

[DISCUSSION DRAFT]119TH CONGRESS
1ST SESSION**H. R.** _____

To lower the cost of electricity, support the deployment of clean energy
and electricity transmission, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. CASTEN introduced the following bill; which was referred to the
Committee on _____

A BILL

To lower the cost of electricity, support the deployment of
clean energy and electricity transmission, and for other
purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Cheap Energy Act”.

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

Sec. 1. Short title; table of contents.

TITLE I—RESTORING TAX CREDITS FOR CHEAP ENERGY

Sec. 101. Repealing H.R. 1 Rollbacks of Cheap Energy Tax Credits.

TITLE II—CUTTING ENERGY BILLS FOR AMERICAN FAMILIES

Sec. 201. Lowering household heating and cooling bills.

Sec. 202. Home weatherization.

Sec. 203. Reflective roofing.

Sec. 204. Energy savings targets for utilities.

Sec. 205. Domestic natural gas price protection.

TITLE III—UNCLOGGING THE CHEAP ENERGY BOTTLENECK

Sec. 301. Community solar.

Sec. 302. Streamlining permitting of distributed energy.

Sec. 303. Electricity transformers.

Sec. 304. Expedited generator interconnection.

Sec. 305. Grid enhancing assets.

Sec. 306. Renewable energy in U.S. territories.

TITLE IV—BUILDING OUT A 21ST CENTURY ELECTRICITY GRID

Subtitle A—Amendments to the Federal Power Act

Sec. 401. Definitions.

Sec. 402. Interregional electric transmission planning.

Sec. 403. Allocation of costs of interregional electric transmission facilities.

Sec. 404. Allocation of costs of electricity interconnection and network upgrades.

Sec. 405. Minimum interregional transfer capability.

Sec. 406. Increased FERC transmission siting authority.

Subtitle B—Tax and Grants

Sec. 411. Transmission investment tax credit.

Sec. 412. Reduced wildfire risks to the grid.

Subtitle C—Transmission Governance Reform

Sec. 421. FERC Office of Electricity Transmission.

Sec. 422. FERC staffing.

Sec. 423. FERC fee assessments.

Sec. 424. Independent transmission monitors.

Sec. 425. Aggregator bidding into organized wholesale electric markets.

Sec. 426. RTO and ISO governance and participation.

Sec. 427. Modernized grid data and analytics.

TITLE V—DEPLOYING CHEAP ENERGY RESPONSIBLY ON PUBLIC LANDS AND WATERS

Sec. 501. Prevention of administrative abuse of Federal permitting of clean energy.

Subtitle A—Public Land Renewable Energy Development

Sec. 511. Public land renewable energy development.

Sec. 512. Geothermal cost recovery.

Subtitle B—Offshore Renewable Deployment

- Sec. 521. Responsible development of offshore renewable energy.
Sec. 522. Compensation for offshore renewable energy projects.
Sec. 523. Interoperability of offshore electric transmission infrastructure.

TITLE VI—PROTECTING CONSUMERS IN ELECTRICITY REGULATION

- Sec. 601. Utility earnings tied to ratepayer benefits.
Sec. 602. Ratepayer protection against uneconomic fossil plants.
Sec. 603. Consumer protection from energy market manipulation.
Sec. 604. Avoiding cost shifts onto families.
Sec. 605. True costs and value of energy for economic and public benefit.
Sec. 606. Grid performance disclosure.

TITLE VII—COLLABORATING WITH COMMUNITIES FOR SUCCESSFUL DEPLOYMENT

- Sec. 701. Federal permitting capacity.
Sec. 702. Interagency environmental data system.
Sec. 703. Timely public release of NEPA documentation.
Sec. 704. Community benefits agreements.
Sec. 705. Intervenor funding at FERC Office of Public Participation.
Sec. 706. Senior community engagement officers and Tribal community engagement officers.
Sec. 707. Capacity grants for permitting and community engagement.

1 **TITLE I—RESTORING TAX** 2 **CREDITS FOR CHEAP ENERGY** 3 **SEC. 101. REPEALING H.R. 1 ROLLBACKS OF CHEAP EN-** 4 **ERGY TAX CREDITS.**

5 (a) REPEAL.—Subchapter A of chapter 5 of subtitle
6 A of title VII of Public Law 119–21 is hereby repealed.

7 (b) AMENDMENTS.—Each provision of law amended
8 by such subchapter is amended to read as such provision
9 would read if such subchapter had never been enacted.

10 (c) EFFECTS.—Each amendment made by subsection
11 (b) shall take effect as if included in the provision of such
12 subchapter to which such amendment relates.

1 **TITLE II—CUTTING ENERGY**
2 **BILLS FOR AMERICAN FAMILIES**

3 **SEC. 201. LOWERING HOUSEHOLD HEATING AND COOLING**
4 **BILLS.**

5 (a) FUNDING.—Section 2602 of the Low-Income
6 Home Energy Assistance Act of 1981 (42 U.S.C. 8621)
7 is amended—

8 (1) in subsection (b)—

9 (A) by striking “section 2607A)” and in-
10 serting “section 2604(e), 2605(u), 2607A,
11 2607B, or 2607C)””; and

12 (B) by striking “\$2,000,000,000” and all
13 that follows and inserting “such sums as may
14 be necessary, including such sums as may be
15 necessary to enable the States to assist all
16 households that meet the eligibility require-
17 ments established under this title and to enable
18 States to implement home energy affordability
19 measures described in section 2605(b)(3).”;

20 (2) in subsection (e), in the first sentence—

21 (A) by striking “in each fiscal year”;

22 (B) by striking “\$600,000,000” and in-
23 serting “\$2,000,000,000 for fiscal year 2026,
24 and \$2,000,000,000 plus such additional sums

1 as may be necessary for each fiscal year there-
2 after,”; and

3 (C) by inserting “, or arising from a major
4 disaster, as defined in section 2604(e)(1)” be-
5 fore the period at the end; and

6 (3) by adding at the end the following:

7 “(f) There is authorized to be appropriated to carry
8 out section 2607C, including making grants under that
9 section, \$1,000,000,000 for fiscal year 2026, and
10 \$1,000,000,000 plus such additional sums as may be nec-
11 essary for each fiscal year thereafter.”.

12 (b) DEFINITIONS.—Section 2603 of the Low-Income
13 Home Energy Assistance Act of 1981 (42 U.S.C. 8622)
14 is amended—

15 (1) by redesignating paragraphs (4) through
16 (6), (7) through (10), and (11), as paragraphs (6)
17 through (8), (10) through (13), and (15), respec-
18 tively;

19 (2) by inserting after paragraph (3) the fol-
20 lowing:

21 “(4) The terms ‘extreme heat’ and ‘extreme
22 cold’, used with respect to a period, means a period
23 in which there is an increased risk of—

24 “(A) heat-related or cold-related, respec-
25 tively, illness, hospitalization, or death; or

1 “(B) failures or energy shutoffs of home
2 cooling or heating, respectively.

3 “(5) The term ‘HEAP coordinator’ means an
4 employee—

5 “(A) who administers a program funded
6 under section 2602(b); and

7 “(B) whose salary is paid, partly or wholly,
8 with funds made available under that section.”;

9 (3) by inserting after paragraph (8), as so re-
10 designated, the following:

11 “(9) The term ‘local coordinating agency’
12 means any local organization or local office that re-
13 ceives funds under section 2602(b) to perform cus-
14 tomer intake, or approval of benefits, on behalf of
15 the State agency.”; and

16 (4) by inserting after paragraph (13), as so re-
17 designated, the following:

18 “(14) The term ‘State agency’ means any State
19 agency that administers the program funded under
20 section 2602(b).”.

21 (c) ASSISTANCE FOR EMERGENCIES AND MAJOR DIS-
22 ASTERS, INCLUDING EXTREME HEAT AND COLD.—Sec-
23 tion 2604 of the Low-Income Home Energy Assistance
24 Act of 1981 (42 U.S.C. 8623) is amended—

1 (1) in subsection (a)(1)(B), by striking “section
2 2605(b)(9)(B)” and inserting “section
3 2605(b)(10)(B)”; and

4 (2) in subsection (e)—

5 (A) by striking “(e)” and inserting the fol-
6 lowing:

7 “(e)(1) In this subsection:

8 “(2);

9 (B) in paragraph (1), by adding at the end
10 the following:

11 “(A) The term ‘covered household’ means
12 an eligible household in an area where the
13 President, or the Secretary, as the case may be,
14 has declared or determined the occurrence of a
15 natural disaster, emergency, or major disaster.

16 “(B) The term ‘major disaster’ means—

17 “(i) a major disaster or emergency de-
18 clared under section 401 or 501, respec-
19 tively, of the Robert T. Stafford Disaster
20 Relief and Emergency Assistance Act (42
21 U.S.C. 5170, 5191);

22 “(ii) a public health emergency deter-
23 mined under section 319 of the Public
24 Health Service Act (42 U.S.C. 247d); or

1 “(iii) a period of extreme heat or ex-
2 treme cold, as determined by the Sec-
3 retary.”;

4 (C) in paragraph (2), as so designated, by
5 striking “natural disaster or other emergency
6 involved” and inserting “natural disaster, emer-
7 gency, or major disaster involved”; and

8 (D) by adding at the end the following:

9 “(3) Upon a declaration or a determination of
10 a natural disaster, emergency, or major disaster, for
11 an area, the Secretary and the Administrator of the
12 Federal Emergency Management Agency shall, to
13 the extent practicable, provide heating or cooling as-
14 sistance through such an allotment to a State for
15 covered households in that area.

16 “(4) To receive assistance under this sub-
17 section, the State that has jurisdiction over the cov-
18 ered households shall provide assurances to the Sec-
19 retary that the State—

20 “(A) will not preclude a household that re-
21 ceives heating assistance or cooling assistance
22 under this title during a calendar year, on the
23 basis of obtaining that assistance, from receiv-
24 ing cooling assistance or heating assistance, re-
25 spectively, under this title during that year;

1 “(B) will not require a household to indi-
2 cate that a household member has a medical
3 need for assistance under this title, to be eligi-
4 ble for that assistance; and

5 “(C) will allow use of such assistance for
6 purposes for which heating or cooling assistance
7 is available under the program funded under
8 section 2602(b), including for providing energy-
9 efficient air conditioners, and other equipment
10 needed for home cooling, to eligible house-
11 holds.”.

12 (d) ELIGIBLE HOUSEHOLDS.—Section 2605 of the
13 Low-Income Home Energy Assistance Act of 1981 (42
14 U.S.C. 8624) is amended—

15 (1) in subsection (b)—

16 (A) in paragraph (1)(A), by striking
17 “paragraph (5)” and inserting “paragraph
18 (6)”;

19 (B) in paragraph (2)—

20 (i) in the matter preceding subpara-
21 graph (A), by inserting “, subject to sub-
22 section (c)(1)(A),” after “only”;

23 (ii) in subparagraph (B), by striking
24 “(B)” and all that follows through clause
25 (ii) and inserting the following:

1 “(B) households with incomes which do not
2 exceed the greater of—

3 “(i) an amount equal to 250 percent
4 of the poverty level; or

5 “(ii) an amount equal to 80 percent of
6 the State median income,”; and

7 (iii) in the matter following subpara-
8 graph (B)—

9 (I) by striking “may give” and
10 inserting “shall give”; and

11 (II) by inserting before the semi-
12 colon the following: “, and the State
13 may not exclude a household from eli-
14 gibility on the basis of citizenship of 1
15 or more of the household members”;

16 (C) by redesignating paragraphs (3)
17 through (16) as paragraphs (4) through (17),
18 respectively;

19 (D) by inserting after paragraph (2) the
20 following:

21 “(3) ENERGY BURDEN LIMITS.—To the extent
22 practicable, the Secretary shall work with States
23 using funding under section 2602(b) (supplemented
24 by funding available through State-level energy pro-
25 grams, utility affordability initiatives, or other mech-

1 anisms as determined by the State in consultation
2 with the Secretary) to implement home energy af-
3 fordability measures—

4 “(A) to ensure that no household eligible
5 under paragraph (2) experiences an energy bur-
6 den for which the expenditures of the household
7 for home energy exceed 3 percent of household
8 income; and

9 “(B) to prioritize the further reduction of
10 energy burdens for such eligible households
11 with the lowest incomes.”; and

12 (E) in subparagraph (B) of paragraph
13 (10), as so redesignated, by striking “para-
14 graph (16)” and inserting “paragraph (17)”;
15 (2) in subsection (c)(1)—

16 (A) in subparagraph (A), by striking “as-
17 sistance to be provided under this title, includ-
18 ing criteria” and inserting “assistance to be
19 provided under this title, including—

20 “(i) certifying that the State and local
21 coordinating agencies in the State—

22 “(I) shall, to the greatest extent
23 possible, use data sharing agreements
24 with Federal and State low-income as-
25 sistance programs, including the sup-

1 plemental nutrition assistance pro-
2 gram established under the Food and
3 Nutrition Act of 2008 (7 U.S.C. 2011
4 et seq.), the Medicaid program estab-
5 lished under title XIX of the Social
6 Security Act (42 U.S.C. 1396 et seq.),
7 and the supplemental security income
8 program established under title XVI
9 of the Social Security Act (42 U.S.C.
10 1381 et seq.), to verify eligibility;

11 “(II) shall implement simplified
12 re-enrollment procedures for house-
13 holds with fixed incomes or house-
14 holds already determined to be eligible
15 under other Federal and State low-in-
16 come assistance programs, to reduce
17 administrative burdens on applicants
18 and agencies;

19 “(III) shall not require applicants
20 to submit proof of citizenship to es-
21 tablish status as an eligible household;
22 and

23 “(IV) if neither the verification
24 process described in subclause (I) nor
25 the re-enrollment process described in

1 subclause (II) apply to a household,
2 shall allow applicants to self-attest
3 that the applicants meet the criteria
4 established under this title for an eli-
5 gible household, to the extent nec-
6 essary to facilitate access to assist-
7 ance and prevent undue hardship for
8 applicants; and

9 “(ii) describing criteria.”;

10 (B) in subparagraph (E), by striking
11 “paragraph (5)” and inserting “paragraph
12 (6)”; and

13 (C) in subparagraph (F), by striking
14 “clauses (3), (4), (5), (6), (7), (8), (10), (12),
15 (13), and (15) of subsection (b)” and inserting
16 “paragraphs (4), (5), (6), (7), (8), (9), (11),
17 (13), (14), and (16) of subsection (b)”;

18 (3) in subsection (e), by striking “subsection
19 (b)(10)” and inserting “subsection (b)(11)”;

20 (4) in subsection (f), by adding at the end the
21 following:

22 “(3) For purposes of section 401(c), and the re-
23 mainder of title IV, of the Personal Responsibility
24 and Work Opportunity Reconciliation Act of 1996 (8
25 U.S.C. 1611(a), 1601 et seq.), assistance under this

1 title shall not be considered to be a Federal public
2 benefit.”; and

3 (5) in subsection (j), by striking “the State may
4 apply” and inserting “the State may, subject to sub-
5 section (c)(1)(A)(i), apply”.

6 (e) CONDITIONS FOR FUNDING.—Section 2605 of the
7 Low-Income Home Energy Assistance Act of 1981 (42
8 U.S.C. 8624) is amended—

9 (1) in subsection (b)—

10 (A) in paragraph (1)(C), by inserting be-
11 fore the semicolon the following: “, using toxics-
12 free materials that do not contain asthmagens
13 or respiratory sensitizers, giving priority in the
14 use of those funds under this subparagraph, to
15 the greatest extent practicable, to supporting
16 emergency home repairs that foster energy effi-
17 ciency, decarbonization, and climate resilience,
18 including through beneficial electrification of
19 heating and cooling”;

20 (B) in paragraph (8), as so redesignated—

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

23 (ii) by adding at the end the fol-
24 lowing:

25 “(E) ensure that—

1 “(i) the home energy supplier will not
2 charge late fees for any payment, by a
3 household receiving assistance through the
4 program funded under section 2602(b),
5 during the period beginning 6 months be-
6 fore and ending 6 months after a date on
7 which the supplier receives funds through
8 the program for the household; and

9 “(ii) if the supplier receives funds
10 through the program for such a household
11 and charged such late fees during that pe-
12 riod, the supplier shall refund the fees to
13 the household not later than 7 days after
14 the date the supplier receives the funds;

15 “(F) ensure that the home energy supplier
16 will not shut off home energy from a household
17 that received assistance through the program
18 funded under section 2602(b), within the 2-year
19 period beginning on the date the household re-
20 ceived the assistance;

21 “(G) ensure that the home energy supplier,
22 in return for receiving funds through the pro-
23 gram funded under section 2602(b)—

24 “(i) will provide to the State data on
25 households that have not paid their home

1 energy bills, to enable the State and the
2 supplier to carry out coordinated outreach
3 concerning assistance available through the
4 program funded under section 2602(b);
5 and

6 “(ii) will, when sending a notice of
7 late payments to such households, include
8 information on such assistance, on how to
9 access such assistance through the pro-
10 gram, and on eligibility criteria for the
11 program; and

12 “(H) ensure that the home energy supplier
13 will, not later than 2 years after the date of en-
14 actment of the Cheap Energy Act, in return for
15 receiving assistance under the program funded
16 under section 2602(b) and through a partner-
17 ship with the State, offer a low-income energy
18 affordability payment program;” and

19 (C) in paragraph (10), as so redesign-
20 nated—

21 (i) in subparagraph (A)—

22 (I) by striking “10 percent” and
23 inserting “15 percent”; and

24 (II) by striking “and” at the end;
25 and

1 (ii) by adding at the end the fol-
2 lowing:

3 “(C) in planning and administering that
4 program, the State shall use the portion of the
5 amount described in subparagraph (A), that ex-
6 ceeds 10 percent of the funds described in sub-
7 paragraph (A), to expand the State program
8 funded under section 2602(b) so that the State
9 operates the program on a year-round basis;
10 and

11 “(D) in planning and administering that
12 program, the State—

13 “(i) shall make technological changes
14 to allow, not later than 5 years after the
15 date of enactment of the Cheap Energy
16 Act, for online submission of applications
17 for assistance through that program; and

18 “(ii) shall, to the extent practicable—

19 “(I) conduct outreach activities,
20 including activities to increase enroll-
21 ment as described in subsection (p);

22 “(II) ensure that all HEAP coor-
23 dinators in the State receive wages,
24 for administration funded under sec-
25 tion 2602(b), at not less than the

1 greater of \$15 per hour or the appli-
2 cable Federal, State, or local min-
3 imum wage rate;

4 “(III) conduct training for
5 HEAP coordinators, State agency
6 staff, and community partners on best
7 practices for outreach, application
8 processing, and assisting eligible
9 households;

10 “(IV) as needed, conduct out-
11 reach relating to the program funded
12 under section 2602(b) to rural electric
13 cooperatives, home energy suppliers
14 owned by a political subdivision of a
15 State, such as a municipally owned
16 electric utility, and home energy sup-
17 pliers owned by any agency, authority,
18 corporation, or instrumentality of a
19 political subdivision of a State; and

20 “(V) ensure autoenrollment of el-
21 igible households into the program
22 funded under section 2602(b), and in
23 the process document any potential
24 barriers to autoenrollment that need

1 to be clarified or otherwise addressed
2 at the Federal level;”;

3 (2) in subsection (c)(1)—

4 (A) in subparagraph (G), by striking
5 “and” at the end;

6 (B) by redesignating subparagraph (H) as
7 subparagraph (I); and

8 (C) by inserting after subparagraph (G)
9 the following:

10 “(H) describes how the State will expand the
11 State program funded under section 2602(b) so that
12 the State operates the program on a year-round
13 basis in accordance with subsection (b)(10)(C) and
14 the measures the State has taken so far to carry out
15 that expansion; and”; and

16 (3) by adding at the end the following:

17 “(m) The Secretary shall allow, to the greatest extent
18 possible, eligible households to obtain assistance with
19 minimal administrative burden, by carrying out subsection
20 (c)(1)(A)(i).

21 “(n) The Secretary shall, by grant or contract, pro-
22 vide for a study that examines the rates of home energy
23 shutoffs and assessments of late fees among eligible house-
24 holds, relative to those rates for households that are not
25 eligible households, over a period of several years.

1 “(o) The Secretary shall provide technical assistance
2 to States to support partnerships described in subsection
3 (b)(8)(H).

4 “(p)(1) The Secretary, in consultation with the Sec-
5 retary of Education, shall issue guidance for use of funds
6 for administrative activities described in subsection
7 (b)(10) to increase, through partnerships with elementary
8 schools, secondary schools, and local educational agencies,
9 enrollment in the program funded under section 2602(b)
10 among eligible households that include children and that
11 have high energy burdens.

12 “(2) The Secretary shall issue guidance for use by
13 States on outreach relating to assistance through the pro-
14 gram funded under section 2602(b) to high-risk individ-
15 uals, with relevant medical conditions, that benefit from
16 the use of medical equipment that requires electricity, in-
17 cluding a ventilator, an oxygen concentrator, or another
18 medical device that requires electricity.

19 “(3) The Secretary shall issue guidance for use by
20 States on how to ensure that eligible households are aware
21 of additional grants, tax credits, and rebates, made avail-
22 able under Public Law 117–169, or an amendment made
23 by such law.

24 “(q) Not later than 1 year after the date of enact-
25 ment of the Cheap Energy Act, the Secretary shall require

1 each State receiving funds under this title, including allot-
2 ments under subsection (a) or (e) of section 2604, to de-
3 velop and update as necessary, an action plan for a period
4 of extreme heat, which shall describe how the State will
5 use its allotments under this title to assist eligible house-
6 holds in covering cooling costs and mitigating heat-related
7 health risks.

8 “(r) Not later than 1 year after the date of enactment
9 of the , the Secretary shall conduct a review of eligibility
10 criteria for assistance under this title and identify addi-
11 tional vulnerable populations to include under such cri-
12 teria, such as pregnant women and individuals with med-
13 ical conditions exacerbated by a period of extreme heat.

14 “(s) The Secretary, in consultation with the Sec-
15 retary of Energy, shall require State energy offices receiv-
16 ing Federal funds under this title to develop plans—

17 “(1) to retrofit low-income housing stock to
18 adapt to rising temperatures and address environ-
19 mental hazards, including—

20 “(A) deploying highly efficient cooling sys-
21 tems, including heat pumps;

22 “(B) expanding weatherization and passive
23 cooling strategies;

1 “(C) addressing structural and health haz-
2 ards, including mold, lead, asbestos, and pest
3 infections; and

4 “(D) ensuring that necessary electrical
5 panel and wiring upgrades are completed to
6 support the installation of cooling systems and
7 energy efficiency improvements; and

8 “(2) to assess and adapt existing (as of the
9 date of development of the plan) shutoff policies to
10 protect all households while considering the impact
11 on energy affordability and energy grid reliability.

12 “(t)(1) Not later than 1 year after the date of enact-
13 ment of the , the Secretary, in consultation with the Sec-
14 retary of Housing and Urban Development, shall submit
15 a report to Congress that—

16 “(A) identifies safe residential temperature
17 standards for federally assisted dwelling units, con-
18 sidering risks of periods of extreme heat and ex-
19 treme cold and regional climate variations; and

20 “(B) proposes strategies to ensure compliance
21 with the standards, including permitting covered
22 utility allowances to be used for cooling assistance
23 where feasible, taking into account regional climate
24 variations and housing stock differences.

1 “(2) In this subsection, the term ‘covered utility al-
2 lowance’ means a utility allowance—

3 “(A) applicable to public housing dwelling units
4 under section 3 of the United States Housing Act of
5 1937 (42 U.S.C. 1437a); or

6 “(B) under the housing choice voucher program
7 under section 8(o)(2)(D) of the United States Hous-
8 ing Act of 1937 (42 U.S.C. 1437f(o)(2)(D)).”.

9 (f) WEATHERIZATION.—Section 2605(k) of the Low-
10 Income Home Energy Assistance Act of 1981 (42 U.S.C.
11 8624(k)) is amended—

12 (1) in paragraph (1), by striking “15 percent”
13 and inserting “25 percent”; and

14 (2) in paragraph (2)—

15 (A) in subparagraph (A), in the matter
16 preceding clause (i)—

17 (i) by striking “subparagraph (B)”
18 and inserting “subparagraph (C)”; and

19 (ii) by striking “the greater of 25 per-
20 cent” and inserting “a portion equal to the
21 greater of 35 percent”;

22 (B) by redesignating subparagraph (B) as
23 subparagraph (C); and

24 (C) by inserting after subparagraph (A)
25 the following:

1 “(B) The State—

2 “(i) shall, to the extent practicable—

3 “(I) use the portion described in subpara-
4 graph (A) for energy-related home repair that
5 reduces dependence on fossil fuel energy
6 sources; and

7 “(II) use the portion to facilitate the use
8 of funds made available under section 2602(b)
9 to increase the participation of eligible house-
10 holds in community solar programs, or to other-
11 wise increase access to and ownership of dis-
12 tributed renewable energy infrastructure among
13 eligible households; and

14 “(ii) shall if possible give the highest priority to
15 using the portion for home repair that replaces ap-
16 pliances that rely on fossil fuels with appliances that
17 use electric heating or cooling technology, powered
18 by renewable energy.”.

19 (g) HOME ENERGY PAYMENT ARREARS DATA COL-
20 LECTION.—Section 2605 of the Low-Income Home En-
21 ergy Assistance Act of 1981 (42 U.S.C. 8624), as amend-
22 ed by subsection (e), is further amended by adding at the
23 end the following:

24 “(u)(1)(A) The Secretary, in consultation with the
25 Secretary of Energy, shall develop a standardized template

1 for States and home energy suppliers to use to track and
2 report data on eligible households in arrears in home en-
3 ergy payments, including data on the related fees and dis-
4 connections for such households.

5 “(B) The template developed under subparagraph
6 (A) shall—

7 “(i) include a definition of an eligible household
8 in arrears, with respect to home energy payments, as
9 an eligible household that has not made payment on
10 a home energy bill for more than 60 to 90 days, as
11 determined by the State agency or local coordinating
12 agency, unless otherwise specified by State law;

13 “(ii) include metrics on related disconnections,
14 late fees, reconnections, and arrearage balances for
15 eligible households; and

16 “(iii) align with existing (as of the date of the
17 development) Federal and State reporting mecha-
18 nisms where applicable.

19 “(2) Not later than 1 year after the date of enact-
20 ment of the Cheap Energy Act, the Secretary shall, in con-
21 sultation with the Secretary of Energy, issue guidance on
22 best practices for States (including through partnerships
23 with home energy suppliers) to pay for home energy pay-
24 ment arrearages with assistance provided through the pro-
25 gram funded under section 2602(b), including by paying

1 for such arrearages at the time of dissemination of assist-
2 ance through that program. Such guidance shall prohibit
3 any home energy supplier receiving funds through the pro-
4 gram from recovering arrearage assistance costs through
5 rate increases or other charges to customers, including
6 cost recovery mechanisms that disproportionately impact
7 low-income households.

8 “(3) To the extent practicable, the Secretary and the
9 Secretary of Energy shall jointly—

10 “(A) implement a data tracking system, aligned
11 with the standardized reporting template developed
12 under paragraph (1), to collect aggregate data re-
13 garding the number of eligible households in arrears
14 and their respective energy burdens and develop rec-
15 ommendations to HEAP coordinators on how to
16 minimize energy burdens for the households; and

17 “(B) issue guidance to home energy suppliers
18 with recommendations for working with State agen-
19 cies to address home energy payment arrearages of
20 eligible households.

21 “(4) The Secretary, in consultation with the Sec-
22 retary of Energy, may make grants to States to assist the
23 States in implementing data tracking and reporting re-
24 quirements under this subsection.

1 “(5) There are authorized to be appropriated to carry
2 out this subsection such sums as may be necessary.”.

3 (h) PROGRAM NAME CHANGE.—

4 (1) LIHEAP.—The Low-Income Home Energy
5 Assistance Act of 1981 is amended—

6 (A) in section 2607A(b) (42 U.S.C.
7 8626a(b)), in the matter preceding paragraph
8 (1), by striking “low-income” the first place it
9 appears; and

10 (B) in section 2607B(e)(2)(B)(ii) (42
11 U.S.C. 8626b(e)(2)(B)(ii)), by striking “Low-
12 Income”.

13 (2) OTHER LAW.—A reference in any other
14 Federal law (other than that Act), Executive order,
15 rule, regulation, or delegation of authority, or any
16 document, of or relating to the Low-Income Home
17 Energy Assistance Program, shall be deemed to
18 refer to the Home Energy Assistance Program.

19 (i) JUST TRANSITION GRANTS.—The Low-Income
20 Home Energy Assistance Act of 1981 is amended by in-
21 serting after section 2607B (42 U.S.C. 8626b) the fol-
22 lowing:

23 **“SEC. 2607C. HEAP JUST TRANSITION GRANTS.**

24 “(a) GRANT PROGRAM.—The Secretary and the Sec-
25 retary of Energy shall jointly carry out a grant program

1 under this section. In carrying out the program, the Secre-
2 taries shall make grants for a period of 3 years to States
3 and local governments to support the development and im-
4 plementation of interagency plans to reduce energy bur-
5 dens for eligible households with high home energy use.
6 The plans shall promote the reduction of those burdens
7 in a manner that supports a just transition away from
8 fossil fuel energy and protects eligible households from the
9 threats of climate change. The Secretaries shall make the
10 grants for a period of 3 years.

11 “(b) PREFERENCES.—In making the grants, the Sec-
12 retary shall give a preference to States, and local govern-
13 ments, who set up coordination systems—

14 “(1) to identify eligible households, that are re-
15 cipients of assistance through the program funded
16 under section 2602(b), with high home energy use;

17 “(2) to prioritize eligible households with the
18 highest energy burdens and lowest incomes, in align-
19 ment with the priority provisions in paragraphs (2)
20 and (3) of section 2605(b), to receive emergency re-
21 pair, weatherization, and retrofit assistance that re-
22 sults in decarbonization and reductions in energy
23 use; and

24 “(3) to partner with entities carrying out work-
25 force development initiatives, unions, or minority or

1 women-owned business enterprises to provide emer-
2 gency repairs, weatherization, and retrofit assist-
3 ance.

4 “(c) REPORT TO CONGRESS.—At the conclusion of
5 the 3-year grant period, the Secretaries shall—

6 “(1) conduct an evaluation of the program’s
7 outcomes; and

8 “(2) prepare and submit to Congress a report
9 containing the results of the evaluation and policy
10 recommendations.”.

11 (j) CONFORMING AMENDMENTS.—The Low-Income
12 Home Energy Assistance Act of 1981 (42 U.S.C. 8621
13 et seq.) is amended—

14 (1) in section 2607B(e)(2)(K) (42 U.S.C.
15 8626b(e)(2)(K)) by striking “paragraphs (2), (3),
16 (4), (5), (7), (9), (10), (11), (12), (13), and (14) of
17 section 2605(b)” and inserting “paragraphs (2), (4),
18 (5), (6), (8), (10), (11), (12), (13), (14), and (15)
19 of section 2605(b)”; and

20 (2) in section 2610(b)(1) (42 U.S.C. 8629) by
21 striking “clauses (2), (5), (8), and (15) of section
22 2605(b)” and inserting “paragraphs (2), (6), (9),
23 and (16) of section 2605(b)”.

1 **SEC. 202. HOME WEATHERIZATION.**

2 (a) **ENHANCEMENT AND INNOVATION.**—Section
3 414D of the Energy Conservation and Production Act (42
4 U.S.C. 6864d) is amended by striking subsection (k).

5 (b) **AVERAGE COST PER DWELLING UNIT.**—Section
6 415(c)(1) of the Energy Conservation and Production Act
7 (42 U.S.C. 6865(c)(1)) is amended by striking “\$6,500”
8 and inserting “\$12,000”.

9 (c) **CLARIFICATION OF REWEATHERIZATION LIMITA-**
10 **TION.**—Section 415(c)(2) of the Energy Conservation and
11 Production Act (42 U.S.C. 6865(c)(2)) is amended—

12 (1) by striking “, or under other Federal pro-
13 grams”;

14 (2) by striking “, may” and inserting “may”;
15 and

16 (3) by striking “or under other Federal pro-
17 grams, or from receiving non-Federal assistance for
18 weatherization”.

19 (d) **RENEWABLE ENERGY SYSTEMS.**—Section 415(c)
20 of the Energy Conservation and Production Act (42
21 U.S.C. 6865(c)) is amended by striking paragraph (4).

22 (e) **WEATHERIZATION READINESS PROGRAM.**—

23 (1) **IN GENERAL.**—The Energy Conservation
24 and Production Act is amended by adding after sec-
25 tion 414E (42 U.S.C. 6864e) the following section:

1 **“SEC. 414F. WEATHERIZATION READINESS PROGRAM.**

2 “(a) IN GENERAL.—Not later than 1 year after the
3 date of enactment of this section, the Secretary shall es-
4 tablish a weatherization readiness program to provide
5 grants to States and tribal organizations to implement
6 measures to make dwelling units occupied by low-income
7 persons ready to receive weatherization measures pursu-
8 ant to the weatherization program conducted under this
9 part by addressing structural, plumbing, roofing, and elec-
10 trical issues and environmental hazards, and imple-
11 menting other measures that the Secretary determines to
12 be appropriate, to reduce the frequency of deferrals of
13 such weatherization measures when the condition of a
14 dwelling unit renders delivery of weatherization measures
15 unsafe or ineffective.

16 “(b) ALIGNMENT OF REQUIREMENTS.—Except as
17 otherwise provided in this section, to the extent possible,
18 the Secretary shall, in establishing the weatherization
19 readiness program under this section—

20 “(1) align the requirements of such weatheriza-
21 tion readiness program with the requirements of the
22 weatherization program conducted under this part;
23 and

24 “(2) seek to reduce barriers to leveraging other
25 sources of funding for weatherization readiness
26 measures.

1 “(c) SAVINGS-TO-INVESTMENT RATIO.—The weath-
2 erization readiness program established under this section
3 shall not include a savings-to-investment ratio require-
4 ment.

5 “(d) PREVIOUS WEATHERIZATION.—Weatherization
6 readiness measures implemented pursuant to the weather-
7 ization readiness program established under this section
8 shall not be considered previous weatherization for pur-
9 poses of section 415(c)(2).

10 “(e) AVERAGE COST PER DWELLING UNIT.—The
11 Secretary may establish, or require a State grantee to es-
12 tablish, a limit for expenditures for weatherization readi-
13 ness measures, including labor, materials, and related
14 matters, to be implemented with respect to a dwelling unit,
15 on an average cost per unit basis, pursuant to the weath-
16 erization readiness program established under this section.

17 “(f) ALLOCATION OF FUNDS.—

18 “(1) IN GENERAL.—The Secretary shall allo-
19 cate funding made available under this section to
20 States and tribal organizations in a manner con-
21 sistent with the allocation of financial assistance for
22 weatherization assistance under the weatherization
23 program conducted under this part.

24 “(2) UPDATED ALLOCATION.—Not sooner than
25 October 1, 2029, the Secretary, in consultation with

1 States and tribal organizations, may, by rule, update
2 the method to allocate funding to States and tribal
3 organizations under this section to more accurately
4 reflect the relative need for funding for weatheriza-
5 tion readiness measures among low-income persons
6 throughout the States and Indian tribes.

7 “(g) ADMINISTRATIVE EXPENSES.—Not more than
8 an amount equal to 15 percent of any grant made by the
9 Secretary under this section may be used for administra-
10 tive purposes, except that not more than one-half of such
11 amount may be used by any State for such purposes.

12 “(h) AUTHORIZATION OF APPROPRIATIONS.—There
13 is authorized to be appropriated \$50,000,000 for each of
14 fiscal years 2026 through 2030 to carry out this section.”.

15 (2) TABLE OF CONTENTS AMENDMENT.—The
16 table of contents for the Energy Conservation and
17 Production Act is amended by adding after the item
18 relating to section 414E the following:

“Sec. 414F. Weatherization readiness program.”.

19 (f) REAUTHORIZATION OF WEATHERIZATION ASSIST-
20 ANCE PROGRAM.—Paragraph (2) of section 422 of the
21 Energy Conservation and Production Act (42 U.S.C.
22 6872) is amended by striking “2025” and inserting
23 “2030”.

1 **SEC. 203. REFLECTIVE ROOFING.**

2 (a) ESTABLISHMENT.—The Secretary shall establish
3 and carry out a program to provide rebates to eligible
4 households for the purchase and installation of eligible
5 cool roof products.

6 (b) REBATE AMOUNT.—The amount of a rebate pro-
7 vided under the program established under subsection (a)
8 shall be—

9 (1) with respect to an eligible cool roof product
10 installed on a low-sloped roof—

11 (A) \$0.25 per square foot if such eligible
12 cool roof product has—

13 (i) a minimum 3-year aged solar re-
14 flectance of 0.65 and a minimum 3-year-
15 aged thermal emittance of 0.75; or

16 (ii) a minimum 3-year aged Solar Re-
17 flectance Index of 78; and

18 (B) \$0.75 per square foot if such eligible
19 cool roof product has—

20 (i) a minimum 3-year aged solar re-
21 flectance of 0.75 and a minimum 3-year-
22 aged thermal emittance of 0.75; or

23 (ii) a minimum 3-year aged Solar Re-
24 flectance Index of 92; and

25 (2) with respect to an eligible cool roof product
26 installed on a steep-sloped roof—

1 (A) \$0.25 per square foot if such eligible
2 cool roof product has—

3 (i) a minimum 3-year aged solar re-
4 flectance of 0.25 and a minimum 3-year-
5 aged thermal emittance of 0.75; or

6 (ii) a minimum 3-year aged Solar Re-
7 flectance Index of 23; and

8 (B) \$0.75 per square foot if such eligible
9 cool roof product has—

10 (i) a minimum 3-year aged solar re-
11 flectance of 0.40 and a minimum 3-year-
12 aged thermal emittance of 0.75; or

13 (ii) a minimum 3-year aged Solar Re-
14 flectance Index of 43.

15 (c) COMBINING REBATES.—Nothing in this section
16 shall be construed to prohibit an eligible household from
17 receiving any other grant, rebate, or other financial assist-
18 ance with respect to the same eligible cool roof product
19 for which a rebate is provided under the program estab-
20 lished under subsection (a).

21 (d) TERMINATION DATE.—The program established
22 under subsection (a) shall terminate on September 30,
23 2030.

24 (e) REPORTING REQUIREMENT.—Not later than 6
25 months after the program established under subsection (a)

1 terminates, the Secretary shall submit to Congress a re-
2 port describing, for each program participant—

3 (1) whether the participant used the rebate to
4 help retrofit an old roof or install a new roof;

5 (2) if the participant retrofitted an old roof,
6 which older roof product the new eligible cool roof
7 product replaced or covered; and

8 (3) what eligible cool roof product the partici-
9 pant purchased using the rebate.

10 (f) AUTHORIZATION OF APPROPRIATIONS.—There is
11 authorized to be appropriated to carry out this section
12 \$25,000,000 for each of fiscal years 2026 through 2030.

13 (g) DEFINITIONS.—In this Act:

14 (1) 3-YEAR AGED.—The term “3-year aged”
15 means, with respect to solar reflectance or thermal
16 emittance of an eligible cool roof product, the solar
17 reflectance or thermal emittance is tested after com-
18 pleting 3 years of field exposure, or tested after lab-
19 oratory exposure that has replicated the effects of 3
20 years of natural exposure if the eligible cool roof
21 product has begun but not yet completed field expo-
22 sure, in accordance with the most recent standard
23 issued by the American National Standard Institute
24 and Cool Roof Rating Council, S100–2021.

1 (2) ELIGIBLE COOL ROOF PRODUCT.—The term
2 “eligible cool roof product” means a product that
3 has a rating from the Cool Roof Rating Council.

4 (3) ELIGIBLE HOUSEHOLD.—

5 (A) IN GENERAL.—Except as provided in
6 subparagraph (B), the term “eligible house-
7 hold” means an individual or family—

8 (i) residing in a single-family or multi-
9 family building;

10 (ii) the total annual income of which
11 is less than 200 percent of the median in-
12 come of the zip code in which the indi-
13 vidual or family resides (as reported by the
14 Department of Housing and Urban Devel-
15 opment); and

16 (iii) residing in a ZIP Code Tabula-
17 tion Area that is in the 75th percentile or
18 higher of the Heat and Health Index of
19 the Centers for Disease Control and Pre-
20 vention.

21 (B) ALASKA, HAWAII, AND TERRITORIES.—

22 With respect to an individual or family residing
23 in Alaska, Hawaii, or a territory of the United
24 States, until the date that their respective State
25 or territory is added to the Heat and Health

1 Index of the Centers for Disease Control and
2 Prevention, the term “eligible household”
3 means that such individual or family—

4 (i) resides in a single-family or multi-
5 family building; and

6 (ii) has a total annual income that is
7 less than 200 percent of the median in-
8 come of the zip code in which the indi-
9 vidual or family resides (as reported by the
10 Department of Housing and Urban Devel-
11 opment).

12 (4) INCIDENT SOLAR FLUX.—The term “inci-
13 dent solar flux” means the solar power per unit area
14 that strikes a surface.

15 (5) LOW-SLOPED ROOF.—The term “low-sloped
16 roof” means a roof with a slope (ratio of rise to run)
17 of 2:12 or less.

18 (6) RADIANT HEAT FLUX.—The term “radiant
19 heat flux” means the radiant power per unit area.

20 (7) REFLECTED SOLAR FLUX.—The term “re-
21 flected solar flux” means the solar power per unit
22 area reflected from a surface.

23 (8) SECRETARY.—The term “Secretary” means
24 the Secretary of Energy.

1 (9) SOLAR REFLECTANCE.—The term “solar re-
2 flectance” means the ratio of reflected solar flux to
3 the incident solar flux.

4 (10) SOLAR REFLECTANCE INDEX.—The term
5 “Solar Reflectance Index” means a calculated value
6 that combines solar reflectance with thermal
7 emittance into a single metric, in accordance with
8 section 2.2.9. of the Cool Roof Rating Council’s
9 Roof Product Rating Program Manual.

10 (11) STEEP-SLOPED ROOF.—The term “steep-
11 sloped roof” means a roof with a slope (ratio of rise
12 to run) greater than 2:12.

13 (12) THERMAL EMITTANCE.—The term “ther-
14 mal emittance” means the ratio of the radiant heat
15 flux emitted by a material tested at a temperature
16 near 300 kelvin.

17 **SEC. 204. ENERGY SAVINGS TARGETS FOR UTILITIES.**

18 (a) IN GENERAL.—Title VI of the Public Utility Reg-
19 ulatory Policies Act of 1978 is amended by adding after
20 section 609 (7 U.S.C. 918c) the following:

21 **“SEC. 610. FEDERAL ENERGY EFFICIENCY RESOURCE**
22 **STANDARD FOR RETAIL ELECTRICITY AND**
23 **NATURAL GAS SUPPLIERS.**

24 “(a) DEFINITIONS.—In this section:

1 “(1) AFFILIATE.—The term ‘affiliate’, when
2 used in relation to a person (including an electric
3 utility and a local distribution company), means an-
4 other person that owns or controls, is owned or con-
5 trolled by, or is under common ownership or control
6 with, that person, as determined under regulations
7 promulgated by the Secretary.

8 “(2) ASHRAE; ANSI; IESNA.—The terms
9 ‘ASHRAE’, ‘ANSI’, and ‘IESNA’ mean the Amer-
10 ican Society of Heating, Refrigerating and Air-Con-
11 ditioning Engineers, the American National Stand-
12 ards Institute, and the Illuminating Engineering So-
13 ciety of North America, respectively.

14 “(3) BASE QUANTITY.—

15 “(A) IN GENERAL.—The term ‘base quan-
16 tity’, with respect to a retail electricity supplier
17 or retail natural gas supplier, means, for each
18 calendar year for which a performance standard
19 is established under subsection (c), the average
20 annual quantity of electricity or natural gas de-
21 livered by the retail electricity supplier or retail
22 natural gas supplier to retail customers during
23 the 3 calendar years immediately preceding the
24 first year that compliance is required under
25 subsection (c)(1).

1 “(B) EXCLUSION.—The term ‘base quan-
2 tity’, with respect to a retail natural gas sup-
3 plier, does not include natural gas delivered for
4 purposes of electricity generation.

5 “(4) CHP SAVINGS.—The term ‘CHP savings’
6 means—

7 “(A) CHP system savings from a combined
8 heat and power system that commences oper-
9 ation after the date of enactment of this sec-
10 tion; and

11 “(B) the increase in CHP system savings
12 from upgrading or replacing, after the date of
13 enactment of this section, a combined heat and
14 power system that commenced operation on or
15 before the date of enactment of this section.

16 “(5) CHP SYSTEM SAVINGS.—The term ‘CHP
17 system savings’ means the electric output, and the
18 electricity saved due to the mechanical output, of a
19 combined heat and power system, adjusted to reflect
20 any increase in fuel consumption by that system as
21 compared to the fuel that would have been required
22 to produce an equivalent useful thermal energy out-
23 put in a separate thermal-only system, as deter-
24 mined in accordance with regulations promulgated
25 by the Secretary.

1 “(6) COMBINED HEAT AND POWER SYSTEM.—

2 The term ‘combined heat and power system’ means
3 a system that uses the same energy source for the
4 generation of electrical or mechanical power and the
5 production of steam or another form of useful ther-
6 mal energy, if—

7 “(A) the system meets all applicable re-
8 quirements relating to efficiency and other op-
9 erating characteristics that the Secretary pro-
10 mulgates by regulation; and

11 “(B) the net quantity of electricity sold
12 wholesale by the facility using the system does
13 not exceed 50 percent of the total quantity of
14 electricity generated annually by the system.

15 “(7) COST-EFFECTIVE.—The term ‘cost-effec-
16 tive’ means, with respect to an energy efficiency
17 measure, that the measure achieves, directly to the
18 energy consumer and to the economy, a net present
19 value of economic benefits over the life of the meas-
20 ure that is greater than the net present value of the
21 cost of the measure over the life of the measure,
22 using a societal benefit-cost test calculated using the
23 lower of—

24 “(A) a utility weighted average cost of cap-
25 ital; or

1 “(B) a social discount rate of 3 percent.

2 “(8) CUSTOMER FACILITY SAVINGS.—The term
3 ‘customer facility savings’ means a reduction in end-
4 use electricity or natural gas consumption (including
5 waste heat energy savings) at a facility of an end-
6 use consumer of electricity or natural gas served by
7 a retail electricity supplier or retail natural gas sup-
8 plier, as compared to—

9 “(A) in the case of a new facility, con-
10 sumption at a reference facility of average effi-
11 ciency;

12 “(B) in the case of an existing facility,
13 consumption at the facility during a base period
14 of not less than 1 year;

15 “(C) in the case of new equipment that re-
16 places existing equipment at the end of the use-
17 ful life of the existing equipment, consumption
18 by new equipment of average efficiency of the
19 same equipment type, except that customer sav-
20 ings under this subparagraph shall not be
21 counted toward customer savings under sub-
22 paragraph (A) or (B); and

23 “(D) in the case of new equipment that re-
24 places existing equipment with remaining useful
25 life—

1 “(i) consumption by the existing
2 equipment for the remaining useful life of
3 the equipment; and

4 “(ii) thereafter, consumption by new
5 equipment of average efficiency of the
6 same equipment type.

7 “(9) ELECTRICITY SAVINGS.—The term ‘elec-
8 tricity savings’ means reductions in electricity con-
9 sumption or losses achieved through measures imple-
10 mented after the date of enactment of this section,
11 as determined in accordance with regulations pro-
12 mulgated by the Secretary, that—

13 “(A) occur in the service territory of the
14 retail electricity supplier claiming or transfer-
15 ring the electricity savings; and

16 “(B) are limited to—

17 “(i) customer facility savings of elec-
18 tricity, adjusted to reflect any associated
19 increase in fuel consumption at the facility;

20 “(ii) reductions in distribution system
21 losses of electricity achieved by a retail
22 electricity supplier, as compared to losses
23 attributable to new or replacement dis-
24 tribution system equipment of average effi-

1 ciency, as defined in regulations promul-
2 gated by the Secretary;

3 “(iii) CHP savings;

4 “(iv) State and local codes and stand-
5 ards savings of electricity; and

6 “(v) fuel-switching energy savings
7 that result in net savings of source energy,
8 as defined in regulations promulgated by
9 the Secretary.

10 “(10) FUEL-SWITCHING ENERGY SAVINGS.—

11 “(A) IN GENERAL.—The term ‘fuel-switch-
12 ing energy savings’ means net energy savings,
13 calculated in accordance with subparagraph
14 (B), from end-user switches from 1 energy
15 source to another, as determined in accordance
16 with regulations promulgated by the Secretary.

17 “(B) CALCULATION.—For purposes of cal-
18 culating fuel-switching net energy savings—

19 “(i) electricity use shall be evaluated
20 based on the average quantity of fuel
21 burned at a new power plant, taking into
22 account existing and planned renewable en-
23 ergy generators to provide each kilowatt
24 hour of electricity;

1 “(ii) electricity and natural gas use
2 shall include losses in the transmission and
3 distribution system; and

4 “(iii) fuel-switching that is not cost-ef-
5 fective to the end-user shall not be count-
6 ed.

7 “(11) LOCAL DISTRIBUTION COMPANY.—The
8 term ‘local distribution company’ has the meaning
9 given the term in section 2 of the Natural Gas Pol-
10 icy Act of 1978 (15 U.S.C. 3301).

11 “(12) NATURAL GAS SAVINGS.—The term ‘nat-
12 ural gas savings’ means reductions in natural gas
13 consumption, leakage, or operational losses from
14 measures implemented after the date of enactment
15 of this section, as determined in accordance with
16 regulations promulgated by the Secretary, that—

17 “(A) occur in the service territory of the
18 retail natural gas supplier claiming or transfer-
19 ring the natural gas savings; and

20 “(B) are limited to—

21 “(i) customer facility savings of nat-
22 ural gas, adjusted to reflect any associated
23 increase in electricity consumption or con-
24 sumption of other fuels at the facility;

1 “(ii) reductions in leakage, operational
2 losses, and consumption of natural gas fuel
3 to operate a gas distribution system,
4 achieved by a retail natural gas supplier,
5 as compared to similar leakage, losses, and
6 consumption during a base period of not
7 less than 1 year;

8 “(iii) State and local codes and stand-
9 ards savings of natural gas; and

10 “(iv) fuel-switching energy savings
11 that result in net savings of source energy,
12 as defined in regulations promulgated by
13 the Secretary.

14 “(13) PERFORMANCE STANDARD.—

15 “(A) IN GENERAL.—The term ‘perform-
16 ance standard’ means a standard established
17 for a calendar year for cumulative electricity
18 savings or cumulative natural gas savings that
19 is expressed as a percentage of base quantity.

20 “(B) CALENDAR YEARS 2026 THROUGH
21 2040.—For each of calendar years 2026 through
22 2040, the term ‘performance standard’ means
23 the percentage labeled as cumulative electricity
24 savings percentage or cumulative natural gas
25 savings percentage, as applicable, in the table in

1 subsection (c)(2) for the applicable calendar
2 year.

3 “(14) POWER POOL.—

4 “(A) IN GENERAL.—The term ‘power pool’
5 means an association of 2 or more inter-
6 connected electric systems that have entered
7 into an agreement to coordinate operations and
8 planning for improved reliability and effi-
9 ciencies, as determined by the Secretary.

10 “(B) INCLUSIONS.—The term ‘power pool’
11 includes a Regional Transmission Organization
12 (as defined in section 3 of the Federal Power
13 Act (16 U.S.C. 796)) and an Independent Sys-
14 tem Operator (as defined in that section).

15 “(15) REPORTING PERIOD.—The term ‘report-
16 ing period’ means—

17 “(A) calendar year 2026; and

18 “(B) each successive 2-calendar-year pe-
19 riod thereafter.

