as reflected in—

17 “(i) the outcome of negotiations con-
18 ducted in accordance with the subchapter
19 III of chapter 5 of title 5, United States
20 Code (commonly known as the ‘Negotiated
21 Rulemaking Act of 1990’); or

22 “(ii) the Secretary’s receipt of a state-
23 ment that is submitted jointly by inter-
24 ested persons that are fairly representative
25 of relevant points of view (including rep-

1 representatives of manufacturers of covered
2 equipment, States, and efficiency advo-
3 cates), as determined by the Secretary,
4 which contains a recommended modified
5 definition for a type of covered equipment.

6 “(4) EFFECT OF A MODIFIED DEFINITION.—

7 “(A) For any type or class of equipment
8 which becomes covered equipment pursuant to
9 this subsection—

10 “(i) the Secretary may establish test
11 procedures for such type or class of cov-
12 ered equipment pursuant to section 343
13 and energy conservation standards pursu-
14 ant to section 325(l);

15 “(ii) the Secretary may prescribe la-
16 beling rules pursuant to section 344 if the
17 Secretary determines that labeling in ac-
18 cordance with that section is techno-
19 logically and economically feasible and like-
20 ly to assist purchasers in making pur-
21 chasing decisions;

22 “(iii) section 327 shall begin to apply
23 to such type or class of covered equipment
24 in accordance with section 325(ii)(1); and

1 “(iv) standards previously promul-
2 gated under sections 325, 342, or 346
3 shall not apply to such type or class of cov-
4 ered equipment.

5 “(B) For any type or class of equipment
6 which ceases to be covered equipment pursuant
7 to this subsection the provisions of this part
8 shall no longer apply to the type or class of
9 equipment.”.

10 (b) CONFORMING AMENDMENTS PROVIDING FOR JU-
11 DICIAL REVIEW.—

12 (1) Section 336 of the Energy Policy and Con-
13 servation Act (42 U.S.C. 6306) is amended by strik-
14 ing “section 323,” each place it appears and replac-
15 ing it with “section 322, 323,”; and

16 (2) Section 345(a)(1) of the Energy Policy and
17 Conservation Act (42 U.S.C. 6316(a)(1)) is amend-
18 ed to read as follows:

19 “(1) the references to sections 322, 323, 324,
20 and 325 of this Act shall be considered as references
21 to sections 341, 343, 344, and 342 of this Act, re-
22 spectively;”.

1 **SEC. 4162. CLARIFYING RULEMAKING PROCEDURES.**

2 (a) COVERED PRODUCTS.—Section 325(p) of the En-
3 ergy Policy and Conservation Act (42 U.S.C. 6295(p)) is
4 amended—

5 (1) by redesignating paragraphs (1), (2), (3),
6 and (4) as paragraphs (2), (3), (5), and (6), respec-
7 tively;

8 (2) by inserting before paragraph (2) the fol-
9 lowing:

10 “(1) The Secretary shall provide an opportunity
11 for public input prior to the issuance of a proposed
12 rule, seeking information—

13 “(A) identifying and commenting on design
14 options;

15 “(B) on the existence of and opportunities
16 for voluntary non-regulatory actions; and

17 “(C) identifying significant subgroups of
18 consumers and manufacturers that merit anal-
19 ysis.”;

20 (3) in paragraph (3) (as so redesignated by
21 paragraph (1) of this subsection)—

22 (A) in subparagraph (C), by striking
23 “and” after “adequate;”;

24 (B) in subparagraph (D), by striking
25 “standard.” and inserting “standard; and”; and

1 (C) by adding at the end the following new
2 subparagraphs:

3 “(E) whether the technical and economic
4 analytical assumptions, methods, and models
5 used to justify the standard to be prescribed
6 are—

7 “(i) justified; and

8 “(ii) available and accessible for pub-
9 lic review, analysis, and use; and

10 “(F) the cumulative regulatory impacts on
11 the manufacturers of the product, taking into
12 account—

13 “(i) other government standards af-
14 fecting energy use; and

15 “(ii) other energy conservation stand-
16 ards affecting the same manufacturers,”;

17 and

18 (4) by inserting after paragraph (3) (as so re-
19 designated by paragraph (1) of this subsection) the
20 following:

21 “(4) RESTRICTION ON TEST PROCEDURE
22 AMENDMENTS.—

23 “(A) IN GENERAL.—Any proposed energy
24 conservation standards rule shall be based on
25 the final test procedure which shall be used to

1 determine compliance, and the public comment
2 period on the proposed standards shall conclude
3 no sooner than 180 days after the date of publi-
4 cation of a final rule revising the test proce-
5 dure.

