

112TH CONGRESS
1ST SESSION

S. 1321

To establish energy policies to make measurable gains in reducing dependence on foreign oil, saving Americans money, increasing United States competitiveness, improving energy security, improving environmental stewardship, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 30, 2011

Mr. LUGAR introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To establish energy policies to make measurable gains in reducing dependence on foreign oil, saving Americans money, increasing United States competitiveness, improving energy security, improving environmental stewardship, and for other purposes.

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

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

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Practical Energy Plan Act of 2011”.

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

Sec. 1. Short title; table of contents.

TITLE I—REDUCING FOREIGN OIL DEPENDENCE

Subtitle A—Expanded Domestic Oil Production

- Sec. 101. Oil production through carbon dioxide sequestration.
- Sec. 102. Restoring Gulf of Mexico oil production.
- Sec. 103. Safety assessments.
- Sec. 104. Restoring oil and gas lease sales.
- Sec. 105. Equal treatment of permits in Alaska.
- Sec. 106. Offshore resource review and seismic surveys.

Subtitle B—Vehicle Efficiency

- Sec. 111. Fuel efficiency planning.

Subtitle C—Fuel Choice

- Sec. 121. Competitive production incentives for advanced renewable fuels.
- Sec. 122. Fuel options through the availability of dual fueled vehicles and light duty trucks.

Subtitle D—Federal Fleets

- Sec. 131. Department of Defense alternative fuels contracting.
- Sec. 132. Fuels for national security agencies.
- Sec. 133. Savings from transportation energy performance contracts.

TITLE II—ENERGY EFFICIENCY

Subtitle A—Energy Performance in Buildings

- Sec. 201. Saving energy in new buildings.
- Sec. 202. Enabling homes and buildings energy retrofits.
- Sec. 203. Rural energy savings.

Subtitle B—Federal Properties

- Sec. 211. Energy efficient Federal buildings.
- Sec. 212. Accelerating energy savings performance contracts.
- Sec. 213. Sense of Congress on inclusion of energy efficiency as selection criteria for base closure and realignment decisions.
- Sec. 214. Federal property realignment and savings.

Subtitle C—Industrial and Power Generation Energy Efficiency

- Sec. 221. State partnership industrial energy efficiency revolving loan program.
- Sec. 222. Study of new source review to encourage energy efficiency.

Subtitle D—Procurement, Equipment, and Appliance Efficiency

- Sec. 231. Appliance and equipment efficiency.
- Sec. 232. Federal procurement and usage of energy efficient products.

TITLE III—MEASUREMENT AND REVIEW

- Sec. 301. Measurement and review.

1 **TITLE I—REDUCING FOREIGN**
2 **OIL DEPENDENCE**
3 **Subtitle A—Expanded Domestic Oil**
4 **Production**

5 **SEC. 101. OIL PRODUCTION THROUGH CARBON DIOXIDE**
6 **SEQUESTRATION.**

7 (a) PIONEER PROJECTS.—

8 (1) INVESTMENT TAX CREDIT.—

9 (A) IN GENERAL.—Subpart E of part IV
10 of subchapter A of chapter 1 of the Internal
11 Revenue Code of 1986 is amended by inserting
12 after section 48D the following new section:

13 **“SEC. 48E. PIONEER PROJECT INVESTMENT CREDIT.**

14 “(a) IN GENERAL.—For purposes of section 46, the
15 pioneer project investment credit for any taxable year is
16 an amount equal to 70 percent of the qualified investment
17 for such taxable year with respect to any qualifying pio-
18 neer project.

19 “(b) QUALIFIED INVESTMENT.—

20 “(1) IN GENERAL.—For purposes of subsection
21 (a), the qualified investment for any taxable year is
22 basis of eligible property placed in service by the
23 taxpayer during such taxable year which is part of
24 a qualifying pioneer project—

1 “(A)(i) the construction, reconstruction, or
 2 erection of which is completed by the taxpayer,
 3 or

4 “(ii) which is acquired by the taxpayer if
 5 the original use of such property commences
 6 with the taxpayer, and

7 “(B) with respect to which depreciation (or
 8 amortization in lieu of depreciation) is allow-
 9 able.

10 “(2) SPECIAL RULE FOR CERTAIN SUBSIDIZED
 11 PROPERTY.—Rules similar to section 48(a)(4) (with-
 12 out regard to subparagraph (D) thereof) shall apply
 13 for purposes of this section.

14 “(3) CERTAIN QUALIFIED PROGRESS EXPENDI-
 15 TURES RULES MADE APPLICABLE.—Rules similar to
 16 the rules of subsections (c)(4) and (d) of section 46
 17 (as in effect on the day before the enactment of the
 18 Revenue Reconciliation Act of 1990) shall apply for
 19 purposes of this section.

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

21 “(1) QUALIFYING PIONEER PROJECT.—The
 22 term ‘qualifying pioneer project’ means a project—

23 “(A) which captures carbon dioxide which
 24 is—

25 “(i) emitted in connection with—

1 “(I) power generation, or
2 “(II) industrial production,
3 “(ii) subject to an eligible enhanced
4 oil recovery contract, and
5 “(iii) delivered for use in a qualified
6 enhanced oil recovery project (as defined in
7 section 43(c)(2)) by means of a qualified
8 carbon dioxide trunkline,
9 “(B) with respect to which carbon dioxide
10 has not been delivered for reuse, geological se-
11 questration, or enhanced oil recovery at any
12 time before carbon dioxide is delivered for use
13 in a qualified enhanced oil recovery project pur-
14 suant to the eligible enhanced oil recovery con-
15 tract, and
16 “(C) which is certified by the Secretary
17 under subsection (d).
18 “(2) ELIGIBLE ENHANCED OIL RECOVERY CON-
19 TRACT.—The term ‘eligible enhanced oil recovery
20 contract’ means a contract—
21 “(A) which requires the delivery of carbon
22 dioxide which is—
23 “(i) to be used in connection with a
24 qualified enhanced oil recovery project (as
25 so defined), and

1 “(ii) to be disposed of in secure geo-
2 logical storage (within the meaning of sec-
3 tion 45Q),

4 “(B) which specifies such delivery over a
5 period of not less than 10 years, and

6 “(C) under which the first such delivery
7 occurs after the date of the enactment of this
8 section.

9 “(3) QUALIFIED CARBON DIOXIDE TRUNK-
10 LINE.—The term ‘qualified carbon dioxide trunkline’
11 means a pipeline—

12 “(A) which is for the transportation of car-
13 bon dioxide for use in qualified enhanced oil re-
14 covery projects (as so defined),

15 “(B) which has a free flow capacity of not
16 less than 7,500,000 metric tons per year,

17 “(C) which extends not less than 300
18 miles, and

19 “(D) the construction of which is started
20 after the date of the enactment of this section.