20 “(16) RETAIL ELECTRICITY SUPPLIER.—

21 “(A) IN GENERAL.—The term ‘retail elec-
22 tricity supplier’ means, for any given calendar
23 year, an electric utility that delivers not less
24 than 2,000,000 megawatt hours of electric en-

1 ergy to electric consumers for purposes other
2 than resale during the preceding calendar year.

3 “(B) INCLUSIONS AND LIMITATIONS.—For
4 purposes of determining whether an electric
5 utility qualifies as a retail electricity supplier
6 under subparagraph (A)—

7 “(i) deliveries by any affiliate of an
8 electric utility to electric consumers for
9 purposes other than resale shall be consid-
10 ered to be deliveries by the electric utility;
11 and

12 “(ii) deliveries by any electric utility
13 to a lessee, tenant, or affiliate of the elec-
14 tric utility shall not be considered to be de-
15 liveries to electric consumers.

16 “(17) RETAIL NATURAL GAS SUPPLIER.—

17 “(A) IN GENERAL.—The term ‘retail nat-
18 ural gas supplier’ means, for any given calendar
19 year, a local distribution company that delivered
20 to natural gas consumers more than
21 5,000,000,000 cubic feet of natural gas for pur-
22 poses other than resale during the preceding
23 calendar year.

24 “(B) INCLUSIONS AND LIMITATIONS.—For
25 purposes of determining whether an entity

1 qualifies as a retail natural gas supplier under
2 subparagraph (A)—

3 “(i) deliveries of natural gas by any
4 affiliate of a local distribution company to
5 consumers for purposes other than resale
6 shall be considered to be deliveries by the
7 local distribution company; and

8 “(ii) deliveries of natural gas to a les-
9 see, tenant, or affiliate of a local distribu-
10 tion company shall not be considered to be
11 deliveries to natural gas consumers.

12 “(18) STATE AND LOCAL CODES AND STAND-
13 ARDS SAVINGS.—

14 “(A) IN GENERAL.—The term ‘State and
15 local codes and standards savings’ means a re-
16 duction, due to the adoption and implementa-
17 tion, after the date of enactment of this section,
18 of new or revised appliance and equipment effi-
19 ciency standards or building energy codes, in—

20 “(i) end-use electricity consumption
21 for a retail electricity supplier; or

22 “(ii) natural gas consumption in the
23 service territory of a retail natural gas
24 supplier.

1 “(B) BASELINES.—In calculating State
2 and local codes and standards savings under
3 subparagraph (A)—

4 “(i) the baseline for calculating sav-
5 ings from a new or revised building code
6 shall be the more stringent of—

7 “(I)(aa) the 2021 International
8 Energy Conservation Code for resi-
9 dential buildings; or

10 “(bb) the ASHRAE/ANSI/
11 IESNA Standard 90.1–2019 for com-
12 mercial buildings; or

13 “(II) the applicable State build-
14 ing code in effect on the date of en-
15 actment of this section; and

16 “(ii) the baseline for calculating sav-
17 ings from a new or revised appliance
18 standard shall be the estimated average ef-
19 ficiency of new appliances in the applicable
20 1 or more categories during the 1-year pe-
21 riod preceding the date on which the new
22 or revised standard is adopted.

23 “(19) THIRD-PARTY EFFICIENCY PROVIDER.—
24 The term ‘third-party efficiency provider’ means any
25 retailer, building owner, energy service company, fi-

1 nancial institution, or other commercial, industrial,
2 or nonprofit entity that is capable of providing elec-
3 tricity savings or natural gas savings in accordance
4 with any procedures, standards, and rules estab-
5 lished by the Secretary under subsections (b)(1)(D)
6 and (e).

7 “(20) WASTE HEAT ENERGY SAVINGS.—The
8 term ‘waste heat energy savings’ means a reduction
9 in the mechanical or thermal energy used at a facil-
10 ity or the electric output of a facility, adjusted to re-
11 flect any associated increase in fuel consumption,
12 that results from a modification of an industrial,
13 commercial, or institutional system that commenced
14 operation before the date of enactment of this sec-
15 tion, in order to recapture electrical, mechanical, or
16 thermal energy that would otherwise be wasted, such
17 as through exhaust or dissipation to the environ-
18 ment, and productively use that recaptured energy,
19 represented as a reduction in net electricity or nat-
20 ural gas consumption, as determined in accordance
21 with regulations promulgated by the Secretary.

22 “(b) ESTABLISHMENT OF PROGRAM.—

23 “(1) REGULATIONS.—Not later than 1 year
24 after the date of enactment of this section, the Sec-
25 retary shall, by regulation, establish a program to

1 implement and enforce the requirements of this sec-
2 tion, including—

3 “(A) by establishing evaluation, measure-
4 ment, and verification procedures and stand-
5 ards under subsection (e);

6 “(B) by establishing requirements under
7 which retail electricity suppliers and retail nat-
8 ural gas suppliers shall—

9 “(i) demonstrate, document, and re-
10 port the compliance of the retail electricity
11 suppliers and retail natural gas suppliers
12 with the performance standards under sub-
13 section (c); and

14 “(ii) estimate the impact of the stand-
15 ards on current and future electricity and
16 natural gas use in the service territories of
17 the suppliers;

18 “(C) by establishing requirements gov-
19 erning applications for, and implementation of,
20 delegated State administration under subsection
21 (g); and

22 “(D) by establishing rules to govern trans-
23 fers of electricity savings and natural gas sav-
24 ings—

1 “(i) between suppliers and third-party
2 efficiency providers serving the same State;
3 and

4 “(ii) between suppliers and third-
5 party efficiency providers serving different
6 States.

7 “(2) NATIONAL ACADEMY OF SCIENCES
8 STUDY.—In establishing and implementing the pro-
9 gram under this section, the Secretary shall take
10 into consideration a report published under sub-
11 section (e)(2)(C).

12 “(3) COORDINATION WITH STATE PROGRAMS.—
13 In establishing and implementing the program under
14 this section, the Secretary shall, to the maximum ex-
15 tent practicable, preserve the integrity and incor-
16 porate best practices of existing State energy effi-
17 ciency programs.

18 “(4) SAVINGS PROGRAMS FOR LOW-INCOME
19 CUSTOMERS.—In implementing this section, the Sec-
20 retary shall encourage retail electricity suppliers and
21 retail natural gas suppliers to ensure that a portion
22 of the customer facility savings achieved for a cal-
23 endar year shall result from programs that target
24 households that are at or below 200 percent of the

1 poverty line (as defined in section 673 of the Com-
2 munity Services Block Grant Act (42 U.S.C. 9902)).

3 “(c) PERFORMANCE STANDARDS.—

4 “(1) COMPLIANCE OBLIGATION.—Not later
5 than May 1 of the calendar year immediately fol-
6 lowing each reporting period—

7 “(A) each retail electricity supplier shall
8 submit to the Secretary a report, in accordance
9 with regulations promulgated by the Secretary,
10 demonstrating that the retail electricity supplier
11 has achieved cumulative consistent electricity
12 savings (adjusted to account for any attrition of
13 savings measures implemented in prior years)
14 in each calendar year that are equal to the ap-
15 plicable percentage of the base quantity of the
16 retail electricity supplier; and

17 “(B) each retail natural gas supplier shall
18 submit to the Secretary a report, in accordance
19 with regulations promulgated by the Secretary,
20 demonstrating that the retail natural gas sup-
21 plier has achieved cumulative consistent natural
22 gas savings (adjusted to account for any attri-
23 tion of savings measures implemented in prior
24 years) in each calendar year that are equal to

1 the applicable percentage of the base quantity
2 of the retail natural gas supplier.

3 “(2) STANDARDS FOR 2026 THROUGH 2040.—

4 For each of calendar years 2026 through 2040, the
5 applicable percentages are as follows:

“Calendar Year	Cumulative Electricity Savings Percentage	Cumulative Natural Gas Savings Percentage
2026	1.00	0.50
2027	2.00	1.25
2028	3.00	2.00
2029	4.25	3.00
2030	5.50	4.00
2031	7.00	5.00
2032	8.50	6.00
2033	10.00	7.00
2034	11.50	8.00
2035	13.00	9.00
2036	14.75	10.00
2037	16.50	11.00
2038	18.25	12.00
2039	20.00	13.00
2040	22.00	14.00

6 “(3) SUBSEQUENT YEARS.—

7 “(A) CALENDAR YEARS 2041 THROUGH
8 2050.—Not later than December 31, 2035, the
9 Secretary shall promulgate regulations estab-
10 lishing performance standards (expressed as ap-
11 plicable percentages of base quantity for both
12 cumulative electricity savings and cumulative

1 natural gas savings) for each of calendar years
2 2041 through 2050.

3 “(B) REQUIREMENTS.—The Secretary
4 shall establish standards under this paragraph
5 at levels reflecting the maximum achievable
6 level of cost-effective energy efficiency potential,
7 taking into account—

8 “(i) cost-effective energy savings
9 achieved by leading retail electricity sup-
10 pliers and retail natural gas suppliers;

11 “(ii) opportunities for new State and
12 local codes and standards savings;

13 “(iii) technology improvements; and

14 “(iv) other indicators of cost-effective
15 energy efficiency potential, including dif-
16 ferences between States.

17 “(C) MINIMUM PERCENTAGE.—In no case
18 shall the applicable percentages for any cal-
19 endar year after calendar year 2040 be less
20 than the applicable percentages for calendar
21 year 2040.

22 “(4) MIDCOURSE REVIEW AND ADJUSTMENT OF
23 PERFORMANCE STANDARDS.—

1 “(A) IN GENERAL.—Not later than De-
2 cember 31, 2034, and at 10-year intervals
3 thereafter, the Secretary shall—

4 “(i) review the most recent perform-
5 ance standards established under para-
6 graph (2) or (3), as applicable; and

7 “(ii) increase the performance stand-
8 ards by regulation if the Secretary deter-
9 mines that additional cost-effective energy
10 efficiency potential is achievable, taking
11 into account the requirement described in
12 paragraph (3)(C).

13 “(B) LEAD TIME.—If the Secretary revises
14 performance standards under this paragraph,
15 the applicable regulations shall provide ade-
16 quate lead time to ensure that compliance with
17 the increased performance standards is feasible.

18 “(5) DELAY OF SUBMISSION FOR FIRST RE-
19 PORTING PERIOD.—

20 “(A) IN GENERAL.—Notwithstanding
21 paragraphs (1) and (2), for the first reporting
22 period after the date of enactment of this sec-
23 tion, the Secretary may accept a request from
24 a retail electricity supplier or a retail natural
25 gas supplier to delay the required submission of

1 documentation of all or part of the required
2 savings for up to 2 years.

3 “(B) PLAN FOR COMPLIANCE.—The re-
4 quest for delay under subparagraph (A) shall
5 include a plan for coming into full compliance
6 by the end of the second reporting period after
7 the date of enactment of this section.

8 “(6) APPLYING UNUSED SAVINGS TO FUTURE
9 YEARS.—If savings achieved in a year exceed the
10 performance standards specified in this subsection,
11 any savings in excess of the performance standards
12 may be applied toward performance standards speci-
13 fied for the first 3 years following the year in which
14 the excess savings are achieved.

15 “(d) TRANSFERS OF ELECTRICITY SAVINGS AND
16 NATURAL GAS SAVINGS.—

17 “(1) BILATERAL CONTRACTS FOR SAVINGS
18 TRANSFERS.—Subject to the limitations of this sub-
19 section, a retail electricity supplier or retail natural
20 gas supplier may use electricity savings or natural
21 gas savings purchased pursuant to a bilateral con-
22 tract from another retail electricity supplier or retail
23 natural gas supplier, a State, or a third-party effi-
24 ciency provider to meet the applicable performance
25 standard under subsection (c).

1 “(2) REQUIREMENTS.—Electricity savings or
2 natural gas savings purchased and used for compli-
3 ance under this subsection shall be—

4 “(A) measured and verified in accordance
5 with subsection (e);

6 “(B) reported in accordance with sub-
7 section (e); and

8 “(C) achieved within the same power pool
9 as is served by the applicable retail electricity
10 supplier or retail natural gas supplier.

11 “(3) REGULATORY APPROVAL.—Nothing in this
12 subsection limits or affects the authority of a State
13 regulatory authority to require a retail electricity
14 supplier or retail natural gas supplier that is regu-
15 lated by the State regulatory authority to obtain the
16 authorization or approval of the State regulatory au-
17 thority of a contract for transfer of electricity sav-
18 ings or natural gas savings under this subsection.

19 “(4) LIMITATIONS.—To optimize the achieve-
20 ment of cost-effective energy efficiency potential, the
21 Secretary may prescribe such limitations as the Sec-
22 retary determines appropriate with respect to the
23 proportion of the compliance obligation of a retail
24 electricity supplier or retail natural gas supplier
25 under the applicable performance standards under

1 subsection (c) that may be met using electricity sav-
2 ings or natural gas savings that are purchased under
3 this subsection.

4 “(e) EVALUATION, MEASUREMENT, AND
5 VERIFICATION OF SAVINGS.—

6 “(1) REGULATIONS.—The regulations promul-
7 gated pursuant to subsection (b) shall—

8 “(A) be based on—

9 “(i) the Uniform Methods Project of
10 the Department of Energy;

11 “(ii) the National Standard Practice
12 Manual for Assessing the Cost-Effective-
13 ness of Energy Efficiency Resources, devel-
14 oped by the National Efficiency Screening
15 Project; and

16 “(iii) other best practices recognized
17 in the energy efficiency industry; and

18 “(B) include—

19 “(i) procedures and standards for
20 evaluating, measuring, and verifying elec-
21 tricity savings and natural gas savings that
22 count toward the performance standards
23 established under subsection (c) that—

1 “(I) specify the types of energy
2 efficiency and energy conservation
3 measures that may be counted;

4 “(II) require that energy con-
5 sumption estimates for customer fa-
6 cilities or portions of facilities in the
7 applicable base and current years be
8 adjusted, as appropriate, to account
9 for changes in weather, level of pro-
10 duction, seasonal patterns, and build-
11 ing area;

12 “(III) for new customer facilities,
13 establish a standardized method for
14 calculating average efficiency that ac-
15 counts for factors such as weather,
16 level of production, seasonal patterns,
17 and building area;

18 “(IV) do not prevent overall load
19 growth due to beneficial electrifica-
20 tion;

21 “(V) account for the useful life of
22 energy efficiency and energy conserva-
23 tion measures;

24 “(VI) allow for savings from a
25 program to be estimated based on ex-

1 trapolation from a representative sam-
2 ple of participating customers;

3 “(VII) include procedures for cal-
4 culating and documenting CHP sav-
5 ings, fuel-switching energy savings,
6 and waste heat energy savings;

7 “(VIII) establish methods for cal-
8 culating State and local codes and
9 standards savings, including the use
10 of verified compliance rates;

11 “(IX) include procedures for cal-
12 culating and documenting—

13 “(aa) customer facility sav-
14 ings and reductions in distribu-
15 tion system losses of electricity
16 and natural gas that are achieved
17 as a result of smart grid deploy-
18 ment, as described in section
19 1301 of the Energy Independ-
20 ence and Security Act of 2007
21 (42 U.S.C. 17381), or the siting
22 of new generation capacity closer
23 to the end-use customer; and

24 “(bb) reductions in natural
25 gas distribution system losses at-

1 tributable to pipeline repair and
2 replacement programs;

3 “(X) count only measures and
4 savings that are additional to busi-
5 ness-as-usual customer purchase prac-
6 tices;

7 “(XI) ensure that the retail elec-
8 tricity supplier or retail natural gas
9 supplier claiming the electricity sav-
10 ings or natural gas savings, including
11 State and local codes and standards
12 savings, has played a significant role
13 in achieving the savings (including
14 through the activities of a designated
15 agent of the supplier or through the
16 purchase of transferred electricity sav-
17 ings or natural gas savings);

18 “(XII) avoid double-counting of
19 savings used for compliance with this
20 section, including transferred savings;

21 “(XIII) include electricity savings
22 or natural gas savings from programs
23 administered by retail electricity sup-
24 pliers or retail natural gas suppliers
25 that are funded by Federal, State, or

1 other sources, unless the funding
2 source specifies otherwise;

3 “(XIV) credit large customer
4 self-directed electricity savings or nat-
5 ural gas savings to the retail elec-
6 tricity supplier or retail natural gas
7 supplier if the large customer receives
8 incentives or rate reductions from the
9 retail electricity supplier or retail nat-
10 ural gas supplier for self-directed en-
11 ergy efficiency improvements;

12 “(XV) include guidance, as ap-
13 propriate, for additional alternative
14 approaches to evaluate electricity sav-
15 ings and natural gas savings for large
16 commercial and industrial customers
17 in energy-intensive industries that are
18 subject to international competition;

19 “(XVI) include procedures for
20 counting electricity savings and nat-
21 ural gas savings achieved by solar
22 heating and cooling technologies, solar
23 light pipe technology, geothermal heat
24 pumps, and other technologies uti-
25 lizing renewable resources that do not

1 produce electricity or gaseous fuel and
2 reduce on-site energy use;

3 “(XVII) include procedures for
4 counting electricity savings and nat-
5 ural gas savings achieved by weather-
6 ization measures, such as installing
7 mechanical insulation, repairing or re-
8 placing heating and cooling systems,
9 repairing or replacing windows and
10 doors, performing air sealing, and re-
11 placing lights and appliances with
12 more energy efficient models;

13 “(XVIII) include procedures for
14 counting electricity savings and nat-
15 ural gas savings achieved from in-
16 creased utilization of mechanical insu-
17 lation for new, retrofit, and mainte-
18 nance construction for commercial, in-
19 dustrial, public, and nonprofit build-
20 ings and facilities;

21 “(XIX) in any State in which the
22 State regulatory authority has des-
23 igned 1 or more entities to admin-
24 ister electric ratepayer-funded effi-
25 ciency programs approved by the

1 State regulatory authority, provide
2 that electricity savings and natural
3 gas savings achieved through those
4 programs shall be distributed propor-
5 tionally among retail electricity sup-
6 pliers and retail natural gas suppliers;

7 “(XX) include guidance for retail
8 electricity suppliers and retail natural
9 gas suppliers to calculate and docu-
10 ment business-as-usual consumption
11 projections;

12 “(XXI) include guidance for esti-
13 mating savings using information
14 from the database established under
15 paragraph (3) based on similar meas-
16 ures and programs in other settings
17 with appropriate adjustments, as nec-
18 essary; and

19 “(XXII) incorporate advances in
20 the science of policy evaluation, such
21 as the use of—

22 “(aa) randomized control
23 trials;

1 “(bb) other experimental
2 and quasi-experimental ap-
3 proaches; and

4 “(cc) large data sets and
5 machine learning techniques; and

6 “(ii) procedures and standards for
7 third-party verification of reported elec-
8 tricity savings or natural gas savings.

9 “(2) NATIONAL ACADEMY OF SCIENCES
10 STUDY.—Not later than 180 days after the date of
11 enactment of this section, the Secretary shall seek to
12 enter into an agreement with the National Academy
13 of Sciences, under which the Academy shall—

14 “(A) evaluate existing state-of-the-art
15 methods for evaluating energy efficiency policies
16 and measures;

17 “(B) identify approaches in program eval-
18 uation literature that may be brought into the
19 energy efficiency domain, including—

20 “(i) randomized control trials and
21 other experimental or quasi-experimental
22 approaches;

23 “(ii) control of confounding factors;

24 “(iii) longitudinal studies;

1 “(iv) assessments by neutral arbiters;

2 and

3 “(v) disclosure of data for replication;

4 and

5 “(C) not later than 18 months after the

6 date of enactment of this section, publish a re-

7 port that includes—

8 “(i) a description of the evaluation

9 under subparagraph (A);

10 “(ii) a description of the approaches

11 identified under subparagraph (B); and

12 “(iii) recommendations for advancing

13 and adopting rigorous state-of-the-art

14 methods for evaluating energy efficiency

15 policies and measures.

16 “(3) ENERGY EFFICIENCY PROGRAM EVALUA-

17 TION DATABASE.—

18 “(A) IN GENERAL.—The Secretary shall

19 establish and maintain a searchable public data-

20 base, accessible on the website of the Depart-

21 ment of Energy, that contains a list of random-

22 ized control trials and other experimental or

23 quasi-experimental evaluations of energy effi-

24 ciency programs.

1 “(B) REQUIREMENTS.—Each trial or eval-
2 uation on the list described in subparagraph
3 (A) shall include, at a minimum—

4 “(i) the State in which the trial or
5 evaluation was conducted;

6 “(ii) the type of trial or evaluation
7 conducted;

8 “(iii) the type of program evaluated;

9 “(iv) an abstract or summary of the
10 program evaluated;

11 “(v) a summary of the trial or evalua-
12 tion methodology;

13 “(vi) the revealed energy savings from
14 the trial or evaluation; and

15 “(vii) to the extent practicable, the
16 underlying data used to conduct the trial
17 or evaluation.

18 “(f) ENFORCEMENT AND JUDICIAL REVIEW.—

19 “(1) REVIEW OF RETAIL SUPPLIER REPORTS.—

20 “(A) IN GENERAL.—The Secretary shall
21 review each report submitted to the Secretary
22 by a retail electricity supplier or retail natural
23 gas supplier under subsection (c) to verify that
24 the applicable performance standards under
25 subsection (c) have been met.

1 “(B) EXCLUSION.—In determining compli-
2 ance with the applicable performance standards
3 under subsection (c), the Secretary shall ex-
4 clude reported electricity savings or natural gas
5 savings that are not adequately demonstrated
6 and documented, in accordance with the regula-
7 tions promulgated under subsections (b) and
8 (c).

9 “(2) PENALTY FOR FAILURE TO DOCUMENT
10 ADEQUATE SAVINGS.—If a retail electricity supplier
11 or a retail natural gas supplier fails to demonstrate
12 compliance with an applicable performance standard
13 under subsection (c), or to pay to the State an appli-
14 cable alternative compliance payment under sub-
15 section (g)(4), the Secretary shall assess against the
16 retail electricity supplier or retail natural gas sup-
17 plier a civil penalty for each failure in an amount
18 equal to, as adjusted for inflation in accordance with
19 such regulations as the Secretary may promulgate—

20 “(A) \$100 per megawatt hour of electricity
21 savings or alternative compliance payment that
22 the retail electricity supplier failed to achieve or
23 make, respectively; or

24 “(B) \$10 per million Btu of natural gas
25 savings or alternative compliance payment that

1 the retail natural gas supplier failed to achieve
2 or make, respectively.

3 “(3) OFFSETTING STATE PENALTIES.—The
4 Secretary shall reduce the amount of any penalty
5 under paragraph (2) by the amount paid by the rel-
6 evant retail electricity supplier or retail natural gas
7 supplier to a State for failure to comply with the re-
8 quirements of a State energy efficiency resource
9 standard during the same compliance period.

10 “(4) USE OF PAYMENTS.—

11 “(A) DEFINITION OF COVERED RATE.—In
12 this paragraph, the term ‘covered rate’ means
13 the proportion that—

14 “(i) the amount of penalty payments
15 made by retail electricity suppliers and re-
16 tail natural gas suppliers in a State under
17 paragraph (2); bears to

18 “(ii) the total amount of penalty pay-
19 ments collected by the Secretary under
20 that paragraph.

21 “(B) USE OF PAYMENTS.—Penalty pay-
22 ments collected under paragraph (2) by the
23 Secretary shall be—

24 “(i) provided to each State at the cov-
25 ered rate for the State; and

1 “(ii) used by the State to implement
2 cost-effective energy efficiency programs
3 that—

4 “(I) to the maximum extent prac-
5 ticable, achieve electricity savings and
6 natural gas savings in the State suffi-
7 cient to make up the deficit associated
8 with the penalty payments; and

9 “(II) can be measured and
10 verified in accordance with the appli-
11 cable procedures and standards estab-
12 lished under subsection (e).

13 “(5) ENFORCEMENT PROCEDURES.—The Sec-
14 retary shall assess a civil penalty, as provided under
15 paragraph (2), in accordance with the procedures
16 described in section 333(d) of the Energy Policy and
17 Conservation Act (42 U.S.C. 6303(d)).

18 “(6) JUDICIAL REVIEW.—

19 “(A) IN GENERAL.—Any person adversely
20 affected by a final action taken by the Sec-
21 retary under this section, other than the assess-
22 ment of a civil penalty, may use the procedures
23 for review described in section 336(b) of the
24 Energy Policy and Conservation Act (42 U.S.C.
25 6306(b)).

1 “(B) REFERENCES.—For purposes of sub-
2 paragraph (A)—

3 “(i) any reference in section 336(b) of
4 the Energy Policy and Conservation Act
5 (42 U.S.C. 6306(b)) to a rule shall be con-
6 sidered to be a reference to a final action
7 taken by the Secretary under this section
8 (including the promulgation of a regula-
9 tion, if applicable), other than the assess-
10 ment of a civil penalty; and

11 “(ii) any reference in that section to
12 the date on which a rule is prescribed shall
13 be considered to be a reference to the date
14 on which the applicable final action was
15 taken.

16 “(g) STATE ADMINISTRATION.—

17 “(1) IN GENERAL.—On receipt of an applica-
18 tion from the Governor of a State (including the
19 Mayor of the District of Columbia), the Secretary
20 may delegate to the State responsibility for admin-
21 istering this section within the territory of the State
22 if the Secretary determines that the State will imple-
23 ment an energy efficiency program that meets or ex-
24 ceeds the requirements of this section.

1 “(2) SECRETARIAL DETERMINATION.—Not
2 later than 180 days after the date on which a com-
3 plete application described in paragraph (1) is re-
4 ceived by the Secretary, the Secretary shall make a
5 substantive determination approving or disapproving
6 the application, after public notice and comment.

7 “(3) ALTERNATIVE MEASUREMENT AND
8 VERIFICATION PROCEDURES AND STANDARDS.—As
9 part of an application submitted under paragraph
10 (1), a State may request to use alternative measure-
11 ment and verification procedures and standards to
12 the procedures and standards described in sub-
13 section (e), if the State demonstrates that the alter-
14 native procedures and standards provide a level of
15 accuracy of measurement and verification that are at
16 least equivalent to the Federal procedures and
17 standards under that subsection.

18 “(4) ALTERNATIVE COMPLIANCE PAYMENTS.—

19 “(A) IN GENERAL.—As part of an applica-
20 tion submitted under paragraph (1), a State
21 may permit retail electricity suppliers or retail
22 natural gas suppliers to pay to the State, by
23 not later than May 1 of the calendar year im-
24 mediately following the applicable reporting pe-
25 riod, an alternative compliance payment in an

1 amount equal to, as adjusted for inflation in ac-
2 cordance with such regulations as the Secretary
3 may promulgate, not less than—

4 “(i) \$50 per megawatt hour of elec-
5 tricity savings needed to make up any def-
6 icit with regard to a compliance obligation
7 under the applicable performance stand-
8 ard; or

9 “(ii) \$5 per million Btu of natural gas
10 savings needed to make up any deficit with
11 regard to a compliance obligation under
12 the applicable performance standard.

13 “(B) USE OF PAYMENTS.—Alternative
14 compliance payments collected by a State under
15 subparagraph (A) shall be used by the State to
16 administer the delegated authority of the State
17 under this subsection and to implement cost-ef-
18 fective energy efficiency programs that—

19 “(i) to the maximum extent prac-
20 ticable, achieve electricity savings and nat-
21 ural gas savings in the State sufficient to
22 make up the deficit associated with the al-
23 ternative compliance payments; and

24 “(ii) can be measured and verified in
25 accordance with the applicable procedures

1 and standards established under subsection
2 (e).

3 “(5) REVIEW OF STATE ADMINISTRATION.—

4 “(A) PERIODIC REVIEW.—Every 2 years,
5 the Secretary shall review State administration
6 of this section for conformance with the re-
7 quirements of this section in approximately $\frac{1}{2}$
8 of the States that have received approval under
9 this subsection to administer this section, so
10 that each State shall be reviewed not less fre-
11 quently than once every 4 years.

12 “(B) REPORT.—To facilitate the review
13 under subparagraph (A), the Secretary may re-
14 quire the State to submit a report dem-
15 onstrating the conformance of the State with
16 the requirements of this section, including—

17 “(i) reports submitted by retail elec-
18 tricity suppliers and retail natural gas sup-
19 pliers to the State demonstrating compli-
20 ance with applicable requirements;

21 “(ii) the impact of applicable require-
22 ments on projected electricity and natural
23 gas demand in the State;

24 “(iii) an accounting of the use of al-
25 ternative compliance payments by the

1 State and the resulting electricity savings
2 and natural gas savings achieved; and

3 “(iv) any other information that the
4 Secretary determines appropriate.

5 “(C) REVIEW ON PETITION.—Notwith-
6 standing subparagraph (A), on receipt of a pub-
7 lic petition containing a credible allegation of a
8 substantial deficiency of a State energy effi-
9 ciency program authorized under this sub-
10 section, the Secretary shall promptly re-review
11 the State energy efficiency program.

12 “(D) DEFICIENCIES.—

13 “(i) IN GENERAL.—In completing a
14 review under this paragraph, if the Sec-
15 retary finds deficiencies, the Secretary
16 shall—

17 “(I) notify the State of the defi-
18 ciencies;

19 “(II) direct the State to correct
20 the deficiencies; and

21 “(III) require the State to report
22 to the Secretary on progress made by
23 not later than 180 days after the date
24 on which the State receives notice
25 under subclause (I).

1 “(ii) SUBSTANTIAL DEFICIENCIES.—If
2 the deficiencies are substantial, the Sec-
3 retary shall—

4 “(I) disallow the reported elec-
5 tricity savings or natural gas savings
6 that the Secretary determines are not
7 credible due to deficiencies;

8 “(II) re-review the State not
9 later than 2 years after the date on
10 which the original review was com-
11 pleted; and

12 “(III) if substantial deficiencies
13 remain uncorrected after the review
14 provided for under subclause (II), re-
15 voke the authority of the State to ad-
16 minister this section.

17 “(6) CALLS FOR REVISION OF STATE APPLICA-
18 TIONS.—As a condition of maintaining the delegated
19 authority to administer this section, the Secretary
20 may require a State to submit a revised application
21 under paragraph (1) if the Secretary has—

22 “(A) established new or revised perform-
23 ance standards under subsection (c);

1 “(B) promulgated new or substantially re-
2 vised measurement and verification procedures
3 and standards under subsection (e); or

4 “(C) otherwise substantially revised the
5 Federal program established under this section.

6 “(7) COST RECOVERY, FIXED COST RECOVERY,
7 AND SHAREHOLDER INCENTIVES.—The Secretary
8 shall encourage State utility regulatory commissions
9 to review the rules and regulations of the Commis-
10 sion to ensure that utilities under the jurisdiction of
11 the Commission may—

12 “(A) recover the direct costs of energy effi-
13 ciency programs;

14 “(B)(i) fully recover authorized fixed costs
15 from customers, including recovery of revenue
16 associated with fixed costs that was lost due to
17 annual sales that were lower than forecasted;
18 but

19 “(ii) return to customers the revenue asso-
20 ciated with fixed costs collected in excess of the
21 authorized amount under clause (i); and

22 “(C) earn a performance-based incentive
23 for shareholders for the achievement of energy
24 efficiency standards.

1 “(8) EVALUATION, MEASUREMENT, AND
2 VERIFICATION INCENTIVES.—The Secretary shall en-
3 courage States that have delegated authority to ad-
4 minister this section to provide incentives to retail
5 electricity suppliers, retail natural gas suppliers, and
6 third-party efficiency providers to use randomized
7 control trials and other experimental or quasi-experi-
8 mental approaches to evaluate energy efficiency
9 measures and programs within the State.

10 “(h) INFORMATION AND REPORTS.—In accordance
11 with section 13 of the Federal Energy Administration Act
12 of 1974 (15 U.S.C. 772), the Secretary may require any
13 retail electricity supplier, retail natural gas supplier, third-
14 party efficiency provider, or any other entity that the Sec-
15 retary determines appropriate, to provide any information
16 the Secretary determines appropriate to carry out this sec-
17 tion.

18 “(i) STATE LAW.—Nothing in this section diminishes
19 or qualifies any authority of a State or political subdivision
20 of a State to adopt or enforce any law or regulation re-
21 specting electricity savings or natural gas savings, includ-
22 ing any law or regulation establishing energy efficiency re-
23 quirements that are more stringent than those under this
24 section, except that no State law or regulation shall relieve

1 any person of any requirement otherwise applicable under
2 this section.”.

3 (b) CONFORMING AMENDMENT.—The table of con-
4 tents in section 1(b) of the Public Utility Regulatory Poli-
5 cies Act of 1978 (Public Law 95–617; 92 Stat. 3118) is
6 amended by adding at the end of the items relating to
7 title VI the following:

“Sec. 609. Rural and remote communities electrification grants.

“Sec. 610. Federal energy efficiency resource standard for retail electricity and
natural gas suppliers.”.

8 **SEC. 205. DOMESTIC NATURAL GAS PRICE PROTECTION.**

9 (a) EXPORTATION OF NATURAL GAS.—

10 (1) EXPORTATION OF NATURAL GAS.—Section
11 3 of the Natural Gas Act (15 U.S.C. 717b) is
12 amended by adding at the end the following:

13 “(g) EXPORTATION OF NATURAL GAS.—

14 “(1) ORDER REQUIRED.—No person shall ex-
15 port any natural gas from the United States to a
16 foreign country without first having secured an
17 order of the Secretary of Energy authorizing it to do
18 so. The Secretary of Energy may issue such order
19 upon application only if, after opportunity for hear-
20 ing, the Secretary of Energy finds that the proposed
21 exportation will be consistent with the public inter-
22 est. The Secretary of Energy may by its order grant
23 such application, in whole or in part, with such
24 modification and upon such terms and conditions as

1 the Secretary of Energy may find necessary or ap-
2 propriate, and may from time to time, after oppor-
3 tunity for hearing, and for good cause shown, issue
4 such supplemental order for such exportation as it
5 may find necessary or appropriate.

6 “(2) DEADLINE.—The Secretary of Energy
7 shall find whether proposed exportation of natural
8 gas will be consistent with the public interest under
9 paragraph (1) by not later than the date that is 1
10 year after the later of—

11 “(A) the date on which the Secretary of
12 Energy receives the final environmental impact
13 statement for such proposed exportation from
14 the Federal Energy Regulatory Commission;
15 and

16 “(B) the date on which the Secretary com-
17 pletes each assessment required by paragraph
18 (4).

19 “(3) PUBLIC INTEREST FINDING.—The Sec-
20 retary of Energy may find that proposed exportation
21 of natural gas for which an application is submitted
22 under paragraph (1) will be consistent with the pub-
23 lic interest under such paragraph only if the Sec-
24 retary of Energy determines, based on the applicable

1 assessment under paragraph (4), that the proposed
2 exportation of natural gas will not be likely to—

3 “(A) significantly contribute to climate
4 change, including by slowing the global energy
5 transition needed to achieve deep reductions of
6 global greenhouse gas emissions within the next
7 decade and net-zero global greenhouse gas
8 emissions not later than 2050;

9 “(B) materially increase energy prices or
10 energy price volatility for any segment of
11 United States consumers; or

12 “(C) create a disproportionate cumulative
13 burden of adverse human or environmental im-
14 pacts on rural, low-income, minority, and other
15 vulnerable communities.

16 “(4) ASSESSMENTS.—

17 “(A) CLIMATE CHANGE ASSESSMENT.—A
18 determination under paragraph (3)(A) shall be
19 based on an assessment of the expected impact
20 of the proposed exportation of natural gas on
21 climate change. Such assessment shall be based
22 on the latest scientific information and use the
23 20-year global warming potential of methane,
24 and shall include—

1 “(i) quantified estimates of the green-
2 house gas emissions associated with the
3 full lifecycle of the natural gas proposed
4 for exportation, including emissions associ-
5 ated with the extraction, transportation,
6 liquefaction, storage, regasification, and
7 consumption of such natural gas;

8 “(ii) a comparison of the estimated
9 greenhouse gas emissions in clause (i) to a
10 baseline that is consistent with United
11 States international commitments to
12 achieve deep reductions of global green-
13 house gas emissions within the next decade
14 and deep decarbonization pathways toward
15 net-zero global greenhouse gas emissions
16 not later than 2050;

17 “(iii) an assessment of the potential
18 effects of the proposed exportation of nat-
19 ural gas on clean energy alternatives, in-
20 cluding—

21 “(I) any decrease in global in-
22 vestment in and deployment of renew-
23 able energy, electrification, and energy
24 efficiency and conservation tech-
25 nologies; and

1 “(II) any decrease in United
2 States exports of clean energy tech-
3 nologies;

4 “(iv) quantified estimates of the social
5 cost of the estimated greenhouse gas emis-
6 sions in clause (i); and

7 “(v) an identification of the extent to
8 which climate change is accelerating the
9 loss of economic value in the United States
10 due to rising sea levels, more intense
11 storms, eroding coasts, increased risk and
12 severity of wild fires, and other impacts as-
13 sociated with climate change.

14 “(B) ECONOMIC ASSESSMENT.—A deter-
15 mination under paragraph (3)(B) shall be based
16 on an assessment of the expected economic im-
17 pact of the proposed exportation of natural gas,
18 including an assessment of the impact of the
19 proposed exportation on all United States con-
20 sumers, with specific estimates regarding each
21 of the following consumer subgroups:

22 “(i) Low-income consumers.

23 “(ii) Working families.

24 “(iii) Small businesses.

25 “(iv) Manufacturers.

1 “(v) State and local governments.

2 “(vi) Producers and users of fertilizer.

3 “(C) ENVIRONMENTAL JUSTICE ASSESS-
4 MENT.—A determination under paragraph
5 (3)(C) shall be based on an assessment of the
6 expected impact of the proposed exportation of
7 natural gas on environmental justice (which
8 shall be consistent with Executive Order 14096
9 (42 U.S.C. 4321 note; relating to revitalizing
10 our Nation’s commitment to environmental jus-
11 tice for all), as published April 21, 2023), in-
12 cluding assessments of impacts on—

13 “(i) the preexisting cumulative envi-
14 ronmental burdens and social and health
15 risks posed to rural, low-income, minority,
16 and other vulnerable communities;

17 “(ii) local fisheries and the economic
18 livelihood of the people employed by local
19 fisheries;

20 “(iii) racial and socioeconomic dispari-
21 ties in impacted communities; and

22 “(iv) compliance with civil rights laws.

23 “(5) PUBLIC PARTICIPATION.—The Secretary
24 of Energy shall—

1 “(A) provide to the public an opportunity
2 to meaningfully participate, including by pro-
3 viding comments, in—

4 “(i) the finding of the Secretary of
5 Energy on whether proposed exportation
6 will be consistent with the public interest
7 under paragraph (1); and

8 “(ii) any study by the Department of
9 Energy intended to inform such finding;
10 and

11 “(B) ensure that opportunities to meaning-
12 fully participate under subparagraph (A) ad-
13 dress barriers that affect members of commu-
14 nities with environmental justice concerns, in-
15 cluding those related to disability, language ac-
16 cess, and lack of resources.

17 “(6) MAJOR FEDERAL ACTION.—Issuing an
18 order authorizing the exportation of natural gas
19 under this subsection shall be considered a major
20 Federal action under section 102(2)(C) of the Na-
21 tional Environmental Policy Act of 1969 (42 U.S.C.
22 4332(2)(C)).”.

23 (2) CONFORMING AMENDMENTS.—Section 3 of
24 the Natural Gas Act (15 U.S.C. 717b) is amended—

25 (A) in subsection (a)—

1 (i) by striking “export any natural gas
2 from the United States to a foreign coun-
3 try or”;

4 (ii) by inserting “to the United
5 States” after “from a foreign country”;
6 and

7 (iii) by striking “exportation or”; and
8 (B) in subsection (c)—

9 (i) by striking “, or the exportation of
10 natural gas to a nation with which there is
11 in effect a free trade agreement requiring
12 national treatment for trade in natural
13 gas,”; and

14 (ii) by striking “or exportation”.

15 (b) PROCESS COORDINATION; HEARINGS; RULES OF
16 PROCEDURE.—Section 15(b)(1) of the Natural Gas Act
17 (15 U.S.C. 717n(b)(1)) is amended by striking “Commis-
18 sion” and inserting “Federal Energy Regulatory Commis-
19 sion”.

20 (c) TERMINATION OF CATEGORICAL EXCLUSION FOR
21 APPROVAL OR DISAPPROVAL OF THE EXPORTATION OF
22 NATURAL GAS.—The categorical exclusion under B5.7 of
23 appendix B to subpart D of part 1021 of title 10, Code
24 of Federal Regulations, (relating to export of natural gas

1 and associated transportation by marine vessel) shall have
2 no force or effect.

3 (d) RULEMAKING.—Not later than one year after the
4 date of enactment of this Act, the Secretary of Energy
5 shall issue a rule to carry out this Act and the amend-
6 ments made by this Act.

7 **TITLE III—UNCLOGGING THE** 8 **CHEAP ENERGY BOTTLENECK**

9 **SEC. 301. COMMUNITY SOLAR.**

10 (a) ESTABLISHMENT OF COMMUNITY SOLAR CON-
11 SUMER CHOICE PROGRAM.—

12 (1) IN GENERAL.—Not later than 12 months
13 after the date of enactment of this Act, the Sec-
14 retary shall establish a program to increase the op-
15 portunities for participation in community solar pro-
16 grams by—

17 (A) individuals, prioritizing individuals
18 that do not have regular access to onsite solar,
19 including low- and moderate-income individuals
20 and individuals living in energy communities;

21 (B) businesses;

22 (C) nonprofit organizations; and

23 (D) States and local and Tribal govern-
24 ments.

1 (2) ALIGNMENT WITH EXISTING FEDERAL PRO-
2 GRAMS.—The Secretary shall align the program es-
3 tablished under paragraph (1) with existing Federal
4 programs that serve low-income communities.

5 (3) ASSISTANCE TO STATE AND LOCAL GOVERN-
6 MENTS.—In carrying out the program established
7 under paragraph (1), the Secretary shall—

8 (A) provide technical assistance to eligible
9 entities for projects to increase the number of
10 community solar facilities;

11 (B) assist eligible entities in the develop-
12 ment of new and innovative financial and busi-
13 ness models that leverage competitive processes
14 in order to serve community solar subscribers;
15 and

16 (C) use National Laboratories to collect
17 and disseminate data to assist private entities
18 in the financing of, subscription to, and oper-
19 ation of community solar programs.

20 (b) FEDERAL GOVERNMENT PARTICIPATION IN COM-
21 MUNITY SOLAR PROGRAMS.—The Secretary shall, as the
22 Secretary determines appropriate, expand the existing
23 grant, loan, and financing programs of the Department
24 of Energy to include community solar programs.

1 (c) ESTABLISHMENT OF COMMUNITY SOLAR PRO-
2 GRAMS.—

3 (1) IN GENERAL.—Section 111(d) of the Public
4 Utility Regulatory Policies Act of 1978 (16 U.S.C.
5 2621(d)) is amended by adding at the end the fol-
6 lowing:

7 “(22) COMMUNITY SOLAR PROGRAMS.—

8 “(A) IN GENERAL.—Each electric utility
9 shall offer a community solar program that pro-
10 vides all ratepayers, including low-income rate-
11 payers, equitable and demonstrable access to
12 such community solar program.

13 “(B) DEFINITIONS.—For the purposes of
14 this paragraph:

15 “(i) COMMUNITY SOLAR PROGRAM.—

16 The term ‘community solar program’
17 means a service provided to any electric
18 consumer that the electric utility serves
19 through which the value of electricity gen-
20 erated by a community solar facility may
21 be used to reduce total charges billed to
22 the electric consumer.

23 “(ii) COMMUNITY SOLAR FACILITY.—

24 The term ‘community solar facility’ means
25 a solar photovoltaic system that—

1 “(I) allocates electricity to mul-
2 tiple electric consumers of an electric
3 utility;

4 “(II) is interconnected with the
5 electric grid; and

6 “(III) is located either on or off
7 the property of the electric consumers
8 described in subclause (I).”.

9 (2) COMPLIANCE.—

10 (A) TIME LIMITATIONS.—Section 112(b)
11 of the Public Utility Regulatory Policies Act of
12 1978 (16 U.S.C. 2622(b)) is amended by add-
13 ing at the end the following:

14 “(9)(A) Not later than 12 months after the
15 date of enactment of this paragraph, each State reg-
16 ulatory authority (with respect to each electric utility
17 for which the State has ratemaking authority) and
18 each nonregulated electric utility shall commence
19 consideration under section 111, or set a hearing
20 date for consideration, with respect to the standard
21 established by paragraph (22) of section 111(d).

22 “(B) Not later than 24 months after the date
23 of enactment of this paragraph, each State regu-
24 latory authority (with respect to each electric utility
25 for which the State has ratemaking authority), and

1 each nonregulated electric utility shall complete the
2 consideration and make the determination under sec-
3 tion 111 with respect to the standard established by
4 paragraph (22) of section 111(d).”.

5 (B) FAILURE TO COMPLY.—Section 112(c)
6 of the Public Utility Regulatory Policies Act of
7 1978 (16 U.S.C. 2622(c)) is amended—

8 (i) by striking “subsection (b)(2)” and
9 inserting “subsection (b)”; and

10 (ii) by adding at the end the fol-
11 lowing: “In the case of the standard estab-
12 lished by paragraph (22) of section 111(d),
13 the reference contained in this subsection
14 to the date of enactment of this Act shall
15 be deemed to be a reference to the date of
16 enactment of that paragraph (22).”.

17 (C) PRIOR STATE ACTIONS.—

18 (i) IN GENERAL.—Section 112 of the
19 Public Utility Regulatory Policies Act of
20 1978 (16 U.S.C. 2622) is amended by add-
21 ing at the end the following:

22 “(i) PRIOR STATE ACTIONS.—Subsections (b) and
23 (c) shall not apply to the standard established by para-
24 graph (22) of section 111(d) in the case of any electric

1 utility in a State if, before the date of enactment of this
2 subsection—

3 “(1) the State has implemented for the electric
4 utility the standard (or a comparable standard);

5 “(2) the State regulatory authority for the
6 State or the relevant nonregulated electric utility has
7 conducted a proceeding to consider implementation
8 of the standard (or a comparable standard) for the
9 electric utility; or

10 “(3) the State legislature has voted on the im-
11 plementation of the standard (or a comparable
12 standard) for the electric utility.”.

13 (ii) CROSS-REFERENCE.—Section 124
14 of the Public Utility Regulatory Policies
15 Act of 1978 (16 U.S.C. 2634) is amended
16 by adding at the end the following: “In the
17 case of the standard established by para-
18 graph (22) of section 111(d), the reference
19 contained in this subsection to the date of
20 enactment of this Act shall be deemed to
21 be a reference to the date of enactment of
22 that paragraph (22).”.

23 (d) FEDERAL CONTRACTS FOR PUBLIC UTILITY
24 SERVICES.—Section 501(b)(1) of title 40, United States

1 Code, is amended by amending subparagraph (B) to read
2 as follows:

3 “(B) PUBLIC UTILITY CONTRACTS.—A
4 contract under this paragraph for public utility
5 services may be for a period of not more than
6 30 years.”.

7 (e) DEFINITIONS.—In this section:

8 (1) COMMUNITY SOLAR FACILITY; COMMUNITY
9 SOLAR PROGRAM.—The terms “community solar fa-
10 cility” and “community solar program” have the
11 meaning give such terms in paragraph (22) of sec-
12 tion 111(d) of the Public Utility Regulatory Policies
13 Act of 1978 (16 U.S.C. 2621(d)), as added by sub-
14 section (c) of this section.

15 (2) COMMUNITY SOLAR SUBSCRIBER.—The
16 term “community solar subscriber” means an elec-
17 tricity customer who has ownership of a financial
18 share in a community solar facility that serves mul-
19 tiple consumers.

20 (3) ELIGIBLE ENTITY.—The term “eligible enti-
21 ty” means—

22 (A) a State or political subdivision of a
23 State;

24 (B) a unit of local government;

1 (C) an Indian Tribe (as defined in section
2 4 of the Indian Self-Determination and Edu-
3 cation Assistance Act (25 U.S.C. 5304));

4 (D) a territory of the United States; or

5 (E) an authority, agency, or instrumen-
6 tality of, or an entity owned by, 1 or more enti-
7 ties described in subparagraphs (A) through
8 (D).

9 (4) ENERGY COMMUNITY.—The term “energy
10 community” has the meaning given such term in
11 section 45(b)(11) of the Internal Revenue Code of
12 1986 (26 U.S.C. 45(b)(11)).

13 (5) NATIONAL LABORATORIES.—The term “Na-
14 tional Laboratories” has the meaning given the term
15 in section 2 of the Energy Policy Act of 2005 (42
16 U.S.C. 15801).

17 (6) SECRETARY.—The term “Secretary” means
18 the Secretary of Energy.

19 **SEC. 302. STREAMLINING PERMITTING OF DISTRIBUTED**
20 **ENERGY.**

21 (a) DEFINITIONS.—In this section:

22 (1) AUTHORITY HAVING JURISDICTION.—The
23 term “authority having jurisdiction” means any
24 State, county, local, or Tribal office or official with
25 jurisdiction—

1 (A) to issue permits relating to qualifying
2 distributed energy systems;

3 (B) to conduct inspections to enforce the
4 requirements of a relevant code or standard re-
5 lating to qualifying distributed energy systems;
6 or

7 (C) to approve the installation of, or the
8 equipment and materials used in the installa-
9 tion of, qualifying distributed energy systems.

10 (2) QUALIFYING DISTRIBUTED ENERGY SYS-
11 TEM.—The term “qualifying distributed energy sys-
12 tem” means any equipment or materials installed in,
13 on, or near a residential building to support onsite
14 or local energy use, including—

15 (A) to generate electricity from distributed
16 renewable energy sources, including from—

17 (i) solar photovoltaic systems or simi-
18 lar solar energy technologies; and

19 (ii) wind power systems;

20 (B) to store and discharge electricity from
21 batteries with a capacity of at least 2 kilowatt
22 hours;

23 (C) to charge a plug-in electric drive vehi-
24 cle at a power rate of at least 2 kilowatts; or

1 (D) to refuel a hydrogen fuel cell electric
2 vehicle.

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

5 (b) PROGRAM.—Not later than 180 days after the
6 date of enactment of this Act, the Secretary, in consulta-
7 tion with trade associations and other entities representing
8 distributed energy system installers and organizations rep-
9 resenting State, local, and Tribal governments engaged in
10 permitting, shall carry out a program to further develop,
11 expand, and support the adoption of a voluntary stream-
12 lined permitting and inspection process for authorities
13 having jurisdiction to use for the permitting of qualifying
14 distributed energy systems.

15 (c) ACTIVITIES OF THE PROGRAM.—In carrying out
16 the program established under subsection (b), the Sec-
17 retary shall—

18 (1) further develop and expand an exemplary
19 streamlined permitting process that includes an on-
20 line permitting platform—

21 (A) for expediting, standardizing, and
22 streamlining permitting; and

23 (B) that authorities having jurisdiction
24 may voluntarily use to receive, review, and ap-

1 prove permit applications relating to qualifying
2 distributed energy systems;

3 (2) establish targets for the adoption of a
4 streamlined, expedited permitting process by au-
5 thorities having jurisdiction;

6 (3) provide technical assistance and training di-
7 rectly or indirectly to authorities having jurisdiction
8 on using and adopting the exemplary streamlined
9 permitting process described in paragraph (1), in-
10 cluding the adoption of any necessary building codes;

11 (4) develop a voluntary inspection protocol and
12 related tools to expedite, standardize, and streamline
13 the inspection of qualifying distributed energy sys-
14 tems, including—

15 (A) by investigating the potential for using
16 remote inspections;

17 (B) by investigating the potential for sam-
18 ple-based inspection for distributed energy sys-
19 tem installers with a demonstrated track record
20 of high-quality work; and

21 (C) by investigating opportunities to inte-
22 grate the voluntary inspection protocol into the
23 online permitting platform described in para-
24 graph (1) and the platforms of government
25 software providers; and

1 (5) take any other action to expedite, stand-
2 ardize, streamline, or improve the process for per-
3 mitting, inspecting, or interconnecting qualifying
4 distributed energy systems.