6 “(B) EXCEPTION.—The Secretary may
7 propose or prescribe an amendment to the test
8 procedures issued pursuant to section 323 for
9 any type or class of covered product after the
10 issuance of a notice of proposed rulemaking to
11 prescribe an amended or new energy conserva-
12 tion standard for that type or class of covered
13 product, but before the issuance of a final rule
14 prescribing any such standard, if—

15 “(i) the amendments to the test pro-
16 cedure have consensus support achieved
17 through a rulemaking conducted in accord-
18 ance with the subchapter III of chapter 5
19 of title 5, United States Code (commonly
20 known as the ‘Negotiated Rulemaking Act
21 of 1990’); or

22 “(ii) the Secretary receives a state-
23 ment that is submitted jointly by inter-
24 ested persons that are fairly representative
25 of relevant points of view (including rep-

1 representatives of manufacturers of the type
2 or class of covered product, States, and ef-
3 ficiency advocates), as determined by the
4 Secretary, which contains a recommenda-
5 tion that a supplemental notice of proposed
6 rulemaking is not necessary for the type or
7 class of covered product.”.

8 (b) CONFORMING AMENDMENT.—Section 345(b)(1)
9 of the Energy Policy and Conservation Act (42 U.S.C.
10 6316(b)(1)) is amended by striking “section 325(p)(4),”
11 and replacing it with “section 325(p)(3), (4), and (6),”.

12 **CHAPTER 7—ENERGY AND WATER**

13 **EFFICIENCY**

14 **SEC. 4171. SMART ENERGY AND WATER EFFICIENCY PILOT** 15 **PROGRAM.**

16 (a) DEFINITIONS.—In this section:

17 (1) ELIGIBLE ENTITY.—The term “eligible enti-
18 ty” means—

19 (A) a utility;

20 (B) a municipality;

21 (C) a water district; and

22 (D) any other authority that provides
23 water, wastewater, or water reuse services.

24 (2) SECRETARY.—The term “Secretary” means
25 the Secretary of Energy.

1 (3) SMART ENERGY AND WATER EFFICIENCY
2 PILOT PROGRAM.—The term “smart energy and
3 water efficiency pilot program” or “pilot program”
4 means the pilot program established under sub-
5 section (b).

6 (b) SMART ENERGY AND WATER EFFICIENCY PILOT
7 PROGRAM.—

8 (1) IN GENERAL.—The Secretary shall establish
9 and carry out a smart energy and water efficiency
10 management pilot program in accordance with this
11 section.

12 (2) PURPOSE.—The purpose of the smart en-
13 ergy and water efficiency pilot program is to award
14 grants to eligible entities to demonstrate advanced
15 and innovative technology-based solutions that will—

16 (A) increase and improve the energy effi-
17 ciency of water, wastewater, and water reuse
18 systems to help communities across the United
19 States make significant progress in conserving
20 water, saving energy, and reducing costs;

21 (B) support the implementation of innova-
22 tive processes and the installation of advanced
23 automated systems that provide real-time data
24 on energy and water; and

1 (C) improve energy and water conserva-
2 tion, water quality, and predictive maintenance
3 of energy and water systems, through the use
4 of Internet-connected technologies, including
5 sensors, intelligent gateways, and security em-
6 bedded in hardware.

7 (3) PROJECT SELECTION.—

8 (A) IN GENERAL.—The Secretary shall
9 make competitive, merit-reviewed grants under
10 the pilot program to not less than 3, but not
11 more than 5, eligible entities.

12 (B) SELECTION CRITERIA.—In selecting an
13 eligible entity to receive a grant under the pilot
14 program, the Secretary shall consider—

15 (i) energy and cost savings anticipated
16 to result from the project;

17 (ii) the innovative nature, commercial
18 viability, and reliability of the technology
19 to be used;

20 (iii) the degree to which the project
21 integrates next-generation sensors, soft-
22 ware, hardware, analytics, and manage-
23 ment tools;

24 (iv) the anticipated cost-effectiveness
25 of the pilot project in terms of energy effi-

1 ciency savings, water savings or reuse, and
2 infrastructure costs averted;

3 (v) whether the technology can be de-
4 ployed in a variety of geographic regions
5 and the degree to which the technology can
6 be implemented on a smaller or larger
7 scale, including whether the technology can
8 be implemented by each type of eligible en-
9 tity;

10 (vi) whether the technology has been
11 successfully deployed elsewhere;

12 (vii) whether the technology is sourced
13 from a manufacturer based in the United
14 States; and

15 (viii) whether the project will be com-
16 pleted in 5 years or less.

