

118TH CONGRESS
1ST SESSION

H. R. 5105

To establish a lending program for Latin America and the Caribbean to reaffirm the United States commitment to sustainable and equitable growth and energy security in the Western Hemisphere.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 1, 2023

Mr. ESPALLAT introduced the following bill; which was referred to the
Committee on Foreign Affairs

A BILL

To establish a lending program for Latin America and the Caribbean to reaffirm the United States commitment to sustainable and equitable growth and energy security in the Western Hemisphere.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Las Americas Energy
5 Security Act”.

6 **SEC. 2. FINDINGS; PURPOSE; STATEMENT OF POLICY.**

7 (a) FINDINGS.—Congress finds the following:

1 (1) Energy independence and security are crit-
2 ical for a country to maintain its sovereignty, inde-
3 pendence, and sustainable economic growth.

4 (2) The International Energy Agency (“IEA”)
5 defines energy security as the uninterrupted avail-
6 ability of energy sources at an affordable price.

7 (3) The IEA defines long-term energy security
8 as primarily dealing with timely investments to sup-
9 ply energy in line with economic developments and
10 environmental needs.

11 (4) The IEA defines short-term energy security
12 as focusing on the ability of a country’s energy sys-
13 tem to react promptly to sudden changes in the sup-
14 ply-demand balance.

15 (5) The IEA’s Executive Director remarked in
16 February 2023 that Russia’s February 2022 inva-
17 sion of Ukraine had sparked an ongoing global en-
18 ergy crisis with serious implications for international
19 energy security.

20 (6) The Intergovernmental Panel on Climate
21 Change (IPCC), a United Nations body that pro-
22 vides regular assessments on global heating, issued
23 a synthesis report in March 2023, and found that
24 the effects of global temperature changes were “al-
25 ready affecting many weather and climate extremes

1 in every region across the globe,” which has “led to
2 widespread adverse impacts on food and water secu-
3 rity, human health and on economies and society
4 and related losses and damages to nature and peo-
5 ple.”.

6 (7) The IPCC notes that to avoid mounting loss
7 of life, biodiversity, and infrastructure, we must have
8 ambitious, accelerated action to adapt to climate
9 change, while also making rapid, deep cuts in green-
10 house gas emissions.

11 (8) The World Meteorological Organization’s
12 State of the Climate in Latin America and the Car-
13ibbean 2021 report found that—

14 (A) widespread drought across Latin
15 America and the Caribbean has had significant
16 impact on inland shipping routes, crop yields,
17 and food production, and consequently led to
18 worsening food insecurity;

19 (B) extreme weather events affected mil-
20 lions of people across Central America, exacer-
21 bating food insecurity in countries already crip-
22 pled by economic shocks, COVID–19 impacts,
23 and conflict; and

1 (C) sea-level rise poses a major risk to low-
2 lying coastal zones in Latin America and the
3 Caribbean.

4 (9) The United Nations states that facilitating
5 more reliable and affordable access to clean elec-
6 tricity helps governments to improve the quality of
7 other basic services, such as education and
8 healthcare. Electricity access also helps diversify and
9 strengthen local economies. Thus, increasing elec-
10 tricity access could reduce the need to migrate to
11 urban areas and other countries.

12 (10) Natural disasters of increased frequency
13 are projected to increase the displacement of people
14 and the United Nations High Commissioner for Ref-
15 ugees estimates that an annual average of more than
16 20 million people have been forcibly displaced by
17 weather-related sudden onset hazards every year
18 since 2008.

19 (11) Rising commodity and energy prices, as
20 well as other global economic shocks such as those
21 caused by natural disasters, pandemics, and conflict
22 pose a serious security risk that may lead to social
23 unrest and instability in Latin America and the Car-
24ibbean.

1 (b) SENSE OF CONGRESS.—It is the sense of Con-
2 gress that the United States has economic and national
3 security interests in assisting Latin America and the Car-
4ibbean to achieve sustainable energy security.