5 (d) SUPPORT SERVICES.—The Secretary shall—

6 (1) support the provision of technical assistance
7 to authorities having jurisdiction, any administrator
8 of the online permitting platform described in sub-
9 section (c)(1), government software providers, and
10 any other entity determined appropriate by the Sec-
11 retary in carrying out the activities described in sub-
12 section (c); and

13 (2) provide such financial assistance as the Sec-
14 retary determines appropriate from any funds appro-
15 priated to carry out this section.

16 (e) AUTHORITY HAVING JURISDICTION CERTIFI-
17 CATION PROGRAM.—

18 (1) IN GENERAL.—The Secretary may certify
19 authorities having jurisdiction that implement the
20 exemplary streamlined permitting process described
21 in subsection (c)(1).

22 (2) PROCESS.—The Secretary may confer a cer-
23 tification under paragraph (1) through existing pro-
24 grams within the Department of Energy.

1 (3) PRIZES.—The Secretary may award prizes
2 to authorities having jurisdiction, using funds appro-
3 priated to the Secretary to carry out this section, to
4 encourage authorities having jurisdiction to adopt
5 the exemplary streamlined permitting process or the
6 voluntary inspection protocol established under para-
7 graphs (1) and (4) of subsection (c), respectively.

8 (f) AUTHORIZATION OF APPROPRIATIONS.—There is
9 authorized to be appropriated to the Secretary to carry
10 out this section \$20,000,000 for each of fiscal years 2026
11 through 2029.

12 **SEC. 303. ELECTRICITY TRANSFORMERS.**

13 There is authorized to be appropriated
14 \$2,100,000,000 for the President, acting through the Sec-
15 retary of Energy, under the authority of title III of the
16 Defense Production Act of 1950 (50 U.S.C. 4531 et seq.),
17 to expand domestic manufacturing of transformers and
18 grid components, including amorphous steel, grain-ori-
19 ented electrical steel, flexible transformers, circuit break-
20 ers, switchgear and substations to serve load and inter-
21 connect generation, and inverters and optimizers to inte-
22 grate the influx of distributed generators.

23 **SEC. 304. EXPEDITED GENERATOR INTERCONNECTION.**

24 (a) DEFINITIONS.—In this section:

1 (1) COMMISSION.—The term “Commission”
2 means the Federal Energy Regulatory Commission.

3 (2) ENERGY STORAGE PROJECT.—The term
4 “energy storage project” means—

5 (A) any equipment that receives, stores,
6 and delivers energy using batteries, compressed
7 air, pumped hydropower, hydrogen storage (in-
8 cluding hydrolysis), thermal energy storage, re-
9 generative fuel cells, flywheels, capacitors,
10 superconducting magnets, or other technologies
11 identified by the Commission; and

12 (B) any project for the construction or
13 modification of equipment described in subpara-
14 graph (A) as part of an effort to build-out
15 transmission interconnection opportunities.

16 (3) GENERATION PROJECT.—The term “gen-
17 eration project” means—

18 (A) any facility—

19 (i) that generates or injects electricity;
20 and

21 (ii) for which an interconnection re-
22 quest is subject to the jurisdiction of the
23 Commission; and

1 (B) any project for the construction or
2 modification of a facility described in subpara-
3 graph (A).

4 (4) INTERCONNECTION CUSTOMER.—The term
5 “interconnection customer” means a person or entity
6 that has submitted an interconnection request.

7 (5) INTERCONNECTION REQUEST.—The term
8 “interconnection request” means a request sub-
9 mitted to a public utility to interconnect a new gen-
10 eration project or energy storage project to the elec-
11 tric system of a public utility for the purposes of
12 transmission of electric energy in interstate com-
13 merce or the sale of electric energy at wholesale.

14 (6) PUBLIC UTILITY.—The term “public util-
15 ity” has the meaning given the term in section
16 201(e) of the Federal Power Act (16 U.S.C. 824(e)).

17 (7) TRANSMISSION FACILITY.—The term
18 “transmission facility” means a facility that is used
19 for the transmission of electric energy in interstate
20 commerce.

21 (8) TRANSMISSION PROVIDER.—The term
22 “transmission provider” means a public utility that
23 owns, operates, or controls 1 or more transmission
24 facilities.

1 (9) TRANSMISSION SYSTEM.—The term “trans-
2 mission system” means a network of transmission
3 facilities used for the transmission of electric energy
4 in interstate commerce.

5 (b) RULEMAKING TO EXPEDITE GENERATOR INTER-
6 CONNECTION PROCEDURES.—

7 (1) IN GENERAL.—Not later than 180 days
8 after the date of enactment of this Act, the Commis-
9 sion shall initiate a rulemaking—

10 (A) to address the inefficiencies and ineffectiveness of existing procedures for processing
11 interconnection requests to ensure that new
12 generation projects and energy storage projects
13 can interconnect quickly, cost-effectively, and
14 reliably; and
15 reliably; and

16 (B) to revise the pro forma Large Generator
17 Interconnection Procedures and, as appropriate, the pro forma Large Generator Inter-
18 connection Agreement, promulgated pursuant to
19 section 35.28(f) of title 18, Code of Federal
20 Regulations (or successor regulations), to require transmission providers—
21 require transmission providers—
22 require transmission providers—

23 (i) to develop and employ modeling assumptions for each resource type based on
24 assumptions for each resource type based on
25 actual operating abilities and practices, for

1 the purposes of studying an interconnec-
2 tion request;

3 (ii) to study interconnection requests
4 in a manner consistent with the risk toler-
5 ance of the interconnection customer;

6 (iii) to select, as appropriate, 1 or
7 more cost-effective solutions to address
8 network reliability needs that may be iden-
9 tified while studying an interconnection re-
10 quest;

11 (iv) to provide sufficient information
12 to interconnection customers for the inter-
13 connection customers to understand how a
14 transmission provider has implemented the
15 assumptions and solutions described in
16 clauses (i) and (iii);

17 (v) to share and employ, as appro-
18 priate, queue management best practices,
19 including with respect to the use of ad-
20 vanced computing technologies, automa-
21 tion, and standardized study criteria, in
22 evaluating interconnection requests, in
23 order to expedite study results; and

24 (vi) to implement transparency and
25 performance-enhancing measures to ensure

1 timely and cost-conscious construction of
2 necessary network upgrades once an inter-
3 connection agreement has been executed.

4 (2) DEADLINE FOR FINAL RULE.—Not later
5 than 18 months after the date of enactment of this
6 Act, the Commission shall promulgate a final rule to
7 complete the rulemaking initiated under paragraph
8 (1).

9 (3) SAVINGS CLAUSE.—Nothing in this section
10 alters, or may be construed to alter, the allocation
11 of costs of the transmission system pursuant to the
12 ratemaking authority of the Commission under sec-
13 tion 205 of the Federal Power Act (16 U.S.C.
14 824d).

15 **SEC. 305. GRID ENHANCING ASSETS.**

16 (a) DEFINITIONS.—In this section:

17 (1) COMMISSION.—The term “Commission”
18 means the Federal Energy Regulatory Commission.

19 (2) GRID-ENHANCING TECHNOLOGY.—The term
20 “grid-enhancing technology” means any hardware or
21 software that—

22 (A) increases the capacity, efficiency, reli-
23 ability, resilience, or safety of transmission fa-
24 cilities and transmission technologies; and

1 (B) is installed in addition to transmission
2 facilities and transmission technologies—

3 (i) to give operators of the trans-
4 mission facilities and transmission tech-
5 nologies more situational awareness and
6 control over the electric grid;

7 (ii) to make the transmission facilities
8 and transmission technologies more effi-
9 cient; or

10 (iii) to increase the transfer capacity
11 of the transmission facilities and trans-
12 mission technologies.

13 (3) SECRETARY.—The term “Secretary” means
14 the Secretary of Energy.

15 (b) SHARED SAVINGS INCENTIVE FOR GRID-ENHANC-
16 ING TECHNOLOGIES.—

17 (1) DEFINITION OF DEVELOPER.—In this sub-
18 section, the term “developer”, with respect to grid-
19 enhancing technology, means the entity that pays to
20 install the grid-enhancing technology.

21 (2) ESTABLISHMENT OF SHARED SAVINGS IN-
22 CENTIVE.—Not later than 18 months after the date
23 of enactment of this Act, the Commission shall pro-
24 mulgate a final rule to implement section 219(b)(3)
25 of the Federal Power Act (16 U.S.C. 824s(b)(3)) by

1 providing a shared savings incentive that returns a
2 portion of the savings attributable to an investment
3 in grid-enhancing technology to the developer of that
4 grid-enhancing technology, in accordance with this
5 subsection.

6 (3) REQUIREMENTS.—

7 (A) IN GENERAL.—The Commission shall
8 determine the percentage of savings attributable
9 to an investment in grid-enhancing technology
10 that can be returned to the developer of that
11 grid-enhancing technology pursuant to the
12 shared savings incentive established under para-
13 graph (2), subject to the conditions that the
14 percentage—

15 (i) is not less than 10 percent and not
16 more than 25 percent;

17 (ii) is not determined on a per-project,
18 per-investment, or case-by-case basis; and

19 (iii) is applied consistently to all in-
20 vestments in grid-enhancing technology eli-
21 gible for the shared savings incentive, re-
22 gardless of the type of grid-enhancing tech-
23 nology installed.

24 (B) TIME PERIOD FOR RECOVERY.—The
25 shared savings incentive established under para-

1 graph (2) shall return a percentage, determined
2 in accordance with subparagraph (A), of the ap-
3 plicable savings to the developer of the applica-
4 ble grid-enhancing technology over a period of
5 3 years.

6 (4) ELIGIBILITY.—Subject to paragraph (5),
7 the shared savings incentive established under para-
8 graph (2) shall apply with respect to—

9 (A) any developer, with respect to the in-
10 vestment of that developer in grid-enhancing
11 technology that is installed as described in sub-
12 section (a)(2)(B); and

13 (B) any grid-enhancing technology, includ-
14 ing—

15 (i) grid-enhancing technology that re-
16 lates to new transmission facilities or
17 transmission technologies; and

18 (ii) grid-enhancing technology that re-
19 lates to existing transmission facilities or
20 transmission technologies.

21 (5) LIMITATIONS.—

22 (A) MINIMUM SAVINGS.—

23 (i) IN GENERAL.—The shared savings
24 incentive established under paragraph (2)
25 shall apply with respect to an investment

1 in grid-enhancing technology only if the ex-
2 pected savings attributable to the invest-
3 ment over the 3-year period described in
4 paragraph (3)(B), as determined by the
5 Commission, are at least 4 times the cost
6 of the investment.

7 (ii) DETERMINATION.—

8 (I) IN GENERAL.—The Commis-
9 sion shall determine how to quantify
10 the cost of an investment and the ex-
11 pected savings attributable to an in-
12 vestment for purposes of clause (i).

13 (II) COSTS.—For purposes of
14 clause (i), the cost of an investment
15 may include any costs associated with
16 the permitting, installation, or pur-
17 chase of the applicable grid-enhancing
18 technology.

19 (B) ALREADY INSTALLED GETS.—The
20 shared savings incentive established under para-
21 graph (2) may not be applied with respect to
22 grid-enhancing technology that is already in-
23 stalled as of the date of enactment of this Act.

24 (C) CONSUMER PROTECTION.—The Com-
25 mission shall determine appropriate consumer

1 protections for the shared savings incentive es-
2 tablished under paragraph (2).

3 (6) EVALUATION AND SUNSET OF SHARED SAV-
4 INGS INCENTIVE.—

5 (A) EVALUATION.—Not earlier than 7
6 years, and not later than 10 years, after the
7 shared savings incentive is established under
8 paragraph (2), the Commission shall—

9 (i) evaluate the necessity and efficacy
10 of the shared savings incentive; and

11 (ii) determine whether to maintain,
12 revise, or suspend the shared savings in-
13 centive.

14 (B) CONSIDERATION OF ORDER NO.
15 1920.—In conducting the evaluation under sub-
16 paragraph (A)(i), the Commission shall con-
17 sider—

18 (i) how the shared savings incentive
19 aligns with the requirement that grid-en-
20 hancing technologies be considered in long-
21 term regional transmission planning under
22 Order No. 1920 of the Commission, enti-
23 tled “Building for the Future Through
24 Electric Regional Transmission Planning

1 and Cost Allocation” (89 Fed. Reg. 49280
2 (June 11, 2024)) (or a successor order);

3 (ii) whether and how the shared sav-
4 ings incentive should be revised to further
5 align with that requirement; and

6 (iii) whether, in light of that require-
7 ment, the shared savings incentive should
8 be maintained or suspended.

9 (C) PUBLIC COMMENT.—In conducting the
10 evaluation under subparagraph (A)(i), the Com-
11 mission shall provide an opportunity for public
12 comment, including by stakeholders.

13 (c) CONGESTION REPORTING.—

14 (1) ANNUAL REPORTS.—

15 (A) IN GENERAL.—Beginning on the date
16 that is 1 year after the effective date of the rule
17 promulgated under paragraph (2), all operators
18 of transmission facilities or transmission tech-
19 nologies shall submit to the Commission annual
20 reports containing data on the costs associated
21 with congestion management with respect to the
22 transmission facilities or transmission tech-
23 nologies, including all relevant constraints.

1 (B) REQUIREMENT.—Each annual report
2 submitted under subparagraph (A) shall iden-
3 tify—

4 (i) with respect to each reported con-
5 straint that caused more than \$500,000 in
6 associated costs—

7 (I) the cause of the constraint,
8 including physical infrastructure and
9 transient disruptions; and

10 (II) the next limiting element
11 type and its identified rating limit;
12 and

13 (ii) each constraint that will be ad-
14 dressed by planned future upgrades to in-
15 frastructure and facilities.

16 (2) RULEMAKING.—Not later than 18 months
17 after the date of enactment of this Act, the Commis-
18 sion shall promulgate a final rule establishing a uni-
19 versal metric and protocol for the measuring and re-
20 porting of data under paragraph (1).

21 (3) USES OF DATA.—

22 (A) ANALYSES.—

23 (i) IN GENERAL.—The Commission
24 and the Secretary shall each use the data
25 submitted under paragraph (1) to conduct

1 analyses, as the Commission or the Sec-
2 retary, as applicable, determines to be ap-
3 propriate.

4 (ii) COORDINATION.—The Commis-
5 sion and the Secretary may coordinate
6 with respect to any analyses conducted
7 using the data submitted under paragraph
8 (1).

9 (B) MAP.—The Commission and the Sec-
10 retary, acting jointly, shall—

11 (i) use the data submitted under para-
12 graph (1) to create a map of costs associ-
13 ated with congestion management in the
14 transmission system; and

15 (ii) update that map not less fre-
16 quently than once each year.

17 (4) PUBLICATION OF DATA AND MAP.—The
18 Commission and the Secretary shall make the data
19 submitted under paragraph (1) and the map de-
20 scribed in paragraph (3)(B) publicly available on the
21 websites of—

22 (A) the Commission; and

23 (B) the Department of Energy.

24 (d) GRID-ENHANCING TECHNOLOGY APPLICATION
25 GUIDE.—

1 (1) DEFINITION OF DEVELOPER.—In this sec-
2 tion, the term “developer” means a developer of
3 transmission facilities or transmission technologies,
4 including a developer of transmission facilities or
5 transmission technologies that pays to install grid-
6 enhancing technology with respect to those trans-
7 mission facilities or transmission technologies.

8 (2) ESTABLISHMENT OF APPLICATION
9 GUIDE.—Not later than 18 months after the date of
10 enactment of this Act, the Secretary shall establish
11 an application guide for utilities and developers
12 seeking to implement grid-enhancing technologies.

13 (3) UPDATES.—The guide established under
14 paragraph (2) shall be reviewed and updated annu-
15 ally.

16 (4) TECHNICAL ASSISTANCE.—

17 (A) IN GENERAL.—On request of a utility
18 or developer using the guide established under
19 paragraph (2), the Secretary shall provide tech-
20 nical assistance to that utility or developer with
21 respect to the use of grid-enhancing tech-
22 nologies for particular applications.

23 (B) CLEARINGHOUSE.—In carrying out
24 subparagraph (A), the Secretary shall establish
25 a clearinghouse of previously completed grid-en-

1 hancing technology projects that the Secretary,
2 utilities, and developers may use to identify
3 issues and solutions relating to the use of grid-
4 enhancing technologies for particular applica-
5 tions.

6 (5) AUTHORIZATION OF APPROPRIATIONS.—

7 There are authorized to be appropriated to carry out
8 this Act, to remain available until expended—

9 (A) \$5,000,000 for fiscal year 2026; and

10 (B) \$1,000,000 for each of fiscal years
11 2027 through 2037.

12 **SEC. 306. RENEWABLE ENERGY IN U.S. TERRITORIES.**

13 (a) RENEWABLE ENERGY GRANT PROGRAM.—

14 (1) ESTABLISHMENT.—Not later than 180 days
15 after the date of enactment of this Act, the Sec-
16 retary of Agriculture shall establish a renewable en-
17 ergy program (in this section referred to as the
18 “program”) under which the Secretary may award
19 grants to covered entities to facilitate projects, in
20 territories of the United States, described in para-
21 graph (3).

22 (2) APPLICATIONS.—To be eligible for a grant
23 under the program, a covered entity shall submit to
24 the Secretary an application at such time, in such

1 form, and containing such information as the Sec-
2 retary may require.

3 (3) GRANT USES.—

4 (A) IN GENERAL.—A covered entity receiv-
5 ing a grant under the program may use grant
6 funds for a project, in a territory of the United
7 States—

8 (i) to develop or construct a renewable
9 energy system;

10 (ii) to carry out an activity to increase
11 energy efficiency;

12 (iii) to develop or construct an energy
13 storage system or device for—

14 (I) a system developed or con-
15 structed under clause (i); or

16 (II) an activity carried out under
17 clause (ii);

18 (iv) to develop or construct—

19 (I) a smart grid; or

20 (II) a microgrid; or

21 (v) to train residents of the territory
22 of the United States to develop, construct,
23 maintain, or operate a renewable energy
24 system.

1 (B) LIMITATION.—A covered entity receiv-
2 ing a grant under the program may not use
3 grant funds to develop or construct a facility
4 that generates electricity using energy derived
5 from—

6 (i) fossil fuels; or

7 (ii) nuclear power.

8 (4) TECHNICAL ASSISTANCE.—The Secretary of
9 Energy shall ensure that Department of Energy na-
10 tional laboratories offer to provide technical assist-
11 ance to each covered entity carrying out a project
12 assisted with a grant under the program.

13 (5) REPORT.—Not later than 2 years after the
14 establishment of the program, and on an annual
15 basis thereafter, the Secretary shall submit to Con-
16 gress a report containing—

17 (A) an estimate of the amount of funds
18 disbursed under the program;

19 (B) an estimate of the energy conservation
20 achieved as a result of the program;

21 (C) a description of challenges encountered
22 in implementing projects described in para-
23 graph (3)(A); and

24 (D) recommendations as to additional leg-
25 islative measures to increase the use of renew-

1 able energy in territories of the United States,
2 as appropriate.

3 (6) AUTHORIZATION OF APPROPRIATIONS.—

4 There are authorized to be appropriated such sums
5 as may be necessary to carry out this section.

6 (b) GAO STUDY AND REPORT.—

7 (1) IN GENERAL.—

8 (A) STUDY AND REPORT.—Not later than
9 180 days after the date of enactment of this
10 Act, the Comptroller General of the United
11 States shall—

12 (i) conduct a study regarding renew-
13 able energy and energy efficiency in terri-
14 tories of the United States; and

15 (ii) submit to Congress a report con-
16 taining—

17 (I) the findings of the study; and

18 (II) related recommendations.

19 (B) COMPONENTS.—The study conducted
20 under subparagraph (A) shall consider, in rela-
21 tion each territory of the United States, the po-
22 tential—

23 (i) to modify existing electric power
24 systems to use renewable energy sources;

1 (ii) to expand the use of microgrids;

2 and

3 (iii) to improve energy resiliency.

4 (2) AUTHORIZATION OF APPROPRIATIONS.—

5 There is authorized to be appropriated \$1,500,000

6 to carry out this section.

7 (c) DEFINITIONS.—In this Act, the following defini-
8 tions apply:

9 (1) COVERED ENTITY.—The term “covered en-
10 tity” means a not-for-profit organization determined
11 eligible by the Secretary of Agriculture for purposes
12 of this Act.

13 (2) DEPARTMENT OF ENERGY NATIONAL LAB-
14 ORATORIES.—The term “Department of Energy na-
15 tional laboratories” has the same meaning as the
16 term “National Laboratory” under section 2 of the
17 Energy Policy Act of 2005 (42 U.S.C. 15801).

18 (3) MICROGRID.—The term “microgrid” means
19 an electric system—

20 (A) that serves the local community with a
21 power generation and distribution system; and

22 (B) that has the ability—

23 (i) to disconnect from a traditional
24 electric grid; and

1 (ii) to operate autonomously when dis-
2 connected.

3 (4) RENEWABLE ENERGY; RENEWABLE ENERGY
4 SYSTEM.—The terms “renewable energy” and “re-
5 newable energy system” have the meanings given
6 those terms in section 9001 of the Farm Security
7 and Rural Investment Act of 2002 (7 U.S.C. 8101).

8 (5) SMART GRID.—The term “smart grid”
9 means an intelligent electric grid that uses digital
10 communications technology, information systems,
11 and automation to, while maintaining high system
12 reliability—

13 (A) detect and react to local changes in
14 usage;

15 (B) improve system operating efficiency;
16 and

17 (C) reduce spending costs.

18 (6) TERRITORY OF THE UNITED STATES.—The
19 term “territory of the United States” means the
20 Commonwealth of Puerto Rico, Guam, the United
21 States Virgin Islands, American Samoa, and the
22 Commonwealth of the Northern Mariana Islands.

1 **TITLE IV—BUILDING OUT A 21ST**
2 **CENTURY ELECTRICITY GRID**
3 **Subtitle A—Amendments to the**
4 **Federal Power Act**

5 **SEC. 401. DEFINITIONS.**

6 Section 3 of the Federal Power Act (16 U.S.C. 796)
7 is amended by adding at the end the following:

8 “(30) ENERGY STORAGE PROJECT.—The term
9 ‘energy storage project’ means equipment that re-
10 ceives, stores, and delivers energy using batteries,
11 compressed air, pumped hydropower, hydrogen stor-
12 age (including hydrolysis), thermal energy storage,
13 regenerative fuel cells, flywheels, capacitors, super-
14 conducting magnets, or other technologies identified
15 by the Secretary of Energy.

16 “(31) GENERATING FACILITY.—The term ‘gen-
17 erating facility’ means any facility that generates
18 electricity.

19 “(32) GENERATOR TIE LINE.—The term ‘gen-
20 erator tie line’ means a dedicated transmission line
21 that is used to transmit power from a generating fa-
22 cility or an energy storage project to a transmission
23 facility or a transmission system.

24 “(33) GREENHOUSE GAS.—The term ‘green-
25 house gas’ includes each of the following:

1 “(A) Carbon dioxide.

2 “(B) Methane.

3 “(C) Nitrous oxide.

4 “(D) Sulfur hexafluoride.

5 “(E) Any hydrofluorocarbon.

6 “(F) Any perfluorocarbon.

7 “(G) Nitrogen trifluoride.

8 “(H) Any fully fluorinated linear,
9 branched, or cyclic—

10 “(i) alkane;

11 “(ii) ether;

12 “(iii) tertiary amine; or

13 “(iv) aminoether.

14 “(I) Any perfluoropolyether.

15 “(J) Any hydrofluoropolyether.

16 “(K) Any other fluorocarbon, except for a
17 fluorocarbon with a vapor pressure of less than
18 1 mm of Hg absolute at 25 degrees Celsius.

19 “(34) GRID ENHANCING ASSET.—The term
20 ‘grid enhancing asset’—

21 “(A) means a resource, technology, or pro-
22 cedure that, when utilized—

23 “(i) increases the capacity, efficiency,
24 or reliable operation of a transmission sys-
25 tem; or

- 1 “(ii) defers or eliminates the need for
2 a new transmission facility;
3 “(B) may include—
4 “(i) distributed electricity generation
5 resources;
6 “(ii) power flow control and trans-
7 mission switching equipment;
8 “(iii) an energy storage project;
9 “(iv) topology optimization tech-
10 nology;
11 “(v) dynamic line rating technology;
12 “(vi) advanced transmission tech-
13 nologies, such as composite reinforced alu-
14 minum conductors or high temperature
15 superconductors;
16 “(vii) technologies or procedures that
17 increase the flexibility of the demand for
18 electricity;
19 “(viii) other resources, technologies,
20 or procedures that increase energy effi-
21 ciency, capacity, or reliability; and
22 “(ix) a combination of the resources,
23 technologies, or procedures described in
24 clauses (i) through (viii); and
25 “(C) does not include a facility for—

1 “(i) the transmission of electricity; or

2 “(ii) the generation of electricity.

3 “(35) INTERCONNECTION CUSTOMER.—The
4 term ‘interconnection customer’ means an entity, or
5 any affiliates or subsidiaries of an entity, that pro-
6 poses to interconnect a generating facility or an en-
7 ergy storage project to a transmission facility or
8 transmission system.

9 “(36) TRANSMISSION BENEFITS.—The term
10 ‘transmission benefits’ means the broad range of
11 economic, operational, safety, resilience, public pol-
12 icy, and environmental benefits (as assessed by the
13 Commission in accordance with section 224(e)) and
14 other reasonably anticipated benefits of constructing,
15 modifying, or operating a transmission facility, in-
16 cluding—

17 “(A) improved reliability;

18 “(B) improved resilience;

19 “(C) improved safety;

20 “(D) reduced congestion;

21 “(E) reduced power losses;

22 “(F) greater carrying capacity;

23 “(G) reduced operating reserve require-
24 ments;

1 “(H) improved access to lower-cost elec-
2 tricity generation;

3 “(I) improved access to electricity gener-
4 ating facilities with no direct emissions of
5 greenhouse gases;

6 “(J) improved public health from the clo-
7 sure of electricity generation facilities that emit
8 harmful pollution;

9 “(K) increased competition and market li-
10 quidity in electricity markets;

11 “(L) improved energy resilience and resil-
12 ience of Department of Defense installations;
13 and

14 “(M) other potential benefits of increasing
15 the interconnectedness of the electric grid.

16 “(37) NETWORK UPGRADE.—The term ‘net-
17 work upgrade’ means—

18 “(A) any addition to or expansion of any
19 transmission facility or transmission system;

20 “(B) the construction of a new trans-
21 mission facility that will become part of a trans-
22 mission system;

23 “(C) the addition of an energy storage
24 project to a transmission facility or a trans-
25 mission system; or

1 “(D) any construction, deployment, or ad-
2 dition of a grid enhancing asset to a trans-
3 mission facility or a transmission system that
4 eliminates or reduces the need to carry out any
5 of the activities described in subparagraphs (A)
6 through (C).

7 “(38) PARTICIPANT FUNDING.—The term ‘par-
8 ticipant funding’ means any cost allocation method
9 under which an interconnection customer is required
10 to pay, without reimbursement, all or a dispropor-
11 tionate amount of the costs of a network upgrade
12 that is determined by the Commission to be nec-
13 essary to ensure the reliable interconnection of the
14 interconnection customer’s generating facility or en-
15 ergy storage project.

16 “(39) TRANSMISSION PLANNING REGION.—The
17 term ‘transmission planning region’ means a region
18 for which electric transmission planning is appro-
19 priate, as determined by the Commission, including
20 a region approved by the Commission to meet the
21 requirements of the final rule titled ‘Transmission
22 Planning and Cost Allocation by Transmission Own-
23 ing and Operating Public Utilities’ published in the
24 Federal Register on October 4, 2012 (77 Fed. Reg.
25 60689).

1 “(40) TRANSMISSION SYSTEM.—For purposes
2 of sections 224, 226, and 228, the term ‘trans-
3 mission system’ means a network of transmission fa-
4 cilities used for the transmission of electric energy in
5 interstate commerce.”.

6 **SEC. 402. INTERREGIONAL ELECTRIC TRANSMISSION PLAN-**
7 **NING.**

8 Part II of the Federal Power Act (16 U.S.C. 824 et
9 seq.) is amended by adding at the end the following:

10 **“SEC. 224. IMPROVING INTERREGIONAL ELECTRIC TRANS-**
11 **MISSION PLANNING.**

12 “(a) IN GENERAL.—Not later than 18 months after
13 the date of enactment of this section, the Commission
14 shall issue regulations requiring each Transmission Orga-
15 nization to, not later than 3 years after the date of enact-
16 ment of this section and at least every 3 years thereafter,
17 file with the Commission a plan that identifies, and to fa-
18 cilitate the construction of, interregional electric trans-
19 mission projects that are efficient, cost-effective, and
20 broadly beneficial.

21 “(b) CONSIDERATIONS.—In determining the require-
22 ments for a plan described in subsection (a), the Commis-
23 sion shall take into consideration—

24 “(1) the need for the transmission systems to
25 operate for a minimum of 20 years and across a

1 wide range of scenarios, including scenarios that
2 take into account—

3 “(A) Federal, State, and local laws and
4 regulations, and other factors that affect elec-
5 tricity demand and the current and future gen-
6 eration resource mix;

7 “(B) trends in technology and fuel costs;

8 “(C) the retirement of generation facilities,
9 energy storage projects, and transmission facili-
10 ties;

11 “(D) generator interconnection requests
12 and withdrawals; and

13 “(E) extreme weather events;

14 “(2) the public interest;

15 “(3) the integrity of electricity markets;

16 “(4) the protection of consumers;

17 “(5) the need to optimize transmission benefits;

18 “(6) the need for an individual interregional
19 transmission project to secure approvals based on a
20 comprehensive assessment of the multiple benefits
21 provided;

22 “(7) the importance of synchronization of plan-
23 ning processes in neighboring regions, such as using
24 a joint model on a consistent timeline with a single
25 set of needs, input assumptions, and benefit metrics;

1 “(8) the need for an individual interregional
2 transmission project that is identified under a
3 Transmission Organization’s plan filed under this
4 section not to be subject to any subsequent planning
5 process by another Transmission Organization;

6 “(9) that evaluation of long-term scenarios
7 should align with the expected life of an element of
8 a transmission system;

9 “(10) that a Transmission Organization should
10 allow for the identification and joint evaluation of al-
11 ternatives proposed by stakeholders;

12 “(11) the need to eliminate arbitrary project
13 voltage, size, or cost requirements for transmission
14 projects;

15 “(12) the applicability of grid enhancing assets;
16 and

17 “(13) data and analyses provided by the Sec-
18 retary of Energy, including as provided by the Na-
19 tional Laboratories, regarding any of the items de-
20 scribed in paragraphs (1) through (12).

21 “(c) COMMISSION APPROVAL.—The Commission
22 shall approve or deny a plan filed under this section based
23 on whether it meets the requirements under the regula-
24 tions issued under subsection (a).

1 “(d) REPORT.—Not later than 12 months after the
2 issuance of regulations under subsection (a) and annually
3 thereafter, the Commission shall publish in the Federal
4 Register a report on the progress by each Transmission
5 Organization in identifying and facilitating the construc-
6 tion of interregional electric transmission projects, includ-
7 ing a description of the transmission benefits associated
8 with such projects.

9 “(e) ENVIRONMENTAL BENEFITS.—In assessing the
10 reduction in greenhouse gas emissions and other environ-
11 mental benefits associated with any activity undertaken
12 pursuant to this Act, the Commission may use any rel-
13 evant analysis or other information conducted or provided
14 by the Council on Environmental Quality and the Environ-
15 mental Protection Agency.”.

16 **SEC. 403. ALLOCATION OF COSTS OF INTERREGIONAL**
17 **ELECTRIC TRANSMISSION FACILITIES.**

18 Part II of the Federal Power Act (16 U.S.C. 824 et
19 seq.) is further amended by adding at the end the fol-
20 lowing:

21 **“SEC. 225. ALLOCATION OF COSTS OF TRANSMISSION FA-**
22 **CILITIES OF NATIONAL SIGNIFICANCE.**

23 “(a) ALLOCATION OF COSTS.—

24 “(1) IN GENERAL.—Any transmitting utility
25 that owns, controls, or operates a transmission facil-

1 ity of national significance, or proposes to own, con-
2 trol, or operate a transmission facility of national
3 significance, may file a tariff with the Commission
4 in accordance with section 205 allocating the costs
5 of constructing, modifying, and operating such
6 transmission facility of national significance in ac-
7 cordance with paragraph (2).

8 “(2) COST ALLOCATION PRINCIPLE.—The Com-
9 mission shall require that any tariff described in
10 paragraph (1) allocate the cost to construct, modify,
11 and operate a transmission facility of national sig-
12 nificance to customers within the applicable trans-
13 mission planning region or regions in a manner that
14 is roughly commensurate with the reasonably antici-
15 pated transmission benefits.

16 “(b) DEFINITION OF TRANSMISSION FACILITY OF
17 NATIONAL SIGNIFICANCE.—In this section, the term
18 ‘transmission facility of national significance’ means—

19 “(1) an interstate electric power transmission
20 line (and any facilities necessary for the operation of
21 such electric power transmission line)—

22 “(A) that has a transmission capacity of
23 not less than 1,000 megawatts; and

1 “(B) the construction of which is com-
2 pleted on or after the date of enactment of this
3 section;

4 “(2) an electric power transmission line (and
5 any facilities necessary for the operation of such
6 electric power transmission line) that is located off-
7 shore, the construction of which is completed on or
8 after the date of enactment of this section; or

9 “(3) an expansion of, or upgrade to, an inter-
10 state electric power transmission line (and any facili-
11 ties necessary for the operation of such electric
12 power transmission line) that—

13 “(A) increases the transmission capacity of
14 such electric power transmission line by at least
15 500 megawatts; and

16 “(B) the construction of which is com-
17 pleted on or after the date of enactment of this
18 section.

19 “(c) SAVINGS PROVISION.—This section does not af-
20 fect the authority of the Commission to approve the alloca-
21 tion of costs of transmission facilities other than trans-
22 mission facilities of national significance.”.

1 **SEC. 404. ALLOCATION OF COSTS OF ELECTRICITY INTER-**
2 **CONNECTION AND NETWORK UPGRADES.**

3 Part II of the Federal Power Act (16 U.S.C. 824 et
4 seq.) is further amended by adding at the end the fol-
5 lowing:

6 **“SEC. 226. ALLOCATION OF COSTS OF ELECTRICITY INTER-**
7 **CONNECTION AND NETWORK UPGRADES.**

8 “(a) IN GENERAL.—Not later than 18 months after
9 the date of enactment of this section, the Commission
10 shall issue regulations, under section 206, that prohibit
11 the use of exclusive or disproportionate participant fund-
12 ing in allocating the costs of a network upgrade.

13 “(b) REQUIREMENTS.—In prohibiting the use of ex-
14 clusive or disproportionate participant funding under the
15 regulations issued under subsection (a), the Commission
16 shall, except as provided in subsection (c), require that
17 each transmitting utility—

18 “(1) shall not allocate the costs of a network
19 upgrade solely or disproportionately to the request-
20 ing interconnection customer; and

21 “(2) shall allocate the costs of a network up-
22 grade in a manner that is roughly commensurate
23 with reasonably anticipated transmission benefits.

24 “(c) EXCEPTIONS.—

25 “(1) GENERATOR TIE LINES.—A transmitting
26 utility may require an interconnection customer to

1 pay for the costs to construct or modify any gener-
2 ator tie lines that will be used to transmit power
3 from the interconnection customer's generating facil-
4 ity or energy storage project, as applicable, to the
5 transmission facility or the transmission system.

6 “(2) VOLUNTARY PAYMENT.—

7 “(A) IN GENERAL.—An interconnection
8 customer may pay upfront some or all of the
9 costs of a network upgrade at the transmission
10 facility or transmission system to which the
11 interconnection customer plans to interconnect
12 its generating facility or energy storage facility
13 in accordance with subparagraph (B).

14 “(B) REFUND.—

15 “(i) IN GENERAL.—Any interconnec-
16 tion customer that pays costs under sub-
17 paragraph (A) shall be refunded, in ac-
18 cordance with clause (ii), the amount of
19 such costs that would otherwise be allo-
20 cated to other parties pursuant to the
21 Commission's regulations issued under this
22 section.

23 “(ii) PERIOD OF REFUND.—The re-
24 fund of costs under clause (i) shall be com-
25 plete not later than the date that is 10

1 years after the date on which the network
2 upgrade is complete.

3 “(3) SOLE BENEFICIARY.—A transmitting util-
4 ity may require an interconnection customer to ex-
5 clusively pay for the costs of a network upgrade if
6 the transmission benefits of the network upgrade
7 will only be received by the interconnection cus-
8 tomer.

9 “(d) EFFECTIVE DATE OF REGULATIONS.—The
10 Commission shall require transmitting utilities to comply
11 with the regulations issued under subsection (a) not later
12 than 180 days after such regulations have been finalized.”.

13 **SEC. 405. MINIMUM INTERREGIONAL TRANSFER CAPA-**
14 **BILITY.**

15 Part II of the Federal Power Act (16 U.S.C. 824 et
16 seq.) is further amended by adding at the end the fol-
17 lowing:

18 **“SEC. 227. PROTECTING ELECTRICITY RELIABILITY BY IM-**
19 **PROVING INTERREGIONAL TRANSFER CAPA-**
20 **BILITY.**

21 “(a) RULEMAKING.—Notwithstanding the require-
22 ments of section 322 of the Fiscal Responsibility Act
23 (Public Law 118–5), not later than 24 months after the
24 date of enactment of the Cheap Energy Act, the Commis-
25 sion shall, pursuant to section 206, issue regulations that

1 establish requirements for minimum transfer capability, as
2 described under subsection (b), between transmission
3 planning regions.

4 “(b) MINIMUM TRANSFER CAPABILITY.—The aggregate minimum interregional transfer capability for each
5 transmission planning region and its neighboring transmission planning region shall be not less than 30 percent
6 of its own peak electricity demand, or in the case of a
7 transmission planning region that borders only 1 other
8 transmission planning region, not less than 15 percent of
9 its own peak electricity demand, unless the Commission
10 finds, upon a showing by a transmission planning region,
11 that a lower transfer capability can achieve the same or
12 greater transmission benefits.”.

15 **SEC. 406. INCREASED FERC TRANSMISSION SITING AUTHORITY.**
16

17 (a) IN GENERAL.—Part II of the Federal Power Act
18 (16 U.S.C. 824 et seq.) is further amended by adding at
19 the end the following:

20 **“SEC. 228. SITING OF CERTAIN INTERSTATE ELECTRIC**
21 **TRANSMISSION FACILITIES.**

22 “(a) CERTIFICATE OF PUBLIC CONVENIENCE AND
23 NECESSITY.—

24 “(1) IN GENERAL.—On receipt of an applica-
25 tion under subsection (b)(1) relating to an electric

1 transmission facility described in paragraph (2), the
2 Commission, after making the finding described in
3 paragraph (3) with respect to such electric trans-
4 mission facility, shall, by order which is published in
5 the Federal Register, issue to the person who sub-
6 mitted such application a certificate of public con-
7 venience and necessity for the construction, modi-
8 fication, or operation of such electric transmission
9 facility, subject to such reasonable terms and condi-
10 tions as the Commission determines to be appro-
11 priate.

12 “(2) ELECTRIC TRANSMISSION FACILITY DE-
13 SCRIBED.—An electric transmission facility referred
14 to in paragraph (1) is an electric transmission facil-
15 ity that—

16 “(A) traverses or, on construction or modi-
17 fication in accordance with a certificate of pub-
18 lic convenience and necessity issued under that
19 paragraph, will traverse not fewer than 2
20 States;

21 “(B) is used for the transmission of elec-
22 tric energy in interstate commerce; and

23 “(C) has a power capacity of not less than
24 1,000 megawatts.

1 “(3) FINDING DESCRIBED.—The finding re-
2 ferred to in paragraph (1) is a finding that—

3 “(A) the applicant for a certificate of pub-
4 lic convenience and necessity is able and will-
5 ing—

6 “(i) to carry out the activities and
7 perform the services proposed in the appli-
8 cation in a manner determined to be ap-
9 propriate by the Commission; and

10 “(ii) to achieve compliance with the
11 applicable requirements of—

12 “(I) this part; and

13 “(II) any rules and regulations
14 promulgated by the Commission pur-
15 suant to this part;

16 “(B) the electric transmission facility to be
17 constructed, modified, or operated under the
18 certificate of public convenience and necessity
19 will—

20 “(i) traverse not fewer than 2 States;

21 “(ii) be used for the transmission of
22 electric energy in interstate commerce; and

23 “(iii) have a power capacity of not less
24 than 1,000 megawatts; and

1 “(C) construction, modification, or oper-
2 ation of the electric transmission facility, as
3 proposed in the application—

4 “(i) will—

5 “(I) enable the use of renewable
6 energy;

7 “(II) reduce congestion of the ap-
8 plicable transmission system or trans-
9 mission systems;

10 “(III) improve the operational re-
11 liability of the applicable transmission
12 system or transmission systems; or

13 “(IV) provide system resilience
14 between regions of the applicable
15 transmission system or transmission
16 systems;

17 “(ii) will maximize, to the extent rea-
18 sonable and economical, the use of—

19 “(I) existing facility sites; and

20 “(II) the transmission capabili-
21 ties of existing electric transmission
22 facilities; and

23 “(iii) will, to the extent practicable,
24 minimize the use of eminent domain.

1 “(4) RULEMAKING.—Not later than 18 months
2 after the date of enactment of this section, the Com-
3 mission shall issue regulations specifying—

4 “(A) a pre-filing process during which a
5 person described in subsection (b)(1) and the
6 Commission shall consult with—

7 “(i) the State commission for each
8 State through which the applicable electric
9 transmission facility will traverse;

10 “(ii) appropriate Federal agencies;

11 “(iii) each Indian Tribe that may be
12 affected by the proposed project to con-
13 struct, modify, or operate an electric trans-
14 mission facility; and

15 “(iv) the appropriate Transmission
16 Organization;

17 “(B) the form of, and information to be
18 contained in, an application submitted under
19 subsection (b)(1);

20 “(C) requirements for determining whether
21 the applicable electric transmission facility
22 will—

23 “(i) traverse not fewer than 2 States;

24 “(ii) be used for the transmission of
25 electric energy in interstate commerce; and

1 “(iii) have a power capacity of not less
2 than 1,000 megawatts;

3 “(D) criteria for determining the reason-
4 able and economical use of—

5 “(i) existing rights-of-way; and

6 “(ii) the transmission capabilities of
7 existing towers or structures;

8 “(E) the manner in which an application
9 submitted under subsection (b)(1) shall be con-
10 sidered, which, to the extent practicable, shall
11 be consistent with State statutory and regu-
12 latory policies concerning generation and retail
13 sales of electricity in the States in which the
14 electric energy transmitted by the electric trans-
15 mission facility will be generated or sold; and

16 “(F) the manner in which the Commission
17 will consider the needs of communities that will
18 be impacted directly by the applicable electric
19 transmission facility, including how any impacts
20 of the electric transmission facility could be
21 mitigated or offset.

22 “(5) PUBLICATION, PUBLIC COMMENT, AND
23 HEARINGS FOR CERTAIN NOTICE OF INTENT AND
24 DRAFT ENVIRONMENTAL IMPACT STATEMENTS.—

1 “(A) PUBLICATION.—The Commission
2 shall publish in the Federal Register a notice of
3 intent to prepare an environmental impact
4 statement and a draft environmental impact
5 statement with respect to an application for a
6 certificate of public convenience and necessity
7 that has been submitted under subsection
8 (b)(1).

9 “(B) PUBLIC COMMENT.—The Commission
10 shall provide not less than 60 days for public
11 comment on each notice of intent and draft en-
12 vironmental impact statement published under
13 subparagraph (A).

14 “(C) HEARING.—The Commission shall
15 provide to the individuals and entities described
16 in paragraph (6)(B) a reasonable opportunity
17 for presentation, in at least one public hearing,
18 of any views and recommendations on each no-
19 tice of intent and each draft environmental im-
20 pact statement published under subparagraph
21 (A). The Commission shall publish in the Fed-
22 eral Register notice of any hearing held under
23 this subparagraph.

24 “(6) NOTICE AND OPPORTUNITY FOR A HEAR-
25 ING ON APPLICATIONS.—

1 “(A) IN GENERAL.—In any proceeding be-
2 fore the Commission to consider an application
3 for a certificate of public convenience and ne-
4 cessity under this section, the Commission
5 shall—

6 “(i) publish a notice of the application
7 in the Federal Register;

8 “(ii) provide written notice of such ap-
9 plication to all affected landowners in ac-
10 cordance with subsection (c); and

11 “(iii) provide to the individuals and
12 entities described in subparagraph (B) a
13 notice and reasonable opportunity for the
14 presentation in at least one public hearing
15 of any views and recommendations with re-
16 spect to the need for, and impact of, the
17 construction, modification, or operation of
18 the electric transmission facility proposed
19 to be constructed, modified, or operated
20 under the certificate.

21 “(B) INDIVIDUALS AND ENTITIES DE-
22 SCRIBED.—The individuals and entities referred
23 to in subparagraph (A) are—

24 “(i) an agency, selected by the Gov-
25 ernor (or equivalent official) of the applica-

1 ble State, of each State in which the elec-
2 tric transmission facility proposed to be
3 constructed, modified, or operated under
4 the applicable certificate of public conven-
5 ience and necessity is or will be located;

6 “(ii) each affected landowner; and

7 “(iii) as determined by the Commis-
8 sion—

9 “(I) each affected Federal agen-
10 cy; and

11 “(II) each Indian Tribe that may
12 be affected by the proposed construc-
13 tion, modification, or operation.

14 “(C) PROHIBITION.—The Commission may
15 not—

16 “(i) require an applicant for a certifi-
17 cate of public convenience and necessity
18 under this section to provide any notice re-
19 quired under this section; or

20 “(ii) enter into a contract to provide
21 any notice required under this section
22 with—

23 “(I) the applicant for the applica-
24 ble certificate of public convenience
25 and necessity; or

1 “(II) any other person that has a
2 financial interest in the project pro-
3 posed in the application for such cer-
4 tificate.

5 “(b) APPLICATIONS.—

6 “(1) IN GENERAL.—A person desiring a certifi-
7 cate of public convenience and necessity under this
8 section shall submit to the Commission an applica-
9 tion at such time, in such manner, and containing
10 such information as the Commission may require.

11 “(2) REQUIREMENT.—An application submitted
12 to the Commission under paragraph (1) shall include
13 all information necessary for the Commission to
14 make the finding described in subsection (a)(3).

15 “(c) NOTICE TO AFFECTED LANDOWNERS.—

16 “(1) IN GENERAL.—The Commission shall pro-
17 vide written notice of an application submitted under
18 subsection (b)(1) to all affected landowners with re-
19 spect to the electric transmission facility for which
20 such application was submitted in accordance with
21 this subsection.

22 “(2) REQUIREMENTS.—Any notice provided to
23 an affected landowner under paragraph (1) shall in-
24 clude the following:

1 “(A) The following statement in 14-point
2 bold typeface:

3 “‘The [name of applicant] has proposed build-
4 ing power lines that will cross your property,
5 and may also require building transmission tow-
6 ers on your property. If the Federal Energy
7 Regulatory Commission approves [applicant]’s
8 proposed project, then [applicant] may have the
9 right to build transmission towers on, and
10 power lines over, your property, or use your
11 property to construct the proposed project, sub-
12 ject to paying you just compensation for the
13 loss of your property.

14 “‘If you want to raise objections to, offer sup-
15 port for, or otherwise comment on this, or oth-
16 erwise comment on this project, you can do so
17 by submitting written comments to the Federal
18 Energy Regulatory Commission Docket No.
19 [_____]. You can do this electronically or by
20 mail. To do so electronically [to be inserted by
21 the Commission]. To do so by mail [to be in-
22 serted by the Commission].’.

23 “(B) A description of the proposed project
24 to construct, modify, or operate an electric
25 transmission facility, including—

1 “(i) the location of the proposed
2 project (including a general location map);

3 “(ii) the purpose of the proposed
4 project; and

5 “(iii) the timing of the proposed
6 project.

7 “(C) The name of, and the location in the
8 docket of the Commission at which may be
9 found, each submission by the applicant to the
10 Commission relating to the proposed project.

11 “(D) A general description of what the ap-
12 plicant will need from the landowner if the pro-
13 posed project is approved, including the activi-
14 ties the applicant may undertake and the facili-
15 ties that the applicant may seek to construct on
16 the property of the landowner.

17 “(E) A description of how the landowner
18 may contact the applicant, including—

19 “(i) a website;

20 “(ii) an email address;

21 “(iii) a local or toll-free telephone
22 number; and

23 “(iv) the name of a specific person to
24 contact who is knowledgeable about the
25 proposed project.

1 “(F) A description of how the landowner
2 may contact the Commission, including—

3 “(i) a website;

4 “(ii) an email address;

5 “(iii) a local or toll-free telephone
6 number; and

7 “(iv) the name of a specific person to
8 contact who is knowledgeable about the
9 proposed project.

10 “(G) A summary of the rights that the
11 landowner has—

12 “(i) before the Commission; and

13 “(ii) in other proceedings under—

14 “(I) the Federal Rules of Civil
15 Procedure; and

16 “(II) the eminent domain rules of
17 the relevant State.

18 “(H) Any other information that the Com-
19 mission determines to be appropriate.

20 “(3) OBLIGATION OF APPLICANT.—An appli-
21 cant for a certificate of public convenience and ne-
22 cessity under this section shall submit to the Com-
23 mission, together with the application for the certifi-
24 cate, the name and address of each affected land-
25 owner.

1 “(d) REGULATORY JURISDICTION.—

2 “(1) IN GENERAL.—Except as provided in para-
3 graph (2) and notwithstanding section 216(i), no
4 State shall regulate any aspect of the siting or per-
5 mitting of an electric transmission facility con-
6 structed, modified, or operated under a certificate of
7 public convenience and necessity issued under this
8 section.

9 “(2) SAVINGS CLAUSE.—Nothing in this section
10 affects the rights of States under—

11 “(A) the Coastal Zone Management Act of
12 1972 (16 U.S.C. 1451 et seq.);

13 “(B) the Federal Water Pollution Control
14 Act (33 U.S.C. 1251 et seq.);

15 “(C) the Clean Air Act (42 U.S.C. 7401 et
16 seq.); or

17 “(D) division A of subtitle III of title 54,
18 United States Code (formerly known as the
19 ‘National Historic Preservation Act’).

20 “(3) TRIBAL CONSENT FOR CERTAIN RIGHTS-
21 OF-WAY.—No right-of-way over or across Tribal land
22 may be granted pursuant to this section unless con-
23 sent for the right-of-way has been obtained from the
24 proper Tribal official in a manner consistent with

1 the requirements of section 2 of the Act of February
2 5, 1948 (62 Stat. 18, chapter 45; 25 U.S.C. 324).

3 “(e) JUDICIAL REVIEW.—

4 “(1) IN GENERAL.—Any person aggrieved by
5 an order of the Commission issued under this sec-
6 tion may obtain review of the order in—

7 “(A) the court of appeals of the United
8 States for any judicial circuit in which the elec-
9 tric transmission facility to be constructed,
10 modified, or operated under the applicable cer-
11 tificate of public convenience and necessity is or
12 will be located; or

13 “(B) the United States Court of Appeals
14 for the District of Columbia Circuit.

