

113TH CONGRESS  
2D SESSION

# H. R. 4956

To greatly enhance America's path toward energy independence and economic and national security, to conserve energy use, to promote innovation, to achieve lower emissions, cleaner air, cleaner water, and cleaner land, to rebuild our Nation's aging roads, bridges, locks, and dams, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 24, 2014

Mr. WALZ (for himself, Mr. COSTA, and Mr. CARTWRIGHT) introduced the following bill; which was referred to the Committee on Natural Resources, and in addition to the Committees on Ways and Means, the Judiciary, Energy and Commerce, Transportation and Infrastructure, Science, Space, and Technology, Oversight and Government Reform, the Budget, Rules, and Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To greatly enhance America's path toward energy independence and economic and national security, to conserve energy use, to promote innovation, to achieve lower emissions, cleaner air, cleaner water, and cleaner land, to rebuild our Nation's aging roads, bridges, locks, and dams, 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,*

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

2 (a) SHORT TITLE.—This Act may be cited as the  
3 “American Energy Opportunity Act of 2014”.

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

Sec. 1. Short title; table of contents.

TITLE I—OFFSHORE LEASING AND OTHER ENERGY PROVISIONS

Subtitle A—Offshore Leasing

- Sec. 101. Leasing program considered approved.
- Sec. 102. Lease sales.
- Sec. 103. Seaward boundaries of states.
- Sec. 104. Military operations.
- Sec. 105. Coordination with adjacent states.
- Sec. 106. Gulf of Mexico oil and gas.
- Sec. 107. Sharing of revenues.
- Sec. 108. Inventory of offshore energy resources.
- Sec. 109. Prohibitions on surface occupancy and other Appropriate environmental safeguards.

Subtitle B—Expedited Judicial Review

- Sec. 121. Definitions.
- Sec. 122. Exclusive jurisdiction over causes and claims relating to covered oil and natural gas activities.
- Sec. 123. Time for filing petition; standing.
- Sec. 124. Timetable.
- Sec. 125. Limitation on scope of review and relief.
- Sec. 126. Presidential waiver.
- Sec. 127. Legal fees.
- Sec. 128. Exclusion.

Subtitle C—Other Energy Provisions

- Sec. 131. Elimination of restriction on energy alternatives and energy efficiency.
- Sec. 132. Policies regarding buying and building American.
- Sec. 133. Clean coal technology deployment grant and loan program.

TITLE II—MODIFYING THE STRATEGIC PETROLEUM RESERVE  
AND FUNDING CONSERVATION AND ENERGY RESEARCH AND  
DEVELOPMENT

- Sec. 201. Findings.
- Sec. 202. Definitions.
- Sec. 203. Objectives.
- Sec. 204. Modification of the strategic petroleum reserve.
- Sec. 205. Energy Independence and Security Fund.

TITLE III—CLEANER ENERGY PRODUCTION AND ENERGY  
CONSERVATION INCENTIVES

- Sec. 301. Extension of renewable energy credit.
- Sec. 302. Extension of credit for energy efficient appliances.
- Sec. 303. Extension of credit for nonbusiness energy property.
- Sec. 304. Extension of credit for residential energy efficient property.
- Sec. 305. Extension of new energy efficient home credit.
- Sec. 306. Extension of energy efficient commercial buildings deduction.
- Sec. 307. Extension of energy credit.
- Sec. 308. Extension of credit for new clean renewable energy bonds.
- Sec. 309. Expensing of mechanical insulation property.

TITLE IV—INCREASE DIVERSIFICATION AND EFFICIENCY OF  
AMERICA'S TRANSPORTATION AND ELECTRIC SYSTEM

Subtitle A—Diversification of Fuel Source for America's Short-Haul  
Transportation System

- Sec. 401. Minimum Federal fleet requirement.
- Sec. 402. Use of HOV facilities by light-duty, plug-in electric drive vehicles or new qualified alternative fuel motor vehicles.
- Sec. 403. Recharging infrastructure.
- Sec. 404. Loan guarantees for advanced battery purchases.
- Sec. 405. Study of end-of-useful-life options for motor vehicle batteries.
- Sec. 406. Study and demonstration electrification of postal fleet.
- Sec. 407. Study of development of common standards for PHEVs and EVs between the United States, Europe and Asia.

Subtitle B—Incentives for Diversification of Transportation

- Sec. 420. Amendment of 1986 Code.
- Sec. 421. Extension and modification of credit for fuel cell, hybrid, lean burn, and alternative fuel vehicles.
- Sec. 422. Extension and expansion of credit for new qualified plug-in electric drive motor vehicles.
- Sec. 423. Extension of credit for certain plug-in electric vehicles.
- Sec. 424. Tax credit for most efficient vehicle in class.
- Sec. 425. Extension of credit and extension of temporary increase in credit for alternative fuel vehicle refueling property.
- Sec. 426. Modification of alternative fuel credit.
- Sec. 427. Extension of credits for biodiesel and renewable diesel.

Subtitle C—Low-Carbon Diversification of Electric System

- Sec. 431. Innovative low-carbon loan guarantee program.
- Sec. 432. Ensuring revenues are sufficient for implementation of title IV.

1 **TITLE I—OFFSHORE LEASING**  
2 **AND OTHER ENERGY PROVI-**  
3 **SIONS**

4 **Subtitle A—Offshore Leasing**

5 **SEC. 101. LEASING PROGRAM CONSIDERED APPROVED.**

6 (a) IN GENERAL.—The Draft Proposed Outer Conti-  
7 nental Shelf Oil and Gas Leasing Program 2010–2015  
8 issued by the Secretary of the Interior (referred to in this  
9 section as the “Secretary”) under section 18 of the Outer  
10 Continental Shelf Lands Act (43 U.S.C. 1344) is consid-  
11 ered to have been approved by the Secretary as a final  
12 oil and gas leasing program under that section, and is con-  
13 sidered to be in full compliance with and in accordance  
14 with all requirements of the Outer Continental Shelf  
15 Lands Act.

16 (b) FINAL ENVIRONMENTAL IMPACT STATEMENT.—  
17 The Secretary is considered to have issued a final environ-  
18 mental impact statement for the program described in  
19 subsection (a) in accordance with all requirements under  
20 section 102(2)(C) of the National Environmental Policy  
21 Act of 1969 (42 U.S.C. 4332(2)(C)).

22 (c) CORRECTION OF DATES.—The Secretary of the  
23 Interior shall update the dates and deadlines proscribed  
24 in the program described in subsection (a) to reflect the

1 time that has passed between the date the program was  
2 issued and the date of enactment of this Act.

3 **SEC. 102. LEASE SALES.**

4 (a) OUTER CONTINENTAL SHELF.—

5 (1) IN GENERAL.—Except as provided in para-  
6 graph (2), not later than 30 days after the date of  
7 enactment of this Act and every 270 days thereafter,  
8 the Secretary of the Interior (referred to in this sec-  
9 tion as the “Secretary”) shall conduct a lease sale  
10 in each outer Continental Shelf planning area for  
11 which the Secretary determines that there is a com-  
12 mercial interest in purchasing Federal oil and gas  
13 leases for production on the outer Continental Shelf.

14 (2) SUBSEQUENT DETERMINATIONS AND  
15 SALES.—If the Secretary determines that there is  
16 not a commercial interest in purchasing Federal oil  
17 and gas leases for production on the outer Conti-  
18 nental Shelf in a planning area under this sub-  
19 section, not later than 2 years after the date of en-  
20 actment of the determination and every 2 years  
21 thereafter, the Secretary shall—

22 (A) determine whether there is a commer-  
23 cial interest in purchasing Federal oil and gas  
24 leases for production on the outer Continental  
25 Shelf in the planning area; and

1 (B) if the Secretary determines that there  
2 is a commercial interest described in subpara-  
3 graph (A), conduct a lease sale in the planning  
4 area.

5 (b) RENEWABLE ENERGY AND MARICULTURE.—The  
6 Secretary may conduct commercial lease sales of resources  
7 owned by United States—

8 (1) to produce renewable energy (as defined in  
9 section 203(b) of the Energy Policy Act of 2005 (42  
10 U.S.C. 15852(b))); or

11 (2) to cultivate marine organisms in the natural  
12 habitat of the organisms.

13 **SEC. 103. SEAWARD BOUNDARIES OF STATES.**

14 (a) SEAWARD BOUNDARIES.—Section 4 of the Sub-  
15 merged Lands Act (43 U.S.C. 1312) is amended by strik-  
16 ing “three geographical miles” each place it appears and  
17 inserting “9 nautical miles”.

18 (b) CONFORMING AMENDMENTS.—Section 2 of the  
19 Submerged Lands Act (43 U.S.C. 1301) is amended—

20 (1) in subsection (a)(2), by striking “three geo-  
21 graphical miles” and inserting “9 nautical miles”;  
22 and

23 (2) in subsection (b)—

24 (A) by striking “three geographical miles”  
25 and inserting “9 nautical miles”; and

1 (B) by striking “three marine leagues” and  
2 inserting “9 nautical miles”.

3 (c) EFFECT OF AMENDMENTS.—

4 (1) IN GENERAL.—Subject to paragraphs (2)  
5 through (4), the amendments made by this section  
6 shall not effect Federal oil and gas mineral rights  
7 and should not effect the States’ current authority  
8 within existing State boundaries.

9 (2) EXISTING LEASES.—The amendments made  
10 by this section shall not affect any Federal oil and  
11 gas lease in effect on the date of enactment of this  
12 Act.

13 (3) TAXATION.—

14 (A) IN GENERAL.—A State may exercise  
15 all of the sovereign powers of taxation of the  
16 State within the entire extent of the seaward  
17 boundaries of the State (as extended by the  
18 amendments made by this section).

19 (B) LIMITATION.—Nothing in this para-  
20 graph affects the authority of a State to tax  
21 any Federal oil and gas lease in effect on the  
22 date of enactment of this Act.

23 **SEC. 104. MILITARY OPERATIONS.**

24 The Secretary shall consult with the Secretary of De-  
25 fense regarding military operations needs in the Outer

1 Continental Shelf. The Secretary shall work with the Sec-  
2 retary of Defense to resolve any conflicts that might arise  
3 between such operations and leasing under this section.  
4 If the Secretaries are unable to resolve all such conflicts,  
5 any unresolved issues shall be referred by the Secretaries  
6 to the President in a timely fashion for immediate resolu-  
7 tion.

8 **SEC. 105. COORDINATION WITH ADJACENT STATES.**

9 Section 19 of the Outer Continental Shelf Lands Act  
10 (43 U.S.C. 1345) is amended—

11 (1) in subsection (a) in the first sentence by in-  
12 serting “, for any tract located within the Adjacent  
13 State’s Adjacent Zone,” after “government”; and

14 (2) by adding the following:

15 “(f)(1) Prior to issuing a permit or approval for the  
16 construction of a pipeline to transport crude oil, natural  
17 gas or associated liquids production withdrawn from oil  
18 and gas leases on the outer Continental Shelf, a Federal  
19 agency must seek the concurrence of the Adjacent State  
20 if the pipeline is to transit the Adjacent State’s Adjacent  
21 Zone between the outer Continental Shelf and landfall. No  
22 State may prohibit construction of such a pipeline within  
23 its Adjacent Zone or its State waters. However, an Adja-  
24 cent State may require routing of such a pipeline to one  
25 of two alternate landfall locations in the Adjacent State,



1 designated by the Adjacent State, located within 60 miles  
2 on either side of a proposed landfall location.

3 “(2) In this subsection:

4 “(A) The term ‘Adjacent State’ means, with re-  
5 spect to any program, plan, lease sale, leased tract,  
6 or other activity, proposed, conducted, or approved  
7 pursuant to the provisions of this Act, any State the  
8 laws of which are declared, pursuant to section  
9 4(a)(2), to be the law of the United States for the  
10 portion of the outer Continental Shelf on which such  
11 program, plan, lease sale, leased tract, or activity  
12 appertains or is, or is proposed to be, conducted.  
13 For purposes of this subparagraph, the term ‘State’  
14 includes the Commonwealth of Puerto Rico, the  
15 Commonwealth of the Northern Mariana Islands,  
16 the Virgin Islands, American Samoa, Guam, and the  
17 other territories of the United States.