21 “(4) ELIGIBLE PROPERTY.—The term ‘eligible
22 property’ means any property which is a part of a
23 qualifying pioneer project and—

24 “(A) in the case of any qualifying pioneer
25 project with respect to which the isolation and

1 capture of carbon dioxide is integral to the pri-
2 mary function of the project (as determined by
3 the Secretary in consultation with the Secretary
4 of Energy), which—

5 “(i) is necessary for the additional
6 compression of carbon dioxide, and

7 “(ii) would not be used in connection
8 with such project if such project were not
9 designed to compress carbon dioxide, and

10 “(B) in any other case, which—

11 “(i) is necessary for the isolation and
12 capture of carbon dioxide, and

13 “(ii) would not be used in connection
14 with such project if such project were not
15 designed to capture carbon dioxide.

16 “(d) CERTIFICATION.—

17 “(1) IN GENERAL.—Subject to the limitations
18 under paragraph (2), the Secretary, in consultation
19 with the Secretary of Energy, shall certify a project
20 as a qualifying pioneer project if the Secretary de-
21 termines that such project meets the requirements of
22 subsection (c)(1)(A). Projects shall be certified in
23 the order in which requests for certification are re-
24 ceived by the Secretary.

25 “(2) LIMITATIONS.—

1 “(A) IN GENERAL.—The aggregate
2 amount of carbon dioxide required to be deliv-
3 ered under eligible enhanced oil recovery con-
4 tracts for all qualifying pioneer projects cer-
5 tified by the Secretary shall not exceed
6 25,000,000 metric tons in any year.

7 “(B) INDUSTRIAL PRODUCTION
8 SOURCES.—The aggregate amount of carbon di-
9 oxide required to be delivered under eligible en-
10 hanced oil recovery contracts for all qualifying
11 pioneer projects certified by the Secretary with
12 respect to sources described in subsection
13 (c)(1)(A)(i)(II) shall not exceed 12,500,000
14 metric tons in any year.

15 “(C) TRUNKLINE CAPACITY.—The Sec-
16 retary shall not certify as a qualifying pioneer
17 project any project if the sum of—

18 “(i) the amount of carbon dioxide re-
19 quired to be delivered under the eligible en-
20 hanced oil recovery contract with respect to
21 such project in any year, plus

22 “(ii) the amount carbon dioxide re-
23 quired to be delivered in such year under
24 all other qualifying pioneer projects pre-
25 viously certified by the Secretary and using

1 the same qualified carbon dioxide trunkline
2 as such project,
3 exceeds 60 percent of the greater of the free
4 flow or operational capacity of such qualified
5 carbon dioxide trunkline.

6 “(3) COORDINATION WITH DEPLOYMENT
7 PROJECT CREDIT.—The Secretary shall not certify
8 any project under this subsection if such project has
9 been certified under section 45T.

10 “(e) OTHER RULES.—

11 “(1) TRANSFER OF CREDIT.—

12 “(A) IN GENERAL.—A taxpayer who
13 makes a qualified investment may transfer the
14 credit allowed under this section with respect a
15 qualifying pioneer project through an assign-
16 ment to any party to the eligible enhanced oil
17 recovery contract in connection with such quali-
18 fying pioneer project. Such transfer may be re-
19 voked only with the consent of the Secretary.

20 “(B) REGULATIONS.—The Secretary shall
21 prescribe such regulations as necessary to en-
22 sure that any credit transferred under subpara-
23 graph (A) is claimed once and not reassigned
24 by such other person.

1 “(2) RECAPTURE.—The Secretary shall provide
2 for recapturing the benefit of any credit allowable
3 under subsection (a) with respect to any project
4 which ceases to be a qualifying pioneer project.”.

5 (B) INCLUSION AS PART OF INVESTMENT
6 CREDIT.—Section 46 of such Code is amend-
7 ed—

8 (i) by striking “and” at the end of
9 paragraph (5),

10 (ii) by striking the period at the end
11 of paragraph (6) and inserting “, and”,
12 and

13 (iii) by adding at the end the fol-
14 lowing new paragraph:

15 “(7) the pioneer project investment credit.”.

16 (C) CONFORMING AMENDMENTS.—Section
17 49(a)(1)(C) of such Code is amended—

18 (i) by striking “and” at the end of
19 clause (v),

20 (ii) by striking the period at the end
21 of clause (vi) and inserting “, and”, and

22 (iii) by adding at the end the fol-
23 lowing new clause:

1 “(vii) the basis of any property which
2 is part of a qualifying pioneer project
3 under such section 48E.”.

4 (D) CLERICAL AMENDMENT.—The table of
5 sections for subpart E of part IV of subchapter
6 A of chapter 1 of such Code is amended by in-
7 serting after the item relating to section 48D
8 the following new item:

“Sec. 48E. Pioneer project investment credit.”.

9 (E) EFFECTIVE DATE.—The amendments
10 made by this paragraph shall apply to periods
11 beginning after the date of the enactment of
12 this Act, under rules similar to the rules of sec-
13 tion 48(m) of the Internal Revenue Code of
14 1986 (as in effect on the day before the date
15 of the enactment of the Revenue Reconciliation
16 Act of 1990).

17 (2) PRODUCTION TAX CREDIT.—

18 (A) IN GENERAL.—Subpart D of part IV
19 of subchapter A of chapter 1 of the Internal
20 Revenue Code of 1986 is amended by adding at
21 the end the following new section:

22 **“SEC. 45S. PIONEER PROJECT CARBON DIOXIDE PRODUC-**
23 **TION CREDIT.**

24 “(a) GENERAL RULE.—For purposes of section 38,
25 the pioneer project production credit for any taxable year

1 is an amount equal to the sum of the quarterly carbon
2 dioxide production credits of the taxpayer for such taxable
3 year.

4 “(b) QUARTERLY CARBON DIOXIDE PRODUCTION
5 CREDIT.—For purposes of this section—

6 “(1) IN GENERAL.—The quarterly carbon diox-
7 ide production credit of a taxpayer for the portion
8 of any calendar quarter within the taxable year of
9 the taxpayer is equal to the product of—

10 “(A) the credit amount with respect to
11 such calendar quarter, and

12 “(B) the number of metric tons of carbon
13 dioxide which is—

14 “(i) captured by the taxpayer at quali-
15 fying pioneer projects during the portion of
16 the calendar quarter which is within such
17 taxpayer’s taxable year, and

18 “(ii) subject to an eligible enhanced
19 oil recovery contract.

20 “(2) CREDIT AMOUNT.—

21 “(A) IN GENERAL.—The credit amount
22 with respect to any calendar quarter is \$30 re-
23 duced (but not below zero) by the amount (if
24 any) determined under subparagraph (B).

1 “(B) AMOUNT OF REDUCTION.—The
2 amount determined under this paragraph is the
3 amount equal to 50 percent of the excess of—

4 “(i) the average price per barrel of
5 West Texas Intermediate crude oil for the
6 preceding calendar quarter, over

7 “(ii) \$80.

