

**AMENDMENT OFFERED BY Ms. CASTOR OF  
FLORIDA TO THE AMENDMENT IN THE  
NATURE OF A SUBSTITUTE FOR H.R. 8**

In subtitle A of title IV, add at the end the following  
new chapter:

**1 CHAPTER 8—LOCAL ENERGY SUPPLY AND  
2 RESILIENCY**

**3 SEC. 4181. DEFINITIONS.**

4 In this chapter:

5 (1) COMBINED HEAT AND POWER SYSTEM.—

6 The term “combined heat and power system” means  
7 generation of electric energy and heat in a single, in-  
8 tegrated system that meets the efficiency criteria in  
9 clauses (ii) and (iii) of section 48(c)(3)(A) of the In-  
10 ternal Revenue Code of 1986, under which heat that  
11 is conventionally rejected is recovered and used to  
12 meet thermal energy requirements.

13 (2) DEMAND RESPONSE.—The term “demand  
14 response” means changes in electric usage by elec-  
15 tric utility customers from the normal consumption  
16 patterns of the customers in response to—

17 (A) changes in the price of electricity over  
18 time; or

1           (B) incentive payments designed to induce  
2           lower electricity use at times of high wholesale  
3           market prices or when system reliability is jeop-  
4           ardized.

5           (3) DISTRIBUTED ENERGY.—The term “distrib-  
6           uted energy” means energy sources and systems  
7           that—

8                   (A) produce electric or thermal energy  
9                   close to the point of use using renewable energy  
10                  resources or waste thermal energy;

11                   (B) generate electricity using a combined  
12                  heat and power system;

13                   (C) distribute electricity in microgrids;

14                   (D) store electric or thermal energy; or

15                   (E) distribute thermal energy or transfer  
16                  thermal energy to building heating and cooling  
17                  systems through a district energy system.

18           (4) DISTRICT ENERGY SYSTEM.—The term  
19           “district energy system” means a system that pro-  
20           vides thermal energy to buildings and other energy  
21           consumers from 1 or more plants to individual build-  
22           ings to provide space heating, air conditioning, do-  
23           mestic hot water, industrial process energy, and  
24           other end uses.

1           (5) ISLANDING.—The term “islanding” means  
2           a distributed generator or energy storage device con-  
3           tinuing to power a location in the absence of electric  
4           power from the primary source.

5           (6) LOAN.—The term “loan” has the meaning  
6           given the term “direct loan” in section 502 of the  
7           Federal Credit Reform Act of 1990 (2 U.S.C. 661a).

8           (7) MICROGRID.—The term “microgrid” means  
9           an integrated energy system consisting of inter-  
10          connected loads and distributed energy resources, in-  
11          cluding generators and energy storage devices, with-  
12          in clearly defined electrical boundaries that—

13                (A) acts as a single controllable entity with  
14                respect to the grid; and

15                (B) can connect and disconnect from the  
16                grid to operate in both grid-connected mode  
17                and island mode.

18           (8) RENEWABLE ENERGY SOURCE.—The term  
19           “renewable energy source” includes—

20                (A) biomass;

21                (B) geothermal energy;

22                (C) hydropower;

23                (D) landfill gas;

24                (E) municipal solid waste;

1 (F) ocean (including tidal, wave, current,  
2 and thermal) energy;

3 (G) organic waste;

4 (H) photosynthetic processes;

5 (I) photovoltaic energy;

6 (J) solar energy; and

7 (K) wind.

8 (9) RENEWABLE THERMAL ENERGY.—The term  
9 “renewable thermal energy” means heating or cool-  
10 ing energy derived from a renewable energy re-  
11 source.

12 (10) SECRETARY.—The term “Secretary”  
13 means the Secretary of Energy.

14 (11) THERMAL ENERGY.—The term “thermal  
15 energy” means—

16 (A) heating energy in the form of hot  
17 water or steam that is used to provide space  
18 heating, domestic hot water, or process heat; or

19 (B) cooling energy in the form of chilled  
20 water, ice, or other media that is used to pro-  
21 vide air conditioning, or process cooling.