18 “(B) The term ‘Adjacent Zone’ means, with re-  
19 spect to any program, plan, lease sale, leased tract,  
20 or other activity, proposed, conducted, or approved  
21 pursuant to the provisions of this Act, the portion  
22 of the outer Continental Shelf for which the laws of  
23 a particular Adjacent State are declared, pursuant  
24 to section 4(a)(2), to be the law of the United  
25 States.”.

1 **SEC. 106. GULF OF MEXICO OIL AND GAS.**

2 (a) REPEAL.—Section 104 of division C of the Tax  
3 Relief and Health Care Act of 2006 (Public Law 109–  
4 432; 120 Stat. 3003) is repealed.

5 (b) LEASING PLAN FOR THE EASTERN GULF OF  
6 MEXICO.—Pursuant to sections 101 and 102 of this Act,  
7 the Secretary of the Interior shall issue a final leasing plan  
8 for the Eastern Gulf of Mexico within 180 days after the  
9 date of enactment of this Act for all areas where there  
10 exists commercial interest in purchasing Federal oil and  
11 gas leases for production.

12 **SEC. 107. SHARING OF REVENUES.**

13 (a) IN GENERAL.—Section 8(g) of the Outer Conti-  
14 nental Shelf Lands Act (43 U.S.C. 1337(g)) is amended—

15 (1) in paragraph (2) by striking “Notwith-  
16 standing” and inserting “Except as provided in  
17 paragraph (6), and notwithstanding”;

18 (2) by redesignating paragraphs (6) and (7) as  
19 paragraphs (8) and (9); and

20 (3) by inserting after paragraph (5) the fol-  
21 lowing:

22 “(6) BONUS BIDS AND ROYALTIES UNDER  
23 QUALIFIED LEASES.—

24 “(A) NEW LEASES.—Of amounts received  
25 by the United States as bonus bids, royalties,  
26 rentals, and other sums collected under any new

1 qualified lease on submerged lands made avail-  
2 able for leasing under this Act by the enact-  
3 ment of the American Energy Opportunity Act  
4 of 2014—

5 “(i) 30 percent shall be paid to the  
6 States that are producing States with re-  
7 spect to those submerged lands that are lo-  
8 cated within the seaward boundaries of  
9 such a State established under section  
10 4(a)(2)(A);

11 “(ii) 10 percent shall be deposited in  
12 the general fund of the Treasury;

13 “(iii) 15 percent shall be deposited in  
14 the Renewable Energy and Energy Effi-  
15 ciency Reserve established by paragraph  
16 (7);

17 “(iv) 20 percent shall be deposited in  
18 the Infrastructure Renewal Reserve estab-  
19 lished by paragraph (7);

20 “(v) 3 percent shall be deposited into  
21 the Clean Water Reserve established by  
22 paragraph (7);

23 “(vi) 4 percent shall be deposited in  
24 the Environment Restoration Reserve es-  
25 tablished by paragraph (7);

1           “(vii) 3 percent shall be deposited in  
2           the Conservation Reserve established by  
3           paragraph (7);

4           “(viii) 8 percent shall be deposited in  
5           the Clean Coal Technology Deployment  
6           and Carbon Capture and Sequestration  
7           Reserve established by paragraph (7);

8           “(ix) 5 percent shall be deposited in  
9           the Carbon Free Technology and Nuclear  
10          Energy Reserve established by paragraph  
11          (7); and

12          “(x) 2 percent shall be available to the  
13          Secretary of Health and Human Services  
14          for carrying out the Low-Income Home  
15          Energy Assistance Act of 1981 (42 U.S.C.  
16          8621, et seq.).

17          “(B) LEASED TRACT THAT LIES PAR-  
18          Tially WITHIN THE SEAWARD BOUNDARIES OF  
19          A STATE.—In the case of a leased tract that lies  
20          partially within the seaward boundaries of a  
21          State, the amounts of bonus bids and royalties  
22          from such tract that are subject to subpara-  
23          graph (A)(ii) with respect to such State shall be  
24          a percentage of the total amounts of bonus bids  
25          and royalties from such tract that is equivalent

1 to the total percentage of surface acreage of the  
2 tract that lies within such seaward boundaries.

3 “(C) USE OF PAYMENTS TO STATES.—  
4 Amounts paid to a State under subparagraph  
5 (A)(ii) shall be used by the State for one or  
6 more of the following:

7 “(i) Education.

8 “(ii) Transportation.

9 “(iii) Coastal restoration, environ-  
10 mental restoration, and beach replenish-  
11 ment.

12 “(iv) Energy infrastructure.

13 “(v) Renewable energy development.

14 “(vi) Energy efficiency and conserva-  
15 tion.

16 “(vii) Any other purpose determined  
17 by State law.

18 “(D) DEFINITIONS.—In this paragraph:

19 “(i) ADJACENT STATE.—The term  
20 ‘Adjacent State’ means, with respect to  
21 any program, plan, lease sale, leased tract,  
22 or other activity, proposed, conducted, or  
23 approved pursuant to the provisions of this  
24 Act, any State the laws of which are de-  
25 clared, pursuant to section 4(a)(2), to be

1 the law of the United States for the por-  
2 tion of the outer Continental Shelf on  
3 which such program, plan, lease sale,  
4 leased tract, or activity appertains or is, or  
5 is proposed to be, conducted.

6 “(ii) ADJACENT ZONE.—The term  
7 ‘Adjacent Zone’ means, with respect to any  
8 program, plan, lease sale, leased tract, or  
9 other activity, proposed, conducted, or ap-  
10 proved pursuant to the provisions of this  
11 Act, the portion of the outer Continental  
12 Shelf for which the laws of a particular ad-  
13 jacent State are declared, pursuant to sec-  
14 tion 4(a)(2), to be the law of the United  
15 States.

16 “(iii) PRODUCING STATE.—The term  
17 ‘producing State’ means an Adjacent State  
18 having an Adjacent Zone containing leased  
19 tracts from which are derived bonus bids  
20 and royalties under a lease under this Act.

21 “(iv) STATE.—The term ‘State’ in-  
22 cludes Puerto Rico and the other terri-  
23 tories of the United States.

24 “(v) QUALIFIED LEASE.—The term  
25 ‘qualified lease’ means a natural gas or oil

1 lease made available under this Act grant-  
2 ed after the date of the enactment of the  
3 American Energy Opportunity Act of  
4 2014, for an area that is available for leas-  
5 ing as a result of enactment of section 101  
6 of that Act.

7 “(E) APPLICATION.—This paragraph shall  
8 apply to bonus bids and royalties received by  
9 the United States under qualified leases after  
10 implementation of sections 105 and 106 of the  
11 American Energy Opportunity Act of 2014.

12 “(F) EXISTING REVENUES.—All revenues  
13 including revenues, including bonus bids, royal-  
14 ties, rentals, and other sums, collected from  
15 leases issued under this Act prior to the enact-  
16 ment American Energy Opportunity Act of  
17 2014, shall not be affected by the provisions of  
18 that Act.

19 “(7) ESTABLISHMENT OF RESERVE AC-  
20 COUNTS.—

21 “(A) IN GENERAL.—For budgetary pur-  
22 poses, there is established as a separate account  
23 to receive deposits under paragraph (6)(A)—

1           “(i) the Renewable Energy and En-  
2           ergy Efficiency Reserve, which shall be ap-  
3           plied—

4                   “(I) first, to offset the alternative  
5                   energy and conservation tax incentives  
6                   extended by title III of the American  
7                   Energy Opportunity Act of 2014; and

8                   “(II) to extent not applied under  
9                   subclause (I), to offset the cost of leg-  
10                  islation enacted after the date of the  
11                  enactment of the American Energy  
12                  Opportunity Act of 2014 to accelerate  
13                  the use of cleaner domestic energy re-  
14                  sources and alternative fuels; to pro-  
15                  mote the utilization of energy-efficient  
16                  products and practices; to promote  
17                  the development and deployment of  
18                  smart transportation systems, energy  
19                  efficient vehicles, and mass transpor-  
20                  tation systems that preserve the envi-  
21                  ronment and increase energy effi-  
22                  ciency of transportation; and to in-  
23                  crease research, development, and de-  
24                  ployment of clean renewable energy



1 and efficiency technologies and job  
2 training programs for those purposes;

3 “(ii) the Infrastructure Renewal Re-  
4 serve, which shall be applied to offset the  
5 costs of—

6 “(I) Federal-aid highway and  
7 highway safety construction programs  
8 carried out by the Secretary of Trans-  
9 portation;

10 “(II) public transportation pro-  
11 grams carried out by the Secretary of  
12 Transportation;

13 “(III) water resources develop-  
14 ment construction projects carried out  
15 by the Secretary of the Army (acting  
16 through the Chief of Engineers);

17 “(IV) Federal support for freight  
18 rail and passenger rail construction  
19 and repair projects;

20 “(V) legislation enacted after the  
21 date of the enactment of the Amer-  
22 ican Energy Opportunity Act of 2014  
23 for purposes of investment in trans-  
24 portation infrastructure; and

1           “(iii) the Clean Water Reserve, to  
2 first, offset the cost of construction pro-  
3 grams under the Clean Water Act or the  
4 1996 Amendments to the Safe Drinking  
5 Water Act that provide assistance, such as  
6 grants, matching grants, and no- and low-  
7 interest loans, to State, county, and local  
8 governments to rebuild and modernize  
9 clean water and sewage infrastructure.

10           “(iv) the Environment Restoration  
11 Reserve, to offset the cost of legislation en-  
12 acted after the date of the enactment of  
13 the American Energy Opportunity Act of  
14 2014 to conduct restoration activities to  
15 improve the overall health of the eco-  
16 systems primarily or entirely within wildlife  
17 refuges, national parks, lakes, bays, rivers,  
18 and streams, including the Great Lakes,  
19 the Chesapeake and Delaware Bays, the  
20 San Francisco Bay/Sacramento San Joa-  
21 quin Bay Delta, the Florida Everglades,  
22 New York Harbor, the Colorado River  
23 Basin, the Mississippi River Basin and  
24 tributaries, and Intracoastal Waterways  
25 and inlets that serve them;

1 “(v) the Conservation Reserve, to off-  
2 set the cost of legislation enacted after the  
3 date of the enactment of the American En-  
4 ergy Opportunity Act of 2014 for con-  
5 servation research, development, and de-  
6 ployment programs to increase commercial  
7 energy efficiency, such as weatherization,  
8 conservation and building technology tax  
9 credits for energy efficiency in the com-  
10 mercial and industrial sectors;

11 “(vi) the Clean Coal Technology De-  
12 ployment and Carbon Capture and Seques-  
13 tration Reserve, to—

14 “(I) first offset the cost of pro-  
15 grams established under section 133  
16 of this Act;

17 “(II) two, offset the cost of pro-  
18 grams in section 1703 of the Energy  
19 Policy Act of 2005 related to loan  
20 guarantees for construction projects  
21 associated with carbon capture and  
22 storage, giving priority to the con-  
23 struction and modernization of plants  
24 that implement the most advanced  
25 pollution controls to prevent the re-

1 lease of carbon, particulate matter,  
2 and other pollutants; and

3 “(III) third, to offset the cost of  
4 research at the Department of Energy  
5 Office of Fossil Energy that promotes  
6 the production of liquid transportation  
7 fuels, clean-coal electricity, synthetic  
8 natural gas, and chemical feedstock;  
9 and

10 “(vii) the Carbon Free Technology  
11 and Nuclear Energy Reserve, to—

12 “(I) first offset the cost of pro-  
13 grams in title IV of this Act; and

14 “(II) two, offset the cost of legis-  
15 lation enacted after the date of the  
16 enactment of the Rebuilding Amer-  
17 ica’s Infrastructure Through Energy  
18 Independence Act to promote the de-  
19 ployment of carbon-free technologies,  
20 including through loan guarantees for  
21 commercial nuclear power plants, the  
22 disposition and recycling or reprocess-  
23 ing of spent fuel from nuclear power  
24 plants, and the financing of long-term  
25 safe storage of spent fuel.