17 (C) APPLICATIONS.—

18 (i) IN GENERAL.—Subject to clause
19 (ii), an eligible entity seeking a grant
20 under the pilot program shall submit to
21 the Secretary an application at such time,
22 in such manner, and containing such infor-
23 mation as the Secretary determines to be
24 necessary.

1 (ii) CONTENTS.—An application under
2 clause (i) shall, at a minimum, include—

3 (I) a description of the project;

4 (II) a description of the tech-
5 nology to be used in the project;

6 (III) the anticipated results, in-
7 cluding energy and water savings, of
8 the project;

9 (IV) a comprehensive budget for
10 the project;

11 (V) the names of the project lead
12 organization and any partners;

13 (VI) the number of users to be
14 served by the project; and

15 (VII) any other information that
16 the Secretary determines to be nec-
17 essary to complete the review and se-
18 lection of a grant recipient.

19 (4) ADMINISTRATION.—

20 (A) IN GENERAL.—Not later than 300
21 days after the date of enactment of this Act,
22 the Secretary shall select grant recipients under
23 this section.

24 (B) EVALUATIONS.—The Secretary shall
25 annually carry out an evaluation of each project

1 for which a grant is provided under this section
2 that—

3 (i) evaluates the progress and impact
4 of the project; and

5 (ii) assesses the degree to which the
6 project is meeting the goals of the pilot
7 program.

8 (C) TECHNICAL AND POLICY ASSIST-
9 ANCE.—On the request of a grant recipient, the
10 Secretary shall provide technical and policy as-
11 sistance to the grant recipient to carry out the
12 project.

13 (D) BEST PRACTICES.—The Secretary
14 shall make available to the public—

15 (i) a copy of each evaluation carried
16 out under subparagraph (B); and

17 (ii) a description of any best practices
18 identified by the Secretary as a result of
19 those evaluations.

20 (E) REPORT TO CONGRESS.—The Sec-
21 retary shall submit to Congress a report con-
22 taining the results of each evaluation carried
23 out under subparagraph (B).

24 (c) FUNDING.—

1 (1) IN GENERAL.—To carry out this section,
2 the Secretary shall use not more than \$15,000,000
3 of amounts made available to the Secretary.

4 (2) PRIORITIZATION.—In funding activities
5 under this section, the Secretary shall prioritize
6 funding in the following manner:

7 (A) The Secretary shall first use any unob-
8 ligated amounts made available to the Secretary
9 to carry out the activities of the Energy Effi-
10 ciency and Renewable Energy Office.

11 (B) After any amounts described in sub-
12 paragraph (A) have been used, the Secretary
13 shall then use any unobligated amounts (other
14 than those described in subparagraph (A))
15 made available to the Secretary.

16 **SEC. 4172. WATERSENSE.**

17 The Energy Policy and Conservation Act (42 U.S.C.
18 6201 et. seq.) is amended by adding after section 324A
19 the following:

20 **“SEC. 324B. WATERSENSE.**

21 “(a) WATERSENSE.—

22 “(1) IN GENERAL.—There is established within
23 the Environmental Protection Agency a voluntary
24 program, to be entitled ‘WaterSense’, to identify

1 water efficient products, buildings, landscapes, facili-
2 ties, processes, and services that sensibly—

3 “(A) reduce water use;

4 “(B) reduce the strain on public and com-
5 munity water systems and wastewater and
6 stormwater infrastructure;

7 “(C) conserve energy used to pump, heat,
8 transport, and treat water; and

9 “(D) preserve water resources for future
10 generations, through voluntary labeling of, or
11 other forms of communications about, products,
12 buildings, landscapes, facilities, processes, and
13 services while still meeting strict performance
14 criteria.