5 (c) STATEMENT OF POLICY.—It is the policy of the
6 United States—

7 (1) to advance United States foreign policy and
8 development goals by helping Latin America and the
9 Caribbean meet its short-term energy needs;

10 (2) to promote the energy security of Latin
11 America and the Caribbean by encouraging the de-
12 velopment of accessible, transparent, competitive,
13 and solvent energy markets and systems that pro-
14 vide diversified sources, types, and routes of energy,
15 as well as by prioritizing clean energy sources that
16 reduce carbon emissions and address the ongoing
17 global rise in temperatures;

18 (3) to encourage United States public and pri-
19 vate sector investment in Latin American and Carib-
20 bean energy infrastructure projects to bridge the gap
21 between energy security and commercial demand in
22 a way that is consistent with the region’s current ab-
23 sorptive capacity, and that recognizes the impor-
24 tance of building and widening the absorptive capac-
25 ity of the region;

1 (4) to help facilitate the export of United States
2 energy resources, technology, and expertise to global
3 markets in a way that benefits the comprehensive
4 energy security of Latin America and the Caribbean;
5 and

6 (5) to assist partner countries in developing and
7 strengthening regulatory and investment frameworks
8 that support energy security.

9 **SEC. 3. SOVEREIGN LENDING PROGRAM FOR ELIGIBLE**
10 **LATIN AMERICAN AND CARIBBEAN PARTNER**
11 **COUNTRIES.**

12 (a) IN GENERAL.—Not later than 30 days after the
13 date of the enactment of this Act, the Secretary of the
14 Treasury, with the concurrence of the Secretary of State,
15 shall establish a sovereign lending program for eligible
16 Latin American and Caribbean partner countries—

17 (1) to support their short-term energy needs;

18 (2) to fund projects that help them transition
19 to renewable or clean energy that reduces carbon
20 emissions;

21 (3) to fund technical assistance programs that
22 ensure that there is a continuous pipeline of clean
23 energy projects available for investment from the
24 United States, Latin America, and the Caribbean;

1 (4) to provide capital and financing for United
2 States companies to make it easier to invest in re-
3 newable energy projects in smaller and developing
4 markets; and

5 (5) to provide financing to partner countries to
6 help purchase battery solutions that contribute to re-
7 liable and affordable electricity prices.

8 (b) APPLICATION.—To be eligible to receive a loan
9 under the program, an eligible Latin American or Carib-
10 bean partner country shall submit to the Secretary of the
11 Treasury an application at such time, in such manner, and
12 containing such information as the Secretary may require.
13 At minimum, the Secretary shall require an applicant to
14 provide—

15 (1) information about the energy projects that
16 will be supported through these funds, including
17 their economic and technical viability, feasibility to
18 attract funding from the private sector, net carbon
19 impact, the potential to use United States goods and
20 services during project implementation, and en-
21 hancement of energy market integration;

22 (2) data on how funds will support equitable
23 job creation;

24 (3) information regarding environmental im-
25 pact, including on biodiversity;

1 (4) data on the impact upon marginalized com-
2 munities; and

3 (5) certification that no funds shall be used to
4 purchase a commodity from or support in any man-
5 ner a corporation or state-owned enterprise that has
6 an ownership relationship with the Government of
7 the People’s Republic of China or the Chinese Com-
8 munist Party, the Government of the Russian Fed-
9 eration, or any other foreign adversary or malign in-
10 fluence.

11 (c) PREFERENCE.—In selecting among applications
12 for a loan under this section, the Secretary of State shall
13 give preference to an eligible Latin American or Caribbean
14 partner country that shares democratic values, respect for
15 human rights, and economic freedom, as determined by
16 the Secretary of State, including members of the Alliance
17 for Development in Democracy (the Dominican Republic,
18 Costa Rica, Panama, and Ecuador) and the Caribbean
19 Community (CARICOM).