1 “(B) PROCEDURE FOR ADJUSTMENTS.—

2 “(i) BUDGET COMMITTEE CHAIR-  
3 MAN.—After the reporting of a bill or joint  
4 resolution, or the offering of an amend-  
5 ment thereto or the submission of a con-  
6 ference report thereon, providing funding  
7 for the purposes set forth in clause (i), (ii),  
8 (iii), or (iv) of subparagraph (A) in excess  
9 of the amount of the deposits under para-  
10 graph (6)(A) for those purposes for fiscal  
11 year 2014, the chairman of the Committee  
12 on the Budget of the applicable House of  
13 Congress shall make the adjustments set  
14 forth in clause (ii) for the amount of new  
15 budget authority and outlays in that meas-  
16 ure and the outlays flowing from that  
17 budget authority.

18 “(ii) MATTERS TO BE ADJUSTED.—  
19 The adjustments referred to in clause (i)  
20 are to be made to—

21 “(I) the discretionary spending  
22 limits, if any, set forth in the appro-  
23 priate concurrent resolution on the  
24 budget;

1                   “(II) the allocations made pursu-  
2                   ant to the appropriate concurrent res-  
3                   olution on the budget pursuant to sec-  
4                   tion 302(a) of the Congressional  
5                   Budget Act of 1974; and

6                   “(III) the budget aggregates con-  
7                   tained in the appropriate concurrent  
8                   resolution on the budget as required  
9                   by section 301(a) of the Congressional  
10                  Budget Act of 1974.

11                  “(iii) AMOUNTS OF ADJUSTMENTS.—  
12                  The adjustments referred to in clauses (i)  
13                  and (ii) shall not exceed the receipts esti-  
14                  mated by the Congressional Budget Office  
15                  that are attributable to this Act for the fis-  
16                  cal year in which the adjustments are  
17                  made.

18                  “(C) EXPENDITURES ONLY BY SECRETARY  
19                  OF THE INTERIOR IN CONSULTATION.—Legisla-  
20                  tion shall not be treated as legislation referred  
21                  to in subparagraph (A) unless any expenditure  
22                  under such legislation for a purpose referred to  
23                  in that subparagraph may be made only after  
24                  consultation with the Administrator of the En-  
25                  vironmental Protection Agency, the Adminis-

1           trator of the National Oceanic and Atmospheric  
2           Administration, the Secretary of the Army act-  
3           ing through the Corps of Engineers, and, as ap-  
4           propriate, the Secretary of State.

5           “(8) MAINTENANCE OF EFFORT BY STATES.—  
6           The Secretary of the Interior, the Secretary of  
7           Health and Human Services, the Secretary of En-  
8           ergy, and any other Federal official with authority  
9           to implement legislation referred to in paragraph  
10          (6)(A) shall ensure that financial assistance provided  
11          to a State under that legislation for any purpose  
12          with amounts made available under this subsection  
13          or in any legislation with respect to which paragraph  
14          (7) applies supplement, and do not replace, the  
15          amounts expended by the State for that purpose be-  
16          fore the date of the enactment of the American En-  
17          ergy Opportunity Act of 2014.

18          “(9) DISTRIBUTIONS FOR FEDERAL-AID HIGH-  
19          WAY OR HIGHWAY SAFETY CONSTRUCTION PRO-  
20          GRAM.—To the extent practicable, amounts made  
21          available for a Federal-aid highway or highway safe-  
22          ty construction program, the costs of which are off-  
23          set by application of the Infrastructure Renewal Re-  
24          serve, shall be distributed using the apportionment  
25          formula that applies to that program.”.

1 (b) ESTABLISHMENT OF STATE SEAWARD BOUND-  
2 ARIES.—Section 4(a)(2)(A) of the Outer Continental Shelf  
3 Lands Act (43 U.S.C. 1333(a)(2)(A)) is amended in the  
4 first sentence by striking “, and the President” and all  
5 that follows through the end of the sentence and inserting  
6 the following: “. Such extended lines are deemed to be as  
7 indicated on the maps for each Outer Continental Shelf  
8 region entitled ‘Alaska OCS Region State Adjacent Zone  
9 and OCS Planning Areas’, ‘Pacific OCS Region State Ad-  
10 jacent Zones and OCS Planning Areas’, ‘Gulf of Mexico  
11 OCS Region State Adjacent Zones and OCS Planning  
12 Areas’, and ‘Atlantic OCS Region State Adjacent Zones  
13 and OCS Planning Areas’, all of which are dated Sep-  
14 tember 2005 and on file in the Office of the Director, Min-  
15 erals Management Service. The preceding sentence shall  
16 not apply with respect to the treatment under section 105  
17 of the Gulf of Mexico Energy Security Act of 2006 (title  
18 I of division C of Public Law 109–432) of qualified outer  
19 Continental Shelf revenues deposited and disbursed under  
20 subsection (a)(2) of that section.”.

21 **SEC. 108. INVENTORY OF OFFSHORE ENERGY RESOURCES.**

22 (a) IN GENERAL.—The Secretary of the Interior (in  
23 this section referred to as the “Secretary”) shall promptly  
24 prepare an inventory of offshore energy resources of the  
25 United States, including through conduct of geological and



1 geophysical explorations by private industry in all of the  
2 United States outer Continental Shelf areas of the Atlan-  
3 tic Ocean and the Pacific Ocean under part 251 of title  
4 30, Code of Federal Regulations (or successor regula-  
5 tions).

6 (b) ENVIRONMENTAL STUDIES.—Not later than 180  
7 days after the date of enactment of this Act, the Secretary  
8 shall complete any environmental studies necessary to  
9 gather information essential to an accurate inventory, in-  
10 cluding geological and geophysical explorations under part  
11 251 of title 30, Code of Federal Regulations (or successor  
12 regulations).

13 (c) EFFECT ON OIL AND GAS LEASING.—No inven-  
14 tory that is conducted under this section or any other Fed-  
15 eral law (including regulations) shall restrict, limit, delay,  
16 or otherwise adversely affect—

17 (1) the development of any Outer Continental  
18 Shelf leasing program under section 18 of the Outer  
19 Continental Shelf Lands Act (43 U.S.C. 1344); or

20 (2) any leasing, exploration, development, or  
21 production of any Federal offshore oil and gas  
22 leases.

23 (d) FUNDING.—

24 (1) IN GENERAL.—The Secretary of the Treas-  
25 ury shall make a 1-time transfer to the Secretary,

1 without further appropriation and from royalties col-  
2 lected by the United States in conjunction with the  
3 production of oil and gas, of such sums as are nec-  
4 essary for the Secretary to carry out this section.

5 (2) LIMITATION.—The amount transferred  
6 under paragraph (1) shall not exceed \$50,000,000.

7 **SEC. 109. PROHIBITIONS ON SURFACE OCCUPANCY AND**  
8 **OTHER APPROPRIATE ENVIRONMENTAL**  
9 **SAFEGUARDS.**

10 (a) REGULATIONS.—

11 (1) IN GENERAL.—

12 (A) ENVIRONMENTAL SAFEGUARDS.—The  
13 Secretary of the Interior shall promulgate regu-  
14 lations that establish appropriate environmental  
15 safeguards for the exploration and production  
16 of oil and natural gas on the outer Continental  
17 Shelf.

18 (B) SAFETY PROTOCOLS.—All operations,  
19 including under any permit issued pursuant to  
20 an application for a permit to drill or an appli-  
21 cation for a permit to sidetrack, that has been  
22 approved by the Minerals Management Service  
23 or the Bureau of Ocean Energy Management,  
24 Regulation and Enforcement, for purposes of  
25 outer Continental Shelf energy exploration or

1 development and production, shall be carried  
2 out in accordance with the safety protocols con-  
3 tained in part 250 of title 30, Code of Federal  
4 Regulations.

5 (2) REQUIREMENTS.—The regulations shall in-  
6 clude provisions ensuring that—

7 (A) no surface facility shall be installed for  
8 the purpose of production of oil or gas re-  
9 sources in any area that is within 10 miles from  
10 the shore of any coastal State, in any area of  
11 the outer Continental Shelf that has not pre-  
12 viously been made available for oil and gas leas-  
13 ing;

14 (B) only temporary surface facilities are  
15 installed for areas that are located—

16 (i) beyond 10 miles from the shore  
17 from the shore of any coastal State, in any  
18 area of the Outer Continental Shelf that  
19 has not previously been made available for  
20 oil and gas leasing; and

21 (ii) not more than 20 miles from the  
22 shore;

23 (C) the impact of offshore production fa-  
24 cilities on coastal vistas is otherwise mitigated;  
25 and

1 (D) onshore facilities that are able to draw  
2 upon the resources of the outer Continental  
3 Shelf within 10 miles of shore are allowed.

4 (b) CONFORMING AMENDMENT.—Section 105 of the  
5 Department of the Interior, Environment, and Related  
6 Agencies Appropriations Act, 2006 (Public Law 109–54;  
7 119 Stat. 521) (as amended by section 103(d) of the Gulf  
8 of Mexico Energy Security Act of 2006 (43 U.S.C. 1331  
9 note; Public Law 109–432)) is amended by inserting “and  
10 any other area that the Secretary of the Interior may offer  
11 for leasing, preleasing, or any related activity under sec-  
12 tion 104 of that Act” after “2006”).

## 13 **Subtitle B—Expedited Judicial** 14 **Review**

### 15 **SEC. 121. DEFINITIONS.**

16 In this subtitle:

17 (1) AUTHORIZING LEASING STATUTE.—The  
18 term “authorizing leasing statute” means the Outer  
19 Continental Shelf Lands Act (43 U.S.C. 1331 et  
20 seq.), the Mineral Leasing Act (30 U.S.C. 181 et  
21 seq.), the Mineral Leasing Act for Acquired Lands  
22 (30 U.S.C. 351 et seq.), and any other law of the  
23 United States directing or authorizing the leasing of  
24 Federal lands for oil and gas production or trans-  
25 mission.

1           (2) COVERED OIL AND NATURAL GAS ACTIV-  
2           ITY.—The term “covered oil and natural gas activ-  
3           ity” means—

4                   (A) the leasing of any lands pursuant to  
5                   an authorizing leasing statute for the explo-  
6                   ration, development, production, processing, or  
7                   transmission of oil, natural gas, or associated  
8                   hydrocarbons, including actions or decisions re-  
9                   lating to the selection of which lands may or  
10                  shall be made available for such leasing; and

11                   (B) any activity taken or proposed to be  
12                   taken pursuant or in relation to such leases, in-  
13                   cluding their suspension, and any environ-  
14                   mental analyses relating to such activity.

15 **SEC. 122. EXCLUSIVE JURISDICTION OVER CAUSES AND**  
16                   **CLAIMS RELATING TO COVERED OIL AND**  
17                   **NATURAL GAS ACTIVITIES.**

18           Notwithstanding any other provision of law, any Fed-  
19           eral action approving any covered oil and natural gas ac-  
20           tivity shall be subject to judicial review only—

21                   (1) in the United States Court of Appeals for  
22                   the District of Columbia Circuit; and

23                   (2) after the person filing a petition seeking  
24                   such judicial review has exhausted all available ad-

1        ministrative remedies with respect to such Federal  
2        action.

3        **SEC. 123. TIME FOR FILING PETITION; STANDING.**

4        (a) IN GENERAL.—All petitions referred to in section  
5        122 must be filed within 30 days after the latter of the  
6        challenged Federal action or the exhaustion of all available  
7        administrative remedies with respect to such Federal ac-  
8        tion. A claim or challenge shall be barred unless it is filed  
9        within the time specified.

10       (b) STANDING.—No person whose legal rights will  
11       not be directly and adversely affected by the challenged  
12       action, and who is not within the zone of interest protected  
13       by each Act under which the challenge is brought, shall  
14       have standing to file any petition referred to in section  
15       122.

16       **SEC. 124. TIMETABLE.**

17       The United States Court of Appeals for the District  
18       of Columbia Circuit shall complete all judicial review, in-  
19       cluding rendering a judgment, before the end of the 120-  
20       day period beginning on the date on which a petition re-  
21       ferred to in section 122 is filed, unless all parties to such  
22       proceeding agree to an extension of such period.

23       **SEC. 125. LIMITATION ON SCOPE OF REVIEW AND RELIEF.**

24       (a) ADMINISTRATIVE FINDINGS AND CONCLU-  
25       SIONS.—In any judicial review referred to in section 122,

1 any administrative findings and conclusions relating to the  
2 challenged Federal action shall be presumed to be correct  
3 unless shown otherwise by clear and convincing evidence  
4 contained in the administrative record.