15 “(2) PETITION FOR REVIEW.—

16 “(A) IN GENERAL.—A person may obtain
17 review under paragraph (1) by filing in the ap-
18 plicable court a written petition praying that
19 the order of the Commission be modified or set
20 aside in whole or in part.

21 “(B) TIMING.—A petition under subpara-
22 graph (A) shall be filed by not later than 60
23 days after the date on which the applicable
24 order of the Commission is published in the
25 Federal Register.

1 “(3) PERSON AGGRIEVED.—Notwithstanding
2 any other provision of this Act, a person aggrieved
3 by an order of the Commission issued under this
4 section need not—

5 “(A) have been a party to the proceedings
6 before the Commission in which that order was
7 issued in order to obtain judicial review of the
8 order under this subsection; or

9 “(B) have requested rehearing before the
10 Commission prior to seeking judicial review.

11 “(f) RIGHT OF EMINENT DOMAIN FOR ELECTRIC
12 TRANSMISSION FACILITIES.—

13 “(1) IN GENERAL.—The holder of a certificate
14 of public convenience and necessity may acquire
15 through the exercise of the right of eminent domain
16 in a court described in paragraph (2) any right-of-
17 way, land, or other property that is necessary to
18 construct, modify, or operate an electric trans-
19 mission facility in accordance with such certificate if
20 the holder has, in the determination of the Commis-
21 sion, made good faith efforts to engage with land-
22 owners and other stakeholders early in the permit-
23 ting process established under this section, and—

24 “(A) cannot acquire the necessary right-of-
25 way, land, or other property by contract;

1 “(B) is unable to agree with the owner of
2 the right-of-way, land, or other property with
3 respect to the compensation to be paid for that
4 right-of-way, land, or other property; or

5 “(C) cannot clear defective title with re-
6 spect to the right-of-way, land, or other prop-
7 erty.

8 “(2) COURT DESCRIBED.—A court referred to
9 in paragraph (1) is—

10 “(A) the district court of the United States
11 for the district in which the applicable right-of-
12 way, land, or other property is located; or

13 “(B) the appropriate State court.

14 “(3) NOTICE OF ORDER ISSUING CERTIFI-
15 CATE.—The holder of a certificate of public conven-
16 ience and necessity may not exercise the right of
17 eminent domain under this subsection with respect
18 to any property covered by the certificate unless the
19 Commission has first, in addition to publishing the
20 notice of certificate of public convenience and neces-
21 sity in the Federal Register, provided all affected
22 landowners with notice of—

23 “(A) the order; and

24 “(B) the procedures for obtaining judicial
25 review of such order under subsection (e), in-

1 cluding a description of the time period for
2 seeking judicial review under that subsection.

3 “(g) CONDEMNATION PROCEDURES.—

4 “(1) APPRAISALS.—

5 “(A) IN GENERAL.—A holder of, or appli-
6 cant for, a certificate of public convenience and
7 necessity shall have any property that the hold-
8 er or applicant seeks to acquire through the ex-
9 ercise of the right of eminent domain under
10 subsection (f) appraised in accordance with gen-
11 erally accepted appraisal standards by an ap-
12 praiser selected by the owner of the property,
13 subject to subparagraph (D).

14 “(B) REQUIREMENTS.—

15 “(i) COSTS.—The applicable holder of,
16 or applicant for, a certificate of public con-
17 venience and necessity shall pay for each
18 appraisal carried out under subparagraph
19 (A).

20 “(ii) INSPECTIONS.—The owner of the
21 applicable property (or a designated rep-
22 resentative of the owner) shall be given the
23 opportunity to accompany the appraiser
24 during any inspection of the property that

1 is part of an appraisal under subparagraph
2 (A).

3 “(C) TIMING.—An appraisal under sub-
4 paragraph (A) shall be carried out before—

5 “(i) the holder of, or applicant for, the
6 certificate of public convenience and neces-
7 sity makes an offer of just compensation
8 under paragraph (2); or

9 “(ii) the holder of the certificate of
10 public convenience and necessity com-
11 mences an action or proceeding to exercise
12 the right of eminent domain under sub-
13 section (f).

14 “(D) SELECTION OF APPRAISER.—If the
15 owner of the applicable property does not select
16 an appraiser under subparagraph (A) by the
17 date that is 60 days after the date on which the
18 holder of, or applicant for, the applicable certifi-
19 cate of public convenience and necessity re-
20 quests that the owner do so, the holder or ap-
21 plicant shall have the right to select the ap-
22 praiser.

23 “(2) OFFERS OF JUST COMPENSATION.—

24 “(A) IN GENERAL.—Any offer of just com-
25 pensation made to an affected landowner of

1 property that is or will be covered by a certifi-
2 cate of public convenience and necessity—

3 “(i) shall be made in writing;

4 “(ii) may not be for an amount less
5 than the fair market value of the property,
6 as determined by an appraisal carried out
7 under paragraph (1); and

8 “(iii) shall include compensation for—

9 “(I) any lost income from the
10 property; and

11 “(II) any damages to any other
12 property of the owner.

13 “(B) TIMING.—The holder of a certificate
14 of public convenience and necessity may not
15 make an offer of just compensation to an af-
16 fected landowner until the date that is 30 days
17 after the date on which the Commission pro-
18 vides a notice to the affected landowner under
19 subsection (f)(3).

20 “(3) JURISDICTIONAL LIMITATIONS.—

21 “(A) MINIMUM JURISDICTIONAL
22 AMOUNT.—A district court of the United States
23 shall only have jurisdiction of an action or pro-
24 ceeding to exercise the right of eminent domain
25 under subsection (f) if the amount claimed by

1 the owner of the property to be condemned ex-
2 ceeds \$3,000.

3 “(B) TRIBAL LAND.—A district court of
4 the United States shall have no jurisdiction to
5 condemn any interest in Tribal land.

6 “(4) LIMITATION ON CONDEMNATION.—In any
7 action or proceeding to exercise the right of eminent
8 domain under subsection (f), a court—

9 “(A) may condemn an interest in property
10 only to the extent necessary for the specific fa-
11 cilities described in the applicable certificate of
12 public convenience and necessity; and

13 “(B) may not—

14 “(i) condemn any other interest; or

15 “(ii) condemn an interest for any pur-
16 pose not described in that certificate.

17 “(5) RIGHT OF POSSESSION.—With respect to
18 any action or proceeding to exercise the right of emi-
19 nent domain under subsection (f), an owner of prop-
20 erty that is covered by the applicable certificate of
21 public convenience and necessity shall not be re-
22 quired to surrender possession of that property un-
23 less the holder of the certificate—

24 “(A) has paid to the owner the award of
25 compensation in the action or proceeding; or

1 “(B) has deposited the amount of that
2 award with the court.

3 “(6) LITIGATION COSTS.—

4 “(A) IN GENERAL.—A holder of a certifi-
5 cate of public convenience and necessity that
6 commences an action or proceeding to exercise
7 the right of eminent domain under subsection
8 (f) shall be liable to the owner of any property
9 condemned in that proceeding for the costs de-
10 scribed in subparagraph (B) if the amount
11 awarded to that owner for the property con-
12 demned is more than 125 percent of the
13 amount offered to the owner by the holder be-
14 fore the commencement of that action or pro-
15 ceeding.

16 “(B) COSTS DESCRIBED.—The costs re-
17 ferred to in subparagraph (A) are litigation
18 costs incurred for the action or proceeding de-
19 scribed in that subparagraph by the owner of
20 the property condemned, including—

21 “(i) reasonable attorney fees;

22 “(ii) expert witness fees and costs;

23 and

24 “(iii) reasonable travel costs to par-
25 ticipate in proceedings.

1 “(h) ENFORCEMENT OF CONDITIONS.—

2 “(1) IN GENERAL.—An affected landowner the
3 property of which has been acquired by eminent do-
4 main under subsection (f) shall have the right—

5 “(A) to enforce any condition in the appli-
6 cable certificate of public convenience and ne-
7 cessity; and

8 “(B) to seek damages for a violation of
9 any condition described in subparagraph (A).

10 “(2) JURISDICTION.—The district courts of the
11 United States shall have jurisdiction over any action
12 arising under paragraph (1).

13 “(i) OTHER LANDOWNER RIGHTS AND PROTEC-
14 TIONS.—

15 “(1) FAILURE TO TIMELY COMPLETE
16 PROJECTS.—

17 “(A) SURRENDER OF CONDEMNED PROP-
18 ERTY.—

19 “(i) IN GENERAL.—An individual or
20 entity from which an interest in property is
21 acquired through the exercise of the right
22 of eminent domain under subsection (f) by
23 the holder of a certificate of public conven-
24 ience and necessity that is issued for the
25 construction, modification, or operation of

1 an electric transmission facility may de-
2 mand that the holder of the certificate sur-
3 render that interest to that individual or
4 entity if—

5 “(I)(aa) the electric transmission
6 facility is not in operation (as modi-
7 fied, in the case of a modification of
8 an electric transmission facility) by
9 the date specified in the certificate
10 (including any modification of the cer-
11 tificate by the Commission); and

12 “(bb) there is no request for the
13 extension of that date pending before
14 the Commission; or

15 “(II) subject to clause (ii), the
16 holder of the certificate, with the ap-
17 proval of the Commission, abandons
18 the portion of the electric trans-
19 mission facility that is located on the
20 applicable property relating to that in-
21 terest.

22 “(ii) REQUIREMENT.—The Commis-
23 sion may not approve in a certificate of
24 public convenience and necessity issued
25 under this section or in any subsequent

1 proceeding the abandonment of all or any
2 part of an electric transmission facility un-
3 less the Commission requires the holder of
4 the applicable certificate of public conven-
5 ience and necessity to offer to each indi-
6 vidual or entity described in clause (i) the
7 option of having the property acquired
8 from that individual or entity as described
9 in that clause restored to the condition
10 that the property was in prior to the
11 issuance of the certificate.

12 “(B) REPAYMENT OF CONDEMNATION
13 AWARD.—If an individual or entity described in
14 subparagraph (A)(i) demands the surrender of
15 an interest under that subparagraph, the holder
16 of the applicable certificate of public conven-
17 ience and necessity shall be entitled to repay-
18 ment of an amount equal to not more than 50
19 percent of the condemnation award relating to
20 the interest.

21 “(C) JURISDICTION.—The district courts
22 of the United States shall have jurisdiction over
23 any action arising under this paragraph.

24 “(2) MATERIAL MISREPRESENTATIONS.—

25 “(A) RESCISSION OF TRANSACTION.—

1 “(i) IN GENERAL.—An individual or
2 entity from which an interest in property is
3 acquired through the exercise of the right
4 of eminent domain under subsection (f)
5 that proves, by a preponderance of the evi-
6 dence, that the individual or entity has
7 granted a right-of-way or any other prop-
8 erty interest based on a material misrepre-
9 sentation made by or on behalf of an appli-
10 cant for, or holder of, a certificate of pub-
11 lic convenience and necessity under this
12 section concerning the electric transmission
13 facility to be constructed, modified, or op-
14 erated under the certificate shall have the
15 right to rescind the transaction.

16 “(ii) JURISDICTION.—The district
17 courts of the United States shall have ju-
18 risdiction over any action arising under
19 clause (i).

20 “(B) CIVIL PENALTIES.—A material mis-
21 representation made by an applicant for, or
22 holder of, a certificate of public convenience and
23 necessity, or on behalf of such an applicant or
24 holder, to an affected landowner concerning the
25 electric transmission facility to be constructed,

1 modified, or operated under the certificate, shall
2 be considered to be a violation of this part for
3 purposes of section 316A and such applicant or
4 holder shall be assessed a civil penalty by the
5 Commission in accordance with such section
6 316A, except the amount of such civil penalty
7 may not exceed \$10,000 per affected landowner
8 to whom the misrepresentation was made.

9 “(j) DEFINITIONS.—In this section:

10 “(1) AFFECTED LANDOWNER.—

11 “(A) IN GENERAL.—The term ‘affected
12 landowner’ includes each owner of a property
13 interest in land or other property described in
14 subparagraph (B), including—

15 “(i) the Federal Government;

16 “(ii) a State or local government; and

17 “(iii) each owner noted in the most
18 recent county or city tax record as receiv-
19 ing the relevant tax notice with respect to
20 that interest.

21 “(B) LAND AND OTHER PROPERTY DE-
22 SCRIBED.—The land or other property de-
23 scribed in this subparagraph is any land or
24 other property—

1 “(i) that is directly affected by the
2 proposed construction, modification, or op-
3 eration of an electric transmission facility,
4 including all facility sites;

5 “(ii) that is located within the greater
6 of—

7 “(I) 0.25 miles from a proposed
8 facility site for an electric trans-
9 mission facility; or

10 “(II) a minimum distance from
11 the proposed electric transmission fa-
12 cility as specified by State law; or

13 “(iii) contains a residence that is
14 within 3000 feet of a proposed facility site
15 for an electric transmission facility.

16 “(2) ALTERNATING CURRENT TRANSMISSION
17 FACILITY.—The term ‘alternating current trans-
18 mission facility’ means a transmission facility that
19 uses alternating current for the bulk transmission of
20 electric energy.

21 “(3) ELECTRIC TRANSMISSION FACILITY.—The
22 term ‘electric transmission facility’ means, as appli-
23 cable—

24 “(A) an alternating current transmission
25 facility;

1 “(B) a high-voltage, direct current trans-
2 mission facility; or

3 “(C) infrastructure associated with an al-
4 ternating current transmission facility or a
5 high-voltage, direct current transmission facil-
6 ity, including substations and switchyards.

7 “(4) FACILITY SITE.—The term ‘facility site’
8 includes—

9 “(A) an area covered by a right-of-way;

10 “(B) an access road;

11 “(C) a contractor yard where equipment
12 and material are stored or where assembly work
13 is conducted; and

14 “(D) any temporary workspace.

15 “(5) HIGH-VOLTAGE, DIRECT CURRENT TRANS-
16 MISSION FACILITY.—The term ‘high-voltage, direct
17 current transmission facility’ means a transmission
18 facility that uses direct current for the bulk trans-
19 mission of electric energy.

20 “(6) TRIBAL LAND.—The term ‘Tribal land’
21 has the meaning given the term ‘Indian land’ in sec-
22 tion 2601 of the Energy Policy Act of 1992 (25
23 U.S.C. 3501).”.

24 (b) CONFORMING CHANGES TO THE FEDERAL
25 POWER ACT.—

1 (1) SITING OF INTERSTATE ELECTRIC TRANS-
2 MISSION FACILITIES.—Section 216 of the Federal
3 Power Act (16 U.S.C. 824p) is amended—

4 (A) in subsection (b)(2), by inserting “(in-
5 cluding transmission of electric energy from the
6 outer Continental Shelf to a State)” after
7 “interstate commerce”;

8 (B) in subsection (c), by adding at the end
9 the following:

10 “(3) APPLICATIONS OUTSIDE NATIONAL INTEREST
11 ELECTRIC TRANSMISSION CORRIDORS.—

12 “(A) IN GENERAL.—Subject to subparagraph
13 (B), the Commission shall allow a person to file an
14 application for a permit under subsection (b), and
15 may begin evaluation of such application, even if the
16 relevant electric transmission facility is not in a na-
17 tional interest electric transmission corridor des-
18 ignated by the Secretary under subsection (a) at the
19 time the application is filed.

20 “(B) TIME LIMIT.—The Commission shall cease
21 all evaluation of an application described in subpara-
22 graph (A) if, two years after the application is filed
23 with the Commission, the relevant electric trans-
24 mission facility is not in a national interest electric
25 transmission corridor designated by the Secretary

1 under subsection (a). The Commission may resume
2 evaluation of such application if, after ceasing eval-
3 uation under this subparagraph, a national interest
4 electric transmission corridor is designated by the
5 Secretary under subsection (a) and the relevant elec-
6 tric transmission facility is in such national interest
7 electric transmission corridor.”; and

8 (C) in subsection (h)—

9 (i) by amending paragraph (2) to read
10 as follows:

11 “(2) LEAD AGENCY.—For the purposes of co-
12 ordinating all applicable Federal authorizations and
13 related environmental reviews—

14 “(A) the Commission shall act as the lead
15 agency in the case of—

16 “(i) except as provided in subpara-
17 graph (B), an electric transmission facility
18 in a national interest electric transmission
19 corridor designated by the Secretary under
20 subsection (a); or

21 “(ii) an electric transmission facility
22 for which an application has been sub-
23 mitted for a certificate of public conven-
24 ience and necessity under section 228;

1 “(B) the Department of the Interior shall
2 act as the lead agency in the case of an electric
3 transmission facility in a national interest elec-
4 tric transmission corridor designated by the
5 Secretary under subsection (a) that is located
6 on a lease, easement, or right-of-way granted by
7 the Secretary of the Interior under section
8 8(p)(1)(C) of the Outer Continental Shelf
9 Lands Act (43 U.S.C. 1337(p)(1)(C)); and

10 “(C) the Department of Energy shall act
11 as the lead agency in the case of any other elec-
12 tric transmission facility.”.

13 (ii) in each of paragraphs (3), (4)(B),
14 (4)(C), (5)(B), (6)(A), (7)(A), (8)(A)(i),
15 and (9), by striking “Secretary” each place
16 it appears and inserting “applicable lead
17 agency”;

18 (iii) in paragraph (4)(A), by striking
19 “As head of the lead agency, the Sec-
20 retary” and inserting “The applicable lead
21 agency”;

22 (iv) in paragraph (5)(A), by striking
23 “As lead agency head, the Secretary” and
24 inserting “The applicable lead agency”;
25 and

1 (v) in paragraph (7)—

2 (I) in subparagraph (A), by strik-
3 ing “after the date of enactment of
4 this section” and inserting “after the
5 date of enactment of the Cheap En-
6 ergy Act”; and

7 (II) in subparagraph (B), by
8 amending clause (i) to read as follows:

9 “(i) Not later than six months after the date of
10 enactment of the Cheap Energy Act, the Secretary,
11 the Commission, and the heads of all Federal agen-
12 cies with authority to issue Federal authorizations
13 shall enter into a memorandum of understanding to
14 ensure the timely and coordinated review and per-
15 mitting of electric transmission facilities.”.

16 (2) TRANSMISSION INFRASTRUCTURE INVEST-
17 MENT.—Section 219(b)(4)(B) of the Federal Power
18 Act (16 U.S.C. 824s(b)(4)(B)) is amended by strik-
19 ing “section 216” and inserting “sections 216 and
20 228”.

21 **Subtitle B—Tax and Grants**

22 **SEC. 411. TRANSMISSION INVESTMENT TAX CREDIT.**

23 (a) IN GENERAL.—Subpart E of part IV of sub-
24 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by inserting after section 48E the fol-
2 lowing:

3 **“SEC. 48F. QUALIFYING ELECTRIC POWER TRANSMISSION**
4 **LINE CREDIT.**

5 “(a) ALLOWANCE OF CREDIT.—For purposes of sec-
6 tion 46, the qualifying electric power transmission line
7 credit for any taxable year is an amount equal to 6 percent
8 of the qualified investment for such taxable year with re-
9 spect to any qualifying electric power transmission line
10 property of the taxpayer.

11 “(b) QUALIFIED INVESTMENT.—

12 “(1) IN GENERAL.—For purposes of subsection
13 (a), the qualified investment for any taxable year is
14 the basis of any qualifying electric power trans-
15 mission line property placed in service by the tax-
16 payer during such taxable year.

17 “(2) CERTAIN QUALIFIED PROGRESS EXPENDI-
18 TURES RULES MADE APPLICABLE.—Rules similar to
19 the rules of subsections (c)(4) and (d) of section 46
20 (as in effect on the day before the date of the enact-
21 ment of the Revenue Reconciliation Act of 1990)
22 shall apply for purposes of this section.

23 “(c) QUALIFYING ELECTRIC POWER TRANSMISSION
24 LINE PROPERTY.—For purposes of this section, the term
25 ‘qualifying electric power transmission line property’

1 means any overhead, submarine, or underground prop-
2 erty—

3 “(1) which is a qualifying electric power trans-
4 mission line that transmits electricity—

5 “(A) across no fewer than 2 States or not
6 less than 150 continuous miles, or

7 “(B) across the Outer Continental Shelf
8 (as defined in section 2 of the Outer Conti-
9 nental Lands Act (43 U.S.C. 1331)), or

10 “(2) which is related transmission property.

11 “(d) QUALIFYING ELECTRIC POWER TRANSMISSION
12 LINE.—For purposes of this section—

13 “(1) IN GENERAL.—The term ‘qualifying elec-
14 tric power transmission line’ means any applicable
15 new transmission property and any modified existing
16 transmission property.

17 “(2) APPLICABLE NEW TRANSMISSION PROP-
18 erty.—

19 “(A) IN GENERAL.—The term ‘applicable
20 new transmission property’ means any electric
21 power transmission line which is—

22 “(i) originally placed in service after
23 the date of the enactment of this section,

1 “(ii) primarily used for one or more
2 purposes described in subparagraph (B),
3 and

4 “(iii) described in subparagraph (C).

5 “(B) PURPOSES DESCRIBED.—The pur-
6 poses described in this subparagraph are—

7 “(i) enhancing resilience to prepare
8 for, withstand, and recover rapidly from
9 disruptions from the impact of weather
10 events, wildfires, or natural disasters,

11 “(ii) addressing clearance concerns,

12 “(iii) facilitating the interconnection
13 of electric power generation capacity to the
14 bulk-power system (as defined in section
15 215 of the Federal Power Act), or

16 “(iv) addressing high load needs of
17 2,000 ampere and above.

18 “(C) ADDITIONAL REQUIREMENTS FOR
19 NEW TRANSMISSION PROPERTY.—An electric
20 power transmission line is described in this sub-
21 paragraph if—

22 “(i) such transmission line—

23 “(I) includes an advanced trans-
24 mission conductor, and

1 “(II) is capable of transmitting
2 electricity at a voltage of not less than
3 100 kilovolts, or

4 “(ii) such transmission line—

5 “(I) is a superconducting trans-
6 mission line or is capable of transmit-
7 ting electricity at a voltage of at least
8 345 kilovolts, and

9 “(II) has a transmission capacity
10 of not less than 750 megawatts or is
11 a transmission line described in sub-
12 paragraph (D).

13 “(D) MULTIPLE TRANSMISSION LINES LO-
14 CATED IN THE SAME RIGHT-OF-WAY.—A trans-
15 mission line is described in this subparagraph if
16 such a transmission line—

17 “(i) is co-located in the same right-of-
18 way or adjacent right-of-way as one or
19 more other overhead, submarine, or under-
20 ground transmission lines, and

21 “(ii) together with the other trans-
22 mission lines described in subparagraph
23 (A), has a transmission capacity of not less
24 than 1,000 megawatts.

1 “(3) MODIFIED EXISTING TRANSMISSION PROP-
2 ERTY.—The term ‘modified existing transmission
3 property’ means any electric power transmission line
4 which—

5 “(A) was placed in service before the date
6 of the enactment of this section,

7 “(B) is modified after the date of enact-
8 ment of this Act in a manner that—

9 “(i) increases the transmission capac-
10 ity of such transmission line by not less
11 than 500 megawatts, or

12 “(ii) includes an advanced trans-
13 mission conductor that transmits electricity
14 at a voltage of not less than 100 kilovolts,
15 and

16 “(C) after the completion of such modifica-
17 tion, is an electric power transmission line
18 which satisfies the requirements under sub-
19 clauses (ii) and (iii) of paragraph (2)(A).

20 “(4) ADVANCED TRANSMISSION CONDUCTOR.—
21 The term ‘advanced transmission conductor’ means
22 a transmission conductor technology that uses re-
23 cently developed technology or materials such as a
24 composite core and such other future advances as

1 determined by the Secretary, in consultation with
2 the Secretary of Energy.

3 “(5) SUPERCONDUCTING TRANSMISSION
4 LINE.—The term ‘superconducting transmission line’
5 means a transmission line that conducts all of its
6 current over a super-conducting material.

7 “(e) RELATED TRANSMISSION PROPERTY.—For pur-
8 poses of this section—

9 “(1) IN GENERAL.—The term ‘related trans-
10 mission property’ means any of the following:

11 “(A) TRANSMISSION PROPERTY USED FOR
12 INTERCONNECTION OR GENERATOR TIE-LINE.—
13 Any electric power transmission line which is—

14 “(i) placed in service after the date of
15 enactment of this section,

16 “(ii) primarily used—

17 “(I) as a generator interconnec-
18 tion tie line at an associated facility
19 that extends from the secondary
20 (high) side of a generator step-up
21 transformer to the point of inter-
22 connection with the host transmission
23 owner from interconnecting new gen-
24 eration resources or facilities to the
25 electric grid, or

1 “(II) for network upgrades asso-
2 ciated with the interconnection of new
3 generation resources or facilities to
4 the electric grid,

5 “(iii) primarily used for one or more
6 purposes described in subsection (d)(2)(B),
7 and

8 “(iv) capable of transmitting elec-
9 tricity at a voltage of not less than 230
10 kilovolts.

11 “(B) GRID ENHANCING TECHNOLOGY.—
12 Any grid enhancing technology property used in
13 the operation of the electric power transmission
14 line described in paragraph (2) or (3) of sub-
15 section (d).

16 “(C) SUBCOMPONENTS.—Any conductors
17 or cables, towers, insulators, reactors, capaci-
18 tors, circuit breakers, static VAR compensators,
19 static synchronous compensators, power con-
20 verters, transformers, synchronous condensers,
21 braking resistors, and any ancillary facilities
22 and equipment necessary for the proper oper-
23 ation of the electric power transmission line de-
24 scribed in paragraph (2) or (3) of subsection

1 (d) or for the proper operation of any property
2 described in subsection (d)(2).

3 “(2) GRID ENHANCING TECHNOLOGY PROP-
4 ERTY.—The term ‘grid enhancing technology prop-
5 erty’ means power flow controls and transmission
6 switching equipment, storage technology, and hard-
7 ware or software that enables dynamic line ratings,
8 advanced line rating management technologies, on
9 new or existing transmission property for the pur-
10 pose of enhancing the capacity, efficiency, resiliency,
11 or reliability of an electric power transmission sys-
12 tem and such other similar property determined by
13 the Secretary, in consultation with the Secretary of
14 Energy.

15 “(f) INCREASED CREDIT AMOUNT FOR CERTAIN
16 TRANSMISSION LINE PROPERTY.—

17 “(1) IN GENERAL.—In the case of any quali-
18 fying electric power transmission line property which
19 meets the requirements of paragraph (2), the
20 amount of credit determined under subsection (a)
21 (determined without regard to this subsection) shall
22 be equal to such amount multiplied by 5.

23 “(2) FACILITY REQUIREMENTS.—Qualifying
24 electric power transmission line property shall be

1 treated as meeting the requirements of this para-
2 graph if—

3 “(A) the construction of such property
4 meets rules similar to the rules of section
5 48(a)(10) (relating to prevailing wage require-
6 ments) and section 45(b)(8) (relating to ap-
7 prenticeship requirements), or

8 “(B) the construction of such property be-
9 gins before the date that is 60 days after the
10 Secretary publishes guidance with respect to the
11 requirements under subparagraph (A).

12 “(g) TERMINATION.—This section shall not apply to
13 any property the construction of which begins after De-
14 cember 31, 2035.”.

15 (b) PUBLIC UTILITY PROPERTY.—Paragraph (2) of
16 section 50(d) of the Internal Revenue Code is amended—

17 (1) by striking “(as defined in section
18 48(c)(6))” and inserting “(as defined in section
19 48(c)(6), except that subparagraph (D) of such sec-
20 tion shall not apply) or any qualifying electric power
21 transmission line property (as defined by section
22 48F(c))”, and

23 (2) in subparagraph (B)—

1 (A) by inserting “or qualifying electric
2 power transmission line property” after “each
3 energy storage technology”, and

4 (B) by inserting “or the qualifying electric
5 power transmission line property” after “the
6 energy storage technology”.

7 (c) TRANSFER OF CERTAIN CREDITS.—Section
8 6418(f)(1)(A) of the Internal Revenue Code of 1986 is
9 amended by adding at the end the following:

10 “(xiii) The qualifying electric power
11 transmission line credit under section
12 48F.”.

13 (d) CONFORMING AMENDMENTS.—

14 (1) Section 46 of the Internal Revenue Code of
15 1986 is amended—

16 (A) in paragraph (6), by striking “and” at
17 the end,

18 (B) in paragraph (7), by striking the pe-
19 riod at the end and inserting “, and”, and

20 (C) by adding at the end the following:

21 “(8) the qualifying electric power transmission
22 line credit.”.

23 (2) Section 49(a)(1)(C) of such Code is amend-
24 ed—

1 (A) in clause (vii), by striking “and” at the
2 end,

3 (B) in clause (viii), by striking the period
4 at the end and inserting “, and”, and

5 (C) by adding at the end the following:

6 “(ix) the basis of any qualifying elec-
7 tric power transmission line property under
8 section 48F.”.

9 (3) The table of sections for subpart E of part
10 IV of subchapter A of chapter 1 of such Code is
11 amended by inserting after the item relating to sec-
12 tion 48E the following new item:

“Sec. 48F. Qualifying electric power transmission line credit.”.

13 (e) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to property placed in service after
15 December 31, 2025.

16 **SEC. 412. REDUCED WILDFIRE RISKS TO THE GRID.**

17 (a) DEFINITIONS.—In this section:

18 (1) ELIGIBLE ENTITY.—The term “eligible enti-
19 ty” means—

20 (A) an electric grid operator;

21 (B) an electricity storage operator;

22 (C) an electricity generator;

23 (D) a transmission owner or operator;

24 (E) a distribution provider;

25 (F) a fuel supplier; and

1 (G) any other relevant entity, as deter-
2 mined by the Secretary.

3 (2) POWER LINE.—The term “power line” in-
4 cludes a transmission line or a distribution line, as
5 applicable.

6 (3) PROGRAM.—The term “program” means
7 the program established under subsection (b).

8 (b) ESTABLISHMENT OF PROGRAM.—Not later than
9 days after the date of enactment of this Act, the Secretary
10 shall establish a program under which the Secretary shall
11 make grants to eligible entities, States, and Indian Tribes
12 in accordance with this section.

13 (c) GRANTS TO ELIGIBLE ENTITIES.—

14 (1) IN GENERAL.—The Secretary may make a
15 grant under the program to an eligible entity to
16 carry out activities that—

17 (A) are supplemental to existing hardening
18 efforts of the eligible entity planned for any
19 given year; and

20 (B)(i) reduce the risk of any power lines
21 owned or operated by the eligible entity causing
22 a wildfire; or

23 (ii) increase the ability of the eligible
24 entity to reduce the likelihood and con-
25 sequences of wildfires.

1 (2) APPLICATION.—

2 (A) IN GENERAL.—An eligible entity desir-
3 ing a grant under the program shall submit to
4 the Secretary an application at such time, in
5 such manner, and containing such information
6 as the Secretary may require.

7 (B) REQUIREMENT.—As a condition of re-
8 ceiving a grant under the program, an eligible
9 entity shall submit to the Secretary, as part of
10 the application of the eligible entity submitted
11 under subparagraph (A), a report detailing
12 past, current, and future efforts by the eligible
13 entity to reduce the likelihood and consequences
14 of wildfires.

15 (3) LIMITATION.—The Secretary may not
16 award a grant to an eligible entity in an amount
17 that is greater than the total amount that the eligi-
18 ble entity has spent in the previous 3 years on ef-
19 forts to reduce the likelihood and consequences of
20 wildfires.

21 (4) PRIORITY.—In making grants to eligible en-
22 tities under the program, the Secretary shall give
23 priority to projects that, in the determination of the
24 Secretary, will generate the greatest community ben-

1 efit (whether rural or urban) in reducing the likeli-
2 hood and consequences of wildfires.

3 (5) SMALL UTILITIES SET ASIDE.—The Sec-
4 retary shall ensure that not less than 30 percent of
5 the amounts made available to eligible entities under
6 the program are made available to eligible entities
7 that sell not more than 4,000,000 megawatt hours
8 of electricity per year.

9 (d) GRANTS TO STATES AND INDIAN TRIBES.—

10 (1) IN GENERAL.—The Secretary, in accord-
11 ance with this subsection, may make grants under
12 the program to States and Indian Tribes, which
13 each State or Indian Tribe may use to award grants
14 to eligible entities.

15 (2) ANNUAL APPLICATION.—

16 (A) IN GENERAL.—For each fiscal year, to
17 be eligible to receive a grant under this sub-
18 section, a State or Indian Tribe shall submit to
19 the Secretary an application that includes a
20 plan described in subparagraph (B).

21 (B) PLAN REQUIRED.—A plan prepared by
22 a State or Indian Tribe for purposes of an ap-
23 plication described in subparagraph (A) shall—

- 1 (i) describe the criteria and methods
2 that will be used by the State or Indian
3 Tribe to award grants to eligible entities;
4 (ii) be adopted after notice and a pub-
5 lic hearing; and
6 (iii) describe the proposed funding
7 distributions and recipients of the grants
8 to be provided by the State or Indian
9 Tribe.

10 (3) DISTRIBUTION OF FUNDS.—

11 (A) IN GENERAL.—The Secretary shall
12 provide grants to States and Indian Tribes
13 under this subsection based on a formula deter-
14 mined by the Secretary, in accordance with sub-
15 paragraph (B).

16 (B) REQUIREMENT.—The formula referred
17 to in subparagraph (A) shall be based on the
18 following factors:

- 19 (i) The total population of the State
20 or Indian Tribe.
21 (ii)(I) The total area of the State or
22 the land of the Indian Tribe; or
23 (II) the areas in the State or on
24 the land of the Indian Tribe with a

1 low ratio of electricity customers per
2 mileage of power lines.

3 (iii) The Wildfire Risk Index score
4 and rating as calculated by the Federal
5 Emergency Management Agency.

6 (iv) The probability of wildfires in the
7 State or on the land of the Indian Tribe
8 during the previous 10 years, as deter-
9 mined based on the number of federally de-
10 clared disasters or emergencies related to
11 wildfires in the State or on the land of the
12 Indian Tribe, as applicable, including—

13 (I) disasters for which Fire Man-
14 agement Assistance Grants are pro-
15 vided under section 420 of the Robert
16 T. Stafford Disaster Relief and Emer-
17 gency Assistance Act (42 U.S.C.
18 5187);

19 (II) major disasters declared by
20 the President under section 401 of
21 that Act (42 U.S.C. 5170);

22 (III) emergencies declared by the
23 President under section 501 of that
24 Act (42 U.S.C. 5191); and

1 (IV) any other federally declared
2 disaster or emergency in the State or
3 on the land of the Indian Tribe.

4 (v) The number and severity, meas-
5 ured by population and economic impacts,
6 of wildfires experienced by the State or In-
7 dian Tribe on or after January 1, 2015.

8 (vi) The total amount, on a per capita
9 basis, of public and private expenditures
10 during the previous 10 years to carry out
11 mitigation efforts to reduce the likelihood
12 and consequences of wildfires in the State
13 or on the land of the Indian Tribe, with
14 States or Indian Tribes with higher per
15 capita expenditures receiving additional
16 weight or consideration as compared to
17 States or Indian Tribes with lower per cap-
18 ita expenditures.

19 (C) ANNUAL UPDATE OF DATA USED IN
20 DISTRIBUTION OF FUNDS.—Beginning 1 year
21 after the date of enactment of this Act, the Sec-
22 retary shall annually update—

23 (i) all data relating to the factors de-
24 scribed in subparagraph (B); and

1 (ii) all other data used in distributing
2 grants to States and Indian Tribes under
3 this subsection.

4 (4) OVERSIGHT.—The Secretary shall ensure
5 that each grant provided to a State or Indian Tribe
6 under the program is allocated, pursuant to the ap-
7 plicable plan of the State or Indian Tribe, to eligible
8 entities for projects within the State or on the land
9 of the Indian Tribe.

10 (5) PRIORITY.—In making grants to eligible en-
11 tities using funds made available to the applicable
12 State or Indian Tribe under the program, the State
13 or Indian Tribe shall give priority to projects that,
14 in the determination of the State or Indian Tribe,
15 will generate the greatest community benefit (wheth-
16 er rural or urban) in reducing the likelihood and
17 consequences of wildfires.

18 (6) SMALL UTILITIES SET ASIDE.—A State or
19 Indian Tribe receiving a grant under the program
20 shall ensure that, of the amounts made available to
21 eligible entities from funds made available to the
22 State or Indian Tribe under the program, the per-
23 centage made available to eligible entities that sell
24 not more than 4,000,000 megawatt hours of elec-
25 tricity per year is not less than the percentage of all

1 customers in the State or Indian Tribe that are
2 served by those eligible entities.

3 (7) TECHNICAL ASSISTANCE AND ADMINISTRA-
4 TIVE EXPENSES.—Of the amounts made available to
5 a State or Indian Tribe under the program each fis-
6 cal year, the State or Indian Tribe may use not
7 more than 5 percent for—

8 (A) providing technical assistance under
9 subsection (g)(1)(A); and

10 (B) administrative expenses associated
11 with the program.

12 (8) MATCHING REQUIREMENT.—Each State
13 and Indian Tribe shall be required to match 15 per-
14 cent of the amount of each grant provided to the
15 State or Indian Tribe under the program.

16 (e) USE OF GRANTS.—

17 (1) IN GENERAL.—A grant awarded to an eligi-
18 ble entity under the program may be used for activi-
19 ties, technologies, equipment, and hardening meas-
20 ures to reduce the likelihood and consequences of
21 wildfires, including—

22 (A) weatherization technologies and equip-
23 ment;

24 (B) fire-resistant technologies and fire pre-
25 vention systems;

1 (C) monitoring and control technologies,
2 including digital tools;

3 (D) the undergrounding of electrical equip-
4 ment;

5 (E) utility pole management;

6 (F) the relocation of power lines or the
7 reconductoring of power lines with low-sag, ad-
8 vanced conductors;

9 (G) vegetation and fuel-load management;

10 (H) the use or construction of distributed
11 energy resources for enhancing system adaptive
12 capacity during wildfires, including—

13 (i) microgrids; and

14 (ii) battery-storage subcomponents;

15 (I) adaptive protection technologies;

16 (J) advanced modeling technologies;

17 (K) hardening of power lines, facilities,
18 substations, of other systems; and

19 (L) the replacement of old overhead con-
20 ductors and underground cables.

21 (2) PROHIBITIONS AND LIMITATIONS.—

22 (A) IN GENERAL.—A grant awarded to an
23 eligible entity under the program may not be
24 used for—

25 (i) construction of a new—

- 1 (I) electric generating facility; or
2 (II) large-scale battery-storage
3 facility that is not used for enhancing
4 system adaptive capacity during
5 wildfires; or
6 (ii) cybersecurity.

7 (B) CERTAIN INVESTMENTS ELIGIBLE FOR
8 RECOVERY.—

9 (i) IN GENERAL.—An eligible entity
10 may not seek cost recovery for the portion
11 of the cost of any system, technology, or
12 equipment that is funded through a grant
13 awarded under the program.

14 (ii) SAVINGS PROVISION.—Nothing in
15 this subparagraph prohibits an eligible en-
16 tity from recovering through traditional or
17 incentive-based ratemaking any portion of
18 an investment in a system, technology, or
19 equipment that is not funded by a grant
20 awarded under the program.

21 (C) APPLICATION LIMITATIONS.—An eligi-
22 ble entity may not submit an application for a
23 grant provided by the Secretary under sub-
24 section (c) and a grant provided by a State or

1 Indian Tribe pursuant to subsection (d) during
2 the same application cycle.

3 (f) DISTRIBUTION OF FUNDING.—Of the amounts
4 made available to carry out the program for a fiscal year,
5 the Secretary shall ensure that—

6 (1) 50 percent is used to award grants to eligi-
7 ble entities under subsection (c); and

8 (2) 50 percent is used to make grants to States
9 and Indian Tribes under subsection (d).

10 (g) TECHNICAL AND OTHER ASSISTANCE.—

11 (1) IN GENERAL.—The Secretary, States, and
12 Indian Tribes may—

13 (A) provide technical assistance and facili-
14 tate the distribution and sharing of information
15 to reduce the likelihood and consequences of
16 wildfires; and

17 (B) promulgate consumer-facing informa-
18 tion and resources to inform the public of best
19 practices and resources relating to reducing the
20 likelihood and consequences of wildfires.

21 (2) USE OF FUNDS BY THE SECRETARY.—Of
22 the amounts made available to the Secretary to
23 carry out the program each fiscal year, the Secretary
24 may use not more than 5 percent for—

1 (A) providing technical assistance under
2 paragraph (1)(A); and

3 (B) administrative expenses associated
4 with the program.

5 (h) MATCHING REQUIREMENT.—

6 (1) IN GENERAL.—Except as provided in para-
7 graph (2), an eligible entity that receives a grant
8 under this section shall be required to match 100
9 percent of the amount of the grant.

10 (2) EXCEPTION FOR SMALL UTILITIES.—An eli-
11 gible entity that sells not more than 4,000,000
12 megawatt hours of electricity per year shall be re-
13 quired to match 1/3 of the amount of the grant.

14 (i) BIENNIAL REPORT TO CONGRESS.—

15 (1) IN GENERAL.—Not later than 2 years after
16 the date of enactment of this Act, and every 2 years
17 thereafter through , the Secretary shall submit to
18 the Committee on Energy and Natural Resources of
19 the Senate and the Committee on Energy and Com-
20 merce of the House of Representatives a report de-
21 scribing the program.

22 (2) REQUIREMENTS.—The report under para-
23 graph (1) shall include information and data on—

24 (A) the costs of the projects for which
25 grants are awarded to eligible entities;

1 (B) the types of activities, technologies,
2 equipment, and hardening measures funded by
3 those grants; and

4 (C) the extent to which the ability of the
5 power grid to withstand and reduce the likeli-
6 hood of wildfires has increased.

7 (j) AUTHORIZATION OF APPROPRIATIONS.—There is
8 authorized to be appropriated to the Secretary to carry
9 out the program \$3,000,000,000 for the period of fiscal
10 years 2026 through 2030.

11 (k) CONTINUED ACTIVITIES.—The Secretary shall
12 carry out the program, in addition to any activities author-
13 ized under Section 40103 of the Infrastructure Investment
14 and Jobs Act (Public Law 117–58).

15 **Subtitle C—Transmission** 16 **Governance Reform**

17 **SEC. 421. FERC OFFICE OF ELECTRICITY TRANSMISSION.**

18 Part III of the Federal Power Act (16 U.S.C. 825
19 et seq.) is amended by inserting after section 317 the fol-
20 lowing:

21 **“SEC. 318. OFFICE OF ELECTRICITY TRANSMISSION.**

22 “The Commission may establish an office, to be
23 known as the Office of Transmission, to—

1 “(1) coordinate all matters of the Commission
2 relating to the transmission of electric energy, as the
3 Commission determines appropriate; and

4 “(2) carry out the responsibilities of the Com-
5 mission under section 216, 224, 225, 226, 227, and
6 228, in coordination with the Office of Energy
7 Projects of the Commission.”.

8 **SEC. 422. FERC STAFFING.**

9 (a) ENSURING TIMELY REVIEW OF INFRASTRUC-
10 TURE.—Section 401(k) of the Department of Energy Or-
11 ganization Act (42 U.S.C. 7171(k)) is amended—

12 (1) in paragraph (1), by striking “subchapter
13 III of”;

14 (2) in paragraph (2)—

15 (A) by striking subparagraph (A); and

16 (B) by redesignating subparagraphs (B)
17 through (E) as subparagraphs (A) through (D),
18 respectively; and

19 (3) in paragraph (6)—

20 (A) by striking “The Chairman” and in-
21 serting the following:

22 “(A) IN GENERAL.—The Chairman”; and

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

24 “(B) IMPLEMENTATION PLAN.—Not later
25 than 90 days after the date of enactment of

1 this subparagraph, the Chairman shall submit
2 to the Director of the Office of Personnel Man-
3 agement a plan to implement this subsection.
4 The Director of the Office of Personnel Man-
5 agement shall take final action on the plan not
6 later than 120 days after the submission of
7 such plan.”.

8 (b) DIRECT HIRE AUTHORITY.—Section 401 of the
9 Department of Energy Organization Act (42 U.S.C. 7171)
10 is amended by adding at the end the following:

11 “(1) DIRECT HIRE AUTHORITY.—

12 “(1) IN GENERAL.—Notwithstanding section
13 3304 of title 5, United States Code, and without re-
14 gard to the provisions of sections 3309 through
15 3318 of such title 5, if the Chairman of the Com-
16 mission issues a certification that there is as severe
17 shortage of candidates or a critical hiring need for
18 covered positions to carry out the Commission’s re-
19 sponsibilities and activities, the Chairman may, sub-
20 ject to paragraph (3), recruit and directly appoint
21 highly qualified individuals into the competitive serv-
22 ice.

23 “(2) LIMITATION.—Any action authorized pur-
24 suant to paragraph (1) shall be consistent with the
25 merit principles of section 2301 of title 5, United

1 States Code, and the Commission shall comply with
2 the public notice requirements of section 3327 of
3 such title 5.

4 “(3) TERMINATION.—

5 “(A) IN GENERAL.—A certification issued
6 or renewed under this subsection shall termi-
7 nate on the earlier of—

8 “(i) the date that is 5 years after the
9 certification is issued or renewed; or

10 “(ii) the date on which the Chairman
11 determines that there is no longer a severe
12 shortage of candidates or a critical hiring
13 need for covered positions to carry out the
14 Commission’s responsibilities and activi-
15 ties.

16 “(B) RENEWAL.—The Chairman may
17 renew a certification issued or renewed under
18 this subsection for an additional 5-year period
19 if the Chairman determines there is still a se-
20 vere shortage of candidates or a critical hiring
21 need for covered positions to carry out the
22 Commission’s responsibilities and activities.

23 “(4) COVERED POSITION.—In this subsection,
24 the term ‘covered position’ means a position in
25 which an employee is responsible for conducting

1 work of a scientific, technical, engineering, mathe-
2 matical, legal, or otherwise highly specialized or
3 skilled nature.”.

4 (c) ELIMINATION OF REPORTING SUNSET.—Section
5 11004(b) of the Energy Act of 2020 (42 U.S.C. 7171
6 note; Public Law 116–260) is amended—

7 (1) in paragraph (1), by striking “thereafter for
8 10 years” and inserting “thereafter”; and

9 (2) in paragraph (2)(B), by striking “or mathe-
10 matical” and inserting “mathematical, or otherwise
11 highly specialized or skilled”.

12 **SEC. 423. FERC FEE ASSESSMENTS.**

13 Section 3401 of the Omnibus Budget Reconciliation
14 Act of 1986 (42 U.S.C. 7178) is amended by adding at
15 the end the following:

16 “(h) REVIEW.—Not less often than once every five
17 years, the Commission shall undertake a review to deter-
18 mine if the fees and charges it assesses under this section
19 and other laws are sufficient to allow the Commission to
20 handle its workload in an expedient manner.”.

21 **SEC. 424. INDEPENDENT TRANSMISSION MONITORS.**

22 (a) IN GENERAL.—Not later than 180 days after the
23 date of enactment of this section, the Commission shall—

24 (1) require each transmission planning region
25 to establish an independent entity to monitor the

1 planning for, and operation of, transmission facilities
2 in the transmission planning region; or

3 (2) establish an independent entity to monitor
4 the planning for, and operation of, transmission fa-
5 cilities in all transmission planning regions.

6 (b) ROLE OF TRANSMISSION MONITOR.—An inde-
7 pendent entity described in subsection (a) shall provide
8 independent analysis of transmission planning and rate-
9 making processes by the Commission and Transmission
10 Organizations to inform Commission proceedings, includ-
11 ing by, as applicable—

12 (1) reviewing the operation and practices of
13 transmission facilities in the applicable transmission
14 planning region for inefficiency;

15 (2) investigating whether any rate, charge, or
16 classification for transmission facilities in the appli-
17 cable transmission planning region, or any rule, reg-
18 ulation, practice, or contract affecting such a rate,
19 charge, or classification, is unjust, unreasonable, un-
20 duly discriminatory or preferential;

21 (3) reviewing the transmission planning process
22 for the applicable transmission planning region;

23 (4) reviewing transmission facility costs in the
24 applicable transmission planning region;

1 (5) providing examples and advice to Trans-
2 mission Organizations in the applicable transmission
3 planning region on regional transmission operations,
4 planning, and cost-allocation processes;

5 (6) identifying situations in which it is cost-ef-
6 fective or otherwise appropriate to construct or de-
7 ploy grid enhancing assets;

8 (7) coordinating and sharing information with
9 State regulatory authorities in the applicable trans-
10 mission planning region; and

11 (8) identifying reliable data sets and methodolo-
12 gies for use in regional planning and providing ac-
13 cess to data to stakeholders.

14 (c) SAVINGS CLAUSE.—Nothing in this section shall
15 be construed to alter the sole power of the Commission
16 to, under sections 205 and 206 of the Federal Power Act
17 (16 U.S.C. 824d; 824e), determine if any rates, charges,
18 or classifications are unjust, unreasonable, or unduly dis-
19 criminatory or preferential.

20 (d) DEFINITIONS.—In this section:

21 (1) COMMISSION.—The term “Commission”
22 means the Federal Energy Regulatory Commission.

23 (2) GRID ENHANCING ASSET, STATE REGU-
24 LATORY AUTHORITY; TRANSMISSION ORGANIZATION;
25 TRANSMISSION PLANNING REGION.—The terms

1 “grid enhancing asset”, “State regulatory author-
2 ity”, “Transmission Organization”, and “trans-
3 mission planning region” have the meanings given
4 such terms in section 3 of the Federal Power Act
5 (16 U.S.C. 796).

6 **SEC. 425. AGGREGATOR BIDDING INTO ORGANIZED WHOLE-**
7 **SALE ELECTRIC MARKETS.**

8 (a) IN GENERAL.—Notwithstanding any prohibition
9 established by a relevant electric retail regulatory author-
10 ity with respect to who may bid into an organized whole-
11 sale electric market, each Transmission Organization
12 shall, with respect to the organized wholesale electric mar-
13 ket controlled by the Transmission Organization, allow
14 any bid from an aggregator of retail customers that aggre-
15 gates the demand flexibility of the customers of utilities
16 that distributed more than 4 million megawatt-hours in
17 the previous fiscal year.

18 (b) RULEMAKING.—Not later than 12 months after
19 the date of enactment of this section, the Commission
20 shall promulgate a final rule pursuant to subsection (a).

21 (c) DEFINITIONS.—In this section:

22 (1) COMMISSION.—The term “Commission”
23 means the Federal Energy Regulatory Commission.

24 (2) ELECTRIC RETAIL REGULATORY AUTHOR-
25 ITY.—The term “electric retail regulatory authority”

1 means an entity that establishes retail electricity
2 prices and retail competition policies for customers.

3 (3) TRANSMISSION ORGANIZATION.—The term
4 “Transmission Organization” has the meaning given
5 such term in section 3 of the Federal Power Act (16
6 U.S.C. 796).

7 **SEC. 426. RTO AND ISO GOVERNANCE AND PARTICIPATION.**

8 (a) TECHNICAL CONFERENCE.—Not later than 180
9 days after the date of enactment of this section, the Fed-
10 eral Energy Regulatory Commission shall convene a tech-
11 nical conference to consider Regional Transmission Orga-
12 nization and Independent System Operator independence,
13 the responsiveness of RTOs and ISOs to their customers
14 and other stakeholders, and ways for RTOs and ISOs to
15 increase the equitable treatment of their customers and
16 other stakeholders, including the effectiveness of stake-
17 holder policies and procedures adopted in compliance with
18 the final rule titled “Wholesale Competition in Regions
19 With Organized Electric Markets” published in the Fed-
20 eral Register on October 28, 2008 (73 Fed. Reg. 64100).