15 “(2) DUTIES.—The Administrator, coordinating
16 as appropriate with the Secretary of Energy, shall—

17 “(A) establish—

18 “(i) a WaterSense label to be used for
19 items meeting the certification criteria es-
20 tablished in this section; and

21 “(ii) the procedure, including the
22 methods and means, by which an item may
23 be certified to display the WaterSense
24 label;

1 “(B) conduct a public awareness education
2 campaign regarding the WaterSense label;

3 “(C) preserve the integrity of the
4 WaterSense label by—

5 “(i) establishing and maintaining fea-
6 sible performance criteria so that products,
7 buildings, landscapes, facilities, processes,
8 and services labeled with the WaterSense
9 label perform as well or better than less
10 water-efficient counterparts;

11 “(ii) overseeing WaterSense certifi-
12 cations made by third parties;

13 “(iii) using testing protocols, from the
14 appropriate, applicable, and relevant con-
15 sensus standards, for the purpose of deter-
16 mining standards compliance;

17 “(iv) auditing the use of the
18 WaterSense label in the marketplace and
19 preventing cases of misuse; and

20 “(D) not more often than every six years,
21 review and, if appropriate, update WaterSense
22 criteria for the defined categories of water-effi-
23 cient product, building, landscape, process, or
24 service, including—

1 “(i) providing reasonable notice to in-
2 terested parties and the public of any such
3 changes, including effective dates, and an
4 explanation of the changes;

5 “(ii) soliciting comments from inter-
6 ested parties and the public prior to any
7 such changes;

8 “(iii) as appropriate, responding to
9 comments submitted by interested parties
10 and the public; and

11 “(iv) providing an appropriate transi-
12 tion time prior to the applicable effective
13 date of any such changes, taking into ac-
14 count the timing necessary for the manu-
15 facture, marketing, training, and distribu-
16 tion of the specific water-efficient product,
17 building, landscape, process, or service cat-
18 egory being addressed.

19 “(b) USE OF SCIENCE.—In carrying out this section,
20 and, to the degree that an agency action is based on
21 science, the Administrator shall use—

22 “(1) the best available peer-reviewed science
23 and supporting studies conducted in accordance with
24 sound and objective scientific practices; and

1 “(2) data collected by accepted methods or best
2 available methods (if the reliability of the method
3 and the nature of the decision justify use of the
4 data).

5 “(c) DISTINCTION OF AUTHORITIES.—In setting or
6 maintaining standards for Energy Star pursuant to sec-
7 tion 324A, and WaterSense under this section, the Sec-
8 retary and Administrator shall coordinate to prevent du-
9 plicative or conflicting requirements among the respective
10 programs.

11 “(d) DEFINITIONS.—In this section:

12 “(1) ADMINISTRATOR.—The term ‘Adminis-
13 trator’ means the Administrator of the Environ-
14 mental Protection Agency.

15 “(2) FEASIBLE.—The term ‘feasible’ means
16 feasible with the use of the best technology, treat-
17 ment techniques, and other means that the Adminis-
18 trator finds, after examination for efficacy under
19 field conditions and not solely under laboratory con-
20 ditions, are available (taking cost into consider-
21 ation).

22 “(3) SECRETARY.—The term ‘Secretary’ means
23 the Secretary of Energy.

24 “(4) WATER-EFFICIENT PRODUCT, BUILDING,
25 LANDSCAPE, PROCESS, OR SERVICE.—The term

1 ‘water-efficient product, building, landscape, process,
2 or service’ means a product, building, landscape,
3 process, or service for a residence or a commercial
4 or institutional building, or its landscape, that is
5 rated for water efficiency and performance, the cov-
6 ered categories of which are—

7 “(A) irrigation technologies and services;

8 “(B) point-of-use water treatment devices;

9 “(C) plumbing products;

10 “(D) reuse and recycling technologies;

11 “(H) landscaping and gardening products,
12 including moisture control or water enhancing
13 technologies;

14 “(I) xeriscaping and other landscape con-
15 versions that reduce water use; and

16 “(J) new water efficient homes certified
17 under the WaterSense program.”.

18 **Subtitle B—Accountability**

19 **CHAPTER 1—MARKET MANIPULATION,** 20 **ENFORCEMENT, AND COMPLIANCE**

21 **SEC. 4211. FERC OFFICE OF COMPLIANCE ASSISTANCE AND** 22 **PUBLIC PARTICIPATION.**

23 Section 319 of the Federal Power Act (16 U.S.C.
24 825q-1) is amended to read as follows:

1 **“SEC. 319. OFFICE OF COMPLIANCE ASSISTANCE AND PUB-**
2 **LIC PARTICIPATION.**

3 “(a) ESTABLISHMENT.—There is established within
4 the Commission an Office of Compliance Assistance and
5 Public Participation (referred to in this section as the ‘Of-
6 fice’). The Office shall be headed by a Director.