22 (12) WASTE THERMAL ENERGY.—The term  
23 “waste thermal energy” means energy that—

24 (A) is contained in—

1 (i) exhaust gases, exhaust steam, con-  
2 denser water, jacket cooling heat, or lubri-  
3 cating oil in power generation systems;

4 (ii) exhaust heat, hot liquids, or flared  
5 gas from any industrial process;

6 (iii) waste gas or industrial tail gas  
7 that would otherwise be flared, incinerated,  
8 or vented;

9 (iv) a pressure drop in any gas, ex-  
10 cluding any pressure drop to a condenser  
11 that subsequently vents the resulting heat;

12 (v) condenser water from chilled water  
13 or refrigeration plants; or

14 (vi) any other form of waste energy,  
15 as determined by the Secretary; and

16 (B)(i) in the case of an existing facility, is  
17 not being used; or

18 (ii) in the case of a new facility, is not con-  
19 ventionally used in comparable systems.

20 **SEC. 4182. DISTRIBUTED ENERGY LOAN PROGRAM.**

21 (a) LOAN PROGRAM.—

22 (1) IN GENERAL.—Subject to the provisions of  
23 this subsection and subsections (b) and (c), the Sec-  
24 retary shall establish a program to provide to eligible  
25 entities—

1 (A) loans for the deployment of distributed  
2 energy systems in a specific project; and

3 (B) loans to provide funding for programs  
4 to finance the deployment of multiple distrib-  
5 uted energy systems through a revolving loan  
6 fund, credit enhancement program, or other fi-  
7 nancial assistance program.

8 (2) ELIGIBILITY.—Entities eligible to receive a  
9 loan under paragraph (1) include—

10 (A) a State, territory, or possession of the  
11 United States;

12 (B) a State energy office;

13 (C) a tribal organization (as defined in sec-  
14 tion 4 of the Indian Self-Determination and  
15 Education Assistance Act (25 U.S.C. 450b));

16 (D) an institution of higher education (as  
17 defined in section 101 of the Higher Education  
18 Act of 1965 (20 U.S.C. 1001)); and

19 (E) an electric utility, including—

20 (i) a rural electric cooperative;

21 (ii) a municipally owned electric util-  
22 ity; and

23 (iii) an investor-owned utility.

24 (3) SELECTION REQUIREMENTS.—In selecting  
25 eligible entities to receive loans under this section,

1 the Secretary shall, to the maximum extent prac-  
2 ticable, ensure—

3 (A) regional diversity among eligible enti-  
4 ties to receive loans under this section, includ-  
5 ing participation by rural States and small  
6 States; and

7 (B) that specific projects selected for  
8 loans—

9 (i) expand on the existing technology  
10 deployment program of the Department of  
11 Energy; and

12 (ii) are designed to achieve 1 or more  
13 of the objectives described in paragraph  
14 (4).

15 (4) OBJECTIVES.—Each deployment selected  
16 for a loan under paragraph (1) shall include 1 or  
17 more of the following objectives:

18 (A) Improved security and resiliency of en-  
19 ergy supply in the event of disruptions caused  
20 by extreme weather events, grid equipment or  
21 software failure, or terrorist acts.

22 (B) Implementation of distributed energy  
23 in order to increase use of local renewable en-  
24 ergy resources and waste thermal energy  
25 sources.

1 (C) Enhanced feasibility of microgrids, de-  
2 mand response, or islanding;

3 (D) Enhanced management of peak loads  
4 for consumers and the grid.

5 (E) Enhanced reliability in rural areas, in-  
6 cluding high energy cost rural areas.

7 (5) RESTRICTION ON USE OF FUNDS.—Any eli-  
8 gible entity that receives a loan under paragraph (1)  
9 may only use the loan to fund programs relating to  
10 the deployment of distributed energy systems.

11 (b) LOAN TERMS AND CONDITIONS.—

12 (1) TERMS AND CONDITIONS.—Notwithstanding  
13 any other provision of law, in providing a loan under  
14 this section, the Secretary shall provide the loan on  
15 such terms and conditions as the Secretary deter-  
16 mines, after consultation with the Secretary of the  
17 Treasury, in accordance with this section.