20 (d) LOAN CONDITIONS.—A loan provided under the
21 program—

22 (1) shall be—

23 (A) a zero-interest loan, not to exceed 30
24 years in duration; or

1 (B) a low-interest concessional loan, not to
2 exceed 50 years in duration;

3 (2) shall not contain any requirements that an
4 eligible Latin American or Caribbean partner coun-
5 try engage in austerity measures or policies that in-
6 crease poverty and inequality, diminish the quality of
7 life, and threaten the immediate access of goods and
8 services;

9 (3) shall ensure that no funds are used to pur-
10 chase a commodity from or support in any manner
11 a corporation or state-owned enterprise that has an
12 ownership relationship with the Government of the
13 People's Republic of China or the Chinese Com-
14 munist Party, the Government of the Russian Fed-
15 eration, or any other foreign adversary or malign
16 actor; and

17 (4) shall be subject to such other terms and
18 conditions as the Secretary of the Treasury, in con-
19 currence with the Secretary of State, determines to
20 be appropriate.

21 (e) REPORT.—

22 (1) IN GENERAL.—Not later than one year
23 after the date of the enactment of this Act, and an-
24 nually thereafter for 4 years, the Secretary of the
25 Treasury, in concurrence with the Secretary of

1 State, and in consultation with the Secretary of En-
2 ergy and the heads of other relevant Federal depart-
3 ments and agencies, shall submit to the Committee
4 on Foreign Affairs and the Committee on Appro-
5 priations of the House of Representatives and the
6 Committee on Foreign Relations and the Committee
7 on Appropriations of the Senate a report on
8 progress in the implementation of the program.

9 (2) MATTERS TO BE INCLUDED.—The report
10 shall—

11 (A) include a description of how the pro-
12 gram strengthens United States national secu-
13 rity and economic interests in Latin America
14 and the Caribbean;

15 (B) include an assessment of—

16 (i) the status and effectiveness of cur-
17 rent efforts by regional governments, mul-
18 tilateral development banks, and the pri-
19 vate sector to promote energy security in
20 Latin America and the Caribbean and to
21 transition to clean energy practices;

22 (ii) major challenges hindering such
23 efforts; and

24 (iii) how the United States can
25 strengthen the effectiveness of such efforts;

1 (C) identify how activities by the Depart-
2 ment of State, the United States Agency for
3 International Development, the United States
4 International Development Finance Corpora-
5 tion, and other related agencies can effectively
6 be leveraged to strengthen and promote energy
7 independence and security in Latin America
8 and the Caribbean;

9 (D) assess diplomatic initiatives taken to
10 secure specific national commitments by govern-
11 ments of eligible Latin American and Caribbean
12 partner countries to undertake efforts to pro-
13 mote energy security and independence in the
14 region, address corruption and rule of law con-
15 cerns, modernize digital and physical infrastruc-
16 ture, improve ease of doing business, and fi-
17 nance and incentivize energy security initiatives;
18 and

19 (E) detail coordination of efforts with rel-
20 evant multilateral development banks to ad-
21 vance energy security and independence of eligi-
22 ble Latin American and Caribbean partner
23 countries.

24 (f) ANNUAL AUDIT.—The Secretary of the Treas-
25 ury—

1 (1) shall ensure that a full audit of the program
2 is performed on an annual basis; and

3 (2) shall submit the results of the audit to the
4 Committee on Foreign Affairs and the Committee on
5 Appropriations of the House of Representatives and
6 the Committee on Foreign Relations and the Com-
7 mittee on Appropriations of the Senate.

8 (g) AUTHORIZATION OF APPROPRIATIONS.—There is
9 authorized to be appropriated to the Secretary of the
10 Treasury \$100,000,000 for each of fiscal years 2024
11 through 2029 to carry out the program.