8 “(3) LIMITATION.—No amount of carbon diox-
9 ide shall taken into account under paragraph (1)(B)
10 with respect to a qualifying pioneer project after the
11 date which is 10 years after the date on which such
12 qualifying pioneer project begins delivery of carbon
13 dioxide for enhanced oil recovery but not less than
14 1 year after the project is placed in service.

15 “(c) DEFINITIONS AND OTHER RULES.—For pur-
16 poses of this section—

17 “(1) QUALIFYING PIONEER PROJECT; ELIGIBLE
18 ENHANCED OIL RECOVERY CONTRACT.—The terms
19 ‘qualifying pioneer project’ and ‘eligible enhanced oil
20 recovery contract’ have the meanings given such
21 terms in section 48E.

22 “(2) TRANSFER OF CREDIT.—

23 “(A) IN GENERAL.—A taxpayer may
24 transfer the credit allowed under this section
25 with respect a qualifying pioneer project

1 through an assignment to any party to the eli-
2 gible enhanced oil recovery contract with re-
3 spect to such qualifying pioneer project. Such
4 transfer may be revoked only with the consent
5 of the Secretary.

6 “(B) REGULATIONS.—The Secretary shall
7 prescribe such regulations as necessary to en-
8 sure that any credit transferred under subpara-
9 graph (A) is claimed once and not reassigned
10 by such other person.

11 “(3) RECAPTURE.—The Secretary shall provide
12 for recapturing the benefit of any credit allowable
13 under subsection (a) with respect to any project
14 which ceases to be a qualifying pioneer project.

15 “(4) ELECTION NOT TO CLAIM CREDIT.—This
16 section shall not apply to a taxpayer for any taxable
17 year if such taxpayer elects to have this section not
18 apply for such taxable year.”.

19 (B) CREDIT TO BE PART OF GENERAL
20 BUSINESS CREDIT.—Subsection (b) of section
21 38 of such Code is amended by striking “plus”
22 at the end of paragraph (35), by striking the
23 period at the end of paragraph (36) and insert-
24 ing “, plus”, and by adding at the end the fol-
25 lowing new paragraph:

1 “(37) the pioneer project production credit de-
2 termined under section 45S(a).”.

3 (C) COORDINATION WITH SECTION 45Q.—

4 Subsection (d) of section 45Q of such Code is
5 amended by adding at the end the following
6 new paragraph:

7 “(8) NO DOUBLE BENEFIT.—No credit shall be
8 allowed under this section for the capture of any
9 carbon dioxide with respect to which a credit is al-
10 lowed under section 45S.”.

11 (D) CONFORMING AMENDMENTS.—

12 (i) The table of sections for subpart D
13 of part IV of subchapter A of chapter 1 of
14 such Code is amended by inserting after
15 the item relating to section 45R the fol-
16 lowing new item:

“Sec. 45S. Pioneer project carbon dioxide production credit.”.

17 (ii) Section 6501(m) of such Code is
18 amended by inserting “45S(e)(4),” after
19 “45H(g),”.

20 (E) EFFECTIVE DATE.—The amendments
21 made by this paragraph shall apply to taxable
22 years beginning after the date of the enactment
23 of this Act.

24 (b) DEPLOYMENT PROJECTS.—

25 (1) PRODUCTION TAX CREDIT.—

1 (A) IN GENERAL.—Subpart D of part IV
2 of subchapter A of chapter 1 of the Internal
3 Revenue Code of 1986, as amended by sub-
4 section (a)(2), is amended by adding at the end
5 the following new section:

6 **“SEC. 45T. DEPLOYMENT PROJECT CARBON DIOXIDE PRO-**
7 **DUCTION CREDIT.**

8 “(a) GENERAL RULE.—For purposes of section 38,
9 the deployment project production credit for any taxable
10 year is an amount equal to the product of—

11 “(1) the applicable dollar amount, and

12 “(2) the number of metric tons of carbon diox-
13 ide which is—

14 “(A) captured by the taxpayer at quali-
15 fying deployment projects during the 10-year
16 period beginning on the date the project begins
17 delivery of carbon dioxide but not later than 1
18 year following the date the project is certified
19 under subsection (d), and

20 “(B) delivered by the taxpayer under an el-
21 igible enhanced oil recovery contract during the
22 taxable year.

23 “(b) APPLICABLE DOLLAR AMOUNT.—For purposes
24 of this section—

1 “(1) IN GENERAL.—The applicable dollar
2 amount is the lesser of—

3 “(A) the source cap dollar amount, or

4 “(B) the amount bid by the taxpayer in
5 the application submitted under subsection
6 (d)(2).

7 “(2) SOURCE CAP DOLLAR AMOUNT.—For pur-
8 poses of paragraph (1), the source cap dollar
9 amount is—

10 “(A) \$70, in the case of a qualifying de-
11 ployment project which captures carbon dioxide
12 emitted in connection with power generation,

13 “(B) \$25, in the case of a qualifying de-
14 ployment project—

15 “(i) which captures carbon dioxide
16 emitted in connection with industrial pro-
17 duction, and

18 “(ii) with respect to which the isola-
19 tion and capture of the carbon dioxide is
20 integral to the primary function of the
21 project, and

22 “(C) \$35, in the case of any other quali-
23 fying deployment project which captures carbon
24 dioxide emitted in connection with industrial
25 production.

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

2 “(1) QUALIFYING DEPLOYMENT PROJECT.—

3 The term ‘qualifying deployment project’ means a
4 project—

5 “(A) which captures carbon dioxide which
6 is—

7 “(i) emitted in connection with—

8 “(I) power generation, or

9 “(II) industrial production, and

10 “(ii) subject to an eligible enhanced
11 oil recovery contract,

12 “(B) with respect to which carbon dioxide
13 has not been delivered for reuse, geological se-
14 questration, or enhanced oil recovery at any
15 time before carbon dioxide is delivered for use
16 in a qualified enhanced oil recovery project pur-
17 suant to the eligible enhanced oil recovery con-
18 tract, and

19 “(C) which is certified by the Secretary
20 under subsection (d).

21 “(2) ELIGIBLE ENHANCED OIL RECOVERY CON-
22 TRACT.—The term ‘eligible enhanced oil recovery
23 contract’ has the meaning given such term under
24 section 48E.

1 “(d) QUALIFYING DEPLOYMENT PROJECT PRO-
2 GRAM.—

3 “(1) IN GENERAL.—Not later than 180 days
4 after the date of the enactment of this section, the
5 Secretary, in consultation with the Secretary of En-
6 ergy, shall establish a qualifying deployment project
7 program for the certification of qualifying deploy-
8 ment projects.

9 “(2) CERTIFICATION.—

10 “(A) IN GENERAL.—Each year, the Sec-
11 retary shall select projects for certification from
12 among the applications submitted for such year.
13 No projects may be certified in any calendar
14 year after the 15th calendar year in which cer-
15 tifications have been made under the program.

16 “(B) ANNUAL LIMITATION ON CERTIFI-
17 CATIONS.—

18 “(i) IN GENERAL.—The aggregate
19 amount of carbon dioxide required to be
20 delivered under eligible enhanced oil recov-
21 ery contracts for all qualifying deployment
22 projects certified by the Secretary for any
23 calendar year shall not exceed 15,000,000
24 metric tons per year.