7 “(b) DUTIES OF DIRECTOR.—

8 “(1) IN GENERAL.—The Director of the Office
9 shall promote improved compliance with Commission
10 rules and orders by—

11 “(A) making recommendations to the Com-
12 mission regarding—

13 “(i) the protection of consumers;

14 “(ii) market integrity and support for
15 the development of responsible market be-
16 havior;

17 “(iii) the application of Commission
18 rules and orders in a manner that ensures
19 that—

20 “(I) rates and charges for, or in
21 connection with, the transmission or
22 sale of electric energy subject to the
23 jurisdiction of the Commission shall
24 be just and reasonable and not unduly
25 discriminatory or preferential; and

1 “(II) markets for such trans-
2 mission and sale of electric energy are
3 not impaired and consumers are not
4 damaged; and

5 “(iv) the impact of existing and pro-
6 posed Commission rules and orders on
7 small entities, as defined in section 601 of
8 title 5, United States Code (commonly
9 known as the Regulatory Flexibility Act);

10 “(B) providing entities subject to regula-
11 tion by the Commission the opportunity to ob-
12 tain timely guidance for compliance with Com-
13 mission rules and orders; and

14 “(C) providing information to the Commis-
15 sion and Congress to inform policy with respect
16 to energy issues under the jurisdiction of the
17 Commission.

18 “(2) REPORTS AND GUIDANCE.—The Director
19 shall, as the Director determines appropriate, issue
20 reports and guidance to the Commission and to enti-
21 ties subject to regulation by the Commission, regard-
22 ing market practices, proposing improvements in
23 Commission monitoring of market practices, and ad-
24 dressing potential improvements to both industry
25 and Commission practices.

1 “(3) **OUTREACH.**—The Director shall promote
2 improved compliance with Commission rules and or-
3 ders through outreach, publications, and, where ap-
4 propriate, direct communication with entities regu-
5 lated by the Commission.”.

6 **CHAPTER 2—MARKET REFORMS**

7 **SEC. 4221. GAO STUDY ON WHOLESALE ELECTRICITY MAR-**
8 **KETS.**

9 (a) **STUDY AND REPORT.**—Not later than 1 year
10 after the date of enactment of this Act, the Comptroller
11 General shall submit to the Committee on Energy and
12 Commerce of the House of Representatives and the Com-
13 mittee on Energy and Natural Resources of the Senate
14 a report describing the results of a study of whether and
15 how the current market rules, practices, and structures
16 of each regional transmission entity produce rates that are
17 just and reasonable by—

18 (1) facilitating fuel diversity, the availability of
19 generation resources during emergency and severe
20 weather conditions, resource adequacy, and reli-
21 ability, including the cost-effective retention and de-
22 velopment of needed generation;

23 (2) promoting the equitable treatment of busi-
24 ness models, including different utility types, the in-

1 tegration of diverse generation resources, and ad-
2 vanced grid technologies;

3 (3) identifying and addressing regulatory bar-
4 riers to entry, market-distorting incentives, and arti-
5 ficial constraints on competition;

6 (4) providing transparency regarding dispatch
7 decisions, including the need for out-of-market ac-
8 tions and payments, and the accuracy of day-ahead
9 unit commitments;

10 (5) facilitating the development of necessary
11 natural gas pipeline and electric transmission infra-
12 structure;

13 (6) ensuring fairness and transparency in gov-
14 ernance structures and stakeholder processes, in-
15 cluding meaningful participation by both voting and
16 non-voting stakeholder representatives;

17 (7) ensuring the proper alignment of the energy
18 and transmission markets by including both energy
19 and financial transmission rights in the day-ahead
20 markets;

21 (8) facilitating the ability of load-serving enti-
22 ties to self-supply their service territory load;

23 (9) considering, as appropriate, State and local
24 resource planning; and

1 (10) mitigating, to the extent practicable, the
2 disruptive effects of tariff revisions on the economic
3 decisionmaking of market participants.

4 (b) DEFINITIONS.—In this section:

5 (1) LOAD-SERVING ENTITY.—The term “load-
6 serving entity” has the meaning given that term in
7 section 217 of the Federal Power Act (16 U.S.C.
8 824q).

9 (2) REGIONAL TRANSMISSION ENTITY.—The
10 term “regional transmission entity” means a Re-
11 gional Transmission Organization or an Independent
12 System Operator, as such terms are defined in sec-
13 tion 3 of the Federal Power Act (16 U.S.C. 796).

14 **SEC. 4222. CLARIFICATION OF FACILITY MERGER AUTHOR-**
15 **IZATION.**

16 Section 203(a)(1)(B) of the Federal Power Act (16
17 U.S.C. 824b(a)(1)(B)) is amended by striking “such facili-
18 ties or any part thereof” and inserting “such facilities, or
19 any part thereof, of a value in excess of \$10,000,000”.