5 (b) LIMITATION ON PROSPECTIVE RELIEF.—In any  
6 judicial review referred to in section 122, the Court shall  
7 not grant or approve any prospective relief unless the  
8 court finds that such relief is narrowly drawn, extends no  
9 further than necessary to correct the violation of a Federal  
10 law requirement, and is the least intrusive means nec-  
11 essary to correct the violation concerned.

12 **SEC. 126. PRESIDENTIAL WAIVER.**

13 Notwithstanding any other provision of law, the  
14 President may waive any legal requirement relating to the  
15 approval of any covered oil and natural gas activity if the  
16 President determines in the President's sole discretion  
17 that such activity is important to the national interest and  
18 outweighs such legal requirement.

19 **SEC. 127. LEGAL FEES.**

20 Any person filing a petition referred to in section 122  
21 who is not a prevailing party shall pay to the prevailing  
22 parties (including intervening parties), other than the  
23 United States, fees and other expenses incurred by that  
24 party in connection with the judicial review, unless the  
25 Court finds that the position of the person was substan-

1 tially justified or that special circumstances make an  
2 award unjust.

3 **SEC. 128. EXCLUSION.**

4 Section 122 shall not apply to disputes between the  
5 parties to a lease issued pursuant to an authorizing leas-  
6 ing statute regarding the obligations of such lease or the  
7 alleged breach thereof.

8 **Subtitle C—Other Energy**  
9 **Provisions**

10 **SEC. 131. ELIMINATION OF RESTRICTION ON ENERGY AL-**  
11 **TERNATIVES AND ENERGY EFFICIENCY.**

12 (a) **ELIMINATION OF OTHER RESTRICTIONS ON USE**  
13 **OF ENERGY ALTERNATIVES.—**

14 (1) **RENEWABLE BIOMASS.—**Section  
15 211(o)(1)(I) of the Clean Air Act (42 U.S.C.  
16 7545(o)(1)(I)) is amended—

17 (A) in clause (ii), by striking “non-fed-  
18 eral”; and

19 (B) in clause (iv), by striking “that are  
20 from non-federal forestlands, including  
21 forestlands” and inserting “from forestlands,  
22 including those on public lands and those”.

23 (2) **ALTERNATIVE FUELS.—**Section 526 of the  
24 Energy Independence and Security Act of 2007 (42  
25 U.S.C. 17142) is repealed.



1 (b) NEW SOURCE REVIEW UNDER THE CLEAN AIR  
2 ACT.—Part A of title I of the Clean Air Act (42 U.S.C.  
3 7401 and following) is amended by adding the following  
4 at the end:

5 **“SEC. 132. NEW SOURCE REVIEW.**

6 “In promulgating regulations respecting any require-  
7 ment or prohibition of this Act relating to the construction  
8 of a new source or the modification of an existing source,  
9 the Administrator shall include in such regulations provi-  
10 sions providing that routine maintenance and repair shall  
11 not constitute a modification of an existing source requir-  
12 ing treatment of the source as a new source. Such provi-  
13 sions shall provide that equipment replacement shall be  
14 considered routine maintenance and repair if it meets each  
15 of the following:

16 “(1) Such replacement does not increase overall  
17 actual emissions of any air pollutant by more than  
18 5 percent.

19 “(2) In the case of a source generating elec-  
20 tricity, such replacement does not result in a greater  
21 amount of any air pollutant emitted in proportion to  
22 the megawatts of electricity generated.

23 Notwithstanding any other provision of this Act, no State  
24 may include in any State implementation plan any provi-  
25 sions regarding new source review that are more stringent

1 than those contained in the regulations of the Adminis-  
2 trator under this section.”.

3 **SEC. 132. POLICIES REGARDING BUYING AND BUILDING**  
4 **AMERICAN.**

5 (a) INTENT OF CONGRESS.—It is the intent of the  
6 Congress that this Act, among other things, result in a  
7 healthy and growing American industrial, manufacturing,  
8 transportation, and service sector employing the vast tal-  
9 ents of America’s workforce to assist in the development  
10 of energy from domestic sources. Moreover, the Congress  
11 intends to monitor the deployment of personnel and mate-  
12 rial onshore and offshore to encourage the development  
13 of American technology and manufacturing to enable  
14 United States workers to benefit from this Act by good  
15 jobs and careers, as well as the establishment of important  
16 industrial facilities to support expanded access to Amer-  
17 ican resources.

18 (b) SAFEGUARD FOR EXTRAORDINARY ABILITY.—  
19 Section 30(a) of the Outer Continental Shelf Lands Act  
20 (43 U.S.C. 1356(a)) is amended in the matter preceding  
21 paragraph (1) by striking “regulations which” and insert-  
22 ing “regulations that shall be supplemental and com-  
23 plimentary with and under no circumstances a substi-  
24 tution for the provisions of the Constitution and laws of  
25 the United States extended to the subsoil and seabed of

1 the outer Continental Shelf pursuant to section 4 of this  
2 Act, except insofar as such laws would otherwise apply to  
3 individuals who have extraordinary ability in the sciences,  
4 arts, education, or business, which has been demonstrated  
5 by sustained national or international acclaim, and that”.

6 (c) WORK STANDARDS.—All construction, repair, or  
7 alteration of public buildings and public works of the Gov-  
8 ernment and buildings or works financed or otherwise as-  
9 sisted in whole or in part under this Act by a loan, loan  
10 guarantee, grant, annual contribution, credit enhance-  
11 ment, or any other form of Federal assistance authorized  
12 under this Act shall be performed in accordance with the  
13 standards applicable to comparable activity under any  
14 other provision of law, without regard to the form or type  
15 of Federal assistance provided thereunder.

16 **SEC. 133. CLEAN COAL TECHNOLOGY DEPLOYMENT GRANT**  
17 **AND LOAN PROGRAM.**

18 (a) PURPOSE.—The purpose of this section is to en-  
19 courage innovative, state-of-the-art energy plants to re-  
20 duce and eliminate emissions of carbon dioxide and other  
21 greenhouse gases.

22 (b) DOE PROGRAM.—The Secretary Energy shall  
23 implement a competitive grant and loan program to award  
24 funding to qualified projects for a 3-year period for the  
25 construction or modernization of coal-fired generation

1 units to enable the use at such units of the most viable  
2 and cost-effective technology to reduce emissions of carbon  
3 dioxide and other greenhouse gases. In carrying out such  
4 program, the Secretary shall give priority to the funding  
5 of projects that will emit the least amount of carbon diox-  
6 ide and other greenhouse gases.

7 (c) QUALIFIED PROJECTS.—(1) Projects for the con-  
8 struction or modernization of units with carbon capture  
9 and sequestration or storage systems shall be qualified for  
10 assistance under this section in the form of grants of up  
11 to \$2,000,000,000 per unit up to a maximum grant of  
12 \$2,000,000 per Megawatt (MW) of capacity. Such  
13 projects may be qualified for loan guarantees under this  
14 section in the amount of up to \$3,000,000,000 per unit  
15 up to a maximum of \$3,000,000 per Megawatt of capacity.

16 (2) The maximum amount of funding assistance  
17 under this section for construction and modernization  
18 costs shall be as follows:

19 (A) A grant of 75 percent of such costs and a  
20 loan guarantee of 25 percent of such costs for the  
21 first year in which assistance is provided.

22 (B) A grant of 50 percent of such costs and a  
23 loan guarantee of 50 percent of such costs for the  
24 second year in which assistance is provided.

1 (C) A grant of 25 percent of such costs and a  
2 loan guarantee of 75 percent of such costs for the  
3 third year in which assistance is provided.

4 (d) MINIMUM SIZE.—No project shall be qualified for  
5 assistance under this section for any unit that is less than  
6 250 MW of capacity.

7 **TITLE II—MODIFYING THE STRA-**  
8 **TEGIC PETROLEUM RESERVE**  
9 **AND FUNDING CONSERVA-**  
10 **TION AND ENERGY RE-**  
11 **SEARCH AND DEVELOPMENT**

12 **SEC. 201. FINDINGS.**

13 Congress finds the following:

14 (1) The Strategic Petroleum Reserve (SPR)  
15 was created by Congress in 1975, to protect the Na-  
16 tion from any future oil supply disruptions. When  
17 the program was established, United States refiners  
18 were capable of handling light crude and medium  
19 crude and the makeup of the SPR matched this ca-  
20 pacity. This is not the case today.

21 (2) A GAO analysis found that nearly half of  
22 the refineries considered vulnerable to supply disrup-  
23 tions are not compatible with the types of oil cur-  
24 rently stored in the SPR and would be unable to  
25 maintain normal refining capacity if forced to rely

1 on SPR oil as currently constituted, thereby reduc-  
2 ing the effectiveness of the SPR in the event of a  
3 supply disruption. GAO concluded that the SPR  
4 should be comprised of at least 10 percent heavy  
5 crude.

6 (3) This Act implements the GAO recommenda-  
7 tion and dedicates funds received from the trans-  
8 actions to existing energy conservation, research,  
9 and assistance programs.

10 **SEC. 202. DEFINITIONS.**

11 In this title—

12 (1) the term “light grade petroleum” means  
13 crude oil with an API gravity of 35 degrees or high-  
14 er;

15 (2) the term “heavy grade petroleum” means  
16 crude oil with an API gravity of 26 degrees or lower;  
17 and

18 (3) the term “Secretary” means the Secretary  
19 of Energy.

20 **SEC. 203. OBJECTIVES.**

21 The objectives of this title are as follows:

22 (1) To modernize the composition of the Stra-  
23 tegic Petroleum Reserve to reflect the current proc-  
24 essing capabilities of refineries in the United States.

1           (2) To provide increased funding to accelerate  
2           conservation, energy research and development, and  
3           assistance through existing programs.

4 **SEC. 204. MODIFICATION OF THE STRATEGIC PETROLEUM**  
5 **RESERVE.**

6           Notwithstanding section 161 of the Energy Policy  
7 and Conservation Act (42 U.S.C. 6241), the Secretary  
8 shall publish a plan not later than 30 days after the date  
9 of enactment of this Act to—

10           (1) exchange as soon as possible light grade pe-  
11           troleum from the Strategic Petroleum Reserve, in an  
12           amount equal to 10 percent of the total number of  
13           barrels of crude oil in the Reserve as of the date of  
14           enactment of this Act, for an equivalent volume of  
15           heavy grade petroleum plus any additional cash  
16           bonus bids received that reflect the difference in the  
17           market value between light grade petroleum and  
18           heavy grade petroleum and the timing of deliveries  
19           of the heavy grade petroleum;

20           (2) from the gross proceeds of the cash bonus  
21           bids, deposit the amount necessary to pay for the di-  
22           rect administrative and operational costs of the ex-  
23           change into the SPR Petroleum Account established  
24           under section 167 of the Energy Policy and Con-  
25           servation Act (42 U.S.C. 6247); and

1           (3) deposit 90 percent of the remaining net pro-  
2           ceeds from the exchange into the account established  
3           under section 205(a).

4 **SEC. 205. ENERGY INDEPENDENCE AND SECURITY FUND.**

5           (a) ESTABLISHMENT.—There is hereby established in  
6 the Treasury of the United States the “Energy Independ-  
7 ence and Security Fund” (in this section referred to as  
8 the “Fund”).

9           (b) ADMINISTRATION.—The Secretary shall be re-  
10 sponsible for administering the Fund for the purpose of  
11 carrying out this section.

12           (c) DEPOSITS.—The Secretary shall transfer the bal-  
13 ance of funds in the SPR Petroleum Account on the date  
14 of enactment of this Act in excess of \$10,000,000 into  
15 the Fund.

16           (d) DISTRIBUTION OF FUNDS.—The Secretary shall  
17 make amounts from the Fund available for obligation,  
18 without further appropriation and without fiscal year limi-  
19 tation, for the following purposes:

20           (1) ADVANCED RESEARCH PROJECTS AGENCY—  
21 ENERGY.—The Secretary may transfer amounts to  
22 the account “Energy Transformation Acceleration  
23 Fund”, established under section 5012(m) of the  
24 America COMPETES Act (42 U.S.C. 16538(m)),  
25 including amounts—



1 (A) for university-based research projects;  
2 and

3 (B) for program direction expenses.