1 “(ii) CARRYOVER OF UNUSED LIMITA-
2 TION.—If the limitation under clause (i)
3 exceeds the aggregate amount of carbon
4 dioxide required to be delivered under eligi-
5 ble enhanced oil recovery contracts for all
6 qualifying deployment projects certified by
7 the Secretary in any year, the limitation
8 under clause (i) for the succeeding year
9 shall be increased by the amount of such
10 excess.

11 “(C) REQUIREMENTS FOR APPLICATIONS
12 FOR CERTIFICATION.—An application submitted
13 under subparagraph (A) shall contain—

14 “(i) the applicable dollar amount
15 which the taxpayer bids for the project,
16 and

17 “(ii) such other information as the
18 Secretary may require in order to make a
19 determination to accept or reject an appli-
20 cation for certification.

21 Any information contained in the application
22 shall be protected as provided in section
23 552(b)(4) of title 5, United States Code.

24 “(D) CERTIFICATION CRITERIA.—The Sec-
25 retary shall certify those projects that are de-

1 terminated by bid to provide the largest delivery
2 of carbon dioxide for each dollar of credit ex-
3 pected to be allowed under subsection (a) in
4 connection with such project.

5 “(E) COORDINATION WITH PIONEER
6 PROJECT CREDIT.—The Secretary shall not cer-
7 tify any project under this subsection if such
8 project has been certified under section 48E.

9 “(3) SUSPENSION.—The Secretary shall not
10 certify any project under this subsection during the
11 1-year period after which an affirmative determina-
12 tion is made under section 105(b)(2)(B)(ii) of the
13 Practical Energy Plan Act of 2011.

14 “(e) OTHER RULES.—

15 “(1) TRANSFER OF CREDIT.—

16 “(A) IN GENERAL.—A taxpayer who
17 makes a qualified investment may transfer the
18 credit allowed under this section with respect a
19 qualifying deployment project through an as-
20 signment to any party to the eligible enhanced
21 oil recovery contract with respect to such quali-
22 fying deployment project. Such transfer may be
23 revoked only with the consent of the Secretary.

24 “(B) REGULATIONS.—The Secretary shall
25 prescribe such regulations as necessary to en-

1 sure that any credit transferred under subpara-
2 graph (A) is claimed once and not reassigned
3 by such other person.

4 “(2) RECAPTURE.—The Secretary shall provide
5 for recapturing the benefit of any credit allowable
6 under subsection (a) with respect to any project
7 which ceases to be a qualifying deployment project.

8 “(3) ELECTION NOT TO CLAIM CREDIT.—This
9 section shall not apply to a taxpayer for any taxable
10 year if such taxpayer elects to have this section not
11 apply for such taxable year.”.

12 (B) CREDIT TO BE PART OF GENERAL
13 BUSINESS CREDIT.—Subsection (b) of section
14 38 of such Code, as amended by subsection
15 (a)(2), is amended by striking “plus” at the
16 end of paragraph (36), by striking the period at
17 the end of paragraph (37) and inserting “,
18 plus”, and by adding at the end the following
19 new paragraph:

20 “(38) the deployment project production credit
21 determined under section 45T(a).”.

22 (C) COORDINATION WITH SECTION 45Q.—
23 Paragraph (8) of section 45Q(d) of such Code,
24 as added by subsection (a)(2), is amended by
25 inserting “or 45T” after “45S”.

1 (D) CONFORMING AMENDMENTS.—

2 (i) The table of sections for subpart D
3 of part IV of subchapter A of chapter 1 of
4 such Code, as amended by subsection
5 (a)(2) is amended by inserting after the
6 item relating to section 45S the following
7 new item:

“Sec. 45T. Deployment project carbon dioxide production credit.”.

8 (ii) Section 6501(m) of such Code is
9 amended by inserting “45T(e)(3),” after
10 “45S(c)(4),”.

11 (E) EFFECTIVE DATE.—The amendments
12 made by this paragraph shall apply to taxable
13 years beginning after the date of the enactment
14 of this Act.

15 (F) SECRETARIAL REVIEW OF SOURCE CAP
16 DOLLAR AMOUNTS.—

17 (i) IN GENERAL.—Each year, the Sec-
18 retary shall review the source cap dollar
19 amounts under section 45T(b)(2) to deter-
20 mine whether such amounts are appro-
21 priate given the technological advancement.

22 (ii) REPORT.—If the Secretary deter-
23 mines that such source cap dollar amount
24 should be adjusted, the Secretary shall
25 submit to Congress a report detailing rec-

1 ommended modifications to such dollar
2 amounts.

3 (2) REVENUE GENERATING FAIL-SAFE.—

4 (A) PROJECTIONS.—Beginning on the date
5 that is 4 years after the date of the enactment
6 of this Act, and on an annual basis thereafter,
7 the Secretary of the Treasury (or the Sec-
8 retary’s delegate), in consultation with the Se-
9 curities and Exchange Commission and the Sec-
10 retary of Energy, shall—

11 (i) project the present value of—

12 (I) the expected increase in Fed-
13 eral revenues (from income taxes, roy-
14 alties, and other sources) attributable
15 to increases in oil production from en-
16 hanced oil recovery methods using
17 carbon dioxide from qualifying pioneer
18 projects (as defined in section 48E of
19 the Internal Revenue Code) and quali-
20 fying deployment projects (as defined
21 in section 45T of such Code), and

22 (II) the revenue costs associated
23 with the credits allowed under sec-
24 tions 45S, 45T, and 48E of such
25 Code, and

1 (ii) project—

2 (I) the average well head price
3 for oil produced in the contiguous 48
4 States for the 11-year period begin-
5 ning with the year in which such pro-
6 jection is made, and

7 (II) the cost of oil recovery meth-
8 ods used in qualified enhanced oil re-
9 covery projects (as defined in section
10 43(c)(2) of the Internal Revenue Code
11 of 1986), as compared to conventional
12 oil recovery methods.

13 (B) DETERMINATION OF UNSUSTAINABLE
14 REVENUE.—

15 (i) IN GENERAL.—Using the projec-
16 tions under subparagraph (A), the Sec-
17 retary (or the Secretary's delegate) shall
18 determine whether Federal revenues gen-
19 erated by qualified enhanced oil recovery
20 projects (as so defined) eligible for benefits
21 under the amendments made by this sec-
22 tion are insufficient to sustain the cost of
23 such benefits.

24 (ii) AFFIRMATIVE DETERMINATION.—
25 The Secretary shall make an affirmative

1 determination under this subparagraph if
2 the Secretary finds that—

3 (I) the projected revenue costs
4 determined under subparagraph
5 (A)(i)(II) exceed the projected revenue
6 increases determined under subpara-
7 graph (A)(i)(I), or

8 (II) the methods used to recover
9 oil through qualified enhanced oil re-
10 covery projects (as so defined) will not
11 be cost-effective due to the projected
12 well head price for oil under subpara-
13 graph (A)(ii)(II).