12 (h) ELIGIBLE LATIN AMERICAN OR CARIBBEAN
13 PARTNER COUNTRY DEFINED.—In this section, the term
14 “eligible Latin American or Caribbean partner country”—

15 (1) means a country that—

16 (A) is a beneficiary country for purposes of
17 the Caribbean Basin Economic Recovery Act
18 (19 U.S.C. 2701 et seq.);

19 (B) is a member state of the Caribbean
20 Community (commonly referred to as
21 “CARICOM”);

22 (C) is a member state of the Alliance for
23 Development in Democracy;

24 (D) is a country in the Western Hemi-
25 sphere that is a party to a free trade agreement

1 or preference program with the United States;

2 or

3 (E) is a beneficiary country of the Carib-
4 bean Basin Security Initiative; and

5 (2) does not include any country that—

6 (A) has been sanctioned by the United
7 States; or

8 (B) the Secretary of State determines—

9 (i) to be a state sponsor of terrorism;

10 or

11 (ii) to be a foreign adversary, defined
12 as a foreign government engaged in a long-
13 term pattern or serious instances of con-
14 duct adverse to the national security of the
15 United States or security and safety of
16 United States persons.

17 **SEC. 4. SUPPORTING EFFORTS TO INCREASE ENERGY SE-**
18 **CURITY OF ELIGIBLE LATIN AMERICAN AND**
19 **CARIBBEAN PARTNER COUNTRIES.**

20 (a) IN GENERAL.—The Secretary of State, in con-
21 sultation with the Secretary of Energy and the heads of
22 other relevant Federal departments and agencies, shall, as
23 appropriate, prioritize and expedite the efforts of the De-
24 partment of State and those other departments and agen-
25 cies in supporting the efforts of eligible Latin American

1 and Caribbean partner countries to increase their energy
2 security, including through—

3 (1) providing diplomatic and political support to
4 these governments, as necessary—

5 (A) to facilitate international negotiations
6 concerning cross-border infrastructure and
7 transactions;

8 (B) to enhance and build Latin America’s
9 and the Caribbean’s regulatory environment
10 with respect to energy; and

11 (C) to develop accessible, transparent, and
12 competitive energy markets supplied by diverse
13 sources, types, and routes of energy to achieve
14 energy efficiency; and

15 (2) providing support to improve Latin Amer-
16 ican and Caribbean energy markets, including early-
17 stage project support and late-stage project support
18 for the construction or improvement of energy and
19 related infrastructure, as necessary—

20 (A) to diversify the energy sources and
21 supply routes of eligible Latin American and
22 Caribbean partner countries;

23 (B) to enhance energy market integration
24 across the region; and

1 (C) to increase competition and aggregate
2 energy markets.

3 (b) PROJECT SELECTION.—

4 (1) IN GENERAL.—The Federal departments
5 and agencies described in subsection (a) shall iden-
6 tify energy infrastructure projects that would be ap-
7 propriate for United States assistance under this
8 section.

9 (2) PROJECT ELIGIBILITY.—A project is eligible
10 for United States assistance under this section if the
11 project—

12 (A)(i) improves electricity transmission in-
13 frastructure and power generation through the
14 use of a broad power mix, prioritizing renewable
15 energy or energy efficiency;

16 (ii) advances energy storage projects,
17 smart grid projects, distributed generation mod-
18 els, or other technological innovations and digi-
19 talization of the power sector, as appropriate;
20 and

21 (iii) improves energy access for
22 marginalized and underserved communities;

23 (B) is located in an eligible Latin Amer-
24 ican or Caribbean partner country; and

1 (C) can be conducted in a transparent and
2 accountable manner that mitigates any risk of
3 corruption.