21 (b) PARTICIPATION.—The technical conference con-
22 vened under subsection (a) shall be led by members of the
23 Commission, and the Commission shall invite participation
24 from representatives of each RTO and ISO, owners and
25 operators of transmission facilities, owners and operators

1 of electric generation facilities, owners and operators of
2 distributed energy generation systems, end-use customers,
3 electric power marketers, publicly owned electric utilities,
4 consumer advocates, environmental justice advocates, en-
5 vironmental groups, State commissions, and such other
6 stakeholders as the Commission determines appropriate.

7 (c) TOPICS.—In conducting the technical conference
8 convened under subsection (a), the Commission shall seek
9 to identify policies and procedures that maintain RTO and
10 ISO independence, and enhance the responsiveness of
11 RTOs and ISOs to their customers and other stake-
12 holders, taking into consideration—

13 (1) the benefits of greater transparency in RTO
14 and ISO stakeholder processes, including access by
15 stakeholders to relevant data and written back-
16 ground materials;

17 (2) barriers to participation in such stakeholder
18 processes for new market participants and other
19 non-incumbent stakeholders;

20 (3) the need for periodic, independent review of
21 RTO and ISO stakeholder policies and procedures;

22 (4) power imbalances between incumbent and
23 non-incumbent stakeholders, including whether cur-
24 rent RTO and ISO membership rules, sectoral des-

1 ignations, and voting procedures allow for adequate
2 representation of all stakeholder views;

3 (5) whether and how RTOs and ISOs should
4 take State public policy objectives into consideration
5 as part of such stakeholder processes;

6 (6) whether existing RTO and ISO decision-
7 making processes are sufficiently independent from
8 the control of any market participant or class of par-
9 ticipants;

10 (7) the role of the Office of Public Participation
11 of the Commission in facilitating greater stakeholder
12 participation in RTOs and ISOs; and

13 (8) such other subjects as the Commission con-
14 siders appropriate.

15 (d) PUBLIC COMMENT.—The Commission shall pro-
16 vide an opportunity for public comment on the technical
17 conference convened under subsection (a).

18 (e) RULEMAKING.—Not later than 18 months after
19 the conclusion of the technical conference convened under
20 subsection (a), the Commission shall issue a final rule
21 adopting such policies and procedures as the Commission
22 determines necessary to maintain the independence of
23 RTOs and ISOs, and to enhance the transparency and re-
24 sponsiveness of RTOs and ISOs to their customers and
25 other stakeholders.

1 (f) DEFINITIONS.—In this section:

2 (1) COMMISSION.—The term “Commission”
3 means the Federal Energy Regulatory Commission.

4 (2) FEDERAL POWER ACT DEFINITIONS.—The
5 terms “electric utility”, “Independent System Oper-
6 ator”, “ISO”, “Regional Transmission Organiza-
7 tion”, “RTO”, and “State commission” have the
8 meanings given such terms in section 3 of the Fed-
9 eral Power Act (16 U.S.C. 796).

10 **[SEC. 427. MODERNIZED GRID DATA AND ANALYTICS.]**

11 (a) MODERNIZATION OF REPORTING INFORMATION
12 AND DATA UNDER THE FEDERAL POWER ACT.—

13 (1) IN GENERAL.—The Commission shall, by
14 rule, modernize and standardize the manner in
15 which information and data is reported, by transmit-
16 ting utilities and Transmission Organizations, to the
17 Commission under the Federal Power Act (16
18 U.S.C. 972 et seq.) in accordance with this sub-
19 section.

20 (2) CONTENT OF REPORTS REQUIREMENTS.—
21 In carrying out paragraph (1), the Commission shall
22 require the information and data that will be re-
23 ported, as it applies to projects, existing assets, or
24 systems owned or operated by a transmitting utility

1 or Transmission Organization, to include the fol-
2 lowing:

3 (A) Information and data relating to a
4 project and the lifecycle of such project, includ-
5 ing—

6 (i) project milestones, including pro-
7 posed, approved, and actual in-service
8 dates;

9 (ii) project classification information,
10 including whether the project represents
11 new construction, an upgrade, or a rebuild
12 of existing infrastructure;

13 (iii) major development history, in-
14 cluding original construction and last
15 major upgrade dates;

16 (iv) the location of any applicable
17 project;

18 (v) the project nameplate capacity,
19 length, and voltage; and

20 (vi) an identification of the applicable
21 planning process through which the appli-
22 cable project originated.

23 (B) The costs and economic justifications
24 of a project, existing asset, or system owned or

1 operated by a transmitting utility or Trans-
2 mission Organization, as applicable, including—
3 (i) original projected and actual final
4 costs of all new projects;
5 (ii) original projected and actual final
6 costs of renewals and replacements of
7 project works;
8 (iii) original projected and actual
9 maintenance and operations expenses of
10 the projects and existing assets on a cur-
11 rent-year and five-year rolling average
12 basis;
13 (iv) cost allocation shares where appli-
14 cable, including identification of entities re-
15 sponsible for shared investments in
16 projects;
17 (v) cost-benefit analyses of projects;
18 (vi) whether the project was subject to
19 a competitive solicitation process and, if
20 applicable, the outcome of that process;
21 and
22 (vii) classification of the project based
23 on benefits provided, under the relevant
24 transmission planning framework.

1 (C) The capital structure and the rate of
2 return of a project, existing asset, or system
3 owned or operated by a transmitting utility or
4 Transmission Organization, including—

5 (i) the allowed return on equity
6 (ROE), return on debt, and return on pre-
7 ferred stock;

8 (ii) the utility's authorized or actual
9 capital structure, including the percentage
10 of debt, equity, and preferred stock used in
11 ratemaking;

12 (iii) the resulting overall weighted av-
13 erage rate of return;

14 (iv) any FERC-approved incentive
15 adders applied to the base ROE, including
16 rationale and duration; and

17 (v) where applicable, information nec-
18 essary to assess potential double leveraging
19 effects arising from a holding company
20 structure, as defined by the Commission.

21 (D) For information and data relating to
22 a system owned or operated by a transmitting
23 utility or Transmission Organization, as appli-
24 cable, congestion-related costs or the costs in-
25 curred by ratepayers, power supplies, or dis-

1 tribution customers as a result of transmission
2 system constraints that prevent the dispatch of
3 least-cost generation resources.

4 (E) Technical and non-technical losses and
5 inefficiencies.

6 (F) A complete accounting of interconnec-
7 tion-related costs incurred by interconnection
8 customers, transmitting utilities, or other enti-
9 ties, disaggregated by cost type and responsible
10 party, including—

11 (i) study fees;

12 (ii) milestones or reservation pay-
13 ments;

14 (iii) costs of local interconnection at-
15 tachment facilities;

16 (iv) grid network upgrade costs; and

17 (v) estimates of costs to a larger sys-
18 tem.

19 (G) The projected and actual capacity and
20 load of a system owned or operated by a trans-
21 mitting utility or Transmission Organization
22 and the projected and actual amount of energy
23 delivered by such system.

1 (H) Information and data on the use of
2 capital-efficient advanced technologies, includ-
3 ing information on—

4 (i) hourly usage;

5 (ii) the location of the technologies;

6 and

7 (iii) the types of technologies de-
8 ployed.

9 (I) Any additional metrics the Commission
10 determines necessary to improve ratepayer af-
11 fordability and understanding of the trans-
12 mission sector.

13 (3) CONTENT OF INTERCONNECTION RE-
14 PORTS.—In carrying out paragraph (1), the Com-
15 mission shall require a transmitting utility or Trans-
16 mission Organization to report, no less than quar-
17 terly, to the Commission information and data on
18 interconnection queues and details relating to inter-
19 connection study models used.

20 (4) FORMAT OF REPORTS.—

21 (A) IN GENERAL.—Pursuant to paragraph
22 (1), the Commission shall ensure the complete-
23 ness, accuracy, and accessibility of information
24 and data reported to the Commission under the

1 Federal Power Act, as the Commission deter-
2 mines necessary, by—

3 (i) establishing standardized reporting
4 requirements that specify standards for de-
5 scribing and recording such information
6 and data, and, if the Commission deter-
7 mines appropriate, providing templates or
8 other tools to reduce administrative bur-
9 den;

10 (ii) providing a format for such infor-
11 mation and data to be submitted in a man-
12 ner that is fully searchable and machine-
13 readable;

14 (iii) requiring any form filed by a
15 transmitting utility or a Transmission Or-
16 ganization contains no blank cells, unless
17 clearly marked as exempt pursuant to sub-
18 paragraph (B);

19 (iv) requiring any projections required
20 under paragraph (1) are defined, including
21 key assumptions, methodologies, and any
22 other information that could influence the
23 result of the projection; and

24 (v) requiring data reported under this
25 subsection is also made available to the

1 public through a single, user-friendly web
2 interface that allows users to search, filter,
3 and download the data in a machine-read-
4 able format.

5 (B) EXEMPTION.—A transmitting utility
6 or a Transmission Organization may request an
7 exemption from a requirement under subpara-
8 graph (A)(iii) if—

9 (i) such transmitting utility or Trans-
10 mission Organization submits to the Com-
11 mission a written statement explaining why
12 such an exemption is needed; and

13 (ii) the Commission determines that
14 the exemption is justified based on the
15 written statement submitted under clause
16 (i).

17 (5) FERC FORM NO 1.—

18 (A) REFILING.—Not later than 1 year
19 after the date on which the Commission issues
20 a rule under paragraph (1), with respect to a
21 covered form, in the event the Commission de-
22 termines that such covered form is incomplete,
23 the Commission shall require the relevant trans-
24 mitting utility or Transmission Organization to
25 file a revised FERC Form No. 1 in a manner

1 that complies with the requirements of para-
2 graph (4) and the requirements under section
3 141.1 of title 18, Code of Federal Regulations
4 (or any successor regulations).

5 (B) COVERED FORM DEFINED.—In this
6 subsection, the term “covered form” means a
7 FERC Form No. 1 filed with the Commission
8 by a transmitting utility or Transmission Orga-
9 nization during the 5-year period immediately
10 preceding the date of enactment of this Act.

11 (C) MODERNIZATION AND CENTRALIZA-
12 TION OF FERC FORM NO. 1.—Not later than 2
13 years after the date of enactment of this Act,
14 the Commission, in collaboration with the Ad-
15 ministrator, shall make all historical and future
16 FERC Form No. 1 filings publicly available
17 through the centralized data repository estab-
18 lished under subsection (b).

19 (b) DEVELOPMENT OF CENTRALIZED DATA REPOSI-
20 TORY.—

21 (1) IN GENERAL.—The Commission, in collabo-
22 ration with the Administrator, shall develop and
23 maintain a searchable and publicly accessible data
24 repository containing information and data the Com-
25 mission determines necessary to carry out the re-

1 requirements of this Act, including information and
2 data reported or filed by a transmitting utility or
3 Transmission Organization—

4 (A) in FERC Form Nos. 1, 1-F, 3-Q,
5 714, 715, and 730, including information or
6 data from these forms reported prior to the
7 date of enactment of this Act; and

8 (B) pursuant to the requirements of this
9 Act.

10 (2) EIA EXPERTISE.—In collaborating with the
11 Commission under this subsection with respect to
12 the data repository developed under paragraph (1),
13 the Administrator shall—

14 (A) develop and maintain schemas and
15 metadata for Form No. 1 data consistent with
16 section 3506(b)(6) of title 44, United States
17 Code;

18 (B) provide user-friendly tools to explore,
19 download, and analyze such data, including fil-
20 tering by utility, year, region, and data cat-
21 egory; and

22 (C) ensure such data is accessible to the
23 public in both bulk and disaggregated forms,
24 with Application Programming Interfaces and
25 visualization tools where feasible.

1 (3) REQUIREMENTS.—The Commissioner shall
2 ensure that the data repository developed and main-
3 tained under paragraph (1)—

4 (A) includes the data in fully searchable
5 and machine-readable format;

6 (B) is capable of including high-quality
7 data through schemas and accompanying
8 metadata;

9 (C) ensures consistent identification of
10 data elements or assets that satisfy regulatory
11 requirements for data, established by the Com-
12 mission, as reflected in machine-readable
13 metadata;

14 (D) uses standardized data formats across
15 all Transmission Organizations and transmit-
16 ting utilities;

17 (E) is used by Transmission Organizations
18 and transmitting utilities to file reports re-
19 quired under the Federal Power Act and this
20 Act;

21 (F) enables uploading of reports filed
22 under the Federal Power Act or this Act;

23 (G) is optimized for operability by Trans-
24 mission Organizations and transmitting utilities

1 to limit the administrative burden of, and en-
2 sure consistency in, such filings;

3 (H) includes interactive tools and visualiza-
4 tion interfaces to allow users to explore trends
5 in transmission buildout, interconnection
6 timelines, and associated ratepayer costs;

7 (I) incorporates Application Programming
8 Interfaces or bulk download functionality to
9 support third-party analysis and research; and

10 (J) ensures that publicly accessible data is
11 aligned with the security of guidelines for Crit-
12 ical Energy/Electric Infrastructure Information,
13 and includes appropriate data anonymization
14 and cybersecurity protections, based on Com-
15 mission guidance.

16 (c) GRID RESEARCH AND ANALYTICS.—

17 (1) RESEARCH AND POLICY ANALYSIS.—The
18 Secretary, in collaboration with the Commission,
19 using standardized methodologies and anonymized
20 queue data collected under this Act, shall conduct
21 research and publish periodic reports on the fol-
22 lowing topics:

23 (A) Primary drivers of increased costs to
24 ratepayers associated with transmission and
25 interconnection, including—

- 1 (i) transmission capital expenditures;
- 2 (ii) interconnection-related upgrade
- 3 costs;
- 4 (iii) interconnection study delays;
- 5 (iv) regional variations in cost alloca-
- 6 tion methodologies; and
- 7 (v) cost recovery practices by utilities
- 8 and grid operators.

9 (B) Value delivered to ratepayers from
10 transmission and interconnection investments,
11 including through—

- 12 (i) improvements to electric system re-
- 13 liability;
- 14 (ii) avoided emissions or emissions re-
- 15 ductions; and
- 16 (iii) enhancements to long-term sys-
- 17 tem resilience and grid flexibility.

18 (C) Mechanisms to enhance ratepayer af-
19 fordability, including—

- 20 (i) evaluation of performance-based
- 21 regulation frameworks applied to trans-
- 22 mission and interconnection-related invest-
- 23 ments;
- 24 (ii) assessment of alternative inter-
- 25 connection solutions such as grid-enhance-

1 ing technologies, shared infrastructure
2 models, or consolidated upgrades; and
3 (iii) evaluation of demand-side inter-
4 ventions that reduce the need for costly
5 transmission or interconnection invest-
6 ments.

7 (D) Comparative scenario modeling of po-
8 tential energy futures, to—

9 (i) identify lowest-cost pathways to
10 national grid expansion;

11 (ii) assess trade-offs among invest-
12 ment strategies; and

13 (iii) inform decision-making by utili-
14 ties, regional planning entities, and Fed-
15 eral agencies.

16 (E) Systemic cost impacts from inter-
17 connection inefficiencies, including analysis of
18 how study delays, queue withdrawals, and in-
19 creased construction periods contribute to high-
20 er system costs for ratepayers or generators.

21 (F) Opportunities to increase system effi-
22 ciency and unlock latent capacity through im-
23 proved operational practices and deployment of
24 advanced technologies, including—

1 (i) assessment of unused or underuti-
2 lized grid capacity due to outdated plan-
3 ning assumptions or lack of dynamic opti-
4 mization;

5 (ii) evaluation of technologies such as
6 dynamic line ratings, topology optimiza-
7 tion, flexible interconnection, or flow con-
8 trol devices; and

9 (iii) quantification of benefits to rate-
10 payers and system operators from
11 unlocking this capacity relative to tradi-
12 tional capital-intensive buildout.

13 (2) INTERCONNECTION TRANSPARENCY AND
14 DASHBOARD.—

15 (A) IN GENERAL.—The Secretary shall,
16 through one or more National Laboratories, de-
17 velop, maintain, and continuously improve an
18 Interconnection Data Dashboard that presents
19 real-time and historical information relevant to
20 interconnection of generators, loads, and other
21 utilities or transmission systems.

22 (B) PURPOSE.—The Dashboard shall pro-
23 vide public stakeholders, regulators, utilities,
24 developers, and researchers with transparent,
25 up-to-date insights into the effectiveness, effi-

1 ciency, affordability, and reliability of inter-
2 connection processes across all transmission
3 planning regions.

4 (C) DATA SOURCES.—The Dashboard shall
5 incorporate data collected under subsection (b)
6 of this Act and from FERC Form No. 1 filings,
7 relevant Commission filings, publicly available
8 interconnection queue data, and additional
9 datasets, as determined appropriate by the Sec-
10 retary or the Commission.

11 (D) CAPABILITIES.—The Secretary shall
12 develop the Dashboard to be able to—

13 (i) present anonymized interconnec-
14 tion queue data, including application vol-
15 umes, withdrawal rates, project timelines,
16 and milestones;

17 (ii) provide visualization of average
18 and median interconnection study dura-
19 tions, disaggregated by region and project
20 type;

21 (iii) show aggregated system upgrade
22 costs, study backlogs, and queue perform-
23 ance metrics;

24 (iv) allow filtering by geographic loca-
25 tion (e.g., State, balancing authority, lati-

1 tude/longitude coordinate), utility, fuel
2 type, and project size;

3 (v) present each interconnection
4 project's current development status, such
5 as application submitted, study phase, ap-
6 proved, under construction, or in-service;

7 (vi) display physical asset characteris-
8 tics for each interconnection project and
9 system segment, including nameplate gen-
10 eration capacity, peak load served, and
11 conductor capacity ratings;

12 (vii) identify trends in queue reform
13 outcomes, including impacts on through-
14 put, delay reduction, and project comple-
15 tion rates;

16 (viii) support export of underlying
17 data in machine-readable formats for pub-
18 lic analysis; and

19 (ix) perform any other function the
20 Secretary determines appropriate.

21 (E) REPORTING.—The Secretary, in col-
22 laboration with National Laboratories and the
23 Commission, shall publish annual reports sum-
24 marizing findings from the Dashboard, based
25 on data collected pursuant to subsection (b),

1 without substituting for the more comprehen-
2 sive cost-driver analysis required under para-
3 graph (1), including—

4 (i) interregional comparisons of queue
5 efficiency and project success rates;

6 (ii) systemic drivers of delay or cost
7 escalation;

8 (iii) estimated ratepayer impacts asso-
9 ciated with interconnection bottlenecks;
10 and

11 (iv) recommendations for improving
12 interconnection transparency and system
13 performance.

14 (F) PUBLIC ACCESS.—The Dashboard
15 shall be made available on a public website and
16 designed for use by a broad range of users, in-
17 cluding through visualizations, downloadable
18 datasets, and API access, while maintaining
19 protections for CEII.

20 (d) DEFINITIONS.—In this section:

21 (1) ADMINISTRATOR.—The term “Adminis-
22 trator” means the Administrator of the Energy In-
23 formation Administration of the Department of En-
24 ergy.

1 (2) COMMISSION.—The term “Commission”
2 means the Federal Energy Regulatory Commission.

3 (3) FERC FORM NO. 1.—The term “FERC
4 Form No. 1” means the Form of Annual Report for
5 Major electric utilities, licensees, and others, des-
6 ignated as FERC Form No. 1 and prescribed under
7 section 141.1 of title 18, Code of Federal Regula-
8 tions (as in effect on the date of enactment of this
9 Act).

10 (4) METADATA.—The term “metadata” has the
11 meaning given such term in section 3502 of title 44,
12 United States Code.

13 (5) PROJECT.—The term “project” refers ex-
14 clusively to transmission infrastructure projects
15 planned, proposed, or undertaken by the transmit-
16 ting utility. This includes projects initiated
17 through—

18 (A) regional or local transmission planning
19 processes;

20 (B) interconnection studies;

21 (C) reliability-driven upgrades; and

22 (D) other applicable pathways as deter-
23 mined by the Commission.

24 (6) SECRETARY.—The term “Secretary” means
25 the Secretary of Energy.

1 (7) TRANSMITTING UTILITY; TRANSMISSION OR-
2 GANIZATION.—The terms “transmitting utility”, and
3 “Transmission Organization” have the meanings
4 given those terms in section 3 of the Federal Power
5 Act (16 U.S.C. 796).

6 **TITLE V—DEPLOYING CHEAP**
7 **ENERGY RESPONSIBLY ON**
8 **PUBLIC LANDS AND WATERS**

9 **SEC. 501. PREVENTION OF ADMINISTRATIVE ABUSE OF**
10 **FEDERAL PERMITTING OF CLEAN ENERGY.**

11 (a) REQUIREMENT FOR PARITY.—The Secretary of
12 the Interior (in this section referred to as the “Secretary”)
13 shall ensure that the processing of applications, authoriza-
14 tions, or approvals for wind, solar, storage, or electric
15 transmission projects on Federal and nonfederal land is
16 not subject to more restrictive or burdensome procedural
17 requirements than those applied to applications for oil,
18 gas, or coal projects on Federal and nonfederal land and
19 does not bias Federal or private-sector decision making
20 in favor of oil, gas, or coal projects, including—

21 (1) requirements for elevated or discretionary
22 review by the Secretary, Deputy Secretary, or other
23 political appointees;

24 (2) additional documentation or review not re-
25 quired for oil, gas, or coal projects;

1 (3) withholding, delaying, or reversing decisions
2 by local or regional Bureau of Land Management of-
3 fices for wind, solar, storage, or electric transmission
4 projects for reasons not applied to oil, gas or coal
5 projects; and

6 (4) denial of routine administrative approvals,
7 such as testing permits or cost recovery agreements,
8 based on underlying technology.

9 (b) POLICY REVIEW.—

10 (1) REVIEW.—Not later than 90 days after the
11 date of enactment of this section, the Secretary
12 shall—

13 (A) review all Department of the Interior
14 regulations, guidance documents, policy manu-
15 als, and other procedures regarding energy de-
16 velopment on Federal and nonfederal land; and

17 (B) identify any provision of such regula-
18 tions, documents, manuals, and procedures that
19 results in preferential treatment for oil, gas, or
20 coal projects relative to wind, solar, storage, or
21 electric transmission projects.

22 (2) RESCISSION.—Not later than 120 days
23 after the date of enactment of this section, the Sec-
24 retary shall rescind any provision identified under
25 paragraph (1)(B).

1 (c) TRANSPARENCY IN ESCALATED REVIEW.—If any
2 wind, solar, storage, or electric transmission project is re-
3 quired to undergo review or approval not required for oil,
4 gas, or coal projects by the Secretary, Deputy Secretary,
5 or another political appointee, compared to oil, gas, or coal
6 projects, the Secretary shall—

7 (1) publish a notice of such additional review or
8 approval not later than 10 business days after iden-
9 tifying the project as requiring review or approval;

10 (2) provide a public explanation of the statutory
11 or policy basis for the additional review or approval;
12 and

13 (3) report the number and type of such elevated
14 projects annually to Congress, including how long
15 each elevated review took to complete.

16 (d) ACCOUNTABILITY IN PERMITTING.—Not later
17 than 180 days after the date of enactment of this section
18 and annually thereafter, the Comptroller General of the
19 United States shall submit to Congress a report on actions
20 taken by the Secretary related to permitting for energy
21 projects, which shall include—

22 (1) an analysis of the procedures used by the
23 Department of the Interior for processing applica-
24 tions, authorizations, or approvals for wind, solar,
25 storage, or electric transmission projects on Federal

1 and nonfederal land and how those procedures com-
2 pare to those used for oil, gas, or coal projects;

3 (2) an analysis of the number of days the De-
4 partment of the Interior took during the previous
5 calendar year to process applications, authorizations
6 or approvals for wind, solar, storage, and electric
7 transmission projects on Federal and nonfederal
8 land compared to the number of days to process ap-
9 plications, authorizations or approvals for oil, gas, or
10 coal projects; and

11 (3) an assessment of whether the Department
12 of the Interior treated wind, solar, storage, or elec-
13 tric transmission projects the same as oil, gas, or
14 coal projects during the previous calendar year.

15 (e) ENSURING ENERGY SECURITY.—

16 (1) LIMITATION ON ISSUANCE OF CERTAIN AP-
17 PROVALS.—Beginning on the date of enactment of
18 this Act—

19 (A) the Secretary may not approve a per-
20 mit to extract coal or to drill on an onshore oil
21 or gas lease on Federal land unless an approval
22 for onshore wind or solar development has been
23 issued during the 120-day period ending on the
24 date of the issuance of the approval for oil or
25 gas development; and

1 (B) the Secretary may not approve a per-
2 mit to drill on an offshore oil or gas lease on
3 the Outer Continental Shelf under section 2(a)
4 of the Outer Continental Shelf Lands Act (43
5 U.S.C. 1331(a)) unless an approval for offshore
6 wind development on the Outer Continental
7 Shelf of similar scope has been issued during
8 the 120-day period ending on the date of the
9 issuance of the approval for oil or gas develop-
10 ment.

11 (2) RULES OF CONSTRUCTION.—Nothing in
12 this section shall be construed to require the Sec-
13 retary to approve applications for a permit to drill
14 for onshore or offshore oil or gas development or a
15 permit to extract coal.

16 (f) TIMELY FEDERAL REVIEW.—

17 (1) DEADLINES TO COMPLETE ENVIRON-
18 MENTAL REVIEWS UNDER NEPA.—With respect to
19 any proposed wind, solar, storage, or electric trans-
20 mission development on Federal land, including the
21 Outer Continental Shelf, requiring an environmental
22 impact statement or environmental assessment pur-
23 suant to the National Environmental Policy Act of
24 1969 (42 U.S.C. 4321 et seq.), the Secretary shall
25 complete such environmental impact statement or

1 environmental assessment within the deadlines es-
2 tablished under section 107(g) of the National Envi-
3 ronmental Policy Act of 1969 (42 U.S.C. 4336a(g)).

4 (2) DEADLINE FOR DETERMINATION OF RIGHT-
5 OF-WAY.—Not later than 180 days after completion
6 of the environmental impact statement or environ-
7 mental assessment, as applicable, for wind, solar,
8 storage, or electric transmission development on
9 Federal land, including the Outer Continental Shelf,
10 the Secretary shall issue a right-of-way, except in
11 the event that a no action alternative is selected.

12 **Subtitle A—Public Land**

13 **Renewable Energy Development**

14 **SEC. 511. PUBLIC LAND RENEWABLE ENERGY DEVELOP-**

15 **MENT.**

16 (a) DEFINITIONS.—In this Act:

17 (1) COVERED LAND.—The term “covered land”
18 means land that is—

19 (A) Federal land;

20 (B) not excluded from the development of
21 geothermal, solar, or wind energy under—

22 (i) a land use plan; or

23 (ii) other Federal law; and

24 (C) not included in an area—

1 (i) that is subject to the Desert Re-
2 newable Energy Conservation Plan devel-
3 oped by the California Energy Commis-
4 sion, the California Department of Fish
5 and Wildlife, the Bureau of Land Manage-
6 ment, and the United States Fish and
7 Wildlife Service; or

8 (ii) for which the Secretary deter-
9 mines existing wind and solar energy land
10 use planning meets or exceeds the stand-
11 ards established under section 3.

12 (2) ENERGY STORAGE PROJECT.—The term
13 “energy storage project” means equipment that—

14 (A) receives, stores, and delivers energy
15 using batteries, compressed air, pumped hydro-
16 power, hydrogen storage (including hydrolysis),
17 thermal energy storage, regenerative fuel cells,
18 flywheels, capacitors, superconducting magnets,
19 or other technologies identified by the Secretary
20 of Energy; and

21 (B) has a storage capacity of not less than
22 5 kilowatt hours.

23 (3) EXCLUSION AREA.—The term “exclusion
24 area” means covered land that is identified by the

1 Bureau of Land Management as not suitable for de-
2 velopment of renewable energy projects.

3 (4) FEDERAL LAND.—The term “Federal land”
4 means—

5 (A) public land; and

6 (B) National Forest System lands adminis-
7 tered by the Department of Agriculture through
8 the Forest Service where the Secretary has au-
9 thority to issue leases for the development and
10 utilization of geothermal resources under sec-
11 tion 3 and section 15 of the Geothermal Steam
12 Act of 1970 (30 U.S.C. 1002, 1014).

13 (5) FUND.—The term “Fund” means the Re-
14 newable Energy Resource Conservation Fund estab-
15 lished by section 6(c)(1).

16 (6) LAND USE PLAN.—The term “land use
17 plan” means—

18 (A) with respect to public land, a land use
19 plan established under the Federal Land Policy
20 and Management Act of 1976 (43 U.S.C. 1701
21 et seq.); and

22 (B) with respect to National Forest Sys-
23 tem land, a land management plan approved,
24 amended, or revised under section 6 of the For-

1 est and Rangeland Renewable Resources Plan-
2 ning Act of 1974 (16 U.S.C. 1604).

3 (7) NATIONAL FOREST SYSTEM.—The term
4 “National Forest System” has the meaning given
5 the term in section 11(a) of the Forest and Range-
6 land Renewable Resources Planning Act of 1974 (16
7 U.S.C. 1609(a)).

8 (8) PRIORITY AREA.—The term “priority area”
9 means covered land identified by the land use plan-
10 ning process of the Bureau of Land Management as
11 being a preferred location for a renewable energy
12 project, including an area that is identified as a des-
13 ignated leasing area under the rule of the Bureau of
14 Land Management entitled “Competitive Processes,
15 Terms, and Conditions for Leasing Public Lands for
16 Solar and Wind Energy Development and Technical
17 Changes and Corrections” (81 Fed. Reg. 92122
18 (December 19, 2016)) (or a successor regulation).

19 (9) PUBLIC LAND.—The term “public land”
20 has the meaning given the term “public lands” in
21 section 103 of the Federal Land Policy and Manage-
22 ment Act of 1976 (43 U.S.C. 1702).

23 (10) RENEWABLE ENERGY PROJECT.—The
24 term “renewable energy project”—

1 (A) means a project carried out on covered
2 land that—

3 (i) uses wind, solar, or geothermal en-
4 ergy to generate energy; or

5 (ii) transmits electricity to support
6 wind, solar, or geothermal energy genera-
7 tion; and

8 (B) may include an associated energy stor-
9 age project.

10 (11) SECRETARY.—The term “Secretary”
11 means the Secretary of the Interior.

12 (b) UPDATING NATIONAL GOALS FOR RENEWABLE
13 ENERGY PRODUCTION ON FEDERAL LAND.—Section
14 3104 of the Energy Act of 2020 (43 U.S.C. 3004) is
15 amended—

16 (1) in subsection (b)—

17 (A) by striking “25” and inserting “60”;
18 and

19 (B) by striking “2025” and inserting “De-
20 cember 31, 2030”; and

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

22 “(c) UPDATE.—Not later than 18 months after the
23 date of enactment of this subsection, the Secretary, in con-
24 sultation with the Secretary of Agriculture and the heads
25 of other relevant Federal agencies, shall update the na-

1 tional goals for renewable energy production on Federal
2 land established under subsection (a).”.

3 (c) LAND USE PLANNING AND UPDATES TO PRO-
4 GRAMMATIC ENVIRONMENTAL IMPACT STATEMENTS.—

5 (1) PRIORITY AREAS.—

6 (A) ESTABLISHMENT OF PRIORITY AREAS;
7 DESIGNATION OF AREAS ELIGIBLE FOR THE
8 SUBMISSION OF RENEWABLE ENERGY PROJECT
9 APPLICATIONS.—

10 (i) IN GENERAL.—For purposes of re-
11 newable energy planning, the Secretary,
12 consistent with the requirements described
13 in subparagraph (B), shall—

14 (I) designate areas on covered
15 land eligible for the submission of re-
16 newable energy project applications;
17 and

18 (II) consider establishing priority
19 areas on covered land for renewable
20 energy projects.

21 (ii) REQUIREMENTS.—In carrying out
22 activities under clauses (i) and (ii) of sub-
23 paragraph (A), the Secretary shall comply
24 with—

1 (I) the principles of multiple use
2 (as defined in section 103 of the Fed-
3 eral Land Policy and Management
4 Act of 1976 (43 U.S.C. 1702)); and

5 (II) the national goals for renew-
6 able energy production established
7 under section 3104 of the Energy Act
8 of 2020 (43 U.S.C. 3004), including
9 the minimum production goal de-
10 scribed in subsection (b) of that sec-
11 tion.

12 (B) PRIORITY FOR CERTAIN APPLICA-
13 TIONS.—In considering applications for renew-
14 able energy projects on covered land, with re-
15 spect to an application for a proposed renew-
16 able energy project on covered land that is to
17 be carried out in a priority area, the Secretary
18 shall—

19 (i) prioritize the application to be car-
20 ried out in any identified priority area; and

21 (ii) on approval of the application,
22 provide to the applicant who submitted the
23 application the opportunity to participate
24 in any regional mitigation plan developed
25 for the applicable priority area.

1 (C) PROGRAMMATIC PLANNING.—

2 (i) SOLAR ENERGY.—As soon as prac-
3 ticable, but not later than 18 months after
4 the Record of Decision titled “Approved
5 Record of Decision and Amendments/
6 Record of Decision for Utility-Scale Solar
7 Energy Development” dated December
8 2024 was issued, the Secretary shall con-
9 sider establishing priority areas on covered
10 land for Solar energy projects in the plan-
11 ning area (as defined in the Record of De-
12 cision).

13 (ii) WIND ENERGY.—As soon as prac-
14 ticable, but not later than 1 year after the
15 date of enactment of this Act, the Sec-
16 retary shall initiate a review of the final
17 programmatic Environment Impact State-
18 ment referenced in the notice of availability
19 entitled “Notice of Availability of the Final
20 Programmatic Environmental Impact
21 Statement on Wind Energy Development
22 on BLM–Administered Lands in the West-
23 ern United States, Including Proposed
24 Amendments to Selected Land Use Plans”
25 (70 Fed. Reg. 36651 (June 24, 2005)),

1 that considers establishment of wind appli-
2 cation and priority areas on covered lands,
3 and complete that review within 3 years of
4 issuing a notice of intent.

5 (2) REVIEW AND MODIFICATION.—

6 (A) IN GENERAL.—Subject to paragraph
7 (2), not less frequently than once every 10
8 years, the Secretary shall—

9 (i) after an opportunity for public
10 comment, review the adequacy of all land
11 allocations for renewable energy projects
12 for the purposes of—

13 (I) encouraging and facilitating
14 new renewable energy projects; and

15 (II) consistent with a mitigation
16 sequence of avoiding, minimizing, and
17 compensating for adverse impacts to
18 other public uses and values of cov-
19 ered land, including—

20 (aa) wildlife habitat;

21 (bb) species listed as threat-
22 ened or endangered under the
23 Endangered Species Act of 1973
24 (16 U.S.C. 1531 et seq.);

25 (cc) water resources;

- 1 (dd) cultural resources;
- 2 (ee) recreational uses;
- 3 (ff) land with wilderness
- 4 characteristics;
- 5 (gg) land with special man-
- 6 agement designations; and
- 7 (hh) areas of Tribal impor-
- 8 tance; and

9 (ii) based on the review carried out
10 under subparagraph (A), add, modify, or
11 eliminate priority areas, exclusion areas,
12 and areas on covered land open or closed
13 to solar or wind energy right-of-way appli-
14 cations or to geothermal leasing.

15 (B) LIMITATION.—Paragraph (1) shall not
16 apply to any covered land that the Secretary
17 determines, after seeking public input, is sub-
18 ject to an existing land use plan that meets the
19 purposes described in paragraph (1)(A).

20 (C) REPORT.—If the Secretary determines,
21 in an annual report required under subsection
22 (g) of section 3102 of the Energy Act of 2020
23 (43 U.S.C. 3002) (as redesignated by sub-
24 section (d)(1)(A)), that the national goal for re-
25 newable energy production established under

1 subsection (a) of section 3104 of that Act (43
2 U.S.C. 3004), including the minimum produc-
3 tion goal established under subsection (b) of
4 that section, may not be met, the Secretary
5 shall act more frequently than otherwise re-
6 quired by this subsection to designate areas eli-
7 gible for the submission of renewable energy
8 project applications and establish additional pri-
9 ority areas for renewable energy projects.

10 (3) COMPLIANCE WITH THE NATIONAL ENVI-
11 RONMENTAL POLICY ACT OF 1969.—For purposes of
12 this section, compliance with the National Environ-
13 mental Policy Act of 1969 (42 U.S.C. 4321 et seq.)
14 shall be accomplished—

15 (A) for geothermal energy—

16 (i) by updating the document entitled
17 “Final Programmatic Environmental Im-
18 pact Statement for Geothermal Leasing in
19 the Western United States” and dated Oc-
20 tober 2008; and

21 (ii) by incorporating into the updated
22 document under subparagraph (A) any ad-
23 ditional regional analyses completed by
24 Federal agencies after the date on which

1 the document described in that subpara-
2 graph was finalized;

3 (B) for solar energy—

4 (i) by updating the document entitled
5 “Final Programmatic Environmental Im-
6 pact Statement (PEIS) for Solar Energy
7 Development in Six Southwestern States”
8 and dated July 2012; and

9 (ii) by incorporating into the updated
10 document under subparagraph (A) any ad-
11 ditional regional analyses completed by
12 Federal agencies after the date on which
13 the document described in that subpara-
14 graph was finalized; and

15 (C) for wind energy—

16 (i) by updating the document entitled
17 “Final Programmatic Environmental Im-
18 pact Statement on Wind Energy Develop-
19 ment on BLM–Administered Lands in the
20 Western United States” and dated June
21 2005; and

22 (ii) by incorporating into the updated
23 document under subparagraph (A) any ad-
24 ditional regional analyses completed by
25 Federal agencies after the date on which

1 the document described in that subpara-
2 graph was finalized.

3 (4) NO EFFECT ON PROCESSING SITE-SPECIFIC
4 APPLICATIONS.—Nothing in this section modifies
5 any requirement to conduct site-specific environ-
6 mental reviews or process permits for proposed re-
7 newable energy projects during preparation of an
8 updated programmatic environmental impact state-
9 ment, land use plan, or amendment to a land use
10 plan.

11 (5) COORDINATION.—In developing any update
12 required under this section, the Secretary shall co-
13 ordinate, on an ongoing basis, with appropriate
14 State, Tribal, and local governments, transmission
15 infrastructure owners, operators, and developers, re-
16 newable energy developers, and other appropriate
17 entities to ensure that priority areas established by
18 the Secretary under this section take into account—

19 (A) economic viability (including having ac-
20 cess to existing or planned transmission lines);

21 (B) consistency with a mitigation sequence
22 to avoid, minimize, and compensate for impacts
23 to—

24 (i) fish, wildlife, or plants;

25 (ii) fish, wildlife, or plant habitat;

1 (iii) recreational uses;

2 (iv) land with wilderness characteris-
3 tics;

4 (v) land with special management des-
5 ignations;

6 (vi) cultural resources;

7 (vii) areas of Tribal importance; and

8 (viii) other uses of covered land;

9 (C) feasibility of siting on previously dis-
10 turbed land, including commercial and indus-
11 trial land, mine land, and previously contami-
12 nated sites; and

13 (D) consistency with section 202 of the
14 Federal Land Policy and Management Act of
15 1976 (43 U.S.C. 1712), including subsection
16 (c)(9) of that section (43 U.S.C. 1712(c)(9)).

17 (6) TRANSMISSION.—In carrying out this sec-
18 tion, the Secretary shall—

19 (A) determine whether adequate trans-
20 mission exists for renewable energy projects on
21 covered land; and

22 (B) if a determination is made in the nega-
23 tive under paragraph (1), in coordination with
24 the heads of other relevant Federal agencies,
25 review existing land use plans to determine if

1 amendments to those land use plans would be
2 appropriate to support adequate transmission
3 capability.

4 (7) INCENTIVES FOR RENEWABLE ENERGY DE-
5 VELOPMENT IN PRIORITY AREAS.—The Secretary
6 may establish, by regulation, incentives to be pro-
7 vided to individuals carrying out renewable energy
8 projects in priority areas established under this sec-
9 tion.

10 (d) IMPROVING WIND AND SOLAR ENERGY PROJECT
11 PERMITTING.—

12 (1) ROLE OF RENEWABLE ENERGY COORDINA-
13 TION OFFICES.—Section 3102 of the Energy Act of
14 2020 (43 U.S.C. 3002) is amended—

15 (A) by redesignating subsections (e) and
16 (f) as subsections (f) and (g), respectively; and

17 (B) by inserting after subsection (d) the
18 following:

19 “(e) PROCESSING OF WIND AND SOLAR ENERGY AP-
20 PPLICATIONS.—

21 “(1) DELEGATION TO STATE RENEWABLE EN-
22 ERGY COORDINATION OFFICES.—

23 “(A) IN GENERAL.—Notwithstanding any
24 other provision of law, the Secretary may dele-
25 gate to a State Renewable Energy Coordination

1 Office the authority to process applications for
2 eligible projects proposed to be carried out on
3 land managed by the Bureau of Land Manage-
4 ment in the applicable State.

5 “(B) ROLES AND RESPONSIBILITIES OF
6 MANAGERS.—For purposes of processing appli-
7 cations described in subparagraph (A), the
8 manager of the applicable State Renewable En-
9 ergy Coordination Office—

10 “(i) shall have the authority to issue
11 grants or leases for eligible projects;

12 “(ii) with the approval of the State
13 Director of the applicable Bureau of Land
14 Management State Office, may use other
15 employees in field and district offices of
16 the applicable Bureau of Land Manage-
17 ment State Office, or hire additional ex-
18 perts, to assist with timely processing of
19 applications, with the costs of hiring addi-
20 tional experts to be charged to applicants;
21 and

22 “(iii) shall report to the State Direc-
23 tor of the applicable Bureau of Land Man-
24 agement State Office.

1 “(2) PROHIBITION OF DELEGATION TO EM-
2 PLOYEES OF FIELD OR DISTRICT OFFICES.—Except
3 as provided in paragraph (1)(B)(ii), the Secretary
4 may not delegate to employees of field or district of-
5 fices of the Bureau of Land Management the au-
6 thority to process applications for eligible projects
7 proposed to be carried out on land managed by the
8 Bureau of Land Management.”.

9 (2) COST RECOVERY AGREEMENTS.—

10 (A) IN GENERAL.—Not later than 30 days
11 after the date on which an applicant submits a
12 complete application for a right-of-way for a
13 wind or solar energy project, including submis-
14 sion of the filing fee required under section
15 2804.12 of title 43, Code of Federal Regula-
16 tions (or a successor regulation), the Secretary
17 shall provide a cost recovery agreement with re-
18 spect to the application.

19 (B) EFFECT.—Issuance of a cost recovery
20 agreement under subparagraph (A) and pay-
21 ment of cost recovery fees shall preclude any
22 new claims to the use of the applicable covered
23 land during any period in which the application
24 is active.

25 (C) CONFLICTS; STUDIES.—

1 (i) CONFLICTS.—To be considered
2 complete under subparagraph (A), an ap-
3 plication described in that paragraph shall
4 address any known conflicts with respect
5 to the use of the applicable covered land,
6 as identified in scientific literature or other
7 studies.

8 (ii) ADDITIONAL STUDIES.—Addi-
9 tional studies shall not be required for pur-
10 poses of considering an application to be
11 complete under subparagraph (A).

12 (3) ENVIRONMENTAL REQUIREMENTS.—

13 (A) NOTICE OF INTENT.—

14 (i) IN GENERAL.—Not later than 180
15 days after the date on which the agency
16 notifies the applicant that the application
17 to establish a right-of-way is complete, or
18 a later date to be established by the Sec-
19 retary under clause (ii), if an environ-
20 mental impact statement is determined to
21 be necessary, the Secretary shall issue a
22 notice of intent to prepare an environ-
23 mental impact statement with respect to
24 the application.

1 (ii) EXTENSION.—The Secretary shall
2 establish a later date by which the notice
3 under clause (i) shall be issued, if the Sec-
4 retary determines that the 180-day period
5 under that paragraph should be extended
6 due to—

7 (I) the application being consid-
8 ered a low priority under section
9 2804.35 of title 43, Code of Federal
10 Regulations (or a successor regula-
11 tion);

12 (II) project-specific cir-
13 cumstances, including the need for
14 further studies, making the 180-day
15 deadline insufficient; or

16 (III) the application not meeting
17 the requirements for approval.

18 (B) CATEGORICAL EXCLUSION.—

19 (i) PRELIMINARY WORK.—As the Sec-
20 retary determines to be appropriate, the
21 Secretary may promulgate regulations pro-
22 viding that preliminary geotechnical work
23 and meteorological monitoring relating to
24 renewable energy projects shall be categori-
25 cally excluded from the requirements for

1 an environmental assessment or environ-
2 mental impact statement under section
3 1501.4 of title 40, Code of Federal Regula-
4 tions (or a successor regulation).

5 (ii) DEADLINE.—For any energy
6 projects eligible for a categorical exclusion
7 under paragraph 1, the Secretary shall
8 issue a decision within 90 days of the sub-
9 mission of a complete application.

10 (4) PROCESSING PRIORITY.—In processing ap-
11 plications described in paragraph (2)(A), the Sec-
12 retary shall—

13 (A) give priority to applications for renew-
14 able energy projects in priority areas; and

15 (B) process applications for renewable en-
16 ergy projects in areas that are not priority
17 areas in the order in which the applications are
18 received.

19 (5) USE OF COMPETITIVE PROCESS.—

20 (A) IN GENERAL.—Subject to subpara-
21 graph (B), the Secretary shall not use a com-
22 petitive process for the review of an application
23 described in paragraph (2)(A), except—

24 (i) in a case in which 2 or more appli-
25 cants file an application for the same site

1 (or portions of the same site) not more
2 than 15 days apart; or

3 (ii) as otherwise established by the
4 Secretary through a subsequent rule-
5 making process delineating the instances in
6 which the Secretary will use the competi-
7 tive process.

8 (B) LIMITATION.—Subparagraph (A) shall
9 not apply to applications for competitive right-
10 of-way leases in priority areas.

11 (e) INCREASING ECONOMIC CERTAINTY.—

12 (1) RENTS AND FEES.—

13 (A) IN GENERAL.—In determining rental
14 rates and other fees for renewable energy
15 project leases or right-of-way grants, the Sec-
16 retary shall ensure that the total rental rates
17 and other fees charged do not exceed the aver-
18 age amount charged for similar activities on
19 private land in the State or county in which the
20 rental rates and other fees are charged.

21 (B) INDIVIDUAL APPRAISALS NOT RE-
22 QUIRED.—For purposes of determining rental
23 rates for renewable energy projects, the Sec-
24 retary—

1 (i) shall not be required to conduct in-
2 dividual appraisals; and

3 (ii) may use average cash rents in-
4 cluded in the Pastureland Rents Survey
5 prepared by the National Agricultural Sta-
6 tistics Service, as determined for the 5-
7 year period ending on the date on which
8 the rental rate is determined.

9 (C) INCREASES IN BASE RENTAL RATES.—
10 After a base rental rate is established for a
11 lease or right-of-way grant authorization for a
12 renewable energy project, any increase in the
13 base rental rate shall be limited to the Implicit
14 Price Deflator-Gross Product Index published
15 by the Bureau of Economic Analysis of the De-
16 partment of Commerce on the date of issuance
17 of the lease or right-of way grant authorization.

18 (D) CAPACITY FEES.—The Secretary may
19 consider charging a capacity fee for a renewable
20 energy project only if the Secretary determines
21 that capacity fees are charged within the region
22 or State in which the renewable energy project
23 is carried out, as part of leaseholds on State or
24 private land.

1 (2) BONDS.—The Secretary shall adopt a proc-
2 ess for establishing bond requirements for decom-
3 missioning renewable energy projects that—

4 (A) do not establish a minimum per acre
5 amount; and

6 (B) are based on the difference between—

7 (i) the estimated, site-specific net
8 costs of reclamation of the covered land;
9 and

10 (ii) the salvage value of materials
11 available after decommissioning the renew-
12 able energy project.

13 (f) DISPOSITION OF REVENUES; RENEWABLE EN-
14 ERGY RESOURCE CONSERVATION FUND.—

15 (1) DISPOSITION OF REVENUES.—

16 (A) AVAILABILITY.—Except as provided in
17 subparagraph (C), without further appropria-
18 tion or fiscal year limitation, of amounts col-
19 lected from wind and solar energy projects as
20 bonus bids, rentals, fees, or other payments
21 under a right-of-way, permit, lease, or other au-
22 thorization—

23 (i) for the period beginning on Janu-
24 ary 1, 2027, and ending on December 31,
25 2046—

1 (I) 15 percent shall be deposited
2 in the Treasury and credited to the
3 Bureau of Land Management's Re-
4 newable Energy Management account
5 to be made available to the Secretary
6 to carry out subsections (c) and (d)
7 (including amendments made by those
8 subsections), including the transfer of
9 the funds by the Bureau of Land
10 Management to other Federal agen-
11 cies and State agencies to facilitate
12 the processing of permits for renew-
13 able energy projects, with priority
14 given to using the amounts, to the
15 maximum extent practicable, without
16 detrimental impacts to emerging mar-
17 kets, expediting the issuance of per-
18 mits required for the development of
19 wind and solar energy projects in the
20 States from which the revenues are
21 derived; and
22 (II) 35 percent shall be deposited
23 in the Fund; and
24 (ii) beginning on January 1, 2047—

1 (I) 10 percent shall be deposited
2 in the Treasury and be made available
3 to the Secretary to carry out sub-
4 sections (c) and (d) (including amend-
5 ments made by those subsections), in-
6 cluding the transfer of the funds by
7 the Bureau of Land Management to
8 other Federal agencies and State
9 agencies to facilitate the processing of
10 permits for wind and solar energy
11 projects, with priority given to using
12 the amounts, to the maximum extent
13 practicable, without detrimental im-
14 pacts to emerging markets, expediting
15 the issuance of permits required for
16 the development of renewable energy
17 projects in the States from which the
18 revenues are derived; and

19 (II) 40 percent shall be deposited
20 in the Fund.

21 (B) RULE FOR PROJECTS LOCATED IN
22 MULTIPLE STATES.—Not later than 180 days
23 after the date of enactment of this Act, the Sec-
24 retary shall issue a proposed rule establishing a
25 formula for the disposition of revenues under

1 clauses (i)(I) and (ii)(I) of subparagraph (A) in
2 a case in which a wind and solar energy project
3 is located in more than 1 State.

4 (C) FILING FEES.—With respect to wind
5 and solar energy projects—

6 (i) subparagraph (A) does not apply
7 to amounts collected from application filing
8 fees authorized under section 304 of the
9 Federal Land Policy and Management Act
10 of 1976 (43 U.S.C. 1734); and

11 (ii) such application filing fees may be
12 retained by the applicable agency to re-
13 cover costs associated with issuing the
14 right-of-way, permit, or other authorization
15 associated with the application.

16 (2) PAYMENTS TO STATES AND COUNTIES.—

17 (A) IN GENERAL.—Amounts paid to States
18 and counties under paragraph (1)(A) shall be
19 used consistent with section 35 of the Mineral
20 Leasing Act (30 U.S.C. 191).

21 (B) PAYMENTS IN LIEU OF TAXES.—A
22 payment to a county under clause (i)(II) or
23 (ii)(II) of paragraph (1)(A) shall be in addition
24 to a payment in lieu of taxes received by the

1 county under chapter 69 of title 31, United
2 States Code.

3 (3) RENEWABLE ENERGY RESOURCE CON-
4 SERVATION FUND.—

5 (A) IN GENERAL.—There is established in
6 the Treasury a fund, to be known as the “Re-
7 newable Energy Resource Conservation Fund”,
8 which shall be administered by the Secretary.