14 (iii) SPECIAL RULE.—If the Secretary
15 makes an affirmative determination under
16 this subparagraph with respect to any
17 year, the Secretary shall not make a deter-
18 mination under this subparagraph for the
19 immediately succeeding taxable year.

20 (C) SUSPENSION OF DEPLOYMENT CREDIT
21 AND REPORT TO CONGRESS.—If the Secretary
22 makes an affirmative determination under sub-
23 paragraph (B)—

24 (i) no certifications may be made with
25 respect to the deployment project invest-

1 ment credit under section 45T of the In-
2 ternal Revenue Code of 1986 for the 1-
3 year period following the date of such de-
4 termination, and

5 (ii) the Secretary (or the Secretary's
6 delegate) shall submit to Congress a report
7 detailing the findings and projections that
8 led to such determination.

9 (c) LOAN GUARANTEES FOR CARBON DIOXIDE
10 TRUNKLINES.—Section 1703(b) of the Energy Policy Act
11 of 2005 (42 U.S.C. 16513(b)) is amended by adding at
12 the end the following new paragraph:

13 “(11) Qualified carbon dioxide trunklines (as
14 defined in section 48E(e)(3) of the Internal Revenue
15 Code of 1986).”.

16 **SEC. 102. RESTORING GULF OF MEXICO OIL PRODUCTION.**

17 (a) DEFINITION OF COVERED APPLICATION.—In this
18 section, the term “covered application” means an applica-
19 tion for a permit to drill under an oil and gas lease under
20 the Outer Continental Shelf Lands Act (43 U.S.C. 1331
21 et seq.) in effect on the date of enactment of this Act,
22 that—

23 (1) represents a resubmission of an approved
24 permit to drill (including an application for a permit

1 to sidetrack) that was approved by the Secretary be-
2 fore May 27, 2010; and

3 (2) is received by the Secretary after October
4 12, 2010, and before the end of the 15-day period
5 beginning on the date of enactment of this Act.

6 (b) SCHEDULE REQUIRED.—Not later than 30 days
7 after the date of enactment of this Act, the Secretary of
8 the Interior shall submit to the Committee on Energy and
9 Natural Resources of the Senate and the Committee on
10 Natural Resources of the House of Representatives a
11 schedule that provides that—

12 (1) not later than 75 days after the date of en-
13 actment of this Act, final decisions shall be issued
14 with respect to not less than $\frac{1}{2}$ of the covered appli-
15 cations; and

16 (2) not later than 135 days after the date of
17 enactment of this Act, final decisions shall be issued
18 with respect to all of the covered applications.

19 (c) DIRECTED SUSPENSION.—A lease under which a
20 covered application is submitted to the Secretary of the
21 Interior shall be considered to be in directed suspension
22 during the period beginning May 27, 2010, and ending
23 on the date on which the Secretary issues a final decision
24 on the application, if the Secretary does not issue a final
25 decision on the application before the end of the 120-day

1 period beginning on the date of enactment of this Act, in
2 the case of a covered application submitted before the date
3 of enactment of this Act or before the end of the 15-day
4 period beginning on the date of enactment of this Act.

5 **SEC. 103. SAFETY ASSESSMENTS.**

6 (a) REPORT TO CONGRESS.—

7 (1) DEFINITION OF COVERED PERMIT.—In this
8 subsection, the term “covered permit” means—

9 (A) each of the first 10 drilling permits for
10 leases on the Atlantic coast issued after the
11 date of enactment of this Act;

12 (B) each of the first 10 drilling permits for
13 leases on the Pacific coast issued after the en-
14 actment of this Act;

15 (C) each of the first 10 drilling permits for
16 leases on the Arctic coast issued after the en-
17 actment of this Act; and

18 (D) a permit to drill in a new area off the
19 coast of a State as requested by the governor
20 of the State or the Governor of a State with
21 contiguous waters.

22 (2) SAFETY ASSESSMENT.—At least 30 days
23 before the issuance of a covered permit, the Sec-
24 retary shall submit to the Committee on Energy and
25 Natural Resources of the Senate and the Committee

1 on Natural Resources of the House a Representa-
2 tives a report that includes an assessment of—

3 (A) critical safety system preparedness, in-
4 cluding blowout prevention; and

5 (B) oil spill response and containment pre-
6 paredness.

7 (b) SPILL RESPONSE ASSESSMENT.—Section 11(c)
8 of the Outer Continental Shelf Lands Act (43 U.S.C.
9 1340(c)) is amended by adding at the end the following:

10 “(5) SPILL RESPONSE ASSESSMENT.—

11 “(A) IN GENERAL.—The Secretary shall
12 require that each exploration plan submitted
13 after the date of enactment of the Practical En-
14 ergy Plan Act of 2011 include a third-party re-
15 viewed response plan that describes the means
16 and timeline for containment and termination
17 of an ongoing discharge of oil (other than a de-
18 minimis discharge, as determined by the Sec-
19 retary) at the depth at which the exploration,
20 development, or production authorized under
21 the exploration plan is to take place.

22 “(B) TECHNOLOGICAL FEASIBILITY.—Be-
23 fore determining whether to approve an explo-
24 ration plan that includes a response plan under
25 subparagraph (A), the Secretary shall certify

1 the technological feasibility of the methods pro-
2 posed to be used under the response plan, as
3 demonstrated by the lessee through simulation,
4 demonstration, or other means.”.

5 **SEC. 104. RESTORING OIL AND GAS LEASE SALES.**

6 (a) **DEFINITIONS.**—In this section:

7 (1) **ENVIRONMENT IMPACT STATEMENT FOR**
8 **THE 2007–2012 5-YEAR OCS PLAN.**—The term “Envi-
9 ronmental Impact Statement for the 2007-2012 5-
10 Year OCS Plan” means the Final Environmental
11 Impact Statement for the Outer Continental Shelf
12 Oil and Gas Leasing Program: 2007-2012 prepared
13 by the Secretary and dated April 2007.

14 (2) **MULTI-SALE ENVIRONMENTAL IMPACT**
15 **STATEMENT.**—The term “Multi-Sale Environmental
16 Impact Statement” means the Environmental Im-
17 pact Statement for Proposed OCS Oil and Gas
18 Lease Sales 193, 204, 205, 206, 207, 208, 209,
19 210, 212, 213, 215, 216, and 222 prepared by the
20 Secretary and dated September 2008.

21 (3) **SECRETARY.**—The term “Secretary” means
22 the Secretary of the Interior.

23 (b) **REQUIREMENT TO CONDUCT CERTAIN PRO-**
24 **POSED OIL AND GAS LEASE SALES.**—

1 (1) IN GENERAL.—As soon as practicable, but
2 not later than 1 year, after the date of enactment
3 of this Act, in accordance with section 8 of the
4 Outer Continental Shelf Lands Act (43 U.S.C.
5 1337), the Secretary shall conduct—

6 (A) offshore oil and gas lease sale 216;

7 (B) offshore oil and gas lease sale 218;

8 (C) offshore oil and gas lease sale 220; and

9 (D) offshore oil and gas lease sale 222.