20 **CHAPTER 3—CODE MAINTENANCE**

21 **SEC. 4231. REPEAL OF OFF-HIGHWAY MOTOR VEHICLES**
22 **STUDY.**

23 (a) REPEAL.—Part I of title III of the Energy Policy
24 and Conservation Act (42 U.S.C. 6373) is repealed.

1 (b) CONFORMING AMENDMENT.—The table of con-
2 tents for the Energy Policy and Conservation Act (Public
3 Law 94–163; 89 Stat. 871) is amended—

4 (1) by striking the item relating to part I of
5 title III; and

6 (2) by striking the item relating to section 385.

7 **SEC. 4232. REPEAL OF METHANOL STUDY.**

8 Section 400EE of the Energy Policy and Conserva-
9 tion Act (42 U.S.C. 6374d) is amended—

10 (1) by striking subsection (a); and

11 (2) by redesignating subsections (b) and (c) as
12 subsections (a) and (b), respectively.

13 **SEC. 4233. REPEAL OF RESIDENTIAL ENERGY EFFICIENCY**
14 **STANDARDS STUDY.**

15 (a) REPEAL.—Section 253 of the National Energy
16 Conservation Policy Act (42 U.S.C. 8232) is repealed.

17 (b) CONFORMING AMENDMENT.—The table of con-
18 tents for the National Energy Conservation Policy Act
19 (Public Law 95–619; 92 Stat. 3206) is amended by strik-
20 ing the item relating to section 253.

21 **SEC. 4234. REPEAL OF WEATHERIZATION STUDY.**

22 (a) REPEAL.—Section 254 of the National Energy
23 Conservation Policy Act (42 U.S.C. 8233) is repealed.

24 (b) CONFORMING AMENDMENT.—The table of con-
25 tents for the National Energy Conservation Policy Act

1 (Public Law 95–619; 92 Stat. 3206) is amended by strik-
2 ing the item relating to section 254.

3 **SEC. 4235. REPEAL OF REPORT TO CONGRESS.**

4 (a) REPEAL.—Section 273 of the National Energy
5 Conservation Policy Act (42 U.S.C. 8236b) is repealed.

6 (b) CONFORMING AMENDMENT.—The table of con-
7 tents for the National Energy Conservation Policy Act
8 (Public Law 95–619; 92 Stat. 3206) is amended by strik-
9 ing the item relating to section 273.

10 **SEC. 4236. REPEAL OF REPORT BY GENERAL SERVICES AD-
11 MINISTRATION.**

12 (a) REPEAL.—Section 154 of the Energy Policy Act
13 of 1992 (42 U.S.C. 8262a) is repealed.

14 (b) CONFORMING AMENDMENTS.—

15 (1) The table of contents for the Energy Policy
16 Act of 1992 (Public Law 102–486; 106 Stat. 2776)
17 is amended by striking the item relating to section
18 154.

19 (2) Section 159 of the Energy Policy Act of
20 1992 (42 U.S.C. 8262e) is amended by striking sub-
21 section (c).

1 **SEC. 4237. REPEAL OF INTERGOVERNMENTAL ENERGY**
2 **MANAGEMENT PLANNING AND COORDINA-**
3 **TION WORKSHOPS.**

4 (a) REPEAL.—Section 156 of the Energy Policy Act
5 of 1992 (42 U.S.C. 8262b) is repealed.

6 (b) CONFORMING AMENDMENT.—The table of con-
7 tents for the Energy Policy Act of 1992 (Public Law 102–
8 486; 106 Stat. 2776) is amended by striking the item re-
9 lating to section 156.

10 **SEC. 4238. REPEAL OF INSPECTOR GENERAL AUDIT SUR-**
11 **VEY AND PRESIDENT’S COUNCIL ON INTEG-**
12 **RITY AND EFFICIENCY REPORT TO CON-**
13 **GRESS.**

14 (a) REPEAL.—Section 160 of the Energy Policy Act
15 of 1992 (42 U.S.C. 8262f) is amended by striking the sec-
16 tion designation and heading and all that follows through
17 “(c) INSPECTOR GENERAL REVIEW.—Each Inspector
18 General” and inserting the following:

19 **“SEC. 160. INSPECTOR GENERAL REVIEW.**

20 **“Each Inspector General”.**

21 (b) CONFORMING AMENDMENT.—The table of con-
22 tents for the Energy Policy Act of 1992 (Public Law 102–
23 486; 106 Stat. 2776) is amended by striking the item re-
24 lating to section 160 and inserting the following:

“Sec. 160. Inspector General review.”.