9 (B) USE OF FUNDS.—

10 (i) IN GENERAL.—The Secretary may
11 make amounts in the Fund available to
12 Federal, State, local, and Tribal agencies
13 for distribution in regions in which renew-
14 able energy projects are located on Federal
15 land, for the purposes described in clause
16 (ii).

17 (ii) PURPOSES.—The purposes re-
18 ferred to in clause (i) are—

19 (I) restoring and protecting—

20 (aa) fish and wildlife habitat
21 for species affected by renewable
22 energy projects;

23 (bb) fish and wildlife cor-
24 ridors for species affected by re-
25 newable energy projects; and

1 (cc) wetlands, streams, riv-
2 ers, and other natural water bod-
3 ies in areas affected by renewable
4 energy projects; and

5 (II) preserving and improving
6 recreational access to Federal land
7 and water in the applicable region
8 through an easement, right-of-way, or
9 other instrument from willing land-
10 owners for the purpose of enhancing
11 public access to existing Federal land
12 and water that is inaccessible or re-
13 stricted due to renewable energy
14 projects.

15 (C) COOPERATIVE AGREEMENTS.—The
16 Secretary may enter into cooperative agree-
17 ments with State and Tribal agencies, nonprofit
18 organizations, and other appropriate entities to
19 carry out the activities described in subpara-
20 graph (B).

21 (D) INVESTMENT OF FUND.—

22 (i) IN GENERAL.—Any amounts de-
23 posited in the Fund shall earn interest in
24 an amount determined by the Secretary of
25 the Treasury on the basis of the current

1 average market yield on outstanding mar-
2 ketable obligations of the United States of
3 comparable maturities.

4 (ii) USE.—Any interest earned under
5 clause (i) may be deposited into the Fund
6 and used without further appropriation.

7 (E) REPORT TO CONGRESS.—At the end of
8 each fiscal year, the Secretary shall submit to
9 the Committee on Energy and Natural Re-
10 sources of the Senate and the Committee on
11 Natural Resources of the House of Representa-
12 tives a report identifying—

13 (i) the amounts described in para-
14 graph (1) that were collected during that
15 fiscal year, organized by source;

16 (ii) the amount and purpose of pay-
17 ments made to each Federal, State, local,
18 and Tribal agency under subparagraph (B)
19 during that fiscal year; and

20 (iii) the amount remaining in the
21 Fund at the end of the fiscal year.

22 (F) INTENT OF CONGRESS.—It is the in-
23 tent of Congress that the revenues deposited
24 and expended from the Fund shall supplement

1 (and not supplant) annual appropriations for
2 activities described in subparagraph (B).

3 (g) IN GENERAL.—The Secretary of the Interior
4 shall include in its annual budget requests staffing, con-
5 tracting and technological resources necessary to meet the
6 permitting timelines required in this Act and in 42 U.S.C.
7 4336a.

8 (h) SAVINGS CLAUSE.—Notwithstanding any other
9 provision of this Act, the Secretary and the Secretary of
10 Agriculture shall continue to manage public land under
11 the principles of multiple use and sustained yield in ac-
12 cordance with title I of the Federal Land Policy and Man-
13 agement Act of 1976 (43 U.S.C. 1701 et seq.) or the For-
14 est and Rangeland Renewable Resources Planning Act of
15 1974 (16 U.S.C. 1600 et seq.), as applicable, for the pur-
16 poses of land use planning, permit processing, and con-
17 ducting environmental reviews.

18 **SEC. 512. GEOTHERMAL COST RECOVERY.**

19 (a) COST RECOVERY FROM GEOTHERMAL LEASING,
20 PERMITTING, AND INSPECTIONS.—Section 6 of the Geo-
21 thermal Steam Act of 1970 (30 U.S.C. 1005) is amended
22 by adding at the end the following:

23 “(j) COST RECOVERY.—

24 “(1) IN GENERAL.—During the period that be-
25 gins on the date of enactment of this subsection and

1 ends September 30, 2033, the Secretary may require
2 an applicant for, or a holder of, a geothermal lease
3 to reimburse the United States for all reasonable ad-
4 ministrative and other costs incurred by the United
5 States from—

6 “(A) processing the application for the
7 geothermal lease, including any application for
8 an operations plan, geothermal drilling permit,
9 utilization plan, site license, facility construc-
10 tion permit, commercial use permit, and any
11 other approval associated with a geothermal
12 lease; and

13 “(B) inspecting and monitoring—

14 “(i) geophysical exploration activities;

15 “(ii) the drilling, plugging, and aban-
16 donment of wells; and

17 “(iii) the construction, operation, ter-
18 mination, and reclamation of any well site
19 or facility for the utilization of geothermal
20 resources pursuant to the geothermal
21 lease.

22 “(2) CONSIDERATIONS.—In determining wheth-
23 er to require reimbursement under paragraph (1),
24 the Secretary shall consider whether there is in ex-
25 istence a cooperative cost share agreement between

1 the United States and the holder of a geothermal
2 lease.

3 “(3) ADJUSTMENTS.—The Secretary may re-
4 duce the amount to be reimbursed under paragraph
5 (1) if the Secretary determines—

6 “(A) that full reimbursement would impose
7 an economic hardship on the applicant; or

8 “(B) that a less than full reimbursement is
9 necessary to promote the greatest use of geo-
10 thermal resources.

11 “(4) USE.—The amounts reimbursed under this
12 subsection shall be credited to the currently applica-
13 ble appropriation, account, or fund of the Depart-
14 ment of the Interior as discretionary offsetting col-
15 lections, and shall be available only to the extent
16 provided in advance in appropriations Acts for—

17 “(A) processing the application for geo-
18 thermal leases, including any application for op-
19 erations plans, geothermal drilling permits, uti-
20 lization plans, site licenses, facility construction
21 permits, commercial use permits, and any other
22 approval associated with geothermal leases; and

23 “(B) inspecting and monitoring—

24 “(i) geophysical exploration activities;

1 “(ii) the drilling, plugging, and aban-
2 donment of wells; and
3 “(iii) the construction, operation, ter-
4 mination, and reclamation of any well site
5 or facility for the utilization of geothermal
6 resources pursuant to geothermal leases.”.

7 (b) REPORT.—

8 (1) REPORT.—Not later than 5 years after the
9 date of enactment of this Act, the Secretary of the
10 Interior, in consultation with the geothermal indus-
11 try and other stakeholders, shall submit to the Com-
12 mittee on Natural Resources of the House of Rep-
13 resentatives and the Committee on Energy and Nat-
14 ural Resources of the Senate, and make publicly
15 available on the website of the Department of the
16 Interior, a report that includes—

17 (A) an assessment of how the amendments
18 made by subsection (b) of this Act affected the
19 Bureau of Land Management’s geothermal pro-
20 gram;

21 (B) any recommendations for reauthoriza-
22 tion of section 6(j) of the Geothermal Steam
23 Act of 1970, as added by this Act; and

1 (C) any other recommendations for up-
2 dates to such section and the Bureau of Land
3 Management's geothermal program.

4 (2) CONSIDERATIONS.—In developing the re-
5 port required in paragraph (1), the Secretary of the
6 Interior shall solicit facts or information from the
7 geothermal industry and other stakeholders.

8 **Subtitle B—Offshore Renewable** 9 **Deployment**

10 **SEC. 521. RESPONSIBLE DEVELOPMENT OF OFFSHORE RE-** 11 **NEWABLE ENERGY.**

12 (a) DEFINITIONS.—Section 2 of the Outer Conti-
13 nental Shelf Lands Act (43 U.S.C. 1331) is amended—

14 (1) in the second subsection (r), as added by
15 section 50251(b)(1)(A)(iv) of Public Law 117–
16 169—

17 (A) by redesignating such subsection (r) as
18 subsection (t); and

19 (B) by inserting after the enumerator
20 “STATE.—”; and

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

22 “(u) OFFSHORE RENEWABLE ENERGY PROJECT.—
23 The term ‘offshore renewable energy project’ means a
24 project to carry out an activity described in section
25 8(p)(1)(C) related to wind, solar, wave, or tidal energy.”.

1 (b) NATIONAL POLICY FOR THE OUTER CONTI-
2 NENTAL SHELF.—Section 3 of the Outer Continental
3 Shelf Lands Act (43 U.S.C. 1332) is amended—

4 (1) by amending paragraph (3) to read as fol-
5 lows:

6 “(3) the outer Continental Shelf is a vital na-
7 tional resource reserve held by the Federal Govern-
8 ment for the public, which should be made available
9 for expeditious and orderly development, subject to
10 environmental safeguards and coexistence with other
11 ocean users, in a manner which includes—

12 “(A) supporting the generation, trans-
13 mission, and storage of zero-emission electricity;
14 and

15 “(B) the maintenance of competition and
16 other national needs, including the need to
17 achieve State and Federal zero-emission elec-
18 tricity or renewable energy mandates, targets,
19 and goals;”;

20 (2) by redesignating paragraphs (5) and (6) as
21 paragraphs (6) and (7), respectively; and

22 (3) by inserting after paragraph (4) the fol-
23 lowing:

24 “(5) the identification, development, and pro-
25 duction of lease areas for offshore renewable energy

1 projects should be determined by a robust and trans-
2 parent stakeholder process that incorporates engage-
3 ment and input from a diverse group of ocean users
4 and other impacted stakeholders, and Federal,
5 State, Tribal, and local governments;”.

6 (c) LEASES, EASEMENTS, AND RIGHTS-OF-WAY ON
7 THE OUTER CONTINENTAL SHELF.—Section 8(p) of the
8 Outer Continental Shelf Lands Act (43 U.S.C. 1337(p))
9 is amended—

10 (1) in paragraph (2)—

11 (A) in subparagraph (B)—

12 (i) by striking “27” and inserting
13 “17”;

14 (ii) by striking “three” and inserting
15 “100”; and

16 (iii) by striking “15” and inserting
17 “100”; and

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

19 “(C) PAYMENTS FOR CONSERVATION AND MITI-
20 GATION ACTIVITIES.—

21 “(i) IN GENERAL.—Notwithstanding sec-
22 tion 9, the Secretary shall, without appropria-
23 tion or fiscal year limitation, use 10 percent of
24 the revenue received by the Federal Govern-
25 ment from royalties, fees, rents, bonuses, and

1 other payments from any lease, easement, or
2 right-of-way granted under this subsection to
3 provide grants to—

4 “(I) State, local, and Tribal govern-
5 ments, and regional partnerships thereof,
6 including Regional Ocean Partnerships,
7 Regional Wildlife Science Collaboratives,
8 and other similar organizations; and

9 “(II) nonprofit organizations.

10 “(ii) USE OF GRANTS.—Grants provided
11 under clause (i) shall be used for carrying out
12 activities related to marine and coastal habitat
13 protection and restoration, mitigation of dam-
14 age to natural resources and marine life that
15 results from activities authorized by this sub-
16 section, relevant research and data sharing ini-
17 tiatives, or increasing the organizational capac-
18 ity of an entity described in subclause (I) or
19 (II) of clause (i) to increase the effectiveness of
20 entities that carry out such activities.

21 “(D) OFFSHORE RENEWABLE ENERGY COM-
22 PENSATION FUND.—Notwithstanding section 9, the
23 Secretary shall, without appropriation or fiscal year
24 limitation, deposit 10 percent of the revenue received
25 by the Federal Government from royalties, fees,

1 rents, bonuses, and other payments from any lease,
2 easement, or right-of-way granted under this sub-
3 section into the Offshore Renewable Energy Com-
4 pensation Fund established under section 34.”;

5 (2) by amending paragraph (3) to read as fol-
6 lows:

7 “(3) LEASING.—

8 “(A) COMPETITIVE OR NONCOMPETITIVE
9 BASIS.—The Secretary shall issue a lease, ease-
10 ment, or right-of-way under paragraph (1) on a
11 competitive basis unless the Secretary deter-
12 mines after public notice of a proposed lease,
13 easement, or right-of-way that there is no com-
14 petitive interest.

15 “(B) SCHEDULE OF OFFSHORE RENEW-
16 ABLE ENERGY LEASE SALES.—The Secretary
17 shall, after providing an opportunity for public
18 notice and comment, publish and periodically
19 update a schedule of areas that may be avail-
20 able for leasing in the future for offshore re-
21 newable energy projects, indicating, to the ex-
22 tent possible, the timing of site identification
23 activities, the timing of designation of any area
24 to be leased, the anticipated size of such areas,

1 the timing of lease sales, and the location of
2 leasing activities.

3 “(C) MULTI-FACTOR BIDDING.—

4 “(i) IN GENERAL.—The Secretary
5 may consider non-monetary factors when
6 competitively awarding leases under para-
7 graph (1), which may include commitments
8 made by the bidder to—

9 “(I) support educational, train-
10 ing, and skills development, including
11 supporting or increasing access to reg-
12 istered apprenticeship programs and
13 pre-apprenticeship programs that have
14 an articulation agreement with a reg-
15 istered apprenticeships program for
16 offshore renewable energy projects;

17 “(II) support development of do-
18 mestic supply chains for offshore re-
19 newable energy projects, including de-
20 velopment of ports and other energy
21 infrastructure necessary to facilitate
22 offshore renewable energy projects;

23 “(III) establish a community
24 benefit agreement with one or more
25 community or stakeholder groups that

1 may be impacted by the development
2 and operation of an offshore renew-
3 able energy project, which may in-
4 clude covered entities;

5 “(IV) make investments to evalu-
6 ate, monitor, improve, and mitigate
7 impacts to the health and biodiversity
8 of ecosystems and wildlife from the
9 development and operation of an off-
10 shore renewable energy project;

11 “(V) support the development
12 and use of shared transmission infra-
13 structure connecting to offshore re-
14 newable energy projects; and

15 “(VI) make other investments de-
16 termined appropriate by the Sec-
17 retary.

18 “(ii) CONTRACTUAL COMMITMENTS.—
19 When considering non-monetary factors
20 under this subparagraph, the Secretary
21 may—

22 “(I) evaluate the quality of com-
23 mitments made by the bidder; and

1 “(II) reward finalized binding
2 agreements above assurances for fu-
3 ture commitments.

4 “(iii) DEFINITIONS.—In this subpara-
5 graph:

6 “(I) COVERED ENTITY.—The
7 term ‘covered entity’ has the meaning
8 given such term in section 34(k).

9 “(II) REGISTERED APPRENTICE-
10 SHIP PROGRAM.—The term ‘registered
11 apprenticeship program’ means an ap-
12 prenticeship program registered under
13 the Act of August 16, 1937 (com-
14 monly known as the National Appren-
15 ticeship Act; 50 Stat. 664, chapter
16 663; 29 U.S.C. 50 et seq.).”;

17 (3) by amending paragraph (4) to read as fol-
18 lows:

19 “(4) REQUIREMENTS.—

20 “(A) IN GENERAL.—The Secretary shall
21 ensure that any activity under this subsection is
22 carried out in a manner that provides for—

23 “(i) safety;

24 “(ii) protection of the environment,
25 which includes facilitation of the genera-

1 tion, transmission, and storage of zero-
2 emission electricity;
3 “(iii) prevention of waste;
4 “(iv) conservation of the natural re-
5 sources of the outer Continental Shelf;
6 “(v) coordination with relevant Fed-
7 eral agencies and State, Tribal, and local
8 governments;
9 “(vi) protection of national security
10 interests of the United States;
11 “(vii) protection of correlative rights
12 in the outer Continental Shelf;
13 “(viii) a fair return to the United
14 States for any lease, easement, or right-of-
15 way under this subsection;
16 “(ix) reasonable uses (as determined
17 by the Secretary) of the exclusive economic
18 zone, the high seas, and the territorial
19 seas;
20 “(x) consideration of—
21 “(I) the location of, and any
22 schedule relating to, a lease, ease-
23 ment, or right-of-way for an area of
24 the outer Continental Shelf; and

1 “(II) any other use of the sea or
2 seabed, including use for a fishery, a
3 sealane, a potential site of a deep-
4 water port, or navigation;

5 “(xi) public notice and comment on
6 any proposal submitted for a lease, ease-
7 ment, or right-of-way under this sub-
8 section;

9 “(xii) oversight, inspection, research,
10 monitoring, and enforcement relating to a
11 lease, easement, or right-of-way under this
12 subsection; and

13 “(xiii) satisfaction of any applicable
14 State and Federal renewable and clean en-
15 ergy mandates, targets, and goals.

16 “(B) PROJECT LABOR AGREEMENTS.—

17 “(i) IN GENERAL.—Beginning not
18 later than January 1, 2026, the Secretary
19 shall require, as a term or condition of
20 each lease, right-of-way, and easement, as
21 applicable, for an offshore renewable en-
22 ergy project that the holder of the lease,
23 right-of-way, or easement, (and any suc-
24 cessor or assignee) and its agents, contrac-
25 tors, and subcontractors engaged in the

1 construction of any facilities for such off-
2 shore renewable energy project agree, for
3 purposes of such construction, to negotiate
4 and become a party to a project labor
5 agreement with one or more labor organi-
6 zations. A project labor agreement shall
7 bind all contractors and subcontractors on
8 the project through the inclusion of appro-
9 priate specifications in all relevant solicita-
10 tion provisions and contract documents.
11 The Secretary shall not approve a con-
12 struction and operations plan with respect
13 to any offshore renewable energy project
14 until being assured by the lessee that such
15 project labor agreement will be maintained
16 for the duration of the project.

17 “(ii) DEFINITIONS.—In this subpara-
18 graph:

19 “(I) CONSTRUCTION.—The term
20 ‘construction’ includes reconstruction,
21 rehabilitation, modernization, alter-
22 ation, conversion, extension, repair, or
23 improvement of any facility, structure,
24 or other real property (including any

1 onshore facilities) for an offshore re-
2 newable energy project.

3 “(II) LABOR ORGANIZATION.—
4 The term ‘labor organization’ means a
5 labor organization as defined in sec-
6 tion 2(5) of the National Labor Rela-
7 tions Act (29 U.S.C. 152(5))—

8 “(aa) of which building and
9 construction employees are mem-
10 bers; and

11 “(bb) that directly, or
12 through its affiliates, sponsors a
13 registered apprenticeship pro-
14 gram.

15 “(III) PROJECT LABOR AGREE-
16 MENT.—The term ‘project labor
17 agreement’ means a pre-hire collective
18 bargaining agreement with one or
19 more labor organizations that estab-
20 lishes the terms and conditions of em-
21 ployment for a specific construction
22 project and is an agreement described
23 in section 8(e) and (f) of the National
24 Labor Relations Act (29 U.S.C.
25 158(f)).

1 “(IV) REGISTERED APPRENTICE-
2 SHIP PROGRAM.—The term ‘registered
3 apprenticeship program’ means an ap-
4 prenticeship program registered under
5 the Act of August 16, 1937 (com-
6 monly known as the National Appren-
7 ticeship Act; 50 Stat. 664, chapter
8 663; 29 U.S.C. 50 et seq.).

9 “(C) DOMESTIC CONTENT.—

10 “(i) IN GENERAL.—With respect to
11 the construction of facilities for an offshore
12 renewable energy project that begins after
13 January 1, 2033, the Secretary shall re-
14 quire that—

15 “(I) all structural iron and steel
16 products that are (upon completion of
17 construction) components of such fa-
18 cilities for an offshore renewable en-
19 ergy project shall be produced in the
20 United States; and

21 “(II) not less than 80 percent of
22 the total costs of all manufactured
23 products that are (upon completion of
24 construction) components of such fa-
25 cilities shall be attributable to manu-

1 factured products which are mined,
2 produced, or manufactured in the
3 United States.

4 “(ii) WAIVER.—The Secretary may
5 waive the requirements of clause (i) in any
6 case or category of cases in which the Sec-
7 retary finds that—

8 “(I) applying clause (i) would be
9 inconsistent with the public interest;

10 “(II) such products are not pro-
11 duced in the United States in suffi-
12 cient and reasonably available quan-
13 tities and of a satisfactory quality; or

14 “(III) the use of such products
15 will increase the cost of the overall
16 project by more than 25 percent.

17 “(iii) PUBLIC NOTIFICATION.—If the
18 Secretary receives a request for a waiver
19 under this subparagraph, the Secretary
20 shall make available to the public a copy of
21 the request and information available to
22 the Secretary concerning the request, and
23 shall allow for informal public input on the
24 request for at least 15 business days prior
25 to making a finding based on the request.

1 The Secretary shall make the request and
2 accompanying information available to the
3 public by electronic means, including on
4 the official public Internet site of the De-
5 partment of the Interior.

6 “(iv) INTERNATIONAL AGREE-
7 MENTS.—This paragraph shall be applied
8 in a manner consistent with United States
9 obligations under international agree-
10 ments.”;

11 (4) by amending paragraph (7) to read as fol-
12 lows:

13 “(7) COORDINATION AND CONSULTATION.—The
14 Secretary shall provide for coordination and con-
15 sultation with—

16 “(A) the Governor of any State or the ex-
17 ecutive of any local government that may be af-
18 fected by a lease, easement, or right-of-way
19 under this subsection; and

20 “(B) Indian Tribes (following the proce-
21 dures of the President’s Memorandum of Uni-
22 form Standards for Tribal Consultation, issued
23 on November 30, 2022 (87 Fed. Reg. 74479),
24 or any subsequent order) before undertaking
25 any activities under this subsection that may

1 have a direct, indirect, or cumulative impact
2 on—

3 “(i) the land, including allotted,
4 ceded, or traditional land, or interests in
5 such land of an Indian Tribe or member of
6 an Indian Tribe;

7 “(ii) Tribal land, cultural practices,
8 resources, or access to traditional areas of
9 cultural or religious importance;

10 “(iii) any part of any Federal land
11 that shares a border with Indian country,
12 as such term is defined in section 1151 of
13 title 18, United States Code;

14 “(iv) the protected rights of an Indian
15 Tribe, whether or not such rights are enu-
16 merated in a treaty, including water, hunt-
17 ing, gathering, and fishing rights;

18 “(v) the ability of an Indian Tribe to
19 govern or provide services to members of
20 the Indian Tribe;

21 “(vi) the relationship between the
22 Federal Government and an Indian Tribe;
23 or

24 “(vii) the trust responsibility of the
25 Federal Government to an Indian Tribe.”;

1 (5) by amending paragraph (10) to read as fol-
2 lows:

3 “(10) APPLICABILITY.—

4 “(A) IN GENERAL.—This subsection does
5 not apply to any area on the outer Continental
6 Shelf within the exterior boundaries of any unit
7 of the National Park System, National Wildlife
8 Refuge System, or National Marine Sanctuary
9 System, or any National Monument.

10 “(B) CERTAIN TRANSMISSION INFRA-
11 STRUCTURE.—

12 “(i) IN GENERAL.—Notwithstanding
13 subparagraph (A), if otherwise authorized
14 pursuant to the National Marine Sanc-
15 tuaries Act (16 U.S.C. 1431 et seq.), the
16 Secretary may issue a lease, easement, or
17 right-of-way to enable the transmission of
18 electricity generated by an offshore renew-
19 able energy project.

20 “(ii) TERMS AND CONDITIONS.—In
21 issuing a lease, easement, or right-of-way
22 under clause (i), the Secretary may ap-
23 prove and regulate the construction and
24 operation of such transmission facilities
25 (including electrical substations and other

1 related infrastructure) for the transmission
2 of electricity generated by such projects in
3 a manner that minimizes environmental
4 impacts.

5 “(iii) COORDINATION.—In regulating
6 the construction and operation of trans-
7 mission facilities and related infrastructure
8 under clause (ii), the Secretary shall co-
9 ordinate with the Secretary of Commerce
10 to ensure the duration of any necessary
11 authorizations of such facilities under the
12 National Marine Sanctuaries Act aligns
13 with the duration of the relevant leases,
14 easements, or rights-of-way issued under
15 clause (i).”; and

16 (6) by adding at the end the following:

17 “(11) PLANNING AREA IMPACT STUDIES.—

18 “(A) IN GENERAL.—Beginning three years
19 after the date of enactment of this paragraph,
20 before holding any lease sale pursuant to para-
21 graph (1) for an area, the Secretary shall con-
22 duct a study of such area, or the wider plan-
23 ning area that includes such area, in order to
24 establish information needed for assessment
25 and management of the environmental impacts

1 on the human, marine, and coastal environ-
2 ments of the outer Continental Shelf and the
3 coastal areas which may be affected by offshore
4 renewable energy projects in such area or plan-
5 ning area.

6 “(B) INCLUSIONS.—A study conducted
7 under subparagraph (A) shall—

8 “(i) incorporate the best available ex-
9 isting science and data;

10 “(ii) identify areas for which there is
11 insufficient science and data; and

12 “(iii) include consideration of the cu-
13 mulative impacts (including potential navi-
14 gational impacts) of offshore renewable en-
15 ergy projects on human, marine, and
16 coastal environments.

17 “(C) USE OF DATA AND ASSESSMENTS.—
18 The Secretary shall use the data and assess-
19 ments included in studies conducted under this
20 paragraph, as appropriate, when deciding—

21 “(i) which portions of an area or re-
22 gion are most appropriate to make avail-
23 able for leasing; and

24 “(ii) whether to issue any permit or
25 other authorization that is necessary to

1 carry out an offshore renewable energy
2 project.

3 “(D) NEPA APPLICABILITY.—The Sec-
4 retary shall not consider a study conducted
5 under subparagraph (A) to be a major Federal
6 action under section 102(2)(C) of the National
7 Environmental Policy Act of 1969 (42 U.S.C.
8 4332(2)(C)).

9 “(12) CAPACITY BUILDING AND COMMUNITY
10 ENGAGEMENT.—

11 “(A) IN GENERAL.—The Secretary, in con-
12 sultation with the Secretary of Commerce, may
13 award grants to entities to build organizational
14 capacity and enhance engagement opportunities
15 related to offshore renewable energy project de-
16 velopment, including environmental reviews and
17 permitting activities of such projects.

18 “(B) PURPOSES.—Grants awarded under
19 subparagraph (A) shall be used by entities to—

20 “(i) enable States, Indian Tribes, af-
21 fected ocean users, and nonprofit associa-
22 tions that represent affected ocean users to
23 compile data, conduct analyses, educate
24 stakeholders, and complete other activities

1 relating to offshore renewable energy
2 project development;

3 “(ii) engage in planning activities and
4 in the development of offshore wind
5 projects for the purposes of—

6 “(I) determining potential eco-
7 nomic, social, public health, and envi-
8 ronmental benefits and impacts; and

9 “(II) identifying opportunities to
10 mitigate such impacts;

11 “(iii) facilitate siting of offshore re-
12 newable energy projects and associated
13 electric transmission infrastructure; and

14 “(iv) hire and train personnel, and
15 other activities designed to increase the ca-
16 pacity of States, Indian Tribes, and non-
17 profit associations, as applicable, to carry
18 out activities described in clauses (i)
19 through (iii).

20 “(C) PRIORITIZATION.—When awarding
21 grants under subparagraph (A), the Secretary
22 shall prioritize awarding grants that will be
23 used to build organizational capacity and en-
24 hance community engagement opportunities of
25 Indian Tribes.

1 “(D) AUTHORIZATION OF APPROPRIA-
2 TIONS.—There are authorized to be appro-
3 priated to the Secretary to carry out this para-
4 graph \$25,000,000 for each of fiscal years
5 2026 through 2030.”.

6 (d) RESERVATIONS.—Section 12(a) of the Outer
7 Continental Shelf Lands Act (43 U.S.C. 1341(a)) is
8 amended to read as follows—

9 “(a) WITHDRAWAL OF UNLEASED LANDS BY THE
10 PRESIDENT.—

11 “(1) IN GENERAL.—The President of the
12 United States may, from time to time, withdraw
13 from disposition any of the unleased lands of the
14 outer Continental Shelf.

15 “(2) REVERSAL FOR CERTAIN OFFSHORE RE-
16 NEWABLE ENERGY PROJECTS.—With respect to a
17 withdrawal under paragraph (1) of unleased lands
18 from disposition, the President may reverse such a
19 withdrawal only to allow for leasing under section
20 (8)(p)(1)(C) and only if the President determines
21 that environmental, national security, or national or
22 regional energy conditions or demands have changed
23 such that a reversal would be in the public inter-
24 est.”.

1 (e) CITIZEN SUITS, COURT JURISDICTION, AND JU-
2 DICIAL REVIEW.—Section 23(c)(2) of the Outer Conti-
3 nental Shelf Lands Act (43 U.S.C. 1349(c)(2)) is amend-
4 ed to read as follows:

5 “(2) Any action of the Secretary to approve, require
6 modification of, or disapprove any exploration plan or de-
7 velopment and production plan under this Act, or any
8 plan, final lease, easement, or right-of-way granted pursu-
9 ant to section (8)(p)(1) (and any related final Federal
10 agency actions), shall be subject to judicial review only in
11 a United States court of appeals for a circuit in which
12 an affected State is located.”.

13 (f) UPDATING REGULATIONS.—Not later than 270
14 days after the date of enactment of this section, the Sec-
15 retary of the Interior shall issue any necessary regulations
16 to carry out this section and the amendments made by
17 this section.

18 **SEC. 522. COMPENSATION FOR OFFSHORE RENEWABLE EN-**
19 **ERGY PROJECTS.**

20 The Outer Continental Shelf Lands Act (43 U.S.C.
21 1331 et seq.) is amended by adding at the end the fol-
22 lowing:

1 **“SEC. 34. OFFSHORE RENEWABLE ENERGY COMPENSATION**
2 **FUND.**

3 “(a) ESTABLISHMENT.—There is established in the
4 Treasury of the United States the Offshore Renewable
5 Energy Compensation Fund, which shall be used by the
6 Secretary, or a third-party the Secretary enters into a con-
7 tract with, to provide to covered entities—

8 “(1) payments for claims—

9 “(A) described under subsection (f)(1); and

10 “(B) verified pursuant to subsection
11 (d)(1); and

12 “(2) grants to carry out mitigation activities de-
13 scribed in subsection (f)(2).

14 “(b) AVAILABILITY OF FUND.—The Fund shall be
15 available to the Secretary without fiscal year limitations
16 for the purpose of providing payments and grants under
17 subsection (a).

18 “(c) ACCOUNTS.—The Fund shall—

19 “(1) consist of the royalties, fees, rents, bo-
20 nuses, and other payments deposited under section
21 8(p)(2)(D); and

22 “(2) be divided into separate area accounts
23 from which payments and grants shall be provided
24 based on the area in which damages occur.

25 “(d) REGULATIONS.—The Secretary shall establish,
26 by regulation, a process to—

1 “(1) file, process, and verify claims for purposes
2 of providing payments under subsection (a)(1); and

3 “(2) apply for a grant provided under sub-
4 section (a)(2).

5 “(e) PAYMENT AMOUNT.—Payments provided under
6 subsection (a)(1) shall—

7 “(1) be based on the scope of the verified claim;

8 “(2) be fair and provided efficiently and in a
9 transparent manner; and

10 “(3) if the covered entity receiving the payment
11 has or will receive direct compensation for the
12 verified claim pursuant to a community benefit
13 agreement or other agreement between such covered
14 entity and a holder of a lease, easement, or right-
15 of-way, be reduced by an amount that is equal to the
16 amount of such direct compensation.

17 “(f) CLAIMS; MITIGATION GRANTS.—

18 “(1) CLAIMS.—A payment may be provided
19 under subsection (a)(1) for a verified claim to—

20 “(A) replace or repair gear that was lost or
21 damaged by the development, construction, op-
22 eration, or decommissioning of an offshore re-
23 newable energy project; or

24 “(B) replace income that was lost from the
25 development, construction, operation, or decom-

1 missioning of an offshore renewable energy
2 project.

3 “(2) MITIGATION GRANTS.—If the Secretary
4 determines that there are sufficient amounts in an
5 area account of the Fund to provide payments for
6 all verified claims at any given time, the Secretary
7 may use amounts in the Fund to provide grants to
8 covered entities, and other entities determined ap-
9 propriate by the Secretary, to mitigate the potential
10 effects of development, construction, operation, and
11 decommissioning of an offshore renewable energy
12 project, including by paying for gear changes, navi-
13 gation technology improvements, and other measures
14 to enhance the safety and resiliency of the covered
15 entities near an offshore renewable energy project.

16 “(g) ADVISORY GROUP.—

17 “(1) IN GENERAL.—The Secretary shall estab-
18 lish and regularly convene an advisory group that
19 shall provide recommendations on the development
20 and administration of this section.

21 “(2) MEMBERSHIP.—The advisory group
22 shall—

23 “(A) be comprised of individuals—

24 “(i) appointed by the Secretary; and

1 “(ii) representing the geographic di-
2 versity of areas impacted by the develop-
3 ment, construction, operation, or decom-
4 missioning of offshore renewable energy
5 projects; and

6 “(B) include representatives from—

7 “(i) recreational fishing interests;

8 “(ii) commercial fishing interests;

9 “(iii) Tribal fishing interests;

10 “(iv) the National Marine Fisheries
11 Services;

12 “(v) the fisheries science community;

13 and

14 “(vi) other fields of expertise nec-
15 essary to effectively develop and administer
16 this section, as determined by the Sec-
17 retary.

18 “(3) TRAVEL EXPENSES.—The Secretary may
19 provide amounts to any member of the advisory
20 group to pay for travel expenses, including per diem
21 in lieu of subsistence, at rates authorized for an em-
22 ployee of an agency under section 5703 of title 5,
23 United States Code, while away from the home or
24 regular place of business of the member in the per-
25 formance of the duties of the advisory group.

1 “(h) INSUFFICIENT FUNDS.—

2 “(1) IN GENERAL.—If the Secretary determines
3 that an area account does not contain a sufficient
4 amount to provide payments under subsection
5 (a)(1), the Secretary may, not more than once each
6 calendar year, require any holder of an offshore re-
7 newable energy lease located within the area covered
8 by the area account to pay an amount specified by
9 the Secretary, which shall be deposited into such
10 area account.

11 “(2) AMOUNT.—No holder of an offshore re-
12 newable energy lease shall be required to pay an
13 amount under paragraph (1) in excess of \$3 per
14 acre of the leased land described in paragraph (1).

15 “(i) ADMINISTRATIVE EXPENSES.—The Secretary
16 may use up to 15 percent of the amount deposited into
17 the Fund under section 8(p)(2)(D) during a given fiscal
18 year for administrative expenses to carry out this section.

19 “(j) ANNUAL REPORT.—The Secretary shall submit
20 to Congress, and make publicly available, an annual report
21 on activities carried out under this section, including a de-
22 scription of claims filed and the amount of payments and
23 grants provided.

24 “(k) DEFINITIONS.—In this section:

1 “(1) COVERED ENTITY.—The term ‘covered en-
2 tity’ means—

3 “(A) a community, stakeholder, or Tribal
4 interest—

5 “(i) that uses a geographic space of a
6 lease area, or uses resources harvested
7 from a geographic space of a lease area;
8 and

9 “(ii) for which such use is directly and
10 adversely impacted by the development,
11 construction, operation, or decommis-
12 sioning of an offshore renewable energy
13 project located in such leased area; or

14 “(B) a regional association, cooperative,
15 non-profit organization, commission, or corpora-
16 tion that—

17 “(i) serves a community, stakeholder,
18 or Tribal interest described in subpara-
19 graph (A); and

20 “(ii) acts on behalf of such a commu-
21 nity, stakeholder, or Tribal interest for
22 purposes of this section, including by sub-
23 mitting a claim for a covered entity.

1 “(2) FUND.—The term ‘Fund’ means the Off-
2 shore Renewable Energy Compensation Fund estab-
3 lished under subsection (a).

4 “(3) LEASE AREA.—The term ‘lease area’
5 means an area covered by an offshore renewable en-
6 ergy lease.

7 “(4) OFFSHORE RENEWABLE ENERGY LEASE.—
8 The term ‘offshore renewable energy lease’ means a
9 lease, easement, or right-of-way granted under sec-
10 tion 8(p)(1)(C).”.

11 **SEC. 523. INTEROPERABILITY OF OFFSHORE ELECTRIC**
12 **TRANSMISSION INFRASTRUCTURE.**

13 (a) STUDY.—Not later than 2 years after the date
14 of enactment of this Act, the Secretary of Energy shall
15 complete and publish on the website of the Department
16 of Energy a study that assesses the need to, and chal-
17 lenges of, developing and standardizing interoperable elec-
18 tric grid components, systems, and technologies in support
19 of shared offshore transmission networks. Such study
20 shall include recommendations for Congress, State, Tribal,
21 and local governments, manufacturers of electric grid com-
22 ponents, systems, and technologies, Transmission Organi-
23 zations, offshore electricity generation project developers,
24 and appropriate standards organizations to help ensure
25 interoperability of electric grid components, systems, and

1 technologies between offshore electricity generation
2 projects and shared offshore infrastructure connecting to
3 onshore transmission systems.

4 (b) INTEROPERABILITY STANDARD DEVELOPMENT
5 PROGRAM.—

6 (1) IN GENERAL.—The Secretary of Energy
7 shall establish and implement a program to identify,
8 develop, support, document, and encourage the
9 adoption of standards necessary to maximize the
10 interoperability of electric grid components, systems,
11 and technologies to accelerate the implementation
12 and delivery of electricity generated by offshore elec-
13 tricity generation projects through shared electricity
14 transmission infrastructure.

15 (2) GOALS.—The goals of establishing and im-
16 plementing the program under paragraph (1) shall
17 be—

18 (A) to harmonize and standardize func-
19 tional specifications of electric grid components,
20 systems, and technologies to maximize the
21 interoperability of electric grid components, sys-
22 tems, and technologies across types and manu-
23 facturers;

24 (B) to hasten adoption of shared electric
25 transmission infrastructure for offshore elec-

1 tricity generation by encouraging cooperation
2 among manufacturers of electric grid compo-
3 nents, systems, or technologies in order to—

4 (i) maximize interoperability of such
5 manufacturers' electric grid components,
6 systems, or technologies;

7 (ii) reduce offshore electricity genera-
8 tion project delays and cost overruns;

9 (iii) manage power grid complexity;
10 and

11 (iv) enhance electric grid resilience,
12 reliability, and cybersecurity; and

13 (C) to identify common technical specifica-
14 tions to effectively and securely measure, mon-
15 itor, control, and protect offshore electricity
16 generation and electric transmission infrastruc-
17 ture from the point of generation to load cen-
18 ters.

19 (3) FINANCIAL ASSISTANCE.—Under the pro-
20 gram established and implemented under paragraph
21 (1), the Secretary may provide grants to—

22 (A) engage equipment manufacturers and
23 industry stakeholders in collaborative platforms,
24 including workshops and forums;

1 (B) identify current challenges and propose
2 solutions to improve interoperability of electric
3 grid components, systems, and technologies;
4 and

5 (C) develop a set of voluntary industry
6 standards to maximize interoperability of elec-
7 tric grid components, systems, and technologies
8 that meet the goals described in paragraph (2).

9 (c) AUTHORIZATION OF APPROPRIATIONS.—There
10 are authorized to be appropriated to the Secretary of En-
11 ergy to carry out this section \$5,000,000, to remain avail-
12 able until expended.

13 (d) DEFINITION.—In this section, the term “Trans-
14 mission Organization” has the meaning given such term
15 in section 3(29) of the Federal Power Act (16 U.S.C.
16 796).

17 **TITLE VI—PROTECTING CON-** 18 **SUMERS IN ELECTRICITY** 19 **REGULATION**

20 **SEC. 601. UTILITY EARNINGS TIED TO RATEPAYER BENE-** 21 **FITS.**

22 (a) SHARED SAVINGS INCENTIVE FOR FERC-JURIS-
23 DICTIONAL UTILITIES.—

24 (1) IN GENERAL.—Not later than 1 year after
25 the date of enactment of this title, the Federal En-

1 ergy Regulatory Commission (in this section referred
2 to as the “Commission”) shall promulgate a final
3 rule under section 219(b)(3) of the Federal Power
4 Act (16 U.S.C. 824s(b)(3)) establishing a shared
5 savings incentive framework under which jurisdic-
6 tional transmitting utilities may recover a portion of
7 verified cost savings realized for ratepayers. The rule
8 shall—

9 (A) at a minimum, apply to qualifying
10 transmission measures that reduce line losses;

11 (B) establish baseline methodologies as de-
12 scribed in paragraph (2);

13 (C) establish calculation and verification
14 methodologies as described in paragraph (3);

15 (D) require project reporting as described
16 in paragraph (4);

17 (E) set conditions for incentive recovery as
18 described in paragraph (5); and

19 (F) authorize the Commission, by subse-
20 quent rulemaking, to expand the framework to
21 additional categories of demonstrable savings,
22 provided that such categories—

23 (i) allocate incentives solely as a por-
24 tion of total savings directly attributable to
25 qualifying transmission measures; and

1 (ii) are capable of transparent mod-
2 eling and independent measurement and
3 verification.

4 (2) BASELINE PERFORMANCE.—The Commis-
5 sion shall—

6 (A) develop a methodology for determining
7 the baseline performance of transmission seg-
8 ments, absent a qualifying transmission meas-
9 ures, under the framework, using as the pri-
10 mary performance metric the transmission line
11 loss for such transmission segment; and

12 (B) ensure such methodology shall—

13 (i) provide for the consistent treat-
14 ment of similarly- situated transmission
15 segments; and

16 (ii) normalize for exogenous factors
17 including variability in weather, time, de-
18 mand or generation conditions, upgrades,
19 interconnections, or operational changes
20 made by other utilities, system operators,
21 or market participants, and energy market
22 fluctuations, as the Commission determines
23 appropriate; and

24 (C) for any additional qualifying savings
25 categories authorized by subsequent rulemaking

1 under paragraph (1)(F), the Commission shall
2 adapt the baseline methodology established
3 under this subsection, as appropriate, to ensure
4 transparent, consistent, and verifiable deter-
5 mination of baseline performance for such cat-
6 egories.

7 (3) CALCULATION AND VERIFICATION OF COST
8 SAVINGS.—The Commission shall establish meth-
9 odologies and provide reference data necessary for
10 transmitting utilities to ensure consistent calcula-
11 tion, projection, attribution, and verification of total
12 savings from qualifying transmission measures. Such
13 methodologies shall—

14 (A) define acceptable methods for pro-
15 jecting the likely change in transmission line
16 losses and total savings from a proposed quali-
17 fying transmission measure, including reference
18 models, engineering assumptions, and data
19 sources to be used;

20 (B) define methods for measuring post-de-
21 ployment changes in transmission line losses
22 relative to the baseline under subsection (b),
23 and quantifying the corresponding total savings;

24 (C) apply appropriate price proxies as de-
25 termined by the Commission, which may include

1 locational marginal prices in organized whole-
2 sale markets, or other methodologies in non-or-
3 ganized markets;

4 (D) ensure attribution of total savings is
5 limited to improvements demonstrably caused
6 by the qualifying transmission measure, ac-
7 counting for externalities;

8 (E) establish minimum standards for
9 verification of projected and reported savings,
10 including required data, methodologies, and
11 documentation;

12 (F) require verification by an independent
13 evaluator, as determined appropriate by the
14 Commission;

15 (G) require that methodologies, data
16 sources, and verification protocols be trans-
17 parent and replicable to the maximum extent
18 practicable; and

19 (H) for any additional qualifying savings
20 categories authorized by subsequent rulemaking
21 under paragraph (1)(F), the Commission shall
22 define calculation, projection, attribution, and
23 verification methodologies sufficient to ensure
24 that reported savings are demonstrably caused
25 by the qualifying transmission measure and ca-

1 pable of independent measurement and
2 verification; and

3 (4) PROJECT REPORTING.—A transmitting util-
4 ity seeking an incentive under the shared savings in-
5 centive framework shall submit to the Commission,
6 in such form and manner as the Commission may
7 prescribe—

8 (A) independently verified operational data
9 for the relevant transmission segment for the
10 one-year period preceding project initiation,
11 prepared in accordance with the baseline meth-
12 odology under paragraph (2), which shall con-
13 stitute the baseline for comparison;

14 (B) at the time of filing and annually
15 thereafter for the duration of the incentive eligi-
16 bility period established under paragraph (5),
17 an analysis of the qualifying transmission meas-
18 ure including expected performance improve-
19 ments and projected total savings relative to the
20 baseline;

21 (C) for each year of the incentive eligibility
22 period established under paragraph (5), oper-
23 ational data demonstrating measured perform-
24 ance improvements and verified total savings
25 after implementation of the project; and

1 (D) for any additional qualifying savings
2 categories authorized by subsequent rulemaking
3 under paragraph (1)(F), the Commission shall
4 establish reporting requirements sufficient to
5 ensure transparent and verifiable demonstration
6 of savings consistent with the methodologies es-
7 tablished under subsection (b).

8 (5) INCENTIVES.—The Commission shall estab-
9 lish mechanisms for recovery of incentives by trans-
10 mitting utilities under the shared savings incentive
11 framework, including—

12 (A) SHARED SAVING PERCENTAGE.—The
13 Commission shall authorize transmitting utili-
14 ties to retain a utility shared savings percentage
15 of total verified savings from a qualifying trans-
16 mission measure, which shall be not less than
17 10 percent and not greater than 60 percent. In
18 setting the applicable percentage, the Commis-
19 sion may consider—

20 (i) the extent of financial or oper-
21 ational risk assumed by the transmitting
22 utility in undertaking the qualifying trans-
23 mission measure;

24 (ii) the baseline performance deter-
25 mined pursuant to subsection (b) with re-

1 spect to similarly situated transmission
2 segments;

3 (iii) the replicability or demonstration
4 value of the qualifying transmission meas-
5 ure;

6 (iv) the expected longevity and per-
7 sistence of the total savings resulting from
8 the qualifying transmission measure;

9 (v) the extent to which the qualifying
10 transmission measure provides additional
11 system benefits, such as reliability, resil-
12 ience, congestion relief, or emissions reduc-
13 tions; and

14 (vi) such other factors as the Commis-
15 sion may determine relevant to ensure the
16 incentive is performance-based, trans-
17 parent, and cost-effective.

18 (B) REVISION.—The Commission may pe-
19 riodically revise the utility shared saving per-
20 centage under subparagraph (A) to reflect
21 changes in the energy market, technology ad-
22 vancements, or updated considerations.

23 (C) RECOVERY MECHANICS.—

24 (i) INITIAL RECOVERY OF PROJECTED
25 SAVINGS.—Upon submission of the report-

1 ing under paragraph (4)(B), the Commis-
2 sion shall provide to the transmitting util-
3 ity an automatic rate adjustment for the
4 applicable year under which such utility
5 may recover not more than 50 percent of
6 projected utility shared savings.

7 (ii) REMAINING RECOVERY OF
8 VERIFIED SAVINGS.—Upon submission of
9 reporting under paragraph (4)(C), the
10 Commission shall provide to the transmit-
11 ting utility an automatic rate adjustment
12 under which such utility may recover the
13 remaining value of verified utility shared
14 savings not yet recovered through rates es-
15 tablished in clause (i).

16 (iii) RECONCILIATION.—If the Com-
17 mission determines that the projected util-
18 ity shared savings recovered under clause
19 (i) exceeds the amount of verified utility
20 shared savings under clause (ii), or that
21 the transmitting utility fails to dem-
22 onstrate verifiable savings through report-
23 ing under paragraph (4)(C), the Commis-
24 sion shall require the transmitting utility

1 to credit the difference to ratepayers
2 through an automatic rate adjustment.

3 (iv) TIME PERIOD FOR RECOVERY.—

4 Recovery of utility shared savings shall
5 occur over a period of not less than 2 years
6 and not more than 5 years, as determined
7 by the Commission, based on the type of
8 qualifying transmission measure.

9 (D) ADDITIONAL CATEGORIES.—For any
10 additional qualifying savings categories of quali-
11 fying transmission measure or operational im-
12 provements authorized by subsequent rule-
13 making under paragraph (1)(F), the Commis-
14 sion shall apply the mechanisms established
15 under this subsection, with such modifications
16 as the Commission determines appropriate to
17 ensure that recovery of shared savings remains
18 performance-based, transparent, and cost-effec-
19 tive.

20 (6) DEFINITIONS.—In this section:

21 (A) UTILITY SHARED SAVINGS PERCENT-
22 AGE.—The term “utility shared savings per-
23 centage” means the percentage of total savings
24 that the Commission authorizes a transmitting

1 utility to retain as an incentive under para-
2 graph (5)(A).

3 (B) RATEPAYER SHARED SAVINGS.—The
4 term “ratepayer shared savings” means the
5 portion of total savings reflected in reduced
6 costs to retail ratepayers, equal to the ratepayer
7 shared savings percentage of total savings.

8 (C) UTILITY SHARED SAVINGS.—The term
9 “utility shared savings” means the portion of
10 total savings allocated to a transmitting utility
11 as an incentive, equal to the utility shared sav-
12 ings percentage of total savings, as determined
13 by the Commission.

14 (D) PROJECTED UTILITY SHARED SAV-
15 INGS.—The term “projected utility shared sav-
16 ings” means the amount of utility shared sav-
17 ings a transmitting utility would be entitled to
18 receive if total savings occur as projected, cal-
19 culated as the utility shared savings percentage
20 applied to projected total savings, as reported
21 under paragraph (4)(B).

22 (E) VERIFIED UTILITY SHARED SAV-
23 INGS.—The term “verified utility shared sav-
24 ings” means the amount of utility shared sav-
25 ings a transmitting utility is entitled to receive

1 based on verified total savings, calculated as the
2 utility shared savings percentage applied to
3 verified total savings, as reported under para-
4 graph (4)(C).

5 (b) RETURN ON EQUITY REFORM.—

6 (1) IN GENERAL.—Section 219 of the Federal
7 Power Act (16 U.S.C. 824s) is amended in sub-
8 section (c), to read as follows:

9 “(c) INCENTIVES.—

10 “(1) TRANSMISSION ORGANIZATION MEMBER-
11 SHIP.—In the rule issued under this section, the
12 Commission shall, to the extent within its jurisdic-
13 tion, provide for incentives to each transmitting util-
14 ity or electric utility that joins a Transmission Orga-
15 nization.

16 “(2) INITIAL MEMBERSHIP INCENTIVE.—In car-
17 rying out paragraph (1), the Commission shall pro-
18 vide for an electric utility to yield a return on equity
19 incentive—

20 “(A) of not more than 50 basis points for
21 the 3-year period beginning on the date on
22 which the electric utility joins a Transmission
23 Organization; and

24 “(B) the transfer of a transmitting utility
25 from one transmission organization to another

1 shall not trigger a new period under subpara-
2 graph (A).

3 “(3) REGIONAL AND INTERREGIONAL FACILITY
4 INCENTIVE.—After the expiration of the period
5 under paragraph (2)(A), the Commission may pro-
6 vide a return on equity incentive of not more than
7 75 basis points with respect to transmission facilities
8 of such utility that—

9 “(A) provide demonstrable benefits to cus-
10 tomers on a regional or interregional basis, as
11 determined by the Commission; and

12 “(B) are selected in a transmission plan-
13 ning process conducted by a Transmission Or-
14 ganization or by 2 or more such organizations
15 on an interregional basis.

16 “(4) INCENTIVES FOR NON-MEMBERS.—In the
17 case of an electric utility that is not a member of a
18 Transmission Organization, the Commission may
19 provide an additional return on equity incentive of
20 not more than 25 basis points with respect to trans-
21 mission facilities that satisfy the criteria set forth in
22 paragraph (3).

23 “(5) GUARDRAILS.—In determining whether,
24 and at what level, to provide incentives under this
25 subsection, the Commission may consider—

1 “(A) measurable customer benefits, includ-
2 ing reliability, resilience, and congestion cost re-
3 ductions;

4 “(B) cost discipline, including consistency
5 with least-cost planning and mitigation of ex-
6 cessive capital bias; and

7 “(C) the persistence and magnitude of ex-
8 pected benefits.