10 (2) PROHIBITION ON CONFLICTS WITH MILI-
11 TARY OPERATIONS.—The Secretary shall not make
12 any tract available for leasing under paragraph
13 (1)(C) if the President, acting through the Secretary
14 of Defense, determines that drilling activity on the
15 tract would create an unreasonable conflict with
16 military operations.

17 (3) ENVIRONMENTAL REVIEW.—For the pur-
18 poses of each of the lease sales authorized under
19 subparagraphs (A), (B), and (D) of paragraph (1),
20 the Environmental Impact Statement for the 2007–
21 2012 5-Year OCS Plan and the Multi-Sale Environ-
22 mental Impact Statement shall be considered to sat-
23 isfy the requirements of the National Environmental
24 Policy Act of 1969 (42 U.S.C. 4321 et seq.).

1 **SEC. 105. EQUAL TREATMENT OF PERMITS IN ALASKA.**

2 Section 328 of the Clean Air Act (42 U.S.C. 7627)
3 is amended—

4 (1) in subsection (a)(1)—

5 (A) in the first sentence, by inserting be-
6 fore the period at the end the following: “, pro-
7 vided that any air pollution requirements estab-
8 lished for Arctic outer Continental Shelf sources
9 shall only apply to impacts located onshore as
10 of the date of enactment of the Practical En-
11 ergy Plan Act of 2011”; and

12 (B) in the fourth sentence, by inserting
13 “and this Act” before the period at the end;
14 and

15 (2) in the first sentence of subsection (b)—

16 (A) by striking “Gulf Coast”; and

17 (B) by inserting “Alaska,” before “ and
18 Alabama”.

19 **SEC. 106. OFFSHORE RESOURCE REVIEW AND SEISMIC SUR-**
20 **VEYS.**

21 (a) **CHUKCHI SEA AND BEAUFORT SEA.**—Not later
22 than 180 days after the date of enactment of this Act,
23 the Secretary of the Interior shall submit to the Com-
24 mittee on Energy and Natural Resources of the Senate
25 and the Committee on Natural Resources of the House
26 of Representatives the results of a study of oil and natural

1 gas resources in the Chukchi Sea and Beaufort Sea that
2 includes—

3 (1) resource assessments;

4 (2) an assessment of preparedness for accident
5 response;

6 (3) targets for expanding oil and natural gas
7 production over the 5-, 10-, 15-, and 20-year periods
8 beginning on the termination date of leases in effect
9 on the date of enactment of this Act; and

10 (4) a schedule for new lease sales required to
11 meet production targets.

12 (b) STATE SUBDIVISION OF OUTER CONTINENTAL
13 SHELF PLANNING AREA.—At the request of a Governor
14 of a State, the Secretary shall conduct, and submit to the
15 State the results of, a study of any State subdivision of
16 an outer Continental Shelf planning area that includes—

17 (1) resource assessments;

18 (2) an assessment of preparedness for accident
19 response;

20 (3) targets for expanding oil and natural gas
21 production over 10-, 15-, and 20-year periods; and

22 (4) a nonbinding schedule for new lease sales
23 required to meet production targets.

1 (c) SEISMIC SURVEYS.—Section 18 of the Outer Con-
2 tinental Shelf Lands Act (43 U.S.C. 1344) is amended
3 by adding at the end the following:

4 “(i) SEISMIC SURVEYS.—

5 “(1) IN GENERAL.—Not later than 360 days
6 after the date of enactment of this subsection, the
7 Secretary shall issue regulations providing for—

8 “(A) issuance by the Secretary of seismic
9 surveying cost credits for the provision of data
10 from seismic surveying of the outer Continental
11 Shelf; and

12 “(B) use of the credits by a person to
13 whom the cost credits were issued under sub-
14 paragraph (A) or transferred under paragraph
15 (4), for payment of bonus bids owed by the per-
16 son for oil and gas lease sales under this section
17 in the planning area in which the seismic survey
18 was conducted.

19 “(2) ISSUANCE.—The regulations issued under
20 paragraph (1) shall provide for the issuance of cred-
21 its on the date of the submission to the Secretary of
22 the data produced by seismic surveying authorized
23 under section 11 of any area for which the most re-
24 cent seismic data held by the Secretary at the time
25 of the survey is at least 10 years old.

1 “(3) VALUE.—The value of the cost credits
2 issued under paragraph (1)(A) shall be equal to 50
3 percent of the costs incurred in conducting seismic
4 surveying to produce the data for which the credits
5 are issued.

6 “(4) TRANSFER.—A person to whom a credit is
7 issued by the Secretary—

8 “(A) may transfer the credit once; and

9 “(B) shall notify the Secretary of the
10 transfer under subparagraph (A).

11 “(5) EXPIRATION.—A seismic surveying cost
12 credit shall expire 10 years after the date of submis-
13 sion of the date for which the credit is issued.”.

14 **Subtitle B—Vehicle Efficiency**

15 **SEC. 111. FUEL EFFICIENCY PLANNING.**

16 (a) STANDARDS FOR LIGHT VEHICLES.—Section
17 32902 of title 49, United States Code, is amended—

18 (1) in subsection (a), by inserting “, reflecting
19 at least a 4 percent annual increase beginning in
20 model year 2017 (rounded to the nearest $\frac{1}{10}$ mile
21 per gallon)” before the period at the end;

22 (2) in subsection (b)—

23 (A) in paragraph (2)—

24 (i) in subparagraph (A)—

1 (I) in the subparagraph heading,
2 by striking “2020” and inserting
3 “2016”;

4 (II) by striking “2020” and in-
5 serting “2016”; and

6 (III) by striking “35” and insert-
7 ing “34.1”;

8 (ii) in subparagraph (B)—

9 (I) in the subparagraph heading,
10 by striking “2021” and insert “2017”;

11 (II) by striking “2021” and in-
12 serting “2017”; and

13 (III) by inserting “, reflecting at
14 least a 4 percent annual increase for
15 each model year” before the period at
16 the end; and

17 (iii) in subparagraph (C)—

18 (I) by striking “subparagraph
19 (A)” and inserting “subparagraphs
20 (A) and (B)”;

21 (II) by striking “and ending with
22 model year 2020”; and

23 (III) by adding at the end the
24 following: “The projected aggregate
25 level of average fuel economy for

1 model year 2017 and each succeeding
2 model year shall reflect at least a 4
3 percent increase from the level for the
4 prior model year (rounded to the
5 nearest $\frac{1}{10}$ mile per gallon).”; and

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

7 “(5) UNIFIED REGULATORY REQUIREMENTS.—
8 Regulations under this subsection and amendments
9 to regulations under subsection (c) shall, to the max-
10 imum extent practicable, be promulgated (including
11 through joint rulemaking), coordinated, and imple-
12 mented in conjunction with pollutant regulations
13 promulgated by the the Administrator of the Envi-
14 ronmental Protection Agency.”;

15 (3) in subsection (c)—

16 (A) by inserting “(1)” before “The Sec-
17 retary”;

18 (B) by striking “that model year.” and in-
19 serting the following: “model year, including to
20 a level lower than a 4 percent annual increase
21 if the Secretary determines the standards pre-
22 scribed under subsection (b) for each model
23 year—

24 “(A) are technologically unachievable;

1 “(B) cannot be achieved without materially re-
2 ducing the overall safety of automobiles manufac-
3 tured or sold in the United States; or

4 “(C) is shown, by clear and convincing evidence,
5 not to be cost effective.