4 (2) WIND ENERGY RESEARCH AND DEVELOP-  
5 MENT.—The Secretary may transfer amounts to the  
6 account “Energy Efficiency and Renewable Energy”  
7 for necessary expenses for a program to support the  
8 development of next-generation wind turbines, in-  
9 cluding turbines capable of operating in areas with  
10 low wind speeds, as authorized in section  
11 931(a)(2)(B) of the Energy Policy Act of 2005 (42  
12 U.S.C. 16231(a)(2)(B)).

13 (3) SOLAR ENERGY RESEARCH AND DEVELOP-  
14 MENT.—The Secretary may transfer amounts to the  
15 account “Energy Efficiency and Renewable Energy”  
16 for necessary expenses for a program to accelerate  
17 the research, development, demonstration, and de-  
18 ployment of solar energy technologies, and public  
19 education and outreach materials pursuant to such  
20 program, as authorized by section 931(a)(2)(A) of  
21 the Energy Policy Act of 2005 (42 U.S.C.  
22 16231(a)(2)(A)).

23 (4) MARINE AND HYDROKINETIC RENEWABLE  
24 ELECTRIC ENERGY.—The Secretary may transfer  
25 amounts to the account “Energy Efficiency and Re-

1 newable Energy” for necessary expenses for a pro-  
2 gram to accelerate the research, development, dem-  
3 onstration, and deployment of ocean and wave en-  
4 ergy, including hydrokinetic renewable energy, as au-  
5 thORIZED by section 931 of the Energy Policy Act of  
6 2005 (42 U.S.C. 16231) and section 636 of the En-  
7 ergy Independence and Security Act of 2007 (42  
8 U.S.C. 17215).

9 (5) ADVANCED VEHICLES RESEARCH, DEVELOP-  
10 MENT, AND DEMONSTRATION.—The Secretary may  
11 transfer amounts to the account “Energy Efficiency  
12 and Renewable Energy” for necessary expenses for  
13 research, development, and demonstration on ad-  
14 vanced, cost-effective technologies to improve the en-  
15 ergy efficiency and environmental performance of ve-  
16 hicles, as authorized in section 911(a)(2)(A) of the  
17 Energy Policy Act of 2005 (42 U.S.C.  
18 16191(a)(2)(A)).

19 (6) INDUSTRIAL ENERGY EFFICIENCY RE-  
20 SEARCH AND DEVELOPMENT.—The Secretary may  
21 transfer amounts to the account “Energy Efficiency  
22 and Renewable Energy” for necessary expenses for  
23 a program to accelerate the research, development,  
24 demonstration, and deployment of new technologies  
25 to improve the energy efficiency and reduce green-

1 house gas emissions from industrial processes, as  
2 authorized in section 911(a)(2)(C) of the Energy  
3 Policy Act of 2005 (42 U.S.C. 16191(a)(2)(C)) and  
4 in section 452 of the Energy Independence and Se-  
5 curity Act of 2007 (42 U.S.C. 17111).

6 (7) BUILDING AND LIGHTING ENERGY EFFI-  
7 CIENCY RESEARCH AND DEVELOPMENT.—The Sec-  
8 retary may transfer amounts to the account “En-  
9 ergy Efficiency and Renewable Energy” for nec-  
10 essary expenses for a program to accelerate the re-  
11 search, development, demonstration, and deployment  
12 of new technologies to improve the energy efficiency  
13 of and reduce greenhouse gas emissions from build-  
14 ings, as authorized in section 321(g) of the Energy  
15 Independence and Security Act of 2007 (42 U.S.C.  
16 6295 note), section 422 of the Energy Independence  
17 and Security Act of 2007 (42 U.S.C. 17082), and  
18 section 912 of the Energy Policy Act of 2005 (42  
19 U.S.C. 16192).

20 (8) GEOTHERMAL ENERGY DEVELOPMENT.—  
21 The Secretary may transfer amounts to the account  
22 “Energy Efficiency and Renewable Energy” for nec-  
23 essary expenses for geothermal research and devel-  
24 opment activities to be managed by the National Re-  
25 newable Energy Laboratory, as authorized by sec-

1 tions 613, 614, 615, and 616 of the Energy Inde-  
2 pendence and Security Act of 2007 (42 U.S.C.  
3 17192–95) and section 931(a)(2)(C) of the Energy  
4 Policy Act of 2005 (42 U.S.C. 16231(a)(2)(C)).

5 (9) SMART GRID TECHNOLOGY RESEARCH, DE-  
6 VELOPMENT, AND DEMONSTRATION.—The Secretary  
7 may transfer amounts to the account “Energy Effi-  
8 ciency and Renewable Energy” for necessary ex-  
9 penses for research, development, and demonstration  
10 of smart grid technologies, as authorized by section  
11 1304 of the Energy Independence and Security Act  
12 of 2007 (42 U.S.C. 17384).

13 (10) CARBON CAPTURE AND STORAGE.—The  
14 Secretary may transfer amounts to the account  
15 “Fossil Energy Research and Development” for nec-  
16 essary expenses for a program of demonstration  
17 projects of carbon capture and storage, and for a re-  
18 search program to address public health, safety, and  
19 environmental impacts, as authorized by section 963  
20 of the Energy Policy Act of 2005 (42 U.S.C. 16293)  
21 and sections 703 and 707 of the Energy Independ-  
22 ence and Security Act of 2007 (42 U.S.C. 17251,  
23 17255).

1           (11) NONCONVENTIONAL DOMESTIC NATURAL  
2           GAS PRODUCTION AND ENVIRONMENTAL RE-  
3           SEARCH.—

4           (A) The Secretary may transfer amounts  
5           to the account authorized by section 999H(e) of  
6           the Energy Policy Act of 2005 (42 U.S.C.  
7           16378(e)).

8           (B) The Secretary may transfer amounts  
9           to the account “Fossil Energy Research and  
10          Development” for necessary expenses for a pro-  
11          gram of basin-oriented assessments and public  
12          and private partnerships involving States and  
13          industry to foster the development of regional  
14          advanced technological, regulatory, and eco-  
15          nomic development strategies for the efficient  
16          and environmentally sustainable recovery and  
17          market delivery of natural gas and domestic pe-  
18          troleum resources within the United States, and  
19          for support for the Stripper Well Consortium.

20          (12) HYDROGEN RESEARCH AND DEVELOP-  
21          MENT.—The Secretary may transfer amounts to the  
22          account “Energy Efficiency and Renewable Energy”  
23          for necessary expenses for the Department of Ener-  
24          gy’s H-Prize Program, as authorized by section

1 1008(f) of the Energy Policy Act of 2005 (42  
2 U.S.C. 16396(f)).

3 (13) ENERGY STORAGE FOR TRANSPORTATION  
4 AND ELECTRIC POWER.—

5 (A) The Secretary may transfer amounts  
6 to the account “Basic Energy Sciences” for  
7 necessary expenses for a program to accelerate  
8 basic research on energy storage systems to  
9 support electric drive vehicles, stationary appli-  
10 cations, and electricity transmission and dis-  
11 tribution, as authorized by section 641(p)(1) of  
12 the Energy Independence and Security Act of  
13 2007 (42 U.S.C. 17231(p)(1)).

14 (B) The Secretary may transfer amounts  
15 to the account “Energy Efficiency and Renew-  
16 able Energy” including—

17 (i) amounts for a program to accel-  
18 erate applied research on energy storage  
19 systems to support electric drive vehicles,  
20 stationary applications, and electricity  
21 transmission and distribution as authorized  
22 by section 641(p)(2) of the Energy Inde-  
23 pendence and Security Act of 2007 (42  
24 U.S.C. 17231(p)(2));

1                   (ii) amounts for energy storage sys-  
2                   tems demonstrations as authorized by sec-  
3                   tion 641(p)(4) of the Energy Independence  
4                   and Security Act of 2007 (42 U.S.C.  
5                   17231(p)(4)); and

6                   (iii) amounts for vehicle energy stor-  
7                   age systems demonstrations as authorized  
8                   by section 641(p)(5) of the Energy Inde-  
9                   pendence and Security Act of 2007 (42  
10                  U.S.C. 17231(p)(5)).

11           (e) TRANSFER PROCEDURES.—The Secretary shall  
12           make an initial transfer from the Fund no later than 30  
13           days after the initial deposit of monies into the Fund. The  
14           Secretary shall make additional transfers no later than 30  
15           days after subsequent deposits.

16           (f) MANAGEMENT AND OVERSIGHT.—

17                   (1) ADDITIONALITY OF FISCAL YEAR 2008  
18                   TRANSFERS.—All amounts transferred under sub-  
19                   section (d) shall be in addition to, and shall not be  
20                   substituted for, any funds appropriated for the same  
21                   or similar purposes in the Consolidated Appropria-  
22                   tions Act, 2014 or any other enacted legislation.

23                   (2) EXCESS FUNDS.—The total of all amounts  
24                   transferred under subsection (d) and any funds ap-  
25                   propriated for the same or similar purposes in the

1 Consolidated Appropriations Act, 2008 or any other  
2 enacted legislation may not exceed the amounts au-  
3 thorized in other Acts for such purposes. In the  
4 event that amounts made available under this title  
5 plus amounts under the Consolidated Appropriations  
6 Act, 2014 exceed the cumulative amounts authorized  
7 in other Acts for any program funded by this Act,  
8 the excess amounts shall be distributed to the other  
9 programs funded by this title on a pro rata basis.

10 (3) PROGRAM PLANS AND PERFORMANCE MEAS-  
11 URES.—The Secretary shall prepare and publish in  
12 the Federal Register a plan for the proposed use of  
13 all funds authorized in subsection (d). The plan also  
14 shall identify how the use of these funds will be ad-  
15 ditive to, and not displace, annual appropriations.  
16 The plans also shall identify performance measures  
17 to assess the additional benefits that may be realized  
18 from the application of the additional funding pro-  
19 vided under this section. The initial plan shall be  
20 published in the Federal Register not later than 45  
21 days after the date of enactment of this Act.

22 (4) CONGRESSIONAL OVERSIGHT AND RE-  
23 VIEW.—Nothing in this section shall limit or restrict  
24 the review and oversight of program plans by the ap-  
25 propriate committees of Congress. Nothing in this



1 section shall limit or restrict the authority of Con-  
2 gress to set alternative spending limitations in an-  
3 nual appropriations Acts.

4 (5) APPORTIONMENT.—All transactions of the  
5 Fund shall be exempt from apportionment under the  
6 provisions of subchapter II of chapter 15 of title 31,  
7 United States Code.

8 **TITLE III—CLEANER ENERGY**  
9 **PRODUCTION AND ENERGY**  
10 **CONSERVATION INCENTIVES**

11 **SEC. 301. EXTENSION OF RENEWABLE ENERGY CREDIT.**

12 (a) IN GENERAL.—Subsection (d) of section 45 of the  
13 Internal Revenue Code of 1986 (relating to qualified facili-  
14 ties) is amended by striking “January 1, 2014” each place  
15 it appears and inserting “January 1, 2020”.

16 (b) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to property placed in service after  
18 December 31, 2013.

19 **SEC. 302. EXTENSION OF CREDIT FOR ENERGY EFFICIENT**  
20 **APPLIANCES.**

21 (a) DISHWASHERS.—Subsection (b) of section 45M  
22 of the Internal Revenue Code of 1986 (relating to applica-  
23 ble amount) is amended by striking “2011, 2012, or  
24 2013” each place it appears and inserting “after 2011 and  
25 before 2020”.

1 (b) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to appliances produced after De-  
3 cember 31, 2013.

4 **SEC. 303. EXTENSION OF CREDIT FOR NONBUSINESS EN-**  
5 **ERGY PROPERTY.**

6 Section 25C(g) of the Internal Revenue Code of 1986  
7 (relating to termination) is amended by striking “Decem-  
8 ber 31, 2013” and inserting “December 31, 2019”.

9 **SEC. 304. EXTENSION OF CREDIT FOR RESIDENTIAL EN-**  
10 **ERGY EFFICIENT PROPERTY.**

11 Section 25D(g) of the Internal Revenue Code of 1986  
12 (relating to termination) is amended by striking “Decem-  
13 ber 31, 2016” and inserting “December 31, 2019”.