9 “(6) DURATION AND REVIEW.—The Commis-
10 sion may establish time limits for incentives under
11 this subsection and shall provide for periodic review
12 and adjustment or termination of such incentives if
13 the underlying bases for the incentives no longer
14 exist.

15 “(7) METHOD OF COST RECOVERY.—The Com-
16 mission shall ensure that any costs recoverable pur-
17 suant to this subsection may be recovered by such
18 utility through the transmission rates charged by
19 such utility or through the transmission rates
20 charged by the Transmission Organization that pro-
21 vides transmission service to such utility.”.

22 (2) RULEMAKINGS.—

23 (A) DEADLINE.—Not later than 1 year
24 after the date of the enactment of this title, the
25 Commission shall revise the rule issued under

1 section 219 of the Federal Power Act (16
2 U.S.C. 824s) to implement the amendment
3 made by this section.

4 (B) CONSIDERATIONS.—In revising the
5 rule specified in paragraph (1) with respect to
6 the implementation of the return on equity in-
7 centive under section 219(c) of the Federal
8 Power Act, as amended by this section, the
9 Commission shall take into consideration the
10 following:

11 (i) The Notice of Proposed Rule-
12 making titled “Electric Transmission In-
13 centives Policy Under Section 219 of the
14 Federal Power Act”, published in the Fed-
15 eral Register on April 2, 2020 (85 Fed.
16 Reg. 18784).

17 (ii) The Supplemental Notice of Pro-
18 posed Rulemaking titled “Electric Trans-
19 mission Incentives Policy Under Section
20 219 of the Federal Power Act”, published
21 in the Federal Register on April 26, 2021
22 (86 Fed. Reg. 21972).

23 (c) SHARED SAVINGS GUIDANCE FOR STATE REGU-
24 LATED UTILITIES.—

1 (1) IN GENERAL.—Not later than 2 years after
2 the date of enactment of this title, the Secretary, in
3 coordination with the Commission and State regu-
4 latory authorities, shall develop and publish on a
5 publicly available Internet website of the Depart-
6 ment of Energy model guidance to support State
7 regulatory authorities in authorizing covered electric
8 utilities to recover a portion of verified cost savings
9 attributable to qualifying utility measures. Compli-
10 ance with such guidance shall be a condition of eligi-
11 bility under subsection (d).

12 (2) MINIMUM ELEMENTS.—The model guidance
13 under paragraph (1) shall include—

14 (A) guidance and principles, developed in
15 accordance with paragraph (3), for determining
16 the baseline performance of a covered electric
17 utility absent a qualifying utility measure;

18 (B) guidance principles, developed in ac-
19 cordance with paragraph (4), for determining
20 the eligible cost savings attributable to a quali-
21 fying utility measure, which may include net
22 fuel-cost or electricity-cost savings achieved
23 through operational improvements to the gen-
24 eration, transmission, or distribution of electric

1 energy, and demand-side measures that reduce
2 or shift load;

3 (C) requirements developed by the Sec-
4 retary in consultation with State regulatory au-
5 thorities for the measurement and verification
6 of a qualifying utility measure and associated
7 total savings;

8 (D) a mechanism established by the appli-
9 cable State regulatory authority, for awarding
10 to a covered electric utility a portion of the
11 verified total savings so determined in para-
12 graph (3); and

13 (E) such other elements as the Secretary
14 determines necessary to ensure that the frame-
15 work is transparent, performance-based, cost-ef-
16 fective, and consistent with state ratemaking
17 practices.

18 (3) GUIDANCE ON DETERMINING BASELINE
19 PERFORMANCE.—

20 (A) IN GENERAL.—In developing the guid-
21 ance under paragraph (2)(A), the Secretary, in
22 coordination with the Commission, shall—

23 (i) consult with State regulatory au-
24 thorities, Independent System Operators,
25 Regional Transmission Organizations, and

1 independent evaluators determined appro-
2 priate by the Secretary;

3 (ii) provide for guidance to support
4 the consistent treatment of covered electric
5 utilities within each market structure de-
6 scribed in paragraph (5), such that simi-
7 larly situated covered electric utilities are
8 evaluated on a comparable basis; and

9 (iii) include in such guidance technical
10 considerations for appropriate normaliza-
11 tion of data to account for exogenous fac-
12 tors such as variability in weather, time,
13 demand or generation conditions, up-
14 grades, interconnections, or operational
15 changes made by other utilities, system op-
16 erators, or market participants, wholesale
17 energy prices, or other variations as deter-
18 mined by the Commission.

19 (B) SUPPORT FROM NATIONAL LABORA-
20 TORIES.—The National Laboratories shall pro-
21 vide such technical support as the Secretary de-
22 termines necessary to carry out this subsection.

23 (4) GUIDANCE ON DETERMINING COST SAV-
24 INGS.—In developing the guidance under paragraph
25 (2)(B), the Secretary shall—

1 (A) provide methodological principles to
2 ensure that cost savings attributable to a quali-
3 fying utility measure are calculated in a manner
4 that reflects recent electricity market data or
5 other appropriate price information, together
6 with the baseline performance of the covered
7 electric utility;

8 (B) support consistency of treatment
9 across covered electric utilities within each cat-
10 egory described in paragraph (5); and

11 (C) provide tools, technical support, and
12 reference data to assist State regulatory au-
13 thorities in applying the principles described in
14 subparagraph (A).

15 (5) APPLICABILITY TO UTILITY MARKET STRUC-
16 TURES.—In carrying out paragraph (1), the Sec-
17 retary shall develop at least one set of model guid-
18 ance for each market structure of covered electric
19 utilities, including:

20 (A) Vertically integrated electric utilities.

21 (B) Covered electric utilities that own or
22 operate transmission infrastructure but not dis-
23 tribution or generation infrastructure.

1 (C) Covered electric utilities that own or
2 operate transmission infrastructure and genera-
3 tion infrastructure.

4 (D) Covered electric utilities that own or
5 operate distribution infrastructure but not
6 transmission or generation infrastructure.

7 (E) Covered electric utilities that own or
8 operate distribution and transmission infra-
9 structure but not generation infrastructure.

10 (d) STATE SHARED SAVINGS GRANT PROGRAM.—

11 (1) ESTABLISHMENT.—Not later than 2 years
12 following the enactment of this title, the Secretary
13 shall establish a program under which the Secretary
14 shall award grants to State regulatory authorities to
15 support the development, implementation, and over-
16 sight of frameworks consistent with the model guid-
17 ance developed under subsection (c)(4) (in this sec-
18 tion referred to as the “grant program”).

19 (2) ELIGIBILITY.—To be eligible for a grant
20 under this section, a State regulatory authority or
21 governing body shall—

22 (A) demonstrate that the programs it ad-
23 ministers for covered electric utilities are con-
24 sistent with the guidance issued under sub-
25 section (c)(4); and

1 (B) provide assurances that grant funds
2 will be used solely to support the design, admin-
3 istration, or oversight of programs authorized
4 under this title.

5 (3) AUTHORIZED USES OF FUNDS.—Amounts
6 awarded under the grant program may only be used
7 to conduct the following activities:

8 (A) The development of a framework (or
9 revision of an existing framework) such that the
10 framework is consistent with a model frame-
11 work under subsection (e), including the fol-
12 lowing:

13 (i) The development, including the de-
14 sign or modeling, of methodologies con-
15 sistent with the methodologies under such
16 model framework.

17 (ii) The development of data systems
18 or other tools necessary for the develop-
19 ment of the framework.

20 (iii) The issuance or revision of regu-
21 lations necessary for the development of
22 the framework.

23 (iv) The engagement with stake-
24 holders with respect to the development of
25 the framework.

1 (B) The implementation or oversight of a
2 framework consistent with a model framework
3 under subsection (e).

4 (4) PROHIBITED USE OF FUNDS.—No amounts
5 awarded under the grant program may be used to
6 pay a covered electric utility.

7 (5) ALLOCATION OF FUNDS.—Of the amounts
8 authorized to be appropriated or otherwise made
9 available to carry out the grant program—

10 (A) not more than 70 percent may be
11 awarded for the conduct of activities under
12 paragraph (3)(A)(i);

13 (B) not less than 30 percent may be
14 awarded for the conduct of activities under
15 paragraph (3)(B); and

16 (C) not more than 5 percent may be obli-
17 gated or expended for Federal administrative
18 expenses.

19 (6) TECHNICAL SUPPORT; PUBLIC REGISTRY.—
20 In carrying out the grant program, the Secretary
21 shall—

22 (A) provide to State regulatory authorities
23 technical assistance in support of activities as
24 described in paragraph (3); and

1 (B) maintain a publicly accessible registry
2 of the activities conducted using amounts
3 awarded under the grant program, for the pur-
4 pose of promoting transparency, replication,
5 and improvement.

6 (7) RECIPIENT REPORTING REQUIREMENTS.—
7 Each recipient of a grant under this section shall
8 submit to the Secretary, on an annual basis for the
9 duration of the period in which grant funds are ex-
10 pended, a report describing the activities carried out
11 using grant funds. A recipient that fails to submit
12 a required report shall be—

13 (A) ineligible for additional awards under
14 this section until the report is submitted; and

15 (B) subject to such other remedies as the
16 Secretary determines appropriate to ensure
17 compliance.

18 (8) REPORTING BY SECRETARY.—Not later
19 than 2 years after the date of enactment of this
20 title, and biennially thereafter, the Secretary shall
21 submit to the appropriate congressional committees
22 a report containing—

23 (A) a summary of the activities conducted
24 using amounts awarded under the grant pro-
25 gram;

1 (B) an assessment of the effectiveness of
2 any framework implemented using such
3 amounts; and

4 (C) an identification of any barrier to the
5 development, implementation, or oversight of a
6 framework consistent with a model framework
7 developed under subsection (d) and rec-
8 ommendations for addressing such barrier, as
9 applicable.

10 (9) AUTHORIZATION OF APPROPRIATIONS.—

11 There are authorized to be appropriated to the Sec-
12 retary such sums as may be necessary to carry out
13 this section.

14 (e) STUDIES ON EFFECTS OF RATE TREATMENTS.—

15 (1) STUDIES.—Not later than 3 years after the
16 date of enactment of this title, and every 3 years
17 thereafter, the Secretary, in consultation with the
18 Commission, shall—

19 (A) conduct a study evaluating any eco-
20 nomic, environmental, or societal effect of inef-
21 ficiency in the electric power sector that are
22 incentivized by existing rate treatments for the
23 transmission of electric energy, including an
24 evaluation of—

1 (i) any such effect on the retail rate-
2 payers, the reliability and resilience of the
3 bulk-power system, emissions of green-
4 house gases and other pollutants, and the
5 deployment of cost-effective solutions that
6 improve access to affordable and reliable
7 electric power; and

8 (ii) alternative frameworks for incen-
9 tive-based (including performance-based)
10 rate treatments, which may include—

11 (I) shared savings frameworks;

12 (II) revenue decoupling models,
13 in which allowed utility revenues are
14 separated from volumetric sales of
15 electricity to reduce disincentives for
16 energy efficiency and demand-side
17 programs;

18 (III) return on equity adjust-
19 ments, in which authorized utility re-
20 turns are increased or decreased
21 based on measurable factors such as
22 risk profile, performance outcomes, or
23 efficiency improvements;

24 (IV) multi-year rate plans, in
25 which utility revenue requirements

1 and performance expectations are es-
2 tablished for a fixed multi-year period,
3 rather than through single-year rate
4 cases;

5 (V) earnings sharing mecha-
6 nisms, in which utility earnings above
7 or below an authorized band around
8 the return on equity are shared be-
9 tween shareholders and ratepayers;

10 (VI) total expenditure models, in
11 which capital and operating expendi-
12 tures are treated on an equivalent
13 basis to reduce bias toward capital in-
14 vestment; and

15 (VII) performance scorecards, in
16 which utilities are evaluated against
17 transparent outcome-based metrics
18 such as reliability, affordability, eq-
19 uity, or emissions, with results in-
20 forming regulatory decisions or incen-
21 tive adjustments; and

22 (B) publish on a publicly available Internet
23 website, and submit to the appropriate congres-
24 sional committees, a report that includes—

1 (i) a detailed description of the find-
2 ings of such study; and

3 (ii) recommendations of the Secretary
4 to align rate treatments for the trans-
5 mission of electric energy with the goals of
6 lowering costs for customers of electric
7 utilities, enhancing the reliable operation of
8 the bulk-power system, reducing trans-
9 mission congestion and other inefficiencies
10 in the transmission or delivery of electric
11 energy, and encouraging the deployment of
12 advanced transmission technologies.

13 (2) DATA.—The Secretary shall ensure that
14 each study under subsection (a) is informed by re-
15 porting collected pursuant to this title, reporting
16 under section 304 of the Federal Power Act (16
17 U.S.C. 825c), and other reporting and data sources
18 as deemed appropriate by the Secretary.

19 (3) RULEMAKING AND GUIDANCE.—Not later
20 than 12 months after the completion of each study
21 conducted under paragraph (1)—

22 (A) the Commission shall initiate a rule-
23 making under section 219 of the Federal Power
24 Act (16 U.S.C. 824s) to consider whether revi-
25 sions to incentive mechanisms for jurisdictional

1 transmitting utilities are warranted in light of
2 the study findings; and

3 (B) the Secretary shall update model guid-
4 ance and technical assistance for covered elec-
5 tric utilities under this title to reflect such find-
6 ings, and shall make such updates publicly
7 available.

8 (f) DEFINITIONS.—In this section:

9 (1) APPROPRIATE CONGRESSIONAL COMMIT-
10 TEES.—The term “appropriate congressional com-
11 mittees” means—

12 (A) the Committee on Energy and Com-
13 merce of the House of Representatives; and

14 (B) the Committee on Energy and Natural
15 Resources of the Senate.

16 (2) COMMISSION.—The term “Commission”
17 means the Federal Energy Regulatory Commission.

18 (3) COVERED ELECTRIC UTILITY.—The term
19 “covered electric utility” means an electric utility
20 not subject to the jurisdiction of the Commission for
21 ratemaking purposes under Part II of the Federal
22 Power Act (16 U.S.C. 824 et seq.).

23 (4) BULK-POWER SYSTEM; ELECTRIC UTILITY;
24 INDEPENDENT SYSTEM OPERATOR; REGIONAL
25 TRANSMISSION ORGANIZATION; STATE REGULATORY

1 AUTHORITY; TRANSMITTING UTILITY.—The terms
2 “bulk-power system”, “electric utility”, “Inde-
3 pendent System Operator”, “Regional Transmission
4 Organization”, “State regulatory authority”, and
5 “transmitting utility” have the meanings given such
6 terms in section 3 of the Federal Power Act (16
7 U.S.C. 796).

8 (5) QUALIFYING UTILITY MEASURE.—The term
9 “qualifying utility measure” means—

10 (A) an action to improve the efficiency of
11 the generation, transmission, or distribution of
12 electric energy, including—

13 (i) the reduction of the proportion of
14 electrical energy lost during transmission
15 or distribution, the improvement of power
16 system efficiency, or the increase in system
17 capacity through—

18 (I) physical upgrades, including
19 reconductoring, transformer upgrades,
20 or the deployment of advanced con-
21 ductors;

22 (II) the deployment of cost-effec-
23 tive digital and technological systems,
24 including dynamic line rating systems,

1 topology optimization, or other grid-
2 enhancing or monitoring technologies;
3 (III) operational improvements,
4 including voltage optimization, phase
5 balancing, or distribution automation;
6 or

7 (IV) such other measures as the
8 Commission and the Secretary of En-
9 ergy may determine appropriate; and
10 (ii) the deployment of energy storage
11 systems or technologies to increase oper-
12 ational efficiency, including by reducing
13 line losses, reducing curtailment of lower-
14 cost generation, and alleviating congestion
15 costs during periods of high demand;

16 (B) demand-side measures enabled by cov-
17 ered utilities to reduce the consumption of elec-
18 tric energy or the peak demand for such energy
19 (measured in avoided megawatt-hours (MWh)
20 or megawatts (MW), respectively), including—

21 (i) technological improvements, such
22 as high-efficiency appliances, smart ther-
23 mostats, distributed energy resources, or
24 building retrofits;

1 (ii) behavioral changes supported by
2 utility programs, such as demand response,
3 load-shifting incentives, or voluntary cur-
4 tailment programs; and

5 (iii) pricing mechanisms, such as
6 time-of-use rates, critical peak pricing, or
7 real-time pricing that encourage customers
8 to shift or reduce demand; and

9 (C) does not include construction of new
10 facilities or the complete reconstruction of exist-
11 ing facilities.

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

14 (7) SIMILARLY-SITUATED TRANSMISSION SEG-
15 MENTS.—The term “similarly-situated transmission
16 segment” means transmission segments that share
17 comparable characteristics, such as voltage class, ge-
18 ography, load profile, or historical performance, as
19 determined by the Commission.

20 (8) TOTAL SAVINGS.—The term “total savings”
21 means the aggregate reduction in costs borne by
22 load-serving entities or retail ratepayers that is de-
23 monstrably attributable to a qualifying transmission
24 measure or qualifying utility measure, as applicable,
25 relative to an applicable baseline established under

1 this title. Such costs may include costs related to
2 transmission losses, wholesale electricity costs, fuel
3 costs, congestion costs, avoided curtailment of gen-
4 eration, deferred or avoided capital expenditures, or
5 other categories of verifiable cost savings as deter-
6 mined appropriate by the Commission or the Sec-
7 retary.

8 (9) QUALIFYING TRANSMISSION MEASURE.—
9 The term “qualifying transmission measure”—

10 (A) means an operational or technological
11 improvement, deployment, or upgrade that de-
12 monstrably enhances the efficiency, capacity, re-
13 liability, or resilience of 1 or more transmission
14 facilities or transmission segments, including—

15 (i) the reconductoring of such seg-
16 ment or segments;

17 (ii) the deployment of grid enhancing
18 technologies; and

19 (iii) any other measure determined
20 appropriate by the Commission to reduce
21 costs to ratepayers, increase efficiency, or
22 improve system performance;

23 (B) may include measures that generate
24 demonstrable and verifiable cost savings for
25 ratepayers beyond line-loss reduction, including

1 avoided congestion costs, avoided curtailment of
2 generation, or deferred or avoided capital ex-
3 penditures, as authorized by the Commission
4 under subsection (a)(1)(F); and

5 (C) does not include the construction of a
6 new transmission facility or the complete recon-
7 struction of an existing transmission facility, in-
8 cluding replacement of all major components
9 such as towers, poles, conductors, or sub-
10 stations associated with that line, such that the
11 project is effectively equivalent to the construc-
12 tion of a new transmission facility.

13 (10) TRANSMISSION LINE LOSS.—The term
14 “transmission line loss” means the amount of elec-
15 trical energy that is not delivered to the exit point
16 of a transmission segment, represented by the dif-
17 ference in the total amount of electrical energy en-
18 tering a transmission segment and the total amount
19 of electrical energy exiting that transmission seg-
20 ment, as measured over the same period of time.

21 (11) TRANSMISSION SEGMENT.—The term
22 “transmission segment” means a functionally dis-
23 tinct portion of a transmission system, which may
24 consist of a single line, circuit, or path, or an aggre-
25 gation of such facilities within a defined zone be-

1 tween substations or other network nodes, for which
2 energy inputs and outputs may be independently
3 measured, including the calculation of the ratio of
4 line loss, as determined by the Commission.

5 (12) VERTICALLY INTEGRATED ELECTRIC UTIL-
6 ITY.—The term “vertically integrated electric util-
7 ity” means a covered electric utility that owns and
8 operates generation, transmission, and distribution
9 facilities, and directly provides retail electric service
10 to end-use customers.

11 (13) QUALIFYING SAVINGS CATEGORY.—The
12 term “qualifying savings category” means a source
13 of demonstrable and verifiable cost savings for rate-
14 payers attributable to the operation of transmission
15 facilities, which may include reduced congestion
16 costs, avoided curtailment of renewable generation,
17 or deferred or avoided capital expenditures.

18 (14) GRID-ENHANCING TECHNOLOGY.—The
19 term “grid-enhancing technology” means any hard-
20 ware or software that—

21 (A) increases the capacity, efficiency, reli-
22 ability, resilience, or safety of transmission fa-
23 cilities and transmission technologies; and

24 (B) is installed in addition to transmission
25 facilities and transmission technologies—

1 (i) to give operators of the trans-
2 mission facilities and transmission tech-
3 nologies more situational awareness and
4 control over the electric grid;

5 (ii) to make the transmission facilities
6 and transmission technologies more effi-
7 cient; or

8 (iii) to increase the transfer capacity
9 of the transmission facilities and trans-
10 mission technologies.

11 **SEC. 602. RATEPAYER PROTECTION AGAINST UNECONOMIC**
12 **FOSSIL PLANTS.**

13 Section 202(c) of the Federal Power Act (16 U.S.C.
14 824a) is amended—

15 (1) in paragraph (1)—

16 (A) by striking “Commission” after “Dur-
17 ing the continuance of any war in which the
18 United States is engaged, or whenever the” and
19 inserting “Secretary of Energy (referred to in
20 this subsection as the ‘Secretary’)”;

21 (B) by inserting “that occur not later than
22 1 year from a given date” after “other causes”;

23 (C) by striking “the Commission shall have
24 authority” and inserting “the Secretary shall,
25 beginning on such date, have authority”; and

1 (D) by striking “Commission” after “car-
2 rying out such order, the” and inserting “Sec-
3 retary”;

4 (2) in paragraph (4) by striking “Commission”
5 wherever it appears and inserting “Secretary”; and
6 (3) by adding at the end the following:

7 “(6)(A) As part of an order under paragraph
8 (1), the Secretary shall publish—

9 “(i) estimates of the costs that are ex-
10 pected to be incurred by any electric utility
11 and customers of such electric utility as a
12 result of the order; and

13 “(ii) other expected impacts of the
14 order.

15 “(B) Not later than 30 days after the pub-
16 lication of an order under paragraph (1), any
17 electric utility that has been, or is expected to
18 be, impacted as a result of the order, including
19 any electric utility identified under subpara-
20 graph (A), shall provide in writing to customers
21 of the electric utility—

22 “(i) an identification of the order, in-
23 cluding the Uniform Resource Locator
24 (URL) of the order on the internet; and

1 “(ii) a description of the cost impacts
2 that have occurred, or are expected to
3 occur, as the result of the order, including
4 any information relevant to the electric
5 utility and the customers of the electric
6 utility published under subparagraph (A).

7 “(7) Not later than 60 days after the issuance
8 of an order under paragraph (1), the Federal En-
9 ergy Regulatory Commission (referred to in this
10 paragraph as the ‘Commission’) shall publish an
11 analysis of the estimates of the costs made by the
12 Secretary under paragraph (6)(A). The analysis
13 shall be published in accord with the public partici-
14 pation process of the Commission as established
15 under section 319.”.

16 **SEC. 603. CONSUMER PROTECTION FROM ENERGY MARKET**
17 **MANIPULATION.**

18 (a) AMENDMENTS TO THE FEDERAL POWER ACT.—

19 (1) ENFORCEMENT OF CERTAIN PROVISIONS.—

20 Section 316A of the Federal Power Act (16 U.S.C.
21 825o–1) is amended by adding at the end the fol-
22 lowing:

23 “(c) PROHIBITION OR SUSPENSION FOR VIOLA-
24 TIONS.—The Commission may prohibit, conditionally or
25 unconditionally, permanently or for such period of time

1 as the Commission determines to be appropriate, any per-
2 son who is engaged or has engaged in practices consti-
3 tuting a violation of section 221 or 222 (and related rules
4 and regulations) from engaging, directly or indirectly, in
5 the business of purchasing or selling—

6 “(1) electric energy;

7 “(2) electric energy products, including finan-
8 cial transmission rights; or

9 “(3) transmission services subject to the juris-
10 diction of the Commission.”.

11 (2) CONFORMING AMENDMENTS.—Section
12 314(d) of the Federal Power Act (16 U.S.C.
13 825m(d)) is amended—

14 (A) in the matter preceding paragraph
15 (1)—

16 (i) by striking “individual” and insert-
17 ing “person”; and

18 (ii) by inserting “or 222” after “sec-
19 tion 221”;

20 (B) in paragraph (1), by inserting “with
21 respect to a person who is an individual,” be-
22 fore “acting”; and

23 (C) in paragraph (2)—

1 (i) in the matter preceding subpara-
2 graph (A), by inserting “, directly or indi-
3 rectly,” after “engaging”;

4 (ii) in subparagraph (A), by striking
5 “; or” and inserting a semicolon;

6 (iii) by redesignating subparagraph
7 (B) as subparagraph (C); and

8 (iv) by inserting after subparagraph
9 (A) the following:

10 “(B) electric energy products, including fi-
11 nancial transmission rights; or”.

12 (b) AMENDMENTS TO NATURAL GAS ACT.—

13 (1) PROHIBITION ON FILING FALSE INFORMA-
14 TION.—The Natural Gas Act (15 U.S.C. 717 et
15 seq.) is amended by inserting after section 4A the
16 following:

17 **“SEC. 4B. PROHIBITION ON FILING FALSE INFORMATION.**

18 “No person shall willfully and knowingly report to a
19 Federal agency or private-sector price-reporting agency,
20 with intent to fraudulently affect the data being compiled
21 by the Federal agency or private-sector price-reporting
22 agency, any information relating to the transportation or
23 sale of natural gas subject to the jurisdiction of the Com-
24 mission (including information relating to the availability
25 and prices of natural gas sold at wholesale and in inter-

1 state commerce and information relating to the operation
2 of facilities for the transportation and sale of natural gas
3 at wholesale and in interstate commerce) that the person
4 knows to be false at the time of the reporting.”.

5 (2) CIVIL PENALTY AUTHORITY.—Section 22 of
6 the Natural Gas Act (15 U.S.C. 717t–1) is amended
7 by adding at the end the following:

8 “(d) PROHIBITION OR SUSPENSION FOR VIOLA-
9 TIONS.—The Commission may prohibit, conditionally or
10 unconditionally, permanently or for such period of time
11 as the Commission determines to be appropriate, any per-
12 son who is engaged or has engaged in practices consti-
13 tuting a violation of section 4A or 4B (including related
14 rules and regulations) from engaging, directly or indi-
15 rectly, in the business of purchasing or selling—

16 “(1) natural gas; or

17 “(2) transmission services subject to the juris-
18 diction of the Commission.”.

19 (3) CONFORMING AMENDMENTS.—Section
20 20(d) of the Natural Gas Act (15 U.S.C. 717s(d))
21 is amended—

22 (A) in the matter preceding paragraph (1),
23 by striking “individual” and inserting “person”;

1 (B) in paragraph (1), by inserting “with
2 respect to a person who is an individual,” be-
3 fore “acting”; and

4 (C) in paragraph (2), in the matter pre-
5 ceding subparagraph (A), by inserting “, di-
6 rectly or indirectly,” after “engaging”.

7 **SEC. 604. AVOIDING COST SHIFTS ONTO FAMILIES.**

8 (a) IN GENERAL.—Section 111(d) of the Public Util-
9 ity Regulatory Policies Act of 1978 (16 U.S.C. 2621(d))
10 is amended by adding at the end the following:

11 “(22) LARGE LOAD FACILITY CLASS.—

12 “(A) CLASSIFICATION.—Large load facili-
13 ties shall be considered a class of electric con-
14 sumers.

15 “(B) COST RECOVERY RELATING TO
16 LARGE LOAD FACILITY CLASS.—Each electric
17 utility that provides electric service to a class of
18 electric consumers described in subparagraph
19 (A) shall fully recover from such class all costs
20 associated with any upgrade made to the gen-
21 eration, transmission, or distribution infrastruc-
22 ture of an electric grid, including local infra-
23 structure, in order to meet the demand for elec-
24 tric energy from such class, including in the
25 event that a large load facility ceases operations

1 or uses less electric energy than projected at
2 the time of such upgrade.

3 “(23) GRID RELIABILITY FOR LARGE LOAD FA-
4 CILITIES.—Each electric utility shall prioritize,
5 among requests from owners or operators of large
6 load facilities for electric service, such a request
7 under which the owner or operator agrees to em-
8 ploy—

9 “(A) features that reduce the demand for
10 electric energy from the electric grid during
11 times of peak demand, including—

12 “(i) energy efficiency or energy con-
13 servation measures;

14 “(ii) onsite energy storage; or

15 “(iii) demand response or load flexi-
16 bility technologies; and

17 “(B) zero-emission electric energy gen-
18 erated onsite or procured through a power pur-
19 chase agreement to meet all of the demand of
20 the large load facility for electric energy.”.

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

24 “(e) DEFINITIONS.—For the purposes of subsection
25 (d):

1 “(1) LARGE LOAD FACILITY.—The term ‘large
2 load facility’—

3 “(A) means a facility, or an aggregation of
4 facilities at a single site, with respect to which
5 the peak demand of such facility or such aggre-
6 gation of facilities exceeds 75 megawatts; and

7 “(B) does not include an existing facility
8 with respect to which any increased demand is
9 predominantly caused by electrification or
10 measures to reduce greenhouse gas emissions.

11 “(2) ZERO-EMISSION ELECTRIC ENERGY.—The
12 term ‘zero-emission electric energy’ means electric
13 energy generated without emitting greenhouse gases,
14 including from solar, wind, geothermal, hydro-
15 electric, tidal, or nuclear.”.

16 (c) CONFORMING AMENDMENTS.—

17 (1) OBLIGATIONS TO CONSIDER AND DETER-
18 MINE.—Section 112 of the Public Utility Regulatory
19 Policies Act of 1978 (16 U.S.C. 2622) is amended—

20 (A) in subsection (b), by adding at the end
21 the following:

22 “(9)(A) Not later than 1 year after the date of
23 enactment of this paragraph, each State regulatory
24 authority (with respect to each electric utility for
25 which the State has ratemaking authority) and each

1 nonregulated utility shall commence consideration
2 under section 111, or set a hearing date for consid-
3 eration, with respect to each standard established by
4 paragraphs (22) and (23) of section 111(d).

5 “(B) Not later than 2 years after the date
6 of enactment of this paragraph, each State reg-
7 ulatory authority (with respect to each electric
8 utility for which the State has ratemaking au-
9 thority), and each nonregulated electric utility
10 shall complete the consideration and make the
11 determination under section 111 with respect to
12 each standard established by paragraphs (22)
13 and (23) of section 111(d).”;

14 (B) in subsection (c)—

15 (i) by striking “subsection (b)(2)” and
16 inserting “subsection (b)”; and

17 (ii) by inserting “In the case of the
18 standard established by paragraphs (22)
19 and (23) of section 111(d), the reference
20 contained in this subsection to the date of
21 enactment of this Act shall be deemed to
22 be a reference to the date of enactment of
23 such paragraphs (22) and (23).” after
24 “paragraph (21).”; and

25 (C) by adding at the end the following:

1 “(i) OTHER PRIOR STATE ACTIONS.—

2 Subsections (b) and (c) shall not apply to
3 the standards established by paragraphs
4 (22) and (23) of section 111(d) in the case
5 of any electric utility in a State if, before
6 the date of enactment of this subsection—

7 “(1) the State has implemented for the electric
8 utility the standard concerned (or a comparable
9 standard);

10 “(2) the State regulatory authority for the
11 State or the relevant nonregulated electric utility has
12 conducted a proceeding to consider implementation
13 of the standard concerned (or a comparable stand-
14 ard) for the electric utility; or

15 “(3) the State legislature has voted on the im-
16 plementation of the standard concerned (or a com-
17 parable standard) for the electric utility during the
18 3-year period ending on that date of enactment.”.

19 (2) PRIOR AND PENDING PROCEEDINGS.—Sec-
20 tion 124 of the Public Utility Regulatory Policies
21 Act of 1978 (16 U.S.C. 2634) is amended by insert-
22 ing “In the case of each standard established by
23 paragraphs (22) and (23) of section 111(d), the ref-
24 erence contained in this section to the date of enact-
25 ment of this Act shall be deemed to be a reference

1 to the date of enactment of such paragraphs (22)
2 and (23).” after “paragraph (21).”.

3 **SEC. 605. TRUE COSTS AND VALUE OF ENERGY FOR ECO-**
4 **NOMIC AND PUBLIC BENEFIT.**

5 (a) ENERGY PRODUCTIVITY ASSESSMENTS.—

6 (1) BASELINE ASSESSMENT.—Not later than 2
7 years after the date of enactment of this Act, the
8 Secretary of Energy, in consultation with the Task
9 Force established under subsection (c) of this Act,
10 shall publish a comprehensive baseline assessment of
11 energy productivity in the United States, which
12 shall, at a minimum—

13 (A) define a framework and methodology
14 for measuring energy productivity as the rela-
15 tionship between energy inputs and the eco-
16 nomic or societal value of the work performed
17 by those inputs, at the national, regional, and
18 sectoral levels;

19 (B) evaluate current energy productivity
20 performance at the national, regional, and sec-
21 toral levels;

22 (C) identify barriers to improved energy
23 productivity across economic sectors; and

1 (D) highlight opportunities for improve-
2 ment through technology, policy, behavioral, or
3 structural interventions.

4 (2) PERIODIC NATIONAL ENERGY PRODUC-
5 TIVITY REPORTING.—Not later than 6 months after
6 the publication of the baseline assessment under
7 paragraph (1), and at least quarterly thereafter, the
8 Administrator of the Energy Information Adminis-
9 tration shall publish a report on energy productivity
10 in the United States using the same measures of
11 economic output in each sector and nationally as
12 those used in the estimates of labor productivity
13 published by the Bureau of Labor Statistics. The
14 Administrator of the Energy Information Adminis-
15 tration shall coordinate with the Secretary of Labor
16 on such energy productivity reports so the publica-
17 tion of such energy productivity reports is on the
18 same timeline as the reporting of labor productivity
19 by the Bureau of Labor Statistics.

20 (3) NATIONAL ENERGY PRODUCTIVITY MOD-
21 ELING.—Not later than 18 months after the date of
22 enactment of this Act, and every three years there-
23 after, the Secretary of Energy shall produce a com-
24 prehensive National Energy Productivity Assessment

1 using existing Federal modeling tools and data sys-
2 tems. The assessment shall—

3 (A) quantify the direct and indirect eco-
4 nomic, environmental, health, and societal im-
5 pacts of achieving accelerated energy produc-
6 tivity improvements, relative to a business-as-
7 usual scenario, at the national, regional, and
8 sectoral levels;

9 (B) analyze potential policy pathways to
10 enhance competitiveness, reduce energy costs,
11 increase resilience, and support job creation;

12 (C) evaluate how such improvements affect
13 national and regional well-being, including re-
14 ductions in pollution, energy costs, public health
15 burdens, water use, and economic vulnerability;

16 (D) evaluate risks associated with delayed
17 action, including stranded asset exposure and
18 competitiveness losses; and

19 (E) include, as appropriate, recommenda-
20 tions for Federal policies, programs, and re-
21 search priorities to support sustained energy
22 productivity gains.

23 (4) REPORTS ON ENERGY PRODUCTIVITY AND
24 COMPETITIVENESS.—Not later than two years after
25 the date of enactment of this Act, the Secretary of

1 Energy shall submit to Congress a report detailing
2 how improvements in energy productivity in the
3 United States affects United States competitiveness
4 in key economic sectors, including manufacturing,
5 services, and energy-intensive industries. The report
6 shall include modeling scenarios, investment implica-
7 tions, and policy options to maximize national eco-
8 nomic benefits from improved energy productivity.

9 (b) IMPROVING ENERGY INDICATORS.—

10 (1) STANDARDIZED REPORTING ON ENERGY IN-
11 DICATORS.—

12 (A) IN GENERAL.—Not later than 18
13 months after the date of enactment of this Act,
14 the Task Force established under section 5 of
15 this Act shall develop standardized methodolo-
16 gies for collecting, evaluating, assembling, ana-
17 lyzing, and disseminating data and other infor-
18 mation on the following indicators:

19 (i) National energy potential, where
20 the term “national energy potential”
21 means the theoretical maximum amount of
22 energy physically present within a coun-
23 try’s geographic boundary, including the
24 country’s Exclusive Economic Zone, across
25 all energy forms, including—

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1 (I) energy stocks for—

2 (aa) oil and gas, in units of
3 chemical energy, which in-
4 cludes—

5 (AA) proven reserves as
6 determined by the Energy
7 Information Administration;

8 (BB) probable reserves
9 as determined by the Energy
10 Information Administration;

11 (CC) undiscovered tech-
12 nically recoverable resources
13 as determined by the United
14 States Geological Survey;
15 and

16 (DD) undiscovered un-
17 recoverable resources as de-
18 termined by the United
19 States Geological Survey;

20 (bb) coal, in units of chem-
21 ical energy, which includes identi-
22 fied and undiscovered resources,
23 as determined by the United
24 States Geological Survey; and

1 (cc) nuclear fuel, in units of
2 fissionable energy from reason-
3 ably assured, estimated addi-
4 tional, and speculative uranium
5 and thorium resources, as deter-
6 mined by the Energy Information
7 Administration; and

8 (II) energy flows for—

9 (aa) solar energy, in units of
10 annual total Global Horizontal
11 Irradiance;

12 (bb) wind energy, in units of
13 annual kinetic energy from wind
14 at hub heights and atmospheric
15 conditions consistent with com-
16 mercial wind energy applications,
17 as determined by the Department
18 of Energy;

19 (cc) hydropower energy, in
20 units of annual gravitational po-
21 tential energy from inland water
22 flows that, at a minimum, could
23 power a micro hydropower plant,
24 as determined by the Department
25 of Energy;

1 (dd) geothermal energy, in
2 units of annual subsurface ther-
3 mal energy at a subsurface depth
4 of 10 kilometers or less, or under
5 temperature, pressure, and geo-
6 logical conditions suitable for en-
7 ergy extraction, as determined by
8 the Department of Energy;

9 (ee) biomass-based energy,
10 in units of annual chemical en-
11 ergy, including primary re-
12 sources, and secondary and ter-
13 tiary residues, as determined by
14 the Department of Energy; and

15 (ff) marine energy, in units
16 of annual mechanical, thermal,
17 and chemical potential energy in
18 the Exclusive Economic Zone of
19 the United States.

20 (ii) Technically-accessible energy po-
21 tential, where the term “technically-acces-
22 sible energy potential” means the theo-
23 retical maximum amount of national en-
24 ergy potential that can be accessed and
25 converted into usable energy using existing

1 commercially-available technologies and in-
2 dustry-standard practices, without regard
3 to cost or policy.

4 (iii) Cost-qualified energy potential,
5 where term “cost-qualified energy poten-
6 tial” means the theoretical maximum
7 amount of technically-accessible energy po-
8 tential that could be profitably developed
9 and delivered as usable energy under cur-
10 rent or anticipated near-term economic
11 conditions, as determined using prevailing
12 market prices, technology costs, and indus-
13 try-standard practices, considering existing
14 ordinances and regulations and current in-
15 dustry practices for siting for energy
16 stocks and energy flows.

17 (iv) Market-viable energy potential,
18 where the term “market-viable energy po-
19 tential” means the amount of cost-qualified
20 energy potential that is already online or
21 likely to be developed and brought online
22 in practice, at the time of reporting in sub-
23 section (b)(1)(B)(ii).

24 (v) Secondary energy, where the term
25 “secondary energy”—

1 (I) means the amount of energy
2 resources that have been converted
3 into intermediate carriers electricity
4 generation;

5 (II) represents energy forms that
6 can be stored, transported, distrib-
7 uted, or further converted before final
8 consumption; and

9 (III) includes, but is not limited
10 to, electricity, refined fuels (such as
11 refined petroleum products, hydrogen,
12 or synthetic fuels), and district heat.

13 (vi) Final energy, where the term
14 “final energy”—

15 (I) means the amount of sec-
16 ondary energy in the form delivered
17 for end-use consumption for consump-
18 tion in buildings, transportation, in-
19 dustrial processes, or other sectors or
20 applications; and

21 (II) includes, but is not limited
22 to, electricity, refined fuels (such as
23 refined petroleum products, hydrogen,
24 or synthetic fuels), and district heat.

1 (vii) Useful energy, where the term
2 “useful energy”—

3 (I) means the amount of final en-
4 ergy that is effectively converted into
5 the desired service or output after ac-
6 counting for energy losses during end-
7 use conversion; and

8 (II) includes lighting, mechanical
9 work and motion, heating and cooling,
10 chemical process energy, and any
11 other end use services delivered to
12 meet a desired function.

13 (viii) Exergy, where term “exergy”
14 means the amount of usable energy and re-
15 sulting work obtainable from a system or
16 energy stream, accounting for both the
17 quantity and quality of energy.

18 (ix) Exergy efficiency, where the term
19 “exergy efficiency” means the extent to
20 which the exergy is preserved and con-
21 verted into valuable economic or societal
22 services during their use for a given sys-
23 tem, sector, or economy.

24 (B) INCORPORATION OF NEW INDICATORS
25 IN DEPARTMENT REPORTING.—

1 (i) IN GENERAL.—Not later than 2
2 years after the initial development of the
3 standardized methodologies under para-
4 graph (1), the Secretary of Energy shall,
5 as part the Department of Energy’s mod-
6 eling frameworks, scenario analysis tools,
7 and energy outlooks, collect, evaluate, as-
8 semble, analyze, and disseminate data and
9 other information related to the indicators
10 listed in clauses (i) through (ix) of sub-
11 paragraph (A).

12 (ii) COVERED REPORTING.—The mod-
13 eling frameworks, scenario analysis tools,
14 and energy outlooks described in clause (i)
15 include—

16 (I) the Annual Energy Outlook;
17 (II) to the maximum extent pos-
18 sible—

19 (aa) the Monthly Energy
20 Review;

21 (bb) the International En-
22 ergy Outlook;

23 (cc) the State Energy Data
24 System; and

1 (dd) the Short-Term Energy
2 Outlook; and
3 (III) any successor model or
4 analysis to a model or analysis de-
5 scribed in subclauses (I) and (II).

6 (C) TRANSPARENCY AND DOCUMENTA-
7 TION.—The Administrator of the Energy Infor-
8 mation Administration shall publish and main-
9 tain detailed documentation on how the Task
10 Force developed the methodologies under sub-
11 paragraph (A).

12 (2) STUDY ON PRIMARY ENERGY INDICA-
13 TORS.—

14 (A) REQUIRED STUDY.—The Secretary of
15 Energy, with support from the Administrator of
16 the Energy Information Administration, rel-
17 evant offices within the Department of Energy,
18 and the Task Force, shall conduct a com-
19 prehensive study on the validity, limitations,
20 and potential alternatives to the use of the indi-
21 cators for primary energy in national energy ac-
22 counting.

23 (B) SCOPE OF STUDY.—The study shall
24 include—

1 (i) an evaluation of the conceptual
2 basis and historical rationale for the cur-
3 rent indicator for primary energy cal-
4 culated and reported by the Energy Infor-
5 mation Administration;

6 (ii) an assessment of the limitations of
7 primary energy accounting in accurately
8 reflecting energy efficiency, energy transi-
9 tions, and the value and comparability of
10 combustible and non-combustible energy
11 sources;

12 (iii) an analysis of alternative indica-
13 tors, including secondary energy, final en-
14 ergy, useful energy, and exergy, and their
15 suitability for integration into national en-
16 ergy statistics;

17 (iv) a review of international best
18 practices for energy accounting, including
19 methodologies used by the International
20 Energy Agency and peer nations; and

21 (v) recommendations for improve-
22 ments or replacements to the primary en-
23 ergy indicator that better align with na-
24 tional goals for energy efficiency, elec-

1 trification, decarbonization, and economic
2 productivity.

3 (C) REPORT TO CONGRESS.—Not later
4 than 18 months after the date of enactment of
5 this Act, the Secretary of Energy shall submit
6 to the Committee on Energy and Commerce of
7 the House of Representatives and the Com-
8 mittee on Energy and Natural Resources of the
9 Senate a report containing the findings and rec-
10 ommendations of the study required under sub-
11 paragraph (A).

12 (c) ESTABLISHMENT OF ENERGY PRODUCTIVITY
13 AND COST TASK FORCE.—

14 (1) ESTABLISHMENT.—Not later than 180 days
15 after the date of enactment of this Act, the Sec-
16 retary of Energy shall establish an advisory group,
17 to be known as the “Energy Productivity and Value
18 Task Force” (in this Act referred to as the “Task
19 Force”), which shall be led by the Secretary of En-
20 ergy.

21 (2) MEMBERSHIP.—

22 (A) FEDERAL AGENCIES.—The following
23 heads of Federal agencies shall serve as mem-
24 bers of the Task Force:

25 (i) The Secretary of Energy.

1 (ii) The Secretary of Commerce.

2 (iii) The Administrator of the Envi-
3 ronmental Protection Agency.

4 (iv) The Administrator of the Energy
5 Information Administration.

6 (v) The Chairman of the Federal En-
7 ergy Regulatory Commission.

8 (vi) The Administrator of the Na-
9 tional Oceanic and Atmospheric Adminis-
10 tration.

11 (vii) The Director of the United
12 States Geological Survey.

13 (viii) The Assistant Secretary for
14 Health of the Department of Health and
15 Human Services.

16 (ix) The Director of the Office of
17 Science and Technology Policy.

18 (B) INDEPENDENT TECHNICAL EX-
19 PERTS.—

20 (i) IN GENERAL.—The Secretary of
21 Energy, in consultation with the other
22 heads of Federal agencies listed in sub-
23 paragraph (A), shall appoint independent
24 technical experts as members of the Task
25 Force, which shall consist of independent

1 technical experts with a demonstrated ex-
2 pertise in—

3 (I) environmental and energy ec-
4 onomics;

5 (II) energy technologies, includ-
6 ing renewables, fossil fuel systems,
7 bioenergy, and energy storage;

8 (III) public health and environ-
9 mental epidemiology;

10 (IV) ecology and ecosystem serv-
11 ices;

12 (V) industrial engineering and
13 lifecycle assessment; and

14 (VI) any other field the Oversight
15 Board determines relevant for the
16 purposes of this Act.

17 (ii) NUMBER OF EXPERTS.—Under
18 subparagraph (A), the Secretary of Energy
19 shall appoint—

20 (I) at least one independent tech-
21 nical expert for each field under sub-
22 clauses (I) through (VI) of such sub-
23 paragraph; and

24 (II) separate independent tech-
25 nical experts for each such field.

1 (C) STAKEHOLDER REPRESENTATIVES.—

2 The Secretary of Energy, in consultation with
3 the other heads of Federal agencies listed in
4 subparagraph (A), shall appoint stakeholders as
5 members of the Task Force, which shall consist
6 of at least one, but not more than two, stake-
7 holders that represent each of—

8 (i) the electric power sector;

9 (ii) the renewable energy sector;

10 (iii) the non-renewable energy sector;

11 (iv) consumer advocacy groups;

12 (v) energy-intensive industries;

13 (vi) environmental and public interest
14 advocacy organizations;

15 (vii) the National Academies of
16 Sciences, Engineering, and Medicine;

17 (viii) academic- and National Labora-
18 tory-based researchers with expertise in—

19 (I) energy and economics;

20 (II) climate and economics; or

21 (III) environmental systems and
22 economics; and

23 (ix) any other sectors or organizations
24 the Secretary of Energy determines rel-
25 evant for the purposes of this Act.

1 (3) TERMINATION.—Notwithstanding section
2 1013 of title 5, United States Code, the Task Force
3 shall terminate on the date that is 3 years after the
4 date of enactment of this section.

5 (d) LIFECYCLE IMPACT AND COSTS OF ENERGY
6 TECHNOLOGIES.—

7 (1) COMPREHENSIVE ANALYTICAL FRAMEWORK
8 AND DATASET.—The Secretary of Energy shall de-
9 velop and maintain a comprehensive analytical
10 framework and dataset based on the methodology
11 and guiding principles submitted to the Secretary of
12 Energy by the Task Force under paragraph (3).

13 (2) ASSESSMENT OF LIFECYCLE IMPACTS AND
14 COSTS.—

15 (A) DEVELOPMENT AND MAINTENANCE.—

16 The Secretary of Energy shall use the com-
17 prehensive analytical framework and dataset de-
18 veloped and maintained under subsection (a) to
19 prepare an assessment of the full lifecycle im-
20 pacts and costs of producing and delivering en-
21 ergy services from each major energy resource
22 or technology, including impacts and costs from
23 upstream, operational, and downstream stages
24 from extraction to end-use and waste manage-
25 ment.

1 (B) SCOPE OF ASSESSMENT.—The assess-
2 ment prepared under paragraph (1) shall in-
3 clude, for each major energy resource or tech-
4 nology, a complete quantification and character-
5 ization of the lifecycle impacts associated with
6 producing and delivering energy services using
7 the resource or technology, including, impacts
8 from—

9 (i) energy inputs and losses, from ex-
10 traction through end use and waste man-
11 agement, including embodied energy;

12 (ii) material use, including chemical
13 use, and waste generation;

14 (iii) water use, including withdrawals,
15 consumption, quality impacts, and other
16 risks to water availability, quality, and eco-
17 system function;

18 (iv) pollution and emissions, including
19 emissions of greenhouse gases and other
20 air pollutants, water pollutants, and land
21 disturbance; and

22 (v) indirect and direct costs to social,
23 environmental, and economic well-being re-
24 sulting from such impacts.

1 (C) USES OF ASSESSMENT.—The Sec-
2 retary of Energy shall use the assessment pre-
3 pared under paragraph (1)—

4 (i) to develop strategic planning, in-
5 vestment prioritization, policies and pro-
6 grams, and regulatory analysis to limit the
7 social, environmental, and economic costs
8 of energy production and use;

9 (ii) to inform the allocation of grants
10 and making loans and loan guarantees for
11 Federal energy research, development,
12 State and local programs, and demonstra-
13 tions; and

14 (iii) as a resource for future reports
15 and analyses of energy productivity, recog-
16 nizing the link between resource impacts
17 and social, economic, and environmental
18 well-being.

19 (D) UPDATES AND AVAILABILITY.—The
20 Secretary of Energy shall—

21 (i) update the assessment at regular
22 intervals, but not less frequently than once
23 every 3 years;

24 (ii) make the results of the assess-
25 ment publicly available in a transparent,

1 machine-readable format, including docu-
2 mentation of assumptions, data sources,
3 and methodologies used; and

4 (iii) publish a report describing the
5 lifecycle social, economic, and environ-
6 mental impacts and costs of producing and
7 delivering energy services from each major
8 renewable or nonrenewable energy resource
9 or technology.

10 (3) TASK FORCE METHODOLOGY AND GUIDING
11 PRINCIPLES.—

12 (A) IN GENERAL.—Not later than the date
13 that is 12 months after the date on which the
14 Task Force is established, the Task Force shall
15 submit to the Secretary of Energy a method-
16 ology and guiding principles for the analytical
17 framework and dataset developed and main-
18 tained by the Secretary of Energy under para-
19 graph (2), including definitions, the scope of
20 the analytical framework and dataset, data
21 sources, and procedures for periodic review, val-
22 idation, and updates to such methodology and
23 guiding principles.

24 (B) RECONVENING TASK FORCE FOR RE-
25 VIEW, VALIDATION, AND UPDATES.—If the Sec-

1 retary of Energy determines that the method-
2 ology and guiding principles submitted to the
3 Secretary of Energy under subparagraph (A)
4 are no longer suitable or otherwise require revi-
5 sion, including in response to new data, ad-
6 vances in analytical methods, or changes in
7 statutory or regulatory requirements, the Sec-
8 retary of Energy may reconvene the Task Force
9 for the sole purpose of submitting to the Sec-
10 retary of Energy an updated methodology and
11 guiding principles by not later than 90 days
12 after the date on which the Task Force is re-
13 convened. Any reconvened Task Force shall ter-
14 minate on the earlier of the date on which it
15 submits the updated methodology and guiding
16 principles to the Secretary or the date that is
17 90 days after the date on which it is recon-
18 vened.