6 “(2) If a standard reflecting a level lower than a 4
7 percent annual increase is prescribed for a model year
8 under subsection (b), such standard shall be the maximum
9 standard that—

10 “(A) is technologically achievable;

11 “(B) can be achieved without materially reduc-
12 ing the overall safety of automobiles manufactured
13 or sold in the United States; and

14 “(C) is cost effective.”;

15 (C) by striking “Section 553” and insert-
16 ing the following:

17 “(3) Section 553”; and

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

19 “(4) Not later than 90 days before issuing an amend-
20 ed standard that would lower the fuel economy standards
21 below the level prescribed under subsection (b), the Sec-
22 retary shall—

23 “(A) provide written notification to the Com-
24 mittee on Energy and Commerce of the House of
25 Representatives, the Committee on Commerce,

1 Science, and Transportation of the Senate, and the
2 Committee on Energy and Natural Resources of the
3 Senate, regarding the amendments made to the fuel
4 economy standards prescribed in subsection (b); and

5 “(B) make publicly available non-proprietary
6 documentation regarding the amendment decision”;

7 and

8 (4) in subsection (f)—

9 (A) by striking “When deciding” and in-
10 sserting “(1) In determining”;

11 (B) by inserting “cost-benefit consider-
12 ations,” after “economic practicability,”; and

13 (C) by adding at the end the following:

14 “(2) In conducting a cost-benefit analysis under
15 paragraph (1), the Secretary of Transportation (in con-
16 sultation with the Secretary of Energy, the Secretary of
17 State, and the Secretary of Defense) shall take into ac-
18 count the total value to the United States of reduced pe-
19 troleum use, including the value of reducing external costs
20 of petroleum use, using a value for such costs equal to
21 50 percent of the value of a gallon of gasoline saved or
22 the amount determined in an analysis of the external costs
23 of petroleum use that considers—

24 “(A) value to consumers;

25 “(B) economic security;

1 “(C) national security;

2 “(D) foreign policy;

3 “(E) the impact of oil use on—

4 “(i) sustained cartel rents paid to foreign
5 suppliers;

6 “(ii) long-run potential gross domestic
7 product due to higher normal-market oil price
8 levels, including inflationary impacts;

9 “(iii) import costs, wealth transfers, and
10 potential gross domestic product due to in-
11 creased trade imbalances;

12 “(iv) import costs and wealth transfers
13 during oil shocks;

14 “(v) macroeconomic dislocation and adjust-
15 ment costs during oil shocks;

16 “(vi) the cost of existing energy security
17 policies, including the management of the Stra-
18 tegic Petroleum Reserve;

19 “(vii) the timing and severity of the oil
20 peaking problem;

21 “(viii) the risk, probability, size, and dura-
22 tion of oil supply disruptions;

23 “(ix) OPEC strategic behavior and long-
24 run oil pricing;

1 “(x) the short term elasticity of energy de-
2 mand and the magnitude of price increases re-
3 sulting from a supply shock;

4 “(xi) oil imports, military costs, and re-
5 lated security costs, including intelligence,
6 homeland security, sea lane security and infra-
7 structure, and other military activities;

8 “(xii) oil imports, diplomatic and foreign
9 policy flexibility, and connections to geopolitical
10 strife, terrorism, and international development
11 activities; and

12 “(xiii) the cost of pollutants;

13 “(F) the impact of the oil or energy intensity
14 of the United States economy on the sensitivity of
15 the economy to oil price changes, including the mag-
16 nitude of gross domestic product losses in response
17 to short-term price shocks or long-term price in-
18 creases;

19 “(G) the impact of United States payments for
20 oil imports on political, economic, and military devel-
21 opments in unstable or unfriendly oil exporting
22 countries;

23 “(H) the uninternalized costs of pipeline and
24 storage oil seepage, and for risk of oil spills from

1 production, handling, transport, and related land-
2 scape damage; and

3 “(I) additional relevant factors, as determined
4 by the Secretary in consultation with the Secretary
5 of Energy, the Administrator of the Environmental
6 Protection Agency, the Secretary of State, the Sec-
7 retary of Defense, the Secretary of Homeland Secu-
8 rity, and the Director of National Intelligence.

9 “(3) In considering the value to consumers of a gallon
10 of gasoline saved, the Secretary of Transportation may not
11 use a value that is less than the greatest of—

12 “(A) the average national cost of a gallon of
13 gasoline sold in the United States during the 12-
14 month period ending on the date on which the new
15 fuel economy standard is proposed;

16 “(B) the most recent weekly estimate by the
17 Energy Information Administration of the Depart-
18 ment of Energy of the average national cost of a
19 gallon of gasoline (all grades) sold in the United
20 States; or

21 “(C) the gasoline prices projected by the En-
22 ergy Information Administration for the 20-year pe-
23 riod beginning in the year following the year in
24 which the standards are established.”.

1 (b) STANDARDS FOR MEDIUM- AND HEAVY-DUTY
2 VEHICLES.—Section 32902(k) of title 49, United States
3 Code, is amended—

4 (1) in paragraph (1)—

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

7 (B) in subparagraph (D), by striking the
8 period at the end and inserting “; and”; and

9 (C) by adding at the end the following:

10 “(E) greatest achievable fuel efficiency im-
11 provement targets for rules pertaining to com-
12 mercial medium- and heavy-duty vehicles and
13 work trucks, taking into consideration the na-
14 tional security and economic benefits of reduced
15 petroleum consumption and relevant factors in
16 the manufacture and work accomplished of such
17 vehicles.”;

18 (2) in paragraph (2)—

19 (A) by striking “Not later” and inserting
20 the following:

21 “(A) IMPLEMENTATION.—Not later”;

22 (B) by striking “fuel economy standards”
23 and inserting “fuel efficiency standards (taking
24 into consideration the national security and eco-

1 nomic benefits of reduced petroleum consump-
2 tion)”;

3 (C) by striking “The Secretary may” and
4 inserting the following:

5 “(B) SEPARATE STANDARDS.—The Sec-
6 retary may”;