14 **SEC. 305. EXTENSION OF NEW ENERGY EFFICIENT HOME**  
15 **CREDIT.**

16 Subsection (g) of section 45L of the Internal Revenue  
17 Code of 1986 (relating to termination) is amended by  
18 striking “December 31, 2013” and inserting “December  
19 31, 2019”.

20 **SEC. 306. EXTENSION OF ENERGY EFFICIENT COMMERCIAL**  
21 **BUILDINGS DEDUCTION.**

22 Section 179D(h) of the Internal Revenue Code of  
23 1986 (relating to termination) is amended by striking  
24 “December 31, 2013” and inserting “December 31,  
25 2019”.

1 **SEC. 307. EXTENSION OF ENERGY CREDIT.**

2 (a) SOLAR ENERGY PROPERTY.—Paragraphs  
3 (2)(A)(i)(II) and (3)(A)(ii) of section 48(a) of the Internal  
4 Revenue Code of 1986 (relating to energy credit) are each  
5 amended by striking “January 1, 2017” and inserting  
6 “January 1, 2020”.

7 (b) FUEL CELL PROPERTY.—Subparagraph (D) of  
8 section 48(c)(1) of such Code (relating to qualified fuel  
9 cell property) is amended by striking “December 31,  
10 2016” and inserting “December 31, 2019”.

11 (c) MICROTURBINE PROPERTY.—Subparagraph (D)  
12 of section 48(c)(2) of such Code (relating to qualified  
13 microturbine property) is amended by striking “December  
14 31, 2016” and inserting “December 31, 2019”.

15 (d) PROPERTY USING THERMAL ENERGY FROM  
16 GROUND OR GROUND WATER.—Clause (vii) of section  
17 48(a)(3)(A) of such Code is amended by striking “Decem-  
18 ber 31, 2017” and inserting “December 31, 2019”.

19 (e) COMBINED HEAT AND POWER SYSTEM PROP-  
20 erty.—Clause (iv) of section 48(c)(3)(A) of such Code  
21 is amended by striking “December 31, 2017” and insert-  
22 ing “December 31, 2019”.

23 (f) SMALL WIND ENERGY PROPERTY.—Subpara-  
24 graph (C) of section 48(c)(4) of such Code is amended  
25 by striking “December 31, 2016” and inserting “Decem-  
26 ber 31, 2019”.

1 **SEC. 308. EXTENSION OF CREDIT FOR NEW CLEAN RENEW-**  
2 **ABLE ENERGY BONDS.**

3 Subsection (c) of section 54C of the Internal Revenue  
4 Code of 1986 is amended by adding at the end the fol-  
5 lowing new paragraph:

6 “(5) **ADDITIONAL ANNUAL ALLOCATIONS.**—The  
7 national new clean renewable energy bond limitation  
8 shall be increased annually by 2 percent of the de-  
9 posits made into the Renewable Energy and Energy  
10 Efficiency Reserve under section 8(g)(7) of the  
11 Outer Continental Shelf Lands Act with respect to  
12 such year. Each such increase shall be allocated by  
13 the Secretary consistent with the rules of para-  
14 graphs (2) and (3).”.

15 **SEC. 309. EXPENSING OF MECHANICAL INSULATION PROP-**  
16 **ERTY.**

17 (a) **IN GENERAL.**—Part VI of subchapter B of chap-  
18 ter 1 of subtitle A of the Internal Revenue Code of 1986  
19 (relating to itemized deductions for individuals and cor-  
20 porations) is amended by inserting after section 179E the  
21 following new section:

22 **“SEC. 179F. MECHANICAL INSULATION PROPERTY.**

23 “(a) **TREATMENT AS EXPENSES.**—There shall be al-  
24 lowed as a deduction an amount equal to the applicable  
25 percentage of the cost of mechanical insulation property  
26 placed in service during the taxable year.

1       “(b) APPLICABLE PERCENTAGE.—For purposes of  
2 subsection (a)—

3           “(1) IN GENERAL.—The term ‘applicable per-  
4 centage’ means the lesser of—

5               “(A) 30 percent, and

6               “(B) the excess (if any) of—

7                   “(i) the energy savings (expressed as  
8 a percentage) obtained by placing such me-  
9 chanical insulation property in service in  
10 connection with a mechanical system, over

11                   “(ii) the energy savings (expressed as  
12 a percentage) such property is required to  
13 meet by Standard 90.1–2007, developed  
14 and published by the American Society of  
15 Heating, Refrigerating and Air-Cond-  
16 tioning Engineers.

17           “(2) SPECIAL RULE RELATING TO MAINTEN-  
18 NANCE.—In the case of mechanical insulation prop-  
19 erty placed in service as a replacement for insulation  
20 property—

21               “(A) paragraph (1)(B) shall be applied  
22 without regard to clause (ii) thereof, and

23               “(B) the cost of such property shall be  
24 treated as an expense for which a deduction is  
25 allowed under section 162 instead of being

1 treated as depreciable for purposes of the de-  
2 duction provided by section 167.

3 “(c) DEFINITIONS.—For purposes of this section—

4 “(1) MECHANICAL INSULATION PROPERTY.—  
5 The term ‘mechanical insulation property’ means in-  
6 sulation materials, facings, and accessory products—

7 “(A) placed in service in connection with a  
8 mechanical system which—

9 “(i) is located in the United States,  
10 and

11 “(ii) is of a character subject to an al-  
12 lowance for depreciation, and

13 “(B) utilized for thermal, acoustical, and  
14 personnel safety requirements for mechanical  
15 piping and equipment, hot and cold applica-  
16 tions, and heating, venting and air conditioning  
17 applications which can be used in a variety of  
18 facilities.

19 “(2) COST.—The cost of mechanical insulation  
20 property includes—

21 “(A) the amounts paid or incurred for the  
22 installation of such property,

23 “(B) in the case of removal and disposal of  
24 the old mechanical insulation property, 10 per-  
25 cent of the cost of the new mechanical insula-

1           tion property (determined without regard to  
2           this subparagraph), and

3                   “(C) expenditures for labor costs properly  
4           allocable to the preparation, assembly, and in-  
5           stallation of mechanical insulation property.

6           “(d) COORDINATION.—

7                   “(1) SECTION 179D.—Subsection (a) shall not  
8           apply to the cost of mechanical insulation property  
9           which is taken into account under section 179D or  
10          which, but for subsection (b) of section 179D, would  
11          be taken into account under such section.

12                   “(2) OTHER DEDUCTIONS AND CREDITS.—

13                   “(A) IN GENERAL.—The amount of any  
14           other deduction or credit allowable under this  
15           chapter for any cost of mechanical insulation  
16           property which is taken into account under sub-  
17           section (a) shall be reduced by the amount of  
18           such cost so taken into account.

19                   “(B) EXCEPTION FOR CERTAIN COSTS.—  
20           Subparagraph (A) shall not apply to any  
21           amount properly attributable to maintenance.

22           “(e) ALLOCATION OF DEDUCTION FOR TAX-EXEMPT  
23   PROPERTY.—In the case of mechanical insulation prop-  
24   erty installed on or in property owned by an entity de-  
25   scribed in paragraph (3) or (4) of section 50(b), the per-

1 son who is the primary contractor for the installation of  
2 such property shall be treated as the taxpayer that placed  
3 such property in service.

4 “(f) CERTIFICATION.—For purposes of this section,  
5 energy savings shall be certified under regulations or other  
6 guidance provided by the Secretary, in consultation with  
7 the Secretary of Energy.”.

8 (b) DEDUCTION FOR CAPITAL EXPENDITURES.—  
9 Section 263(a)(1) of such Code (relating to capital ex-  
10 penditures) is amended by striking “or” at the end of sub-  
11 paragraph (K), by striking the period at the end of para-  
12 graph (L) and inserting “, or”, and by adding at the end  
13 the following new subparagraph:

14 “(M) expenditures for which a deduction is  
15 allowed under section 179F.”.

16 (c) TECHNICAL AND CLERICAL AMENDMENTS.—

17 (1) Section 312(k)(3)(B) of such Code is  
18 amended by striking “or 179E” each place it ap-  
19 pears in the text or heading thereof and inserting  
20 “179E, or 179F”.

21 (2) Paragraphs (2)(C) and (3)(C) of section  
22 1245(a) of such Code are each amended by inserting  
23 “179F,” after “179E,”.

24 (3) The table of sections for part VI of sub-  
25 chapter B of chapter 1 of subtitle A of such Code



1 is amended by inserting after the item relating to  
2 section 179E the following new item:

“Sec. 179F. Mechanical insulation property.”.

3 (d) **EFFECTIVE DATE.**—The amendments made by  
4 this section shall apply to property placed in service after  
5 the date of enactment of this Act.

6 **TITLE IV—INCREASE DIVER-**  
7 **SIFICATION AND EFFICIENCY**  
8 **OF AMERICA’S TRANSPOR-**  
9 **TATION AND ELECTRIC SYS-**  
10 **TEM**

11 **Subtitle A—Diversification of Fuel**  
12 **Source for America’s Short-Haul**  
13 **Transportation System**

14 **SEC. 401. MINIMUM FEDERAL FLEET REQUIREMENT.**

15 Section 303 of the Energy Policy Act of 1992 (42  
16 U.S.C. 13212) is amended—

17 (1) in subsection (b)—

18 (A) by redesignating paragraphs (2) and  
19 (3) as paragraphs (3) and (4), respectively;

20 (B) by inserting after paragraph (1) the  
21 following:

22 “(2) Of the total number of vehicles acquired by a  
23 Federal fleet under paragraph (1), at least the following  
24 percentage of the vehicles shall be plug-in electric drive  
25 vehicles (as defined in section 131(a) of the Energy Inde-

1 pence and Security Act of 2007 (42 U.S.C. 17011(a)))  
2 or new qualified alternative fuel motor vehicles (as defined  
3 in section 30B(e)(4) of the Internal Revenue Code of  
4 1986, but determined without regard to clauses (ii) and  
5 (iii) of subparagraph (A) thereof):

6           “(A) 10 percent for fiscal year 2014.

7           “(B) The applicable percentage for the pre-  
8 ceding fiscal year increased by 2 percentage points  
9 (but not to exceed a total of 50 percent) for fiscal  
10 year 2015 and each subsequent fiscal year.”; and

11           (C) in paragraph (3) (as redesignated by  
12 subparagraph (A) of this paragraph), by insert-  
13 ing “or (2)” after “paragraph (1)”;

14           (2) by striking subsection (e) and inserting the  
15 following:

16           “(c) ALLOCATION OF INCREMENTAL COSTS.—Sub-  
17 ject to the availability of funds appropriated to carry out  
18 this subsection (to remain available until expended), the  
19 General Services Administration shall pay the incremental  
20 cost of alternative fuel vehicles over the cost of comparable  
21 gasoline vehicles for vehicles that the Administration pur-  
22 chased for the use of the Administration or on behalf of  
23 other agencies, in a total amount of not to exceed  
24 \$300,000,000 for any of fiscal years 2014 through  
25 2019.”;

1 (3) in subsection (f), by adding at the end the  
2 following:

3 “(4) COMPLIANCE.—Compliance with this sub-  
4 section shall not relieve a Federal agency of the obli-  
5 gations of the agency under subsection (b).”; and

6 (4) in subsection (g), by striking “fiscal years  
7 1993 through 1998” and inserting “each fiscal  
8 year”.

9 **SEC. 402. USE OF HOV FACILITIES BY LIGHT-DUTY, PLUG-IN**  
10 **ELECTRIC DRIVE VEHICLES OR NEW QUALI-**  
11 **FIED ALTERNATIVE FUEL MOTOR VEHICLES.**

12 Section 166(b)(5) of title 23, United States Code, is  
13 amended—

14 (1) in subparagraph (A), by striking “Before”  
15 and inserting “Except as provided in subparagraph  
16 (D), before”;

17 (2) in subparagraph (B), by striking “Before”  
18 and inserting “Except as provided in subparagraph  
19 (D), before”; and

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

21 “(D) USE BY PLUG-IN ELECTRIC DRIVE  
22 VEHICLES.—

23 “(i) DEFINITION OF PLUG-IN ELEC-  
24 TRIC DRIVE VEHICLE.—In this subpara-  
25 graph, the term ‘plug-in electric drive vehi-

1           cle’ has the meaning given the term in sec-  
2           tion 131(a) of the Energy Independence  
3           and Security Act of 2007 (42 U.S.C.  
4           17011(a)).