19 (e) DEFINITIONS.—In this section:

20 (1) ENERGY PRODUCTIVITY.—The term “en-
21 ergy productivity” means a measure of how effi-
22 ciently an economy, region, or industry uses energy
23 to generate economic value.

1 (2) MAJOR ENERGY RESOURCE OR TECH-
2 NOLOGY.—The term “major energy resource or tech-
3 nology”—

4 (A) means an energy resource, carrier, or
5 technology and any associated systems for pro-
6 ducing, converting, storing, transmitting, or de-
7 livering energy services that contribute signifi-
8 cantly to the national energy supply, demand,
9 or infrastructure and materially affect energy
10 system performance, emissions, or economic
11 outcomes; and

12 (B) includes—

13 (i) fossil fuels (including coal, petro-
14 leum, and natural gas);

15 (ii) nuclear energy;

16 (iii) renewable energy (including solar,
17 wind, geothermal, hydroelectric, marine,
18 and biomass);

19 (iv) hydrogen and other chemical en-
20 ergy carriers and associated systems;

21 (v) energy storage technologies; and

22 (vi) any other energy resources, car-
23 riers, or technologies that the Secretary de-
24 termines may materially affect the per-
25 formance, emissions, resilience, reliability,

1 or economic outcomes of the national en-
2 ergy system.

3 **SEC. 606. GRID PERFORMANCE DISCLOSURE.**

4 (a) ELECTRICITY TRANSMISSION SCORECARD ELE-
5 MENTS AND VERIFICATION.—

6 (1) REPORTING REQUIREMENTS.—

7 (A) COVERED TRANSMISSION OWNER
8 SCORECARDS.—

9 (i) IN GENERAL.—The Commission
10 shall require each covered transmission
11 owner to annually develop, publish, and
12 submit to the Secretary a report, to be
13 known as a transmission owner scorecard,
14 that includes metrics evaluating the fol-
15 lowing:

16 (I) Ratepayer affordability, which
17 shall assess the cost of transmission
18 services per unit of energy trans-
19 mitted or other metrics that can be
20 used to assess affordability of energy
21 provided to ratepayers.

22 (II) Financing costs, which shall
23 assess the financing structure and
24 cost of capital for a covered trans-
25 mission owner, and may include con-

1 sideration of capital structure and le-
2 verage ratios, reliance on formula
3 rates or other automatic adjustment
4 mechanisms, allowed and earned re-
5 turns on equity, the cost of debt and
6 preferred stock, the presence and
7 magnitude of incentive rate adders,
8 and other related metrics.

9 (III) Investment prudence and
10 cost recovery, which shall assess the
11 prudence of capital investments and
12 the transparency and structure of as-
13 sociated cost recovery mechanisms,
14 and may include the frequency and
15 magnitude of cost disallowances in
16 rate proceedings, the types of facilities
17 or investments associated with dis-
18 allowed costs, the degree of cost recov-
19 ery from ratepayers relative to share-
20 holder contributions, and the trans-
21 parency and accountability of cost al-
22 location frameworks.

23 (IV) Investment effectiveness,
24 which shall assess the value delivered
25 by covered transmission owner invest-

1 ments relative to their costs, including
2 how effectively the covered trans-
3 mission owner considered and de-
4 ployed the most economically efficient
5 solutions to reduce cost burden on
6 ratepayers and the accuracy of project
7 cost estimates, and may include
8 metrics such as benefit-cost ratios, in-
9 vestments in advanced technology de-
10 ployment, non-wires alternatives,
11 reconductoring, grid-enhancing tech-
12 nologies, or other operational up-
13 grades that avoid higher cost capital
14 investment, estimated and actual cost
15 for new or updated assets, and other
16 indicators of prudent capital deploy-
17 ment.

18 (V) Capital expenditure tilt,
19 which shall assess the covered trans-
20 mission owner's balance of spending
21 on capital investment versus oper-
22 ational and maintenance activities.

23 (VI) System reliability and avail-
24 ability, which shall assess the oper-
25 ational performance of the trans-

1 mission facilities of the covered trans-
2 mission owner over the reporting year,
3 including information related to out-
4 ages, equipment availability, and resil-
5 ience to system disturbances, and may
6 be expressed using existing trans-
7 mission-specific reliability indicators,
8 as described by the North American
9 Electric Reliability Corporation or
10 other entity established to oversee and
11 administer reliability standards and
12 procedures for the bulk-power system,
13 metrics regarding the economic costs
14 of outages or lost reliability, or other
15 related metrics.

16 (VII) Physical system perform-
17 ance, which shall assess how effec-
18 tively the transmission facilities
19 owned, operated, or controlled by the
20 covered transmission owner are used
21 to deliver electricity, including both
22 physical and economic performance,
23 and may include technical and non-
24 technical losses, utilization relative to
25 rated capacity and design constraints,

1 age of system components, and other
2 indicators of transmission system uti-
3 lization, performance, and efficiency.

4 (VIII)(aa) Interconnection and
5 access fairness, which shall assess the
6 extent to which the interconnection
7 process for interregional interconnec-
8 tions and new facilities (including
9 generators, energy storage, load, and
10 merchant transmission projects) is
11 conducted in a timely and impartial
12 manner consistent with Commission
13 regulations, including comparisons be-
14 tween affiliated entities and unaffili-
15 ated entities, and may be expressed as
16 the difference in the number of days
17 from initial interconnection request to
18 execution of an Interconnection
19 Agreement, or through related meas-
20 ures of procedural equity.

21 (bb) For purposes of this
22 subclause:

23 (AA) The term “affili-
24 ated entity” means any enti-
25 ty that has a direct or indi-

1 rect relationship with a cov-
2 ered transmission owner or
3 its parent entity that could
4 reasonably influence inter-
5 connection treatment, in-
6 cluding an entity that shares
7 common ownership or con-
8 trolling interest with the
9 covered transmission owner
10 or its parent entity; is a di-
11 rect or indirect subsidiary of
12 the covered transmission
13 owner or its parent entity; is
14 engaged in a joint venture,
15 contractual partnership, or
16 strategic alliance with the
17 covered transmission owner
18 or its parent entity, where
19 such partnership includes
20 shared financial interest,
21 revenue sharing, or asset co-
22 development; or is otherwise
23 determined by the Commis-
24 sion to have a financial, gov-
25 ernance, or operational rela-

1 tionship that may reasonably
2 be expected to influence
3 interconnection
4 prioritization.

5 (BB) The term “unaf-
6 filiated entity” means any
7 entity that has logged an
8 interconnection request with
9 the covered transmission
10 owner and is not an affili-
11 ated entity.

12 (IX) Non-operational cost recov-
13 ery, which shall assess the amount of
14 covered transmission owner spending
15 on lobbying, advertising, penalties,
16 and advocacy activities recovered
17 through customer rates, and may be
18 expressed as a total sum of expendi-
19 tures on such activities, or related
20 metrics.

21 (X) Interregional and regional
22 planning integration, which shall as-
23 sess the extent to which the covered
24 transmission owner participates in co-
25 ordinated regional and interregional

1 transmission planning processes and
2 infrastructure development, and may
3 be expressed as the number and ca-
4 pacity of interregional transmission
5 ties, the share of projects subject to
6 regional or interregional planning re-
7 view, or related metrics.

8 (XI) Any additional matters that
9 may be evaluated using outcome-based
10 performance metrics the Commission
11 determines necessary to improve
12 transparency, affordability, reliability,
13 equity, or environmental performance
14 of the facilities owned, operated, or
15 controlled by the covered transmission
16 owner.

17 (ii) EXEMPTIONS.—The Commission
18 may, by rule, exempt any category of cov-
19 ered transmission owners from the require-
20 ment to include a metric described in
21 clause (i) if the Commission determines
22 that the metric is inapplicable to the cov-
23 ered transmission owners in the category.

24 (iii) COORDINATION.—In preparing
25 and developing a transmission owner score-

1 card pursuant to this subparagraph, a cov-
2 ered transmission owner shall coordinate,
3 as necessary to obtain or estimate data re-
4 quired to be included in a scorecard under
5 this subsection, with any relevant entity,
6 including—

7 (I) regional grid operators, in-
8 cluding Independent System Opera-
9 tors, Regional Transmission Organiza-
10 tions, transmission planning entities,
11 and balancing authorities;

12 (II) interconnected electric utili-
13 ties, including load serving entities
14 and other transmission providers;

15 (III) owners of generation facili-
16 ties, including utility-scale and mer-
17 chant generators seeking interconnec-
18 tion or operating within the service
19 territory of the covered transmission
20 owner; and

21 (IV) regulatory and oversight en-
22 tities, including State public utility
23 commissions, and applicable Federal
24 or State energy, reliability, or environ-
25 mental agencies.

1 (B) REGIONAL TRANSMISSION SCORE-
2 CARDS.—The Commission shall require each
3 Independent System Operator, Regional Trans-
4 mission Organization, and transmission plan-
5 ning entity to annually develop, publish, and
6 submit to the Secretary a report, to be known
7 as a regional transmission scorecard, that in-
8 cludes the following:

9 (i) Aggregation of the metrics re-
10 ported for the year in the transmission
11 owner scorecards of the covered trans-
12 mission owners within the jurisdiction of
13 the applicable ISO, RTO, or transmission
14 planning entity, which shall consist of a
15 summary of such metrics that—

16 (I) reflects weighted or capacity-
17 adjusted averages of covered trans-
18 mission owner-reported metrics, as ap-
19 propriate; and

20 (II) highlights significant intra-
21 regional variation or performance
22 outliers.

23 (ii) Regional-specific metrics, which
24 shall consist of reporting on metrics spe-
25 cific to operational responsibilities of the

1 ISO, RTO, or transmission planning enti-
2 ty, including the following:

3 (I) Market efficiency, which shall
4 assess the extent to which the ISO,
5 RTO, or transmission planning entity
6 is successful in operating efficient
7 wholesale electricity markets, mini-
8 mizing system congestion, and maxi-
9 mizing the use of existing grid infra-
10 structure to deliver cost-effective out-
11 comes for consumers, and may be ex-
12 pressed as average energy and ancil-
13 lary service costs (system-wide and by
14 major zone), system and zonal capac-
15 ity costs where applicable, congestion
16 costs, out-of-market payments, fre-
17 quency of redispatch, implementation
18 of congestion-relieving technologies, or
19 related metrics.

20 (II) Regional interconnection per-
21 formance, which shall assess the effec-
22 tiveness and efficiency of interconnec-
23 tion processes, and may include
24 metrics that measure the duration of
25 queue processing, the rate of project

1 withdrawals, and the share of projects
2 that successfully reach commercial op-
3 eration, or related metrics.

4 (III) Regional and interregional
5 development, which shall assess the
6 extent and effectiveness of regional
7 and interregional transmission plan-
8 ning and buildout, and may be ex-
9 pressed in relation to the number and
10 total capacity of transmission lines de-
11 veloped through regional and inter-
12 regional planning processes, the pro-
13 portion of new transmission projects
14 selected through regional planning
15 processes versus those advanced out-
16 side of such processes (including local
17 or supplemental projects), the number
18 of projects selected through competi-
19 tive processes, the use and outcomes
20 of benefit-cost analysis in project se-
21 lection and development, the fre-
22 quency of stakeholder engagement,
23 the ratio of total investment in inter-
24 regional and regional transmission to

1 investment in local transmission, or
2 other related metrics.

3 (IV) Greenhouse gas emissions
4 intensity, which shall assess the emis-
5 sions profile of electricity delivered
6 within the service territory of the ISO,
7 RTO, or transmission planning entity
8 in the reporting year, and may be ex-
9 pressed as the emissions intensity of
10 delivered electricity in carbon dioxide
11 equivalents per megawatt-hour, or re-
12 lated metrics.

13 (V) Any additional outcome-
14 based performance metrics the Com-
15 mission determines necessary to im-
16 prove transparency, affordability, reli-
17 ability, equity, or environmental per-
18 formance of the transmission system
19 overseen by the RTO, ISO, or trans-
20 mission planning entity.

21 (C) DATA DISCLOSURE.—Each reporting
22 entity shall publish and submit to the Sec-
23 retary, with each scorecard published under this
24 paragraph, all non-confidential underlying data

1 supporting the metrics included in the score-
2 card, in a machine-readable, open-data format.

3 (D) INITIAL REPORTING.—Each reporting
4 entity shall publish and submit to the Secretary
5 its first annual scorecard not later than 2 years
6 after the date of enactment of this Act.

7 (2) METRIC AND METHODOLOGY STANDARDIZA-
8 TION.—The Commission, with input from the Sec-
9 retary, the Administrator, the National Labora-
10 tories, and other stakeholders, where appropriate,
11 shall standardize the metrics required to be included
12 in a scorecard under paragraph (1) and the meth-
13 odologies for calculating such metrics.

14 (3) VERIFICATION REQUIREMENTS.—

15 (A) IN GENERAL.—The Commission shall
16 establish a process by which scorecards required
17 to be developed under paragraph (1) are
18 verified by independent evaluators to ensure ac-
19 curacy, consistency, and credibility prior to pub-
20 lication under such paragraph. The Commission
21 shall include in such process—

22 (i) requirements for the approval by
23 the Commission of independent evaluators,
24 including requirements that an inde-
25 pendent evaluator—

1 (I) possess demonstrated exper-
2 tise in electric transmission planning,
3 data validation, engineering analysis,
4 or grid performance evaluation; and

5 (II) be independent from the en-
6 tity being verified and have no finan-
7 cial, contractual, or governance con-
8 flicts of interest;

9 (ii) procedures for auditing the as-
10 sumptions and methodologies used in ap-
11 plying performance metrics, including to
12 detect selective reporting and ensure align-
13 ment with Commission-defined protocols;

14 (iii) requirements to ensure that no
15 single independent evaluator, or their par-
16 ent company or subsidiary, may evaluate a
17 reporting entity more than 4 years in a
18 row, and not more than 7 times in any 10-
19 year period;

20 (iv) requirements under which an
21 independent evaluator approved by the
22 Commission may verify the information in
23 the scorecard of the reporting entity, by re-
24 viewing supporting documentation, con-
25 ducting project inspections, and applying

1 standardized evaluation, measurement, and
2 verification protocols for the metrics in-
3 cluded in the scorecard;

4 (v) requirements for public disclosure
5 of the results of such verification, including
6 any adjustments to reported values, meth-
7 odologies used in the verification process,
8 and justifications for material discrep-
9 ancies; and

10 (vi) a process for reviewing and refin-
11 ing verification protocols at regular inter-
12 vals, in consultation with any relevant
13 stakeholder advisory group convened under
14 subsection (c), to incorporate advances in
15 data analytics, energy system modeling,
16 and grid performance assessment.

17 (B) ROLE OF NATIONAL LABORATORIES.—

18 In carrying out this paragraph, the Commission
19 shall—

20 (i) collaborate with National Labora-
21 tories that have the necessary expertise, in
22 coordination with the Secretary, to design
23 and publish standardized verification pro-
24 tocols, including templates, analytical tools,
25 and calibration datasets;

1 (ii) utilize the technical expertise of
2 National Laboratories to assist in the
3 training, evaluation, or approval of inde-
4 pendent evaluators;

5 (iii) engage National Laboratories in
6 conducting selective audits or quality as-
7 surance reviews of verified scorecards dur-
8 ing initial implementation of the scorecard
9 reporting and verification process and im-
10 plementation of any subsequent updates to
11 such scorecards; and

12 (iv) consult National Laboratories
13 during periodic updates to the verification
14 process, in coordination with any relevant
15 stakeholder advisory group convened under
16 subsection (c).

17 (4) INDEPENDENT AUDITS.—

18 (A) IN GENERAL.—The Commission, in
19 consultation with the Secretary, shall designate
20 National Laboratories with necessary expertise,
21 or other qualified institutions, to conduct inde-
22 pendent audits of scorecards published under
23 paragraph (1) on a periodic or as-needed basis
24 to ensure the accuracy, completeness, and in-

1 integrity of reported data, methodologies, and
2 performance metrics.

3 (B) INITIATION.—An audit under this
4 paragraph may be initiated—

5 (i) at the discretion of the Secretary;

6 (ii) upon identification of material dis-
7 crepancies in reported metrics;

8 (iii) in response to concerns raised by
9 a stakeholder advisory group convened
10 under subsection (c); or

11 (iv) as part of a randomized, rotating
12 sample of reporting entities to support con-
13 tinuous oversight.

14 (C) RESULTS.—The results of an audit
15 conducted under this paragraph shall be made
16 publicly available not later than 2 months after
17 completion of the audit.

18 (5) RULEMAKING.—

19 (A) IN GENERAL.—Not later than 1 year
20 after the date of enactment of this Act, the
21 Commission shall issue a final rule to carry out
22 this subsection.

23 (B) DEPARTMENT OF ENERGY SUPPORT.—
24 The Secretary shall provide technical assist-
25 ance, subject-matter expertise, and access to

1 relevant data and tools to the Commission in
2 developing the rule required to be published
3 under this paragraph.

4 (C) INCLUSIONS.—The Commission shall
5 include in the rule issued under this para-
6 graph—

7 (i) requirements to ensure timely and
8 consistent reporting, which may include re-
9 quirements for data-sharing agreements,
10 protocols for data access, and other mecha-
11 nisms as necessary to facilitate the comple-
12 tion of scorecards;

13 (ii) allowance for the use of reason-
14 able proxies, estimates, or approximations
15 based on best available data and trans-
16 parent methodologies where direct data is
17 unavailable; and

18 (iii) requirements that all reported
19 metrics reflect a good-faith effort to pro-
20 vide reasonably accurate representations of
21 transmission facility and system perform-
22 ance, subject to Commission review and
23 oversight.

1 (D) REVISIONS.—In issuing any revisions
2 to the rule under this subsection, the Commis-
3 sion shall ensure that—

4 (i) such revisions are based on the
5 outcomes of any applicable technical con-
6 ference held under subsection (c);

7 (ii) the period for public comment on
8 such revisions is not less than 90 days; and

9 (iii) the final rule making such revi-
10 sions is issued not later than 180 days
11 after the close of such period for public
12 comment.

13 (6) ENFORCEMENT.—With respect to any Inde-
14 pendent System Operator, Regional Transmission
15 Organization, or covered transmission owner subject
16 to the requirements of part II of the Federal Power
17 Act that is required to publish a scorecard under
18 paragraph (1), a violation of a requirement of this
19 subsection shall be considered a violation of a provi-
20 sion of such part II for purposes of section 316A of
21 such Act (16 U.S.C. 825o–1).

22 (7) REPORT.—The Secretary shall annually
23 publish a report that compiles and analyzes score-
24 cards submitted to the Secretary under paragraph
25 (1) and, for each metric—

1 (A) ranks the performance of reporting en-
2 tities, grouped by market type and governance
3 structure; and

4 (B) explains the metric and describes any
5 changes over time in the affordability, reli-
6 ability, equity, or environmental performance of
7 the transmission system, as evidenced by
8 changes in the information included by report-
9 ing entities in such scorecards with respect to
10 the metric.

11 (8) SCORECARD REVIEW.—Not later than 3
12 years after the date of enactment of this Act, and
13 every 3 years thereafter, the Secretary, in coordina-
14 tion with the Commission, shall conduct a com-
15 prehensive review of the implementation of this sub-
16 section, including the administration of the sub-
17 section, data collection and coordination, reporting
18 entity compliance, stakeholder engagement, and the
19 effectiveness of the information included in score-
20 cards as a policy tool and issue a public report that
21 includes—

22 (A) an assessment and comparison of the
23 annual changes in utility performance regarding
24 the metrics required to be included in the score-
25 cards;

1 (B) evaluation of data quality, availability,
2 methodologies, and verification practices rel-
3 evant to the scorecards; and

4 (C) findings and recommendations regard-
5 ing the scorecards provided by the technical
6 conferences held and stakeholder advisory group
7 convened under subsection (c).

8 (b) ACCESSIBILITY AND PUBLIC TRANSPARENCY.—

9 (1) ESTABLISHMENT OF PUBLIC-FACING
10 SCORECARD PORTAL.—

11 (A) INITIATION.—Not later than 12
12 months after the date of enactment of this Act,
13 the Secretary, in collaboration with the Com-
14 mission and the Administrator, shall initiate the
15 establishment of a public, searchable online por-
16 tal housing scorecards and underlying data sub-
17 mitted to the Secretary under this Act.

18 (B) PORTAL AVAILABILITY.—Not later
19 than 27 months after the date of enactment of
20 this Act, the Secretary shall establish and make
21 available a public, searchable online portal
22 housing scorecards and underlying data sub-
23 mitted to the Secretary under this Act.

24 (2) INCLUSION IN PORTAL.—The Secretary
25 shall make public through the searchable online por-

1 tal established under this subsection each scorecard,
2 together with the underlying data associated with
3 each scorecard, that is submitted to the Secretary
4 under this Act.

5 (c) SCORECARD IMPROVEMENT.—

6 (1) TECHNICAL CONFERENCES.—The Commis-
7 sion shall hold public technical conferences not less
8 often than once every 3 years to solicit stakeholder
9 feedback on—

10 (A) the effectiveness of scorecard metrics
11 in conveying the performance of a given report-
12 ing entity;

13 (B) the sufficiency and quality of the data
14 disclosed in scorecards;

15 (C) the alignment of scorecards with Fed-
16 eral and State priorities, including affordability
17 and reliability of transmitted electricity; and

18 (D) opportunities to refine metrics in light
19 of emerging technologies, grid conditions, and
20 energy markets.

21 (2) STAKEHOLDER ADVISORY GROUPS.—For
22 purposes of a rulemaking under subsection (a) and
23 each technical conference held under paragraph (1),
24 the Commission shall convene a stakeholder advisory
25 group to provide advice to the Commission. Each

1 such stakeholder advisory group shall be composed
2 of 17 members, as follows:

3 (A) 2 members representing State public
4 utility commissions.

5 (B) 2 members representing covered trans-
6 mission owners.

7 (C) 1 member representing independent
8 power producers.

9 (D) 2 members representing Regional
10 Transmission Organizations.

11 (E) 2 members representing Independent
12 System Operators.

13 (F) 2 members representing transmission
14 planning entities.

15 (G) 2 members representing ratepayer ad-
16 vocacy organizations.

17 (H) 2 members with expertise in energy
18 data and grid analytics.

19 (I) 2 members with expertise in energy
20 systems performance, representing academic or
21 research institutions, including the National
22 Laboratories.

23 (3) RESPONSE REQUIRED.—Not later than 60
24 days after receiving any advice from a stakeholder

1 group convened under paragraph (2), the Commis-
2 sion shall respond in writing to such advice.

3 (d) DEFINITIONS.—In this section:

4 (1) ADMINISTRATOR.—The term “Adminis-
5 trator” means the Administrator of the Energy In-
6 formation Administration of the Department of En-
7 ergy.

8 (2) BULK-POWER SYSTEM.—The term “bulk-
9 power system” has the meaning given that term in
10 section 215 of the Federal Power Act (16 U.S.C.
11 824o).

12 (3) COMMISSION.—The term “Commission”
13 means the Federal Energy Regulatory Commission.

14 (4) COVERED TRANSMISSION OWNER.—The
15 term “covered transmission owner” means any enti-
16 ty, other than an Independent System Operator, Re-
17 gional Transmission Organization, or transmission
18 planning entity, that—

19 (A) owns, operates, or controls trans-
20 mission facilities that are part of, or connected
21 to the bulk-power system;

22 (B) provides, or is capable of providing,
23 transmission service for the movement of elec-
24 tric energy, whether in interstate or intrastate
25 commerce; and

1 (C) if the entity owns, operates, or controls
2 transmission facilities that are not part of, or
3 connected to, the bulk-power system, the total
4 transmission capacity under peak demand con-
5 ditions of all transmission facilities owned, op-
6 erated, or controlled by the entity is 100
7 megawatts or greater.

8 (5) GRID-ENHANCING TECHNOLOGY.—The term
9 “grid-enhancing technology” means any technology
10 the Commission determines materially improves
11 transfer capacity, interconnection efficiency, or line
12 loss reduction without relying on traditional wires-
13 based transmission expansion, which shall include—

14 (A) dynamic line rating systems;

15 (B) advanced power flow control devices;

16 (C) topology optimization tools and soft-
17 ware-based reconfiguration technologies;

18 (D) real-time monitoring and sensing
19 equipment that improves line utilization or visi-
20 bility; and

21 (E) transformer upgrades or reactive
22 power equipment that reduces technical losses.

23 (6) INDEPENDENT SYSTEM OPERATOR; ISO; RE-
24 GIONAL TRANSMISSION ORGANIZATION; RTO; TRANS-
25 MITTING UTILITY.—The terms “Independent System

1 Operator”, “ISO”, “Regional Transmission Organi-
2 zation”, “RTO”, and “transmitting utility” have the
3 meanings given those terms in section 3 of the Fed-
4 eral Power Act (16 U.S.C. 796).

5 (7) INTERREGIONAL INTERCONNECTION.—The
6 term “interregional interconnection” means a trans-
7 mission facility or interconnection project that en-
8 ables the transfer of electric energy between two or
9 more transmission planning regions, including con-
10 nections between any of the Western Interconnec-
11 tion, the Eastern Interconnection, and the Electric
12 Reliability Council of Texas.

13 (8) REPORTING ENTITY.—The term “reporting
14 entity” means an entity required to submit a score-
15 card under this Act.

16 (9) SCORECARD.—The term “scorecard” means
17 an annual report required to be submitted by a cov-
18 ered transmission owner, Independent System Oper-
19 ator, Regional Transmission Organization, or trans-
20 mission planning entity pursuant to subsection (a).

21 (10) SECRETARY.—The term “Secretary”
22 means the Secretary of Energy.

23 (11) TRANSMISSION PLANNING ENTITY.—The
24 term “transmission planning entity” means an enti-
25 ty, other than a RTO or an ISO, that is responsible

1 for planning for the deployment of electric trans-
2 mission for a transmission planning region.

3 (12) TRANSMISSION PLANNING REGION.—The
4 term “transmission planning region” means a geo-
5 graphic area determined by the Commission to sat-
6 isfy the requirements for the scope of regional trans-
7 mission planning, as established in or in compliance
8 with the following orders issued by the Commission:

9 (A) “Transmission Planning and Cost Al-
10 location by Transmission Owning and Oper-
11 ating Public Utilities” published in the Federal
12 Register on October 24, 2012 (77 Fed. Reg.
13 64890).

14 (B) “Building for the Future Through
15 Electric Regional Transmission Planning and
16 Cost Allocation” published in the Federal Reg-
17 ister on June 11, 2024 (89 Fed. Reg. 49280).

18 **TITLE VII—COLLABORATING**
19 **WITH COMMUNITIES FOR**
20 **SUCCESSFUL DEPLOYMENT**

21 **SEC. 701. FEDERAL PERMITTING CAPACITY.**

22 (a) IN GENERAL.—To the maximum extent prac-
23 ticable, the head of each agency listed under section
24 41002(b)(2)(B) of the FAST Act (42 U.S.C. 4370m-
25 1(b)(2)(B)), including the head of any agency invited pur-

1 suant to clause (xiv) of such subparagraph (B), shall
2 maintain adequate personnel capacity to process author-
3 izations and environmental documents for infrastructure
4 projects in a timely manner, including in compliance with
5 sections 107(g) and 112(a)(4) of the National Environ-
6 mental Policy Act of 1969 (42 U.S.C. 4336a(g) and
7 4336f(a)(4)).

8 (b) ASSESSMENT.—Not later than 90 days after the
9 date of enactment of this section, the head of each agency
10 described in subsection (a) shall submit to the Director
11 of the Office of Personnel Management a report on the
12 personnel capacity of the agency to process authorizations
13 and environmental documents for infrastructure projects
14 in a timely manner, which shall include—

15 (1) the number of employees responsible for
16 processing such authorizations and environmental
17 documents as of the date on which the report is sub-
18 mitted;

19 (2) the number of employees responsible for
20 processing such authorizations and environmental
21 documents as of January 1, 2025;

22 (3) the number of employees necessary for the
23 agency to complete environmental documents in
24 compliance with sections 107(g) and 112(a)(4) of

1 the National Environmental Policy Act of 1969 (42
2 U.S.C. 4336a(g) and 4336f(a)(4));

3 (4) the capacity of the agency to engage with
4 communities affected by infrastructure projects
5 when preparing environmental documents; and

6 (5) a finding by the agency whether there are
7 a sufficient number of employees of the agency to
8 comply with sections 107(g) and 112(a)(4) of the
9 National Environmental Policy Act of 1969 (42
10 U.S.C. 4336a(g) and 4336f(a)(4)) and engage with
11 communities.

12 (c) IMPLEMENTATION PLAN.—Upon receipt of the
13 report, if an agency finds under subsection (b)(5) that
14 there are an insufficient number of employees of the agen-
15 cy to comply with sections 107(g) and 112(a)(4) of the
16 National Environmental Policy Act of 1969 (42 U.S.C.
17 4336a(g) and 4336f(a)(4)) and engage with communities,
18 the Director of the Office of Personnel Management shall
19 develop and execute a plan to increase personnel capacity
20 at the agency.

21 (d) DIRECT HIRE AUTHORITY.—

22 (1) IN GENERAL.—Notwithstanding section
23 3304 of title 5, United States Code, and without re-
24 gard to the provisions of sections 3309 through
25 3318 of such title 5, if the head of an agency de-

1 scribed in subsection (a) issues or renews a certifi-
2 cation that there is a severe shortage of candidates
3 or a critical hiring need for covered positions to
4 carry out the responsibilities and activities of the
5 agency with respect to processing authorizations and
6 environmental documents for infrastructure projects
7 in a timely manner, the agency head may, subject to
8 paragraphs (2) and (3), recruit and directly appoint
9 highly qualified individuals into the competitive serv-
10 ice.

11 (2) LIMITATION.—The recruiting and appoint-
12 ment of highly qualified individuals under paragraph
13 (1) shall be consistent with the merit principles of
14 section 2301 of title 5, United States Code, and the
15 agency shall comply with the public notice require-
16 ments of section 3327 of such title 5.

17 (3) TERMINATION.—A certification issued or
18 renewed under this subsection shall terminate on the
19 earlier of—

20 (A) the date that is 5 years after the cer-
21 tification is issued or renewed; or

22 (B) the date on which the agency head de-
23 termines that there is no longer a severe short-
24 age of candidates or a critical hiring need for
25 covered positions to carry out the responsibil-

1 ities and activities of the agency related to per-
2 mitting.

3 (e) DEFINITIONS.—In this section:

4 (1) AUTHORIZATION.—The term “authoriza-
5 tion” means any license, permit, approval, finding,
6 determination, or other administrative decision
7 issued by an agency and any interagency consulta-
8 tion that is required or authorized under Federal
9 law in order to site, construct, reconstruct, or com-
10 mence operations of an infrastructure project.

11 (2) COVERED POSITION.—The term “covered
12 position” means a position in which an employee is
13 responsible for conducting work of a scientific, tech-
14 nical, engineering, mathematical, legal, or otherwise
15 highly specialized or skilled nature related to proc-
16 essing authorizations and environmental documents
17 for infrastructure projects in a timely manner.

18 (3) ENVIRONMENTAL DOCUMENT.—The term
19 “environmental document” has the meaning given
20 such term in section 111 of the National Environ-
21 mental Policy Act of 1969 (42 U.S.C. 4336e).

22 **SEC. 702. INTERAGENCY ENVIRONMENTAL DATA SYSTEM.**

23 (a) ENVIRONMENTAL DATA SYSTEMS.—

24 (1) IN GENERAL.—Not later than 2 years after
25 the date of enactment of the Cheap Energy Act, the

1 Council on Environmental Quality (referred to in
2 this section as the “Council”), in coordination with,
3 and support from, the Administrator of the Environ-
4 mental Protection Agency (referred to in this section
5 as the “Administrator”) and the Director of the Of-
6 fice of Management and Budget (referred to in this
7 section as the “Director”) and in consultation with
8 the Federal Geographic Data Committee and heads
9 of Federal agencies with relevant geographic infor-
10 mation system data, shall develop linked interagency
11 environmental data collection systems that include
12 georeferenced qualitative and quantitative data for
13 use by all Federal agencies in preparing any envi-
14 ronmental document and tracking environmental
15 outcomes of major Federal actions, including—

16 (A) environmental documents;

17 (B) data on mitigation commitments re-
18 quired in environmental documents; and

19 (C) monitoring and compliance data and
20 information required under Federal environ-
21 mental laws.

22 (2) REQUIREMENTS.—In developing linked
23 interagency environmental data collection systems
24 under paragraph (1), the Council, in coordination
25 with the Administrator and the Director, shall—

1 (A) facilitate—

2 (i) the reduction of administrative
3 costs borne by project developers, including
4 in the establishment of the permitting por-
5 tal under section 110(b) of the National
6 Environmental Policy Act of 1969;

7 (ii) the reduction of the duplication of
8 efforts by Federal and State agencies;

9 (iii) the standardization of the collec-
10 tion of information on environmental im-
11 pacts and outcomes; and

12 (iv) the tracking of long-term environ-
13 mental outcomes, including the efficacy of
14 mitigation commitments;

15 (B) make the linked interagency environ-
16 mental data collection systems developed under
17 paragraph (1) publicly available, to the extent
18 consistent with section 552 of title 5, United
19 States Code, and any exemption from disclosure
20 of sensitive site-specific information under ap-
21 plicable law;

22 (C) include tools that—

23 (i) enhance the abilities of Federal
24 agencies to conduct the public outreach
25 and engagement required under the Na-

1 tional Environmental Policy Act of 1969
2 (42 U.S.C. 4321 et seq.);

3 (ii) enable Federal agencies to publish
4 information regarding public engagement
5 opportunities under the National Environ-
6 mental Policy Act of 1969 (42 U.S.C.
7 4321 et seq.); and

8 (iii) facilitate opportunities for the
9 public to provide Federal agencies with rel-
10 evant environmental or scientific informa-
11 tion and data, including locally-specific en-
12 vironmental data, that could complement
13 monitoring efforts and enhance evidence-
14 based decision making;

15 (D) facilitate coordination between Federal
16 and State agencies, including by providing for
17 up-to-date georeferenced information sharing
18 about current Federal agency actions;

19 (E) enable States to integrate relevant
20 State-level environmental data;

21 (F) standardize and enhance the use of
22 nonconfidential geographic information and
23 geospatial data in the preparation of environ-
24 mental documents and in the authorization and
25 permitting of major Federal actions;

1 (G) use an interactive, digital, and cloud-
2 based platform;

3 (H) ensure that data is searchable, acces-
4 sible, interoperable, reusable, and includes—

5 (i) digital geographic information sys-
6 tem data or other location data for the ac-
7 tivities for which an environmental impact
8 statement or an environmental assessment
9 was prepared;

10 (ii) each environmental impact state-
11 ment and environmental assessment, in-
12 cluding appendices, in a machine-readable
13 format; and

14 (iii) to the extent practicable, geo-
15 graphic information system data or other
16 location data for documents, permits, mon-
17 itoring reports, or reports prepared under
18 State environmental review laws;

19 (I) allow users to find specific documents
20 and specific types of information, such as—

21 (i) analyses of types of environmental
22 impact;

23 (ii) analyses of types of major Federal
24 actions;

1 (iii) geographic location of major Fed-
2 eral actions;

3 (iv) ecological, cultural, and historical
4 features and resources; and

5 (v) other categories, as determined by
6 the Council, the Administrator, and the
7 Director; and

8 (J) enable sponsors of major Federal ac-
9 tions and the public—

10 (i) to identify project locations that
11 would avoid or minimize impacts; and

12 (ii) to conduct preliminary scoping of
13 impacts.

14 (3) EXISTING DATA.—In developing linked
15 interagency environmental data collection systems
16 under paragraph (1), the Council in coordination
17 with the Administrator and the Director, shall incor-
18 porate relevant information from existing geographic
19 information systems and other relevant systems and
20 databases.

21 (4) AGENCY RESPONSIBILITIES.—Each Federal
22 agency that is required to prepare an environmental
23 document or otherwise maintains relevant environ-
24 mental data shall—

1 (A) participate in the development of
2 linked interagency environmental data collection
3 systems under paragraph (1);

4 (B) make relevant environmental data
5 available to be integrated into those linked
6 interagency environmental data collection sys-
7 tems; and

8 (C) make environmental documents avail-
9 able to be integrated into those linked inter-
10 agency environmental data collection systems.

11 (5) AUTHORIZATION OF APPROPRIATIONS.—

12 There is authorized to be appropriated to the Coun-
13 cil on Environmental Quality to develop linked inter-
14 agency environmental data collection systems under
15 subsection (a)(1) \$20,000,000 for each of fiscal
16 years 2026 through 2031.

17 (b) E-NEPA IMPLEMENTATION.—Section 110 of the
18 National Environmental Policy Act of 1969 (42 U.S.C.
19 4336d) is amended—

20 (1) by redesignating subsection (b) as sub-
21 section (c);

22 (2) by adding after subsection (b) the following:

23 “(b) PERMITTING PORTAL.—Not later than 1 year
24 after the date of enactment of the , the Council on Envi-

1 ronmental Quality shall establish an online permitting por-
2 tal—

3 “(1) with the parameters described in para-
4 graphs (1) through (3) of subsection (a) for major
5 Federal actions that require review under section
6 102(2)(C); and

7 “(2) through which the public can access the
8 documents identified under section 703(b) of the
9 Cheap Energy Act.”; and

10 (3) in subsection (c), as so redesignated—

11 (A) by striking “There is authorized” and
12 inserting the following:

13 “(1) STUDY.—There is authorized”; and

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

15 “(2) PERMITTING PORTAL.—There is author-
16 ized to be appropriated \$1,000,000 for the Council
17 on Environmental Quality to carry out subsection
18 (b).”.

19 **SEC. 703. TIMELY PUBLIC RELEASE OF NEPA DOCUMENTA-**
20 **TION.**

21 (a) IN GENERAL.—To achieve the goals described in
22 section 1507.4 of title 40, Code of Federal Regulations
23 (or a successor regulation), to allow agencies and the pub-
24 lic to efficiently and effectively access information relating
25 to environmental reviews required under the National En-

1 vironmental Policy Act of 1969 (42 U.S.C. 4321 et seq.),
2 the lead agency for a proposed major Federal action shall
3 make the documents identified under subsection (b) with
4 respect to such proposed major Federal action available
5 to the public in a searchable, digital format when such
6 documents are completed by the lead agency, or in the
7 case of final documents, finalized by the agency. The lead
8 agency may make such documents available to the public
9 in a searchable, digital format by—

10 (1) publishing and maintaining such documents
11 on the public website or websites of the applicable
12 agency or agencies; and

13 (2) uploading such documents to the E-NEPA
14 online permitting portal established under subsection
15 (b) of section 110 of the National Environmental
16 Policy Act of 1969 (as added by section 702(b) of
17 this Act).

18 (b) DOCUMENTS.—The documents identified under
19 this subsection are the following:

20 (1) Any notice of intent and other scoping no-
21 tices.

22 (2) Any draft and final environmental assess-
23 ments and findings of no significant impacts.

24 (3) Any draft, final, and supplemental environ-
25 mental impact statements.

1 (4) Any records of decision.

2 (5) Any documentation associated with a deter-
3 mination to proceed with the proposed major Fed-
4 eral action under a categorical exclusion.

5 (6) Any additional related documentation.

6 (c) TIMING.—The lead agency shall make the docu-
7 ments identified under subsection (b) available to the pub-
8 lic in a searchable, digital format under subsection (a) by
9 not later than the earlier of—

10 (1) 3 days after the date on which the lead
11 agency completes the document; and

12 (2) 3 days after the date on the document is
13 published in the Federal Register.

14 (d) COOPERATING AGENCIES.—A cooperating agency
15 shall publish a link to the location on the website of the
16 lead agency to the documents identified under subsection
17 (b) on which the agency was a cooperating agency.

18 **SEC. 704. COMMUNITY BENEFITS AGREEMENTS.**

19 (a) PRIORITIZATION IN NEPA.—If a project sponsor
20 has entered into a community benefits agreement de-
21 scribed in subsection (b) with respect to an eligible project,
22 the applicable lead agency shall prioritize the completion
23 of the required environmental documents for the eligible
24 project.

1 (b) COMMUNITY BENEFITS AGREEMENT (CBA).—A
2 project sponsor and a CBA partner may enter into an
3 agreement that—

4 (1) relates to an eligible project for which an
5 authorization is sought;

6 (2) may include the disbursement of funds, in-
7 cluding commitments, for social, economic, or envi-
8 ronmental benefits that will—

9 (A) ensure benefits from the construction,
10 modification, and operation of the eligible
11 project are shared with nearby residents;

12 (B) offset adverse impacts resulting from
13 such construction, modification, or operation; or

14 (C) address legacy or historical harm or
15 adverse cumulative social, economic, or environ-
16 mental impacts in the location in which the eli-
17 gible project is to be carried out;

18 (3) may include commitments by a project
19 sponsor to hire members of the local workforce dur-
20 ing construction, modification, operation, or mainte-
21 nance of the eligible project;

22 (4) is negotiated through a process that in-
23 cludes meaningful engagement by the project spon-
24 sor with the CBA partner;

1 (5) details specific, measurable, and legally en-
2 forceable CBA commitments;

3 (6) includes a detailed plan, with clear metrics,
4 milestones, and timelines for accomplishing such
5 commitments;

6 (7) establishes specific roles, responsibilities,
7 and processes for tracking and reporting progress
8 with respect to commitments agreed to in the CBA;

9 (8) establishes clear enforcement processes to
10 address a failure to fulfill a commitment that was
11 agreed to; and; and

12 (9) addresses the mechanism through which
13 any disbursement agreed to in the CBA will be held
14 and dispersed, such as through a trust fund or simi-
15 lar instrument.

16 (c) TECHNICAL ASSISTANCE.—Upon request by a
17 CBA partner, the lead agency may provide technical as-
18 sistance to the CBA partner in developing and negotiating
19 a community benefits agreement.

20 (d) DEFINITIONS.—In this section:

21 (1) AUTHORIZATION.—The term “authoriza-
22 tion” means any license, permit, approval, finding,
23 determination, or other administrative decision
24 issued by an agency and any interagency consulta-
25 tion that is required or authorized under Federal

1 law in order to site, construct, reconstruct, or com-
2 mence operations of an infrastructure project.

3 (2) CBA PARTNER.—The term “CBA partner”
4 means a State, a local unit of government, an Indian
5 Tribe, a labor organization, or a community benefits
6 organization.

7 (3) COMMUNITY BENEFITS ORGANIZATION.—
8 The term “community benefits organization” means
9 an organization that—

10 (A) is described in section 501(c)(3) of the
11 Internal Revenue Code of 1986 and is exempt
12 from taxation under section 501(a) of such
13 Code; and

14 (B) is formed to protect the human health
15 and environment of communities in the area in
16 which a proposed the eligible project is to be
17 carried out.

18 (4) ELIGIBLE PROJECT.—The term “eligible
19 project” means a project for the construction, modi-
20 fication, or operation of a renewable energy facility.

21 (5) ENVIRONMENTAL DOCUMENT; LEAD AGEN-
22 CY.—The terms “environmental document” and
23 “lead agency” have the meanings given such terms,
24 respectively, in section 111 of the National Environ-
25 mental Policy Act of 1969 (42 U.S.C. 4336e).

1 (6) RENEWABLE ENERGY FACILITY.—The term
2 “renewable energy facility” means a facility that—
3 (A) uses wind, solar, or geothermal energy
4 to generate energy;
5 (B) transmits electricity to support wind,
6 solar, or geothermal energy generation; or
7 (C) stores energy.

8 **SEC. 705. INTERVENOR FUNDING AT FERC OFFICE OF PUB-**
9 **LIC PARTICIPATION.**

10 (a) IN GENERAL.—Section 319(b)(2) of the Federal
11 Power Act (16 U.S.C. 825q–1(b)(2)) is amended by strik-
12 ing “The Commission may” and inserting “The Commis-
13 sion shall”.

14 (b) RULEMAKING.—Not later than 180 days after the
15 date of enactment of this Act, the Federal Energy Regu-
16 latory Commission shall promulgate a final rule to provide
17 compensation under section 319(b)(2) of the Federal
18 Power Act (16 U.S.C. 825q–1(b)(2)), as amended by this
19 section. Under such rule the Commission shall require that
20 each intervenor or participant file a disclosure form of
21 earned and unearned income to identify conflicts of inter-
22 est. Such form shall not be overly burdensome.

1 **SEC. 706. SENIOR COMMUNITY ENGAGEMENT OFFICERS**
2 **AND TRIBAL COMMUNITY ENGAGEMENT OF-**
3 **FICERS.**

4 (a) DESIGNATION OF SENIOR COMMUNITY ENGAGE-
5 MENT OFFICERS AND TRIBAL COMMUNITY ENGAGEMENT
6 OFFICERS.—

7 (1) IN GENERAL.—The head of each Federal
8 agency required or authorized to complete an envi-
9 ronmental document or an authorization for a major
10 Federal action shall designate—

11 (A) 1 or more appropriate employees or of-
12 ficials of the applicable Federal agency to serve
13 as a senior community engagement officer (re-
14 ferred to in this section as an “SCO”); and

15 (B) 1 or more appropriate employees or of-
16 ficials of the applicable Federal agency (other
17 than an employee or official designated as an
18 SCO under subparagraph (A)) to serve as a
19 Tribal community engagement officer (referred
20 to in this section as a “TEO”).

21 (2) RESPONSIBILITIES OF AN SCO AND TEO.—
22 An SCO and a TEO shall—

23 (A) oversee community or Tribal, as appli-
24 cable, engagement in environmental review and
25 authorization processes carried out by the Fed-
26 eral agency;

1 (B) advise the applicable head of the Fed-
2 eral agency on matters relating to community
3 or Tribal, as applicable, engagement in such re-
4 views and processes;

5 (C) identify, recommend, and implement
6 approaches to expand and improve early, mean-
7 ingful community or Tribal, as applicable, en-
8 gagement relating to the environmental review
9 and authorization processes carried out by the
10 Federal agency;

11 (D) identify and avoid or resolve conflicts
12 with communities or Indian Tribes affected by
13 the environmental review or authorization proc-
14 esses, as applicable—

15 (i) to align Federal actions with the
16 needs and interests of those communities
17 or Indian Tribes, as applicable; and

18 (ii) to minimize the potential for delay
19 of environmental review and authorization
20 processes carried out by the Federal agen-
21 cy;

22 (E) identify opportunities with affected
23 communities or Indian Tribes to accelerate the
24 environmental review and authorization proc-
25 esses carried out by the Federal agency;

1 (F) provide technical support and capacity
2 building, on request of a community or an In-
3 dian Tribe to enhance the ability of commu-
4 nities and Indian Tribes to engage construc-
5 tively in Federal agency decision making; and

6 (G) assist in developing and negotiating
7 community benefits agreements consistent with
8 section 706.

9 (3) REPORTING.—An SCO and a TEO shall re-
10 port directly to a Deputy Secretary (or equivalent)
11 or higher position in the Federal agency in which
12 the SCO or TEO serves.

13 (4) GUIDANCE.—The Director of the Office of
14 Management and Budget shall establish any guid-
15 ance necessary to establish SCO and TEO positions
16 not later than 2 years of the date of enactment of
17 this Act.

18 (b) REGIONAL COMMUNITY ENGAGEMENT OFFI-
19 CERS.—A Federal agency may appoint regional commu-
20 nity engagement officers to support community and Tribal
21 engagement in environmental review and authorization
22 processes carried out by the Federal agency within a re-
23 gion impacted by a proposed major Federal project, in-
24 cluding by carrying out activities—

1 (1) to identify and implement approaches to ex-
2 pand and improve early, meaningful community and
3 Tribal engagement relating to the environmental re-
4 view and authorization processes carried out by the
5 Federal agency;

6 (2) to identify and avoid or resolve conflicts
7 with affected communities and Indian Tribes that
8 have the potential to delay environmental review and
9 authorization processes carried out by the Federal
10 agency;

11 (3) to identify opportunities with affected com-
12 munities and Indian Tribes to accelerate the envi-
13 ronmental review and authorization processes car-
14 ried out by the Federal agency;

15 (4) to provide technical support and capacity
16 building, on request of a community or an Indian
17 Tribe, to enhance the ability of communities or In-
18 dian Tribes to engage constructively in Federal
19 agency decision making; and

20 (5) to assist in developing and negotiating com-
21 munity benefits agreements consistent with section
22 706.

23 (c) APPLICATION.—Notwithstanding any other provi-
24 sion of law, chapter 10 of title 5, United States Code
25 (commonly known as the “Federal Advisory Committee

1 Act”), shall not apply to stakeholder engagement proc-
2 esses or public comment activities that are required under
3 or proceeding from a Federal environmental permitting
4 process and led by an SCO, a TEO, or a regional commu-
5 nity engagement officer appointed under subsection (b).

6 (d) FAST 41.—

7 (1) DEFINITION OF AGENCY SCO.—Section
8 41001 of the FAST Act (42 U.S.C. 4370m) is
9 amended—

10 (A) by redesignating paragraphs (2)
11 through (18) as paragraphs (3) through (19),
12 respectively; and

13 (B) by inserting after paragraph (1) the
14 following:

15 “(2) AGENCY SCO.—The term ‘agency SCO’
16 means the senior community engagement officer of
17 an agency, as designated by the head of the agency
18 under section 706(a)(1)(A) of the Cheap Energy
19 Act.”.

20 (2) DISPUTE RESOLUTION.—Section
21 41003(c)(2)(C)(i) of the FAST Act (42 U.S.C.
22 4370m–2(c)(2)(C)(i)) is amended by striking “agen-
23 cy CERPOs” and inserting “agency CERPOs, agen-
24 cy SCOs,”.

1 (3) ENVIRONMENTAL REVIEW IMPROVEMENT
2 FUND.—Section 41009(d)(3) of the FAST Act (42
3 U.S.C. 4370m–8(d)(3)) is amended—

4 (A) by striking “facilitate timely” and in-
5 serting “facilitate early, meaningful community
6 engagement and timely”; and

7 (B) by inserting “and agency SCOs” after
8 “agency CERPOs”.

9 **SEC. 707. CAPACITY GRANTS FOR PERMITTING AND COM-**
10 **MUNITY ENGAGEMENT.**

11 (a) IN GENERAL.—The Administrator of the Envi-
12 ronmental Protection Agency shall make grants to States,
13 units of local government, and Indian Tribes which may
14 be used for purposes of—

15 (1) increasing the capacity of such organiza-
16 tions to conduct activities related to proposed major
17 Federal actions, and State, local, and Tribal envi-
18 ronmental reviews, permits, and consultations, in-
19 cluding by—

20 (A) compiling data and conducting anal-
21 yses, planning, and environmental review;

22 (B) determining potential economic, social,
23 public health, and environmental impacts; and

24 (C) identifying opportunities to mitigate
25 such impacts;

1 (2) enhancing community engagement opportu-
2 nities related to environmental reviews;

3 (3) identifying zones for renewable energy de-
4 velopment;

5 (4) facilitating the siting of renewable energy-
6 related facilities and infrastructure;

7 (5) establishing local zoning ordinances that
8 promote the development of renewable energy; and

9 (6) training and hiring personnel, and other ac-
10 tivities to increase the capacity of States, units of
11 local government, Indian Tribes, and nonprofit asso-
12 ciations, as applicable, to carry out activities de-
13 scribed in paragraphs (1) through (5).

14 (b) FUNDING.—There is authorized to be appro-
15 priated to the Administrator of the Environmental Protec-
16 tion Agency to make grants under subsection (a)
17 \$500,000,000 for each of fiscal years 2026 through 2031.