1 **SEC. 4239. REPEAL OF PROCUREMENT AND IDENTIFICA-**
2 **TION OF ENERGY EFFICIENT PRODUCTS PRO-**
3 **GRAM.**

4 (a) REPEAL.—Section 161 of the Energy Policy Act
5 of 1992 (42 U.S.C. 8262g) is repealed.

6 (b) CONFORMING AMENDMENT.—The table of con-
7 tents for the Energy Policy Act of 1992 (Public Law 102–
8 486; 106 Stat. 2776) is amended by striking the item re-
9 lating to section 161.

10 **SEC. 4240. REPEAL OF NATIONAL ACTION PLAN FOR DE-**
11 **MAND RESPONSE.**

12 (a) REPEAL.—Part 5 of title V of the National En-
13 ergy Conservation Policy Act (42 U.S.C. 8279) is re-
14 pealed.

15 (b) CONFORMING AMENDMENT.—The table of con-
16 tents for the National Energy Conservation Policy Act
17 (Public Law 95–619; 92 Stat. 3206; 121 Stat. 1665) is
18 amended—

19 (1) by striking the item relating to part 5 of
20 title V; and

21 (2) by striking the item relating to section 571.

22 **SEC. 4241. REPEAL OF NATIONAL COAL POLICY STUDY.**

23 (a) REPEAL.—Section 741 of the Powerplant and In-
24 dustrial Fuel Use Act of 1978 (42 U.S.C. 8451) is re-
25 pealed.

1 (b) CONFORMING AMENDMENT.—The table of con-
2 tents for the Powerplant and Industrial Fuel Use Act of
3 1978 (Public Law 95–620; 92 Stat. 3289) is amended by
4 striking the item relating to section 741.

5 **SEC. 4242. REPEAL OF STUDY ON COMPLIANCE PROBLEM**
6 **OF SMALL ELECTRIC UTILITY SYSTEMS.**

7 (a) REPEAL.—Section 744 of the Powerplant and In-
8 dustrial Fuel Use Act of 1978 (42 U.S.C. 8454) is re-
9 pealed.

10 (b) CONFORMING AMENDMENT.—The table of con-
11 tents for the Powerplant and Industrial Fuel Use Act of
12 1978 (Public Law 95–620; 92 Stat. 3289) is amended by
13 striking the item relating to section 744.

14 **SEC. 4243. REPEAL OF STUDY OF SOCIOECONOMIC IM-**
15 **PACTS OF INCREASED COAL PRODUCTION**
16 **AND OTHER ENERGY DEVELOPMENT.**

17 (a) REPEAL.—Section 746 of the Powerplant and In-
18 dustrial Fuel Use Act of 1978 (42 U.S.C. 8456) is re-
19 pealed.

20 (b) CONFORMING AMENDMENT.—The table of con-
21 tents for the Powerplant and Industrial Fuel Use Act of
22 1978 (Public Law 95–620; 92 Stat. 3289) is amended by
23 striking the item relating to section 746.

1 **SEC. 4244. REPEAL OF STUDY OF THE USE OF PETROLEUM**
2 **AND NATURAL GAS IN COMBUSTORS.**

3 (a) REPEAL.—Section 747 of the Powerplant and In-
4 dustrial Fuel Use Act of 1978 (42 U.S.C. 8457) is re-
5 pealed.

6 (b) CONFORMING AMENDMENT.—The table of con-
7 tents for the Powerplant and Industrial Fuel Use Act of
8 1978 (Public Law 95–620; 92 Stat. 3289) is amended by
9 striking the item relating to section 747.

10 **SEC. 4245. REPEAL OF SUBMISSION OF REPORTS.**

11 (a) REPEAL.—Section 807 of the Powerplant and In-
12 dustrial Fuel Use Act of 1978 (42 U.S.C. 8483) is re-
13 pealed.

14 (b) CONFORMING AMENDMENT.—The table of con-
15 tents for the Powerplant and Industrial Fuel Use Act of
16 1978 (Public Law 95–620; 92 Stat. 3289) is amended by
17 striking the item relating to section 807.

18 **SEC. 4246. REPEAL OF ELECTRIC UTILITY CONSERVATION**
19 **PLAN.**

20 (a) REPEAL.—Section 808 of the Powerplant and In-
21 dustrial Fuel Use Act of 1978 (42 U.S.C. 8484) is re-
22 pealed.