5           “(ii) USE OF HOV FACILITIES.—A  
6           State agency—

7                   “(I) shall allow a vehicle to use  
8                   HOV facilities in the State if the vehi-  
9                   cle is, as determined by the Sec-  
10                  retary—

11                           “(aa) certified as a low-  
12                           emission and energy-efficient ve-  
13                           hicle in accordance with sub-  
14                           section (e);

15                           “(bb) labeled in accordance  
16                           with subsection (e);

17                           “(cc) a light-duty, plug-in  
18                           electric drive vehicle or a new  
19                           qualified alternative fuel motor  
20                           vehicle (as defined in section  
21                           30B(e)(4) of the Internal Rev-  
22                           enue Code of 1986, but deter-  
23                           mined without regard to clauses  
24                           (ii) and (iii) of subparagraph (A)  
25                           thereof); and

1                   “(dd) purchased on or be-  
2                   fore December 31 of the calendar  
3                   year described in clause (iii); and

4                   “(II) shall not impose any toll or  
5                   other charge on such a vehicle for use  
6                   of an HOV facility in the State.

7                   “(iii) CALENDAR YEAR.—The cal-  
8                   endar year referred to in clause (ii)(I)(dd)  
9                   is the calendar year during which, as de-  
10                  termined by the Secretary, the aggregate  
11                  number of plug-in electric drive vehicles  
12                  sold in the United States during all cal-  
13                  endar years exceeds 2,000,000.

14                  “(iv) PETITION.—A State may peti-  
15                  tion the Secretary to limit or discontinue  
16                  the use of an HOV facility by plug-in elec-  
17                  tric drive vehicles if the State dem-  
18                  onstrates to the Secretary that the pres-  
19                  ence of the plug-in electric drive vehicles  
20                  has degraded the operation of the HOV fa-  
21                  cility.”.

22 **SEC. 403. RECHARGING INFRASTRUCTURE.**

23                  (a) DEFINITIONS.—In this section:

1           (1) LOCAL GOVERNMENT.—The term “local  
2 government” has the meaning given the term in sec-  
3 tion 3371 of title 5, United States Code.

4           (2) PLUG-IN ELECTRIC DRIVE VEHICLE.—The  
5 term “plug-in electric drive vehicle” has the meaning  
6 given the term in section 131(a) of the Energy Inde-  
7 pendence and Security Act of 2007 (42 U.S.C.  
8 17011(a)).

9           (3) NEW QUALIFIED ALTERNATIVE FUELED VE-  
10 HICLE.—The term “new qualified alternative fueled  
11 vehicle” means a new qualified alternative fuel  
12 motor vehicle (as defined in section 30B(e)(4) of the  
13 Internal Revenue Code of 1986, but determined  
14 without regard to clauses (ii) and (iii) of subpara-  
15 graph (A) thereof).

16           (4) RANGE EXTENSION INFRASTRUCTURE.—  
17 The term “range extension infrastructure” includes  
18 equipment, products, or services for recharging plug-  
19 in electric drive vehicles that—

20                   (A) are available to retail consumers of  
21 electric drive vehicles on a nondiscriminatory  
22 basis;

23                   (B) provide for extending driving range  
24 through battery exchange or rapid recharging;  
25 and

1           (C) are comparable in convenience and  
2           price to petroleum-based refueling services.

3       (b) STUDY.—

4           (1) IN GENERAL.—The Secretary of Energy  
5       shall conduct a study of—

6           (A) the number and distribution of re-  
7           charging facilities and alternative vehicle fuel  
8           facilities, including range extension infrastruc-  
9           ture, that will be required for drivers of plug-  
10          in electric drive vehicles in the United States to  
11          reliably recharge the electric drive vehicles;

12          (B) minimum technical standards for pub-  
13          lic recharging facilities, in coordination with the  
14          National Institute of Standards and Tech-  
15          nology; and

16          (C) the concurrent technical and infra-  
17          structure investments that electric utilities and  
18          electricity providers will be required to make to  
19          support widespread deployment of recharging  
20          infrastructure and the estimated costs of the in-  
21          vestments.

22          (2) COMPONENTS.—In conducting the study re-  
23          quired under this subsection, the Secretary shall  
24          analyze—

1 (A) the variety and density of recharging  
2 infrastructure options necessary to power plug-  
3 in electric drive vehicles under diverse scenarios,  
4 including—

5 (i) the ratio of residential, commer-  
6 cial, and public recharging infrastructure  
7 options necessary to support 10 percent,  
8 20 percent, and 50 percent penetration of  
9 plug-in electric vehicles on a city fleet  
10 basis;

11 (ii) the ratio of residential, commer-  
12 cial, and public recharging infrastructure  
13 options necessary to support 10 percent,  
14 20 percent, and 50 percent penetration of  
15 plug-in electric vehicles on a national fleet  
16 basis; and

17 (iii) the potential impact of fast  
18 charging on penetration rates and utility  
19 power management requirements;

20 (B) whether use of parking spots with ac-  
21 cess to recharging facilities should be limited to  
22 plug-in electric drive vehicles; and

23 (C) such other issues as the Secretary con-  
24 siders appropriate.



1           (3) REPORT.—Not later than 1 year after the  
2           date of enactment of this Act, the Secretary shall  
3           submit to the appropriate committees of Congress a  
4           report on the results of the study conducted under  
5           this subsection, including any recommendations.

6           (c) GRANTS AND LOANS TO LOCAL GOVERNMENTS  
7           FOR RECHARGING INFRASTRUCTURE.—

8           (1) IN GENERAL.—Not later than 180 days  
9           after the date of enactment of this Act, the Sec-  
10          retary shall establish a program under which the  
11          Secretary shall provide grants and loans to local gov-  
12          ernments to assist in the installation of recharging  
13          facilities for electric drive vehicles in areas under the  
14          jurisdiction of the local governments. The Secretary  
15          shall provide funding under this section to local gov-  
16          ernments to pay not more than 50 percent of the re-  
17          charging infrastructure cost.

18          (2) ELIGIBILITY.—To be eligible to obtain a  
19          grant or loan under this subsection, a local govern-  
20          ment shall—

21                 (A) demonstrate to the Secretary that the  
22                 local government has taken into consideration  
23                 the findings of the report submitted under sub-  
24                 section (b)(3), unless the local government dem-  
25                 onstrates to the Secretary that an alternative

1 variety and density of recharging infrastructure  
2 options would better meet the purposes of this  
3 section; and

4 (B) agree not to charge a premium for use  
5 of a parking space used to recharge an electric  
6 drive vehicle other than a charge for electric en-  
7 ergy.

8 (3) GUIDELINES.—The Secretary shall establish  
9 guidelines for carrying out this subsection that are  
10 consistent with the report submitted under sub-  
11 section (b)(3).

12 (4) AUTHORIZATION OF APPROPRIATIONS.—  
13 There is authorized to be appropriated to the Sec-  
14 retary to carry out this subsection a total of  
15 \$250,000,000 for grants and a total of  
16 \$250,000,000 for loans, to remain available until ex-  
17 pended.

18 **SEC. 404. LOAN GUARANTEES FOR ADVANCED BATTERY**  
19 **PURCHASES.**

20 Subtitle B of title I of the Energy and Independence  
21 and Security Act of 2007 (42 U.S.C. 17011 et seq.) is  
22 amended by adding at the end the following:

23 **“SEC. 137. LOAN GUARANTEES FOR ADVANCED BATTERY**  
24 **PURCHASES.**

25 “(a) DEFINITIONS.—In this section:

1           “(1) PLUG-IN ELECTRIC DRIVE VEHICLE.—The  
2 term ‘plug-in electric drive vehicle’ has the meaning  
3 given the term in section 131(a).

4           “(2) RANGE EXTENSION INFRASTRUCTURE.—  
5 The term ‘range extension infrastructure’ includes  
6 equipment, products, or services for recharging plug-  
7 in electric drive vehicles that—

8                   “(A) are available to retail consumers of  
9 electric drive vehicles on a nondiscriminatory  
10 basis;

11                   “(B) provide for extended driving range  
12 through battery exchange or rapid recharging;  
13 and

14                   “(C) are comparable in convenience and  
15 price to petroleum-based refueling services.

16           “(b) LOAN GUARANTEES.—The Secretary shall guar-  
17 antee loans made to eligible entities for the aggregate pur-  
18 chase by an eligible entity of not less than 5,000 batteries  
19 that use advanced battery technology within a calendar  
20 year.

21           “(c) ELIGIBLE ENTITIES.—To be eligible to obtain  
22 a loan guarantee under this section, an entity shall be—

23                   “(1) an original equipment manufacturer;

24                   “(2) a vehicle manufacturer;

25                   “(3) an electric utility;

1           “(4) any provider of range extension infrastruc-  
2           ture; or

3           “(5) any other qualified entity, as determined  
4           by the Secretary.

5           “(d) REGULATIONS.—The Secretary shall promul-  
6           gate such regulations as are necessary to carry out this  
7           section.

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

11 **SEC. 405. STUDY OF END-OF-USEFUL-LIFE OPTIONS FOR**  
12 **MOTOR VEHICLE BATTERIES.**

13          (a) IN GENERAL.—In combination with the research,  
14          demonstration, and deployment activities conducted under  
15          section 641(k) of the Energy and Independence and Secu-  
16          rity Act of 2007 (42 U.S.C. 17231(k)), the Secretary of  
17          Energy shall conduct a study on the end-of-useful-life op-  
18          tions for motor vehicle batteries, including recommenda-  
19          tions for stationary storage applications and recyclability  
20          design specifications.

21          (b) REPORT.—Not later than 1 year after the date  
22          of enactment of this Act, the Secretary shall submit to  
23          the appropriate committees of Congress a report on the  
24          results of the study conducted under subsection (a), in-  
25          cluding any recommendations.

1 **SEC. 406. STUDY AND DEMONSTRATION ELECTRIFICATION**  
2 **OF POSTAL FLEET.**

3 (a) IN GENERAL.—The Postal Service shall conduct  
4 a study of what portion of its mail delivery vehicles are  
5 capable of being replaced with plug-in hybrid electric vehi-  
6 cles.

7 (b) REPORT.—Not later than 1 year after the date  
8 of enactment of this Act, the Postal Service shall submit  
9 to the appropriate committees of Congress a report on the  
10 results of the study conducted under subsection (a).

11 (c) PROTOTYPE PLUG-IN ELECTRIC HYBRID MAIL  
12 DELIVERY VEHICLES.—Not later than 2 years after the  
13 date of enactment of this Act, the Postal Service shall con-  
14 tact for the development of a prototype plug-in electric hy-  
15 brid mail delivery vehicles.

16 **SEC. 407. STUDY OF DEVELOPMENT OF COMMON STAND-**  
17 **ARDS FOR PHEVS AND EVS BETWEEN THE**  
18 **UNITED STATES, EUROPE AND ASIA.**

19 (a) IN GENERAL.—The Secretary of Energy shall  
20 conduct a study identifying the components of electric ve-  
21 hicles, hybrid-electric vehicles, and plug-in hybrid-electric  
22 vehicles for which it is important that there be common  
23 standards within the United States and between the  
24 United States, European, and Asian automakers and ex-  
25 amine the extent to which such standards are (or are not)

1 or have been (or have not been) developed, and the status  
2 of any such efforts to develop such standards.

3 (b) REPORT.—Not later than 1 year after the date  
4 of enactment of this Act, the Secretary of Energy shall  
5 submit to the appropriate committees of Congress a report  
6 on the results of the study conducted under subsection (a),  
7 including any recommendations.

8 **Subtitle B—Incentives for**  
9 **Diversification of Transportation**

10 **SEC. 420. AMENDMENT OF 1986 CODE.**

11 Except as otherwise expressly provided, whenever in  
12 this subtitle an amendment or repeal is expressed in terms  
13 of an amendment to, or repeal of, a section or other provi-  
14 sion, the reference shall be considered to be made to a  
15 section or other provision of the Internal Revenue Code  
16 of 1986.