18 (2) SPECIFIC APPROPRIATION.—No loan shall  
19 be made unless an appropriation for the full amount  
20 of the loan has been specifically provided for that  
21 purpose.

22 (3) REPAYMENT.—No loan shall be made un-  
23 less the Secretary determines that there is reason-  
24 able prospect of repayment of the principal and in-  
25 terest by the borrower of the loan.



1           (4) INTEREST RATE.—A loan provided under  
2 this section shall bear interest at a fixed rate that  
3 is equal or approximately equal, in the determination  
4 of the Secretary, to the interest rate for Treasury  
5 securities of comparable maturity.

6           (5) TERM.—The term of the loan shall require  
7 full repayment over a period not to exceed the lesser  
8 of—

9                   (A) 20 years; or

10                   (B) 90 percent of the projected useful life  
11 of the physical asset to be financed by the loan  
12 (as determined by the Secretary).

13           (6) USE OF PAYMENTS.—Payments of principal  
14 and interest on the loan shall—

15                   (A) be retained by the Secretary to support  
16 energy research and development activities; and

17                   (B) remain available until expended, sub-  
18 ject to such conditions as are contained in an-  
19 nual appropriations Acts.

20           (7) NO PENALTY ON EARLY REPAYMENT.—The  
21 Secretary may not assess any penalty for early re-  
22 payment of a loan provided under this section.

23           (8) RETURN OF UNUSED PORTION.—In order to  
24 receive a loan under this section, an eligible entity  
25 shall agree to return to the general fund of the

1 Treasury any portion of the loan amount that is un-  
2 used by the eligible entity within a reasonable period  
3 of time after the date of the disbursement of the  
4 loan, as determined by the Secretary.

5 (9) COMPARABLE WAGE RATES.—Each laborer  
6 and mechanic employed by a contractor or subcon-  
7 tractor in performance of construction work fi-  
8 nanced, in whole or in part, by the loan shall be paid  
9 wages at rates not less than the rates prevailing on  
10 similar construction in the locality as determined by  
11 the Secretary of Labor in accordance with sub-  
12 chapter IV of chapter 31 of title 40, United States  
13 Code.

14 (c) RULES AND PROCEDURES; DISBURSEMENT OF  
15 LOANS.—

16 (1) RULES AND PROCEDURES.—Not later than  
17 180 days after the date of enactment of this Act, the  
18 Secretary shall adopt rules and procedures for car-  
19 rying out the loan program under subsection (a).

20 (2) DISBURSEMENT OF LOANS.—Not later than  
21 1 year after the date on which the rules and proce-  
22 dures under paragraph (1) are established, the Sec-  
23 retary shall disburse the initial loans provided under  
24 this section.

1 (d) REPORTS.—Not later than 2 years after the date  
2 of receipt of the loan, and annually thereafter for the term  
3 of the loan, an eligible entity that receives a loan under  
4 this section shall submit to the Secretary a report describ-  
5 ing the performance of each program and activity carried  
6 out using the loan, including itemized loan performance  
7 data.

8 (e) AUTHORIZATION OF APPROPRIATIONS.—There  
9 are authorized to be appropriated to carry out this section  
10 such sums as are necessary.

11 **SEC. 4183. TECHNICAL ASSISTANCE AND GRANT PROGRAM.**

12 (a) ESTABLISHMENT.—

13 (1) IN GENERAL.—The Secretary shall establish  
14 a technical assistance and grant program (referred  
15 to in this section as the “program”)—

16 (A) to disseminate information and provide  
17 technical assistance directly to eligible entities  
18 so the eligible entities can identify, evaluate,  
19 plan, and design distributed energy systems;  
20 and

21 (B) to make grants to eligible entities so  
22 that the eligible entities may contract to obtain  
23 technical assistance to identify, evaluate, plan,  
24 and design distributed energy systems.