4 (3) PREFERENCE.—In selecting among projects
5 that are eligible under paragraph (2), the Federal
6 departments and agencies described in subsection
7 (a) shall give preference to projects that—

8 (A) link the energy systems of two or more
9 Latin American and Caribbean partner coun-
10 tries;

11 (B) address the impacts of sustained glob-
12 al temperature increases;

13 (C) enhance resilience to sustained global
14 temperature increases and global economic
15 shocks;

16 (D) are expected to enhance energy market
17 integration;

18 (E) can demonstrate sustainability by at-
19 tracting funding from the private sector, an
20 international financial institution, or the gov-
21 ernment of the country in which the project will
22 be carried out;

23 (F) have the potential to use United States
24 goods and services during project implementa-
25 tion; or

1 (G) decrease electricity prices and promote
2 price stability in the face of global economic
3 shocks.

4 (c) TYPES OF ASSISTANCE.—

5 (1) DIPLOMATIC AND POLITICAL SUPPORT.—

6 The Secretary of State shall provide diplomatic and
7 political support to the governments of eligible Latin
8 American and Caribbean countries, as necessary, in-
9 cluding by using the diplomatic and political influ-
10 ence and expertise of the Department of State to
11 build the capacity of those countries to resolve any
12 impediments to the development of projects selected
13 under subsection (b).

14 (2) EARLY-STAGE PROJECT SUPPORT.—The Di-
15 rector of the Trade and Development Agency, in
16 consultation with the United States Agency for
17 International Development, the Inter-American De-
18 velopment Bank, the Caribbean Development Bank,
19 and the World Bank, shall provide early-stage
20 project support with respect to projects selected
21 under subsection (b), as necessary.

22 (3) LATE-STAGE PROJECT SUPPORT.—Federal
23 departments and agencies described in subsection
24 (a) that provide late-stage project support shall do

1 so with respect to projects selected under subsection
2 (b), as necessary.

3 (d) EXCEPTION FROM CERTAIN LIMITATION UNDER
4 BUILD ACT.—For purposes of providing support for
5 projects under this section—

6 (1) the United States International Develop-
7 ment Finance Corporation may provide support for
8 projects in countries with upper-middle-income
9 economies or high-income economies (as those terms
10 are defined by the World Bank);

11 (2) the restriction under section 1412(e)(2) of
12 the BUILD Act of 2018 (22 U.S.C. 9612(e)(2))
13 shall not apply; and

14 (3) the Corporation shall restrict the provision
15 of such support in a country described in paragraph
16 (1) unless—

17 (A) the President certifies to the appro-
18 priate congressional committees that such sup-
19 port furthers the national economic or foreign
20 policy interests of the United States; and

21 (B) such support is—

22 (i) designed to produce significant de-
23 velopmental outcomes or provide develop-
24 mental benefits to the poorest population
25 of that country; or

1 (ii) necessary to preempt or counter
2 efforts by a strategic competitor of the
3 United States to secure significant political
4 or economic leverage or acquire national
5 security-sensitive technologies or infra-
6 structure in a country that is an ally or
7 partner of the United States.

8 (e) PROGRESS REPORTS.—Not later than one year
9 after the date of the enactment of this Act, and annually
10 thereafter for seven years, the President shall transmit to
11 the Committee on Foreign Affairs and the Committee on
12 Appropriations of the House of Representatives and the
13 Committee on Foreign Relations and the Committee on
14 Appropriations of the Senate a report on progress made
15 in providing assistance for projects under this section that
16 includes the following:

17 (1) A description of the energy infrastructure
18 projects the United States has identified for such as-
19 sistance.

20 (2) For each such project—

21 (A) a description of the role of the United
22 States in the project, including in early-stage
23 project support and late-stage project support;

1 (B) the amount and form of any debt fi-
2 nancing and insurance provided by the United
3 States Government for the project;

4 (C) the amount and form of any early-
5 stage project support; and

6 (D) an update on the progress made on
7 the project as of the date of the report.

8 (f) ELIGIBLE LATIN AMERICAN OR CARIBBEAN
9 PARTNER COUNTRY DEFINED.—In this section, the term
10 “eligible Latin American or Caribbean partner country”
11 has the meaning given that term in section 3(h).

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