17 **SEC. 421. EXTENSION AND MODIFICATION OF CREDIT FOR**

18 **FUEL CELL, HYBRID, LEAN BURN, AND AL-**  
19 **TERNATIVE FUEL VEHICLES.**

20 (a) EXTENSION OF CREDIT.—Subsection (k) of sec-  
21 tion 30B is amended to read as follows:

22 “(k) TERMINATION.—This section shall not apply to  
23 any property purchased after December 31, 2019.”.

24 (b) APPLICATION TO BI-FUEL, DUEL-FUEL, AND  
25 FLEX-FUEL VEHICLES.—

1           (1) BI-FUEL AND DUEL-FUEL VEHICLES.—  
2           Clause (i) of section 30B(e)(4)(A) (relating to defi-  
3           nition of new qualified alternative fuel motor vehicle)  
4           is amended to read as follows:

5                         “(i) which is a dedicated vehicle, a bi-  
6                         fuel vehicle, or a duel-fuel vehicle,”.

7           (2) FLEX-FUEL VEHICLES.—Subparagraph (B)  
8           of section 30B(e)(4) is amended by inserting “or  
9           ethanol” after “methanol”.

10           (3) BI-FUEL AND DUEL-FUEL VEHICLES DE-  
11           FINED.—Paragraph (5) of section 30B(e) is amend-  
12           ed to read as follows:

13                         “(5) BI-FUEL AND DUEL-FUEL VEHICLES DE-  
14                         FINED.—For purposes of this subsection—

15                                 “(A) BI-FUEL VEHICLE.—The term ‘bi-fuel  
16                                 vehicle’ means a vehicle which is capable of op-  
17                                 erating on—

18   “(i) compressed natural gas, liquified  
19   natural gas, or liquified petroleum gas, and

20   “(ii) gasoline or diesel fuel.

21                                 “(B) DUEL-FUEL VEHICLE.—The term  
22                                 ‘duel-fuel vehicle’ means a vehicle which is ca-  
23                                 pable of operating on a mixture of—

24   “(i) compressed natural gas, liquified  
25   natural gas, or liquified petroleum gas, and

1 “(ii) gasoline or diesel fuel.”.

2 (c) APPLICATION TO CONVERSIONS AND REPOWERS  
3 OF ALTERNATIVE FUEL VEHICLES.—Paragraph (4) of  
4 section 30B(e) is amended by adding at the end the fol-  
5 lowing new subparagraph:

6 “(C) CONVERSIONS AND REPOWERS.—

7 “(i) IN GENERAL.—The term ‘new  
8 qualified alternative fuel motor vehicle’ in-  
9 cludes the conversion or repower of a new  
10 or used vehicle so that it is capable of op-  
11 erating on an alternative fuel as it was not  
12 previously capable of operating on an alter-  
13 native fuel.

14 “(ii) TREATMENT AS NEW.—A vehicle  
15 which has been converted to operate on an  
16 alternative fuel shall be treated as new on  
17 the date of such conversion for purposes of  
18 this section.

19 “(iii) RULE OF CONSTRUCTION.—In  
20 the case of a used vehicle which is con-  
21 verted or repowered, nothing in this section  
22 shall be construed to require that the  
23 motor vehicle be acquired in the year the  
24 credit is claimed under this section with re-  
25 spect to such vehicle.”.



1 (d) REPEAL OF NUMBER LIMITATION ON HYBRIDS  
2 AND LEAN-BURN VEHICLES.—Section 30B is amended by  
3 striking subsection (f).

4 (e) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply to property purchased after De-  
6 cember 31, 2013.

7 **SEC. 422. EXTENSION AND EXPANSION OF CREDIT FOR NEW**  
8 **QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR**  
9 **VEHICLES.**

10 (a) EXTENSION.—Section 30D is amended by adding  
11 at the end the following new subsection:

12 “(g) TERMINATION.—This section shall not apply to  
13 any property purchased after December 31, 2019.”.

14 (b) RESTORATION OF CREDIT FOR LARGE NEW  
15 QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR VEHICLES  
16 WEIGHING OVER 14,000 POUNDS.—

17 (1) IN GENERAL.—The last sentence of section  
18 30D(b)(3) is amended to read as follows: “The  
19 amount determined under this paragraph shall not  
20 exceed—

21 “(A) \$5,000, in the case of any new quali-  
22 fied plug-in electric drive motor vehicle with a  
23 gross vehicle weight rating of not more than  
24 14,000 pounds,

1           “(B) \$10,000, in the case of any new  
2           qualified plug-in electric drive motor vehicle  
3           with a gross vehicle weight rating of more than  
4           14,000 pounds but not more than 26,000  
5           pounds, and

6           “(C) \$12,500, in the case of any new  
7           qualified plug-in electric drive motor vehicle  
8           with a gross vehicle weight rating of more than  
9           26,000 pounds.”.

10           (2) CONFORMING AMENDMENTS.—Paragraph  
11           (1) of section 30D(d) is amended by adding “and”  
12           at the end of subparagraph (D), by striking sub-  
13           paragraph (E), and by redesignating subparagraph  
14           (F) as subparagraph (E).

15           (c) INCREASE IN PER MANUFACTURER CAP.—Para-  
16           graph (2) of section 30D(e) is amended by striking  
17           “200,000” and inserting “400,000”.

18           (d) EFFECTIVE DATE.—The amendments made by  
19           this section shall apply to vehicles acquired after the date  
20           of the enactment of this Act.

21           **SEC. 423. EXTENSION OF CREDIT FOR CERTAIN PLUG-IN**  
22           **ELECTRIC VEHICLES.**

23           (a) IN GENERAL.—Subsection (f) of section 30 is  
24           amended by striking “December 31, 2011” and inserting  
25           “December 31, 2019”.

1 (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall apply to vehicles acquired after the date  
3 of the enactment of this Act.

4 **SEC. 424. TAX CREDIT FOR MOST EFFICIENT VEHICLE IN**  
5 **CLASS.**

6 Subpart B of part IV of subchapter A of chapter 1  
7 (relating to other credits) is amended by adding at the  
8 end the following new section:

9 **“SEC. 30E. MOST EFFICIENT VEHICLE IN CLASS CREDIT.**

10 “(a) ALLOWANCE OF CREDIT.—There shall be al-  
11 lowed as a credit against the tax imposed by this chapter  
12 for the taxable year an amount equal to \$2,000 for each  
13 car that is determined to be the ‘most efficient vehicle in  
14 class’ placed in service by the taxpayer during the taxable  
15 year.

16 “(b) MOST EFFICIENT VEHICLE IN CLASS.—For  
17 purposes of this section, the term ‘most efficient vehicle  
18 in class’ means the motor vehicle identified as the most  
19 efficient vehicle in each class of vehicle in the Annual Fuel  
20 Economy Guide published by the Environmental Protec-  
21 tion Agency.”.

1 **SEC. 425. EXTENSION OF CREDIT AND EXTENSION OF TEM-**  
2 **PORARY INCREASE IN CREDIT FOR ALTER-**  
3 **NATIVE FUEL VEHICLE REFUELING PROP-**  
4 **ERTY.**

5 (a) **EXTENSION OF CREDIT.**—Subsection (g) of sec-  
6 tion 30C is amended by striking “service—” and all that  
7 follows and inserting “service after December 31, 2019.”.

8 (b) **EXTENSION OF TEMPORARY INCREASE.**—Para-  
9 graph (6) of section 30C(e) is amended—

10 (1) by striking “January 1, 2011” and insert-  
11 ing “January 1, 2020”, and

12 (2) by striking “AND 2010” in the heading and  
13 inserting “THROUGH 2019”.

14 (c) **EFFECTIVE DATE.**—The amendments made by  
15 this section shall apply to taxable years beginning after  
16 December 31, 2010.

17 **SEC. 426. MODIFICATION OF ALTERNATIVE FUEL CREDIT.**

18 (a) **ALTERNATIVE FUEL CREDIT.**—Paragraph (5) of  
19 section 6426(d) (relating to alternative fuel credit) is  
20 amended by inserting “, and December 31, 2019, in the  
21 case of any sale or use involving compressed or liquefied  
22 natural gas or liquified petroleum gas” after “hydrogen”.

23 (b) **ALTERNATIVE FUEL MIXTURE CREDIT.**—Para-  
24 graph (3) of section 6426(e) is amended by inserting “,  
25 and December 31, 2019, in the case of any sale or use

1 involving compressed or liquefied natural gas or liquified  
2 petroleum gas” after “hydrogen”.

3 (c) PAYMENTS RELATING TO ALTERNATIVE FUEL OR  
4 ALTERNATIVE FUEL MIXTURES.—Paragraph (6) of sec-  
5 tion 6427(e) is amended—

6 (1) in subparagraph (C)—

7 (A) by striking “subparagraph (D)” and  
8 inserting “subparagraphs (D) and (E)”, and

9 (B) by striking “and” at the end thereof,

10 (2) by striking the period at the end of sub-  
11 paragraph (D) and inserting “, and”, and

12 (3) by inserting at the end the following:

13 “(E) any alternative fuel or alternative fuel  
14 mixture (as so defined) involving compressed or  
15 liquefied natural gas or liquified petroleum gas  
16 sold or used after December 31, 2019.”.

17 (d) EFFECTIVE DATE.—The amendments made by  
18 this section shall apply to fuel sold or used after the date  
19 of the enactment of this Act.

20 **SEC. 427. EXTENSION OF CREDITS FOR BIODIESEL AND RE-**  
21 **NEWABLE DIESEL.**

22 (a) IN GENERAL.—Sections 40A(g), 6426(e)(6), and  
23 6427(e)(6)(B) are each amended by striking “December  
24 31, 2013” and inserting “December 31, 2019”.

1 (b) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to fuel produced, and sold or used,  
3 after December 31, 2013.

4 **Subtitle C—Low-Carbon**  
5 **Diversification of Electric System**

6 **SEC. 431. INNOVATIVE LOW-CARBON LOAN GUARANTEE**  
7 **PROGRAM.**

8 Section 1703 of the Energy Policy Act of 2005 (42  
9 U.S.C. 16513) is amended—

10 (1) in subsection (b), by adding at the end the  
11 following:

12 “(11) Innovative low-carbon technology projects  
13 in accordance with subsection (f).”; and

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

15 “(f) INNOVATIVE LOW-CARBON TECHNOLOGY  
16 PROJECTS.—

17 “(1) IN GENERAL.—The Secretary may make  
18 guarantees to carry out innovative low-carbon tech-  
19 nologies projects.

20 “(2) FUNDING.—

21 “(A) IN GENERAL.—Subject to the Federal  
22 Credit Reform Act of 1990 (2 U.S.C. 661 et  
23 seq.), the total principal amount of loans guar-  
24 anteed to carry out projects under this sub-

1 section shall not exceed \$50,000,000,000, to re-  
2 main available until committed.

3 “(B) ADDITIONAL AMOUNTS.—Amounts  
4 made available to carry out this subsection shall  
5 be in addition to any other authority provided  
6 for fiscal year 2010 or any previous fiscal year.

7 “(C) SOURCE OF FUNDS.—

8 “(i) IN GENERAL.—Amounts made  
9 available to carry out this subsection shall  
10 be—

11 “(I) derived from amounts re-  
12 ceived from borrowers pursuant to  
13 section 1702(b)(2) for fiscal year  
14 2010 or any previous fiscal year; and

15 “(II) collected in accordance with  
16 the Federal Credit Reform Act of  
17 1990 (2 U.S.C. 661 et seq.).

18 “(ii) TREATMENT.—The source of  
19 payment received from borrowers described  
20 in clause (i) shall be not considered a loan  
21 or other debt obligation that is guaranteed  
22 by the Federal Government.

23 “(D) SUBSIDY COST.—In accordance with  
24 section 1702(b)(2), no appropriations to carry

1 out this subsection shall be available to pay the  
2 subsidy cost of guarantees.”.

3 **SEC. 432. ENSURING REVENUES ARE SUFFICIENT FOR IM-**  
4 **PLEMENTATION OF TITLE IV.**

5 (a) Any programs or directives established by title IV  
6 of this Act, such as sections 401, 403, and 431, but not  
7 extensions of tax credits, shall be offset with funds in the  
8 Carbon Free Reserve account established in section 107.

9 (b) Once the reserve account’s balance has funds suf-  
10 ficient to offset the costs of these provisions, the Secretary  
11 of Energy shall submit a plan to Congress within 180 days  
12 to begin implementation of those provisions.

○