23 (b) CONFORMING AMENDMENTS.—

24 (1) TABLE OF CONTENTS.—The table of con-
25 tents for the Powerplant and Industrial Fuel Use
26 Act of 1978 (Public Law 95–620; 92 Stat. 3289) is

1 amended by striking the item relating to section
2 808.

3 (2) REPORT ON IMPLEMENTATION.—Section
4 712 of the Powerplant and Industrial Fuel Use Act
5 of 1978 (42 U.S.C. 8422) is amended—

6 (A) by striking “(a) GENERALLY.—”; and

7 (B) by striking subsection (b).

8 **SEC. 4247. EMERGENCY ENERGY CONSERVATION REPEALS.**

9 (a) REPEALS.—

10 (1) Section 201 of the Emergency Energy Con-
11 servation Act of 1979 (42 U.S.C. 8501) is amend-
12 ed—

13 (A) in the section heading, by striking
14 “**FINDINGS AND**”;

15 (B) by striking subsection (a); and

16 (C) by striking “(b) PURPOSES.—”.

17 (2) Section 221 of the Emergency Energy Con-
18 servation Act of 1979 (42 U.S.C. 8521) is repealed.

19 (3) Section 222 of the Emergency Energy Con-
20 servation Act of 1979 (42 U.S.C. 8522) is repealed.

21 (4) 241 of the Emergency Energy Conservation
22 Act of 1979 (42 U.S.C. 8531) is repealed.

23 (b) CONFORMING AMENDMENT.—The table of con-
24 tents for the Emergency Energy Conservation Act of 1979
25 (Public Law 96–102; 93 Stat. 749) is amended—

1 (1) by striking the item relating to section 201
2 and inserting the following:

“Sec. 201. Purposes.”; and

3 (2) by striking the items relating to sections
4 221, 222, and 241.

5 **SEC. 4248. REPEAL OF STATE UTILITY REGULATORY AS-**
6 **SISTANCE.**

7 (a) REPEAL.—Section 207 of the Energy Conserva-
8 tion and Production Act (42 U.S.C. 6807) is repealed.

9 (b) CONFORMING AMENDMENT.—The table of con-
10 tents for the Energy Conservation and Production Act
11 (Public Law 94–385; 90 Stat. 1125) is amended by strik-
12 ing the item relating to section 207.

13 **SEC. 4249. REPEAL OF SURVEY OF ENERGY SAVING POTEN-**
14 **TIAL.**

15 (a) REPEAL.—Section 550 of the National Energy
16 Conservation Policy Act (42 U.S.C. 8258b) is repealed.

17 (b) CONFORMING AMENDMENTS.—

18 (1) The table of contents for the National En-
19 ergy Conservation Policy Act (Public Law 95–619;
20 92 Stat. 3206; 106 Stat. 2851) is amended by strik-
21 ing the item relating to section 550.

22 (2) Section 543(d)(2) of the National Energy
23 Conservation Policy Act (42 U.S.C. 8253(d)(2)) is
24 amended by striking “, incorporating any relevant

1 information obtained from the survey conducted pur-
2 suant to section 550”.

3 **SEC. 4250. REPEAL OF PHOTOVOLTAIC ENERGY PROGRAM.**

4 (a) REPEAL.—Part 4 of title V of the National En-
5 ergy Conservation Policy Act (42 U.S.C. 8271 et seq.) is
6 repealed.

7 (b) CONFORMING AMENDMENTS.—The table of con-
8 tents for the National Energy Conservation Policy Act
9 (Public Law 95–619; 92 Stat. 3206) is amended—

10 (1) by striking the item relating to part 4 of
11 title V; and

12 (2) by striking the items relating to sections
13 561 through 570.

14 **SEC. 4251. REPEAL OF ENERGY AUDITOR TRAINING AND**
15 **CERTIFICATION.**

16 (a) REPEAL.—Subtitle F of title V of the Energy Se-
17 curity Act (42 U.S.C. 8285 et seq.) is repealed.

18 (b) CONFORMING AMENDMENT.—The table of con-
19 tents for the Energy Security Act (Public Law 96–294;
20 94 Stat. 611) is amended by striking the items relating
21 to subtitle F of title V.

22 **CHAPTER 4—USE OF EXISTING FUNDS**

23 **SEC. 4261. USE OF EXISTING FUNDS.**

24 Amounts required for carrying out this Act, other
25 than section 1201, shall be derived from amounts appro-

1 priated under authority provided by previously enacted
2 law.