1           (2) TECHNICAL ASSISTANCE.—The technical  
2 assistance described in paragraph (1) shall include  
3 assistance with 1 or more of the following activities  
4 relating to distributed energy systems:

5           (A) Identification of opportunities to use  
6 distributed energy systems.

7           (B) Assessment of technical and economic  
8 characteristics.

9           (C) Utility interconnection.

10           (D) Permitting and siting issues.

11           (E) Business planning and financial anal-  
12 ysis.

13           (F) Engineering design.

14           (3) INFORMATION DISSEMINATION.—The infor-  
15 mation disseminated under paragraph (1)(A) shall  
16 include—

17           (A) information relating to the topics de-  
18 scribed in paragraph (2), including case studies  
19 of successful examples;

20           (B) computer software and databases for  
21 assessment, design, and operation and mainte-  
22 nance of distributed energy systems; and

23           (C) public databases that track the oper-  
24 ation and deployment of existing and planned  
25 distributed energy systems.

1 (b) ELIGIBILITY.—Any nonprofit or for-profit entity  
2 shall be eligible to receive technical assistance and grants  
3 under the program.

4 (c) APPLICATIONS.—

5 (1) IN GENERAL.—An eligible entity desiring  
6 technical assistance or grants under the program  
7 shall submit to the Secretary an application at such  
8 time, in such manner, and containing such informa-  
9 tion as the Secretary may require.

10 (2) APPLICATION PROCESS.—The Secretary  
11 shall seek applications for technical assistance and  
12 grants under the program—

13 (A) on a competitive basis; and

14 (B) on a periodic basis, but not less fre-  
15 quently than once every 12 months.

16 (3) PRIORITIES.—In selecting eligible entities  
17 for technical assistance and grants under the pro-  
18 gram, the Secretary shall give priority to eligible en-  
19 tities with projects that have the greatest potential  
20 for—

21 (A) facilitating the use of renewable energy  
22 resources;

23 (B) strengthening the reliability and resil-  
24 iency of energy infrastructure to the impact of

1 extreme weather events, power grid failures,  
2 and interruptions in supply of fossil fuels;

3 (C) improving the feasibility of microgrids  
4 or islanding, particularly in rural areas, includ-  
5 ing high energy cost rural areas;

6 (D) minimizing environmental impact, in-  
7 cluding regulated air pollutants and greenhouse  
8 gas emissions; and

9 (E) maximizing local job creation.

10 (d) GRANTS.—On application by an eligible entity,  
11 the Secretary may award grants to the eligible entity to  
12 provide funds to cover not more than—

13 (1) 100 percent of the costs of the initial as-  
14 sessment to identify opportunities;

15 (2) 75 percent of the cost of feasibility studies  
16 to assess the potential for the implementation;

17 (3) 60 percent of the cost of guidance on over-  
18 coming barriers to implementation, including finan-  
19 cial, contracting, siting, and permitting issues; and

20 (4) 45 percent of the cost of detailed engineer-  
21 ing.

22 (e) RULES AND PROCEDURES.—

23 (1) RULES.—Not later than 180 days after the  
24 date of enactment of this Act, the Secretary shall

1       adopt rules and procedures for carrying out the pro-  
2       gram.

3           (2) GRANTS.—Not later than 120 days after  
4       the date of issuance of the rules and procedures for  
5       the program, the Secretary shall issue grants under  
6       this chapter.

7       (f) REPORTS.—The Secretary shall submit to Con-  
8       gress and make available to the public—

9           (1) not less frequently than once every 2 years,  
10       a report describing the performance of the program  
11       under this section, including a synthesis and analysis  
12       of the information provided in the reports submitted  
13       to the Secretary under section 4181(c); and

14           (2) on termination of the program under this  
15       section, an assessment of the success of, and edu-  
16       cation provided by, the measures carried out by eli-  
17       gible entities during the term of the program.

18       (g) AUTHORIZATION OF APPROPRIATIONS.—There is  
19       authorized to be appropriated to carry out this section  
20       \$250,000,000 for the period of fiscal years 2016 through  
21       2020, to remain available until expended.