7 (D) in subparagraph (B), as designated by
8 subparagraph (C) of this paragraph, by adding
9 at the end the following: “Recognizing the dif-
10 ferentiated level of technological development
11 and data available between classes, as identified
12 by the National Academies of Science report
13 ‘Technologies and Approaches to Reducing the
14 Fuel Consumption of Medium- and Heavy-Duty
15 Vehicles,’ the Secretary may implement regula-
16 tions for certain vehicle classes and vehicle com-
17 ponents authorized under this subsection, as
18 designated by the Secretary, on an accelerated
19 basis.”; and

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

21 “(C) APPLICABILITY; ADJUSTMENTS.—
22 Standards issued under this subsection—

23 “(i) may apply to—

24 “(I) vehicle components;

1 “(II) whole vehicles based on 1
2 or more attributes; or

3 “(III) any combination of (I) and
4 (II);

5 “(ii) shall, subject to paragraph (3)—

6 “(I) be implemented for vehicles
7 manufactured for sale in the United
8 States during or before model year
9 2017; and

10 “(II) allow for fuel efficiency reg-
11 ulation of vehicle components or whole
12 vehicles before such model year; and

13 “(iii) shall periodically, but not less
14 frequently than every 4 model years, be ad-
15 justed to achieve the maximum techno-
16 logically feasible fuel efficiency improve-
17 ments (taking into account considerations
18 of oil import dependence) which do not
19 materially affect vehicle safety and that
20 are cost effective.

21 “(D) COST EFFECTIVE CRITERIA.—As
22 used in subparagraph (C)(iii), the term ‘cost ef-
23 fective’ shall be subject to considerations estab-
24 lished under subsection (f) and other criteria
25 determined by the Secretary;

1 “(E) WAIVER; NOTIFICATION; REVIEW.—

2 The Secretary may waive adjustments to the
3 standards issued under this subsection if the
4 Secretary determines that any such adjustment
5 is not necessary to achieve the maximum tech-
6 nologically feasible fuel efficiency improvements.

7 If such a determination is made, the Secretary
8 shall provide written notification to the Com-
9 mittee on Energy and Commerce of the House
10 of Representatives, the Committee on Com-
11 merce, Science, and Transportation of the Sen-
12 ate, and the Committee on Energy and Natural
13 Resources of the Senate, not later than 180
14 days before the day that is 4 years after the
15 day on which the most recent standards came
16 into effect. The Secretary shall review any de-
17 termination made under this subparagraph
18 every 2 years.”; and

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

20 “(4) UNIFIED REGULATORY REQUIREMENTS.—

21 Regulations issued pursuant to paragraph (2) shall,
22 to the maximum extent practicable, be established
23 (including through joint rulemaking), coordinated,
24 and implemented in conjunction with pollutant regu-

1 lations administered by the Environmental Protec-
 2 tion Agency.”.

3 **Subtitle C—Fuel Choice**

4 **SEC. 121. COMPETITIVE PRODUCTION INCENTIVES FOR AD- 5 VANCED RENEWABLE FUELS.**

6 Section 942 of the Energy Policy Act of 2005 (42
 7 U.S.C. 16251) is amended—

8 (1) in the section heading, by striking “**CELLU-
 9 LOSIC BIOFUELS**” and inserting “**RENEWABLE
 10 FUELS**”;

11 (2) by striking “cellulosic biofuels” each place
 12 it appears (other than subsection (b)(1)) and insert-
 13 ing “renewable fuels”;

14 (3) in subsection (a), by striking “biofuels”
 15 each place it appears and inserting “renewable
 16 fuels”;

17 (4) in subsection (b)—

18 (A) by striking paragraph (1);

19 (B) by redesignating paragraph (2) as
 20 paragraph (1); and

21 (C) by inserting after paragraph (1) (as so
 22 redesignated) the following:

23 “(2) RENEWABLE FUEL.—

24 “(A) IN GENERAL.—The term ‘renewable
 25 fuel’ has the meaning given the term in section

1 211(o)(1) of the Clean Air Act (42 U.S.C.
2 7545(o)(1)).

3 “(B) INCLUSION.—The term ‘renewable
4 fuel’ includes algae.

5 “(C) EXCLUSION.—The term ‘renewable
6 fuel’ does not include grain.”; and

7 (5) in subsection (f), by inserting “for each of
8 fiscal years 2012 through 2016” before the period at
9 the end.

10 **SEC. 122. FUEL OPTIONS THROUGH THE AVAILABILITY OF**
11 **DUAL FUELED VEHICLES AND LIGHT DUTY**
12 **TRUCKS.**

13 Chapter 329 of title 49, United States Code, is
14 amended by adding at the end the following:

15 **“SEC. 32920. FUEL OPTIONS FOR TRANSPORTATION.**

16 “(a) DEFINITIONS.—In this section:

17 “(1) ADVANCED ALTERNATIVE FUEL.—The
18 term ‘advanced alternative fuel’ means—

19 “(A) a mixture containing—

20 “(i) at least 85 percent denatured eth-
21 anol by volume (or a lower percentage pre-
22 scribed by the Secretary pursuant to sec-
23 tion 32901(b)); and

24 “(ii) gasoline or other fuels;

25 “(B) a mixture containing—

1 “(i) at least 70 percent methanol by
2 volume (or a lower percentage prescribed
3 by the Secretary pursuant to section
4 32901(b)); and

5 “(ii) gasoline and other fuels; and

6 “(C) other alcohols or liquid fuels certified
7 by the Secretary pursuant to subsection
8 (b)(2)(B)(i).

9 “(2) ADVANCED ALTERNATIVE FUEL BLEND.—

10 The term ‘advanced alternative fuel blend’ means a
11 liquid fuel that contains gasoline blended with a per-
12 centage of advanced alternative fuel certified under
13 subsection (b)(2).

14 “(3) ANNUAL COVERED INVENTORY.—The term
15 ‘annual covered inventory’ means the number of ve-
16 hicles that a manufacturer, during a given calendar
17 year, manufactures in the United States or imports
18 from outside of the United States, for sale in the
19 United States.

20 “(4) FUEL CHOICE-ENABLING VEHICLE.—The
21 term ‘fuel choice-enabling vehicle’ means a light-duty
22 vehicle warranted by its manufacturer to operate
23 on—

24 “(A) a mixture containing at least 85 per-
25 cent denatured ethanol, methanol, or other alco-

1 hols by volume (or a lower percentage pre-
2 scribed by the Secretary pursuant to section
3 32901(b)), including drop-in liquid fuel for use
4 in gasoline engines;

5 “(B) an advanced alternative fuel blend;

6 “(C) natural gas;

7 “(D) hydrogen;

8 “(E) batteries;

9 “(F) a hybrid electric engine;

10 “(G) a mixture of biodiesel and diesel fuel
11 meeting the standard established by the Amer-
12 ican Society for Testing and Materials or under
13 section 211(u) of the Clean Air Act (42 U.S.C.
14 7545(u)) for fuel containing 5 percent biodiesel
15 (commonly known as ‘B20’); or

16 “(H) any other fuel or means of powering
17 covered vehicles prescribed by the Secretary, by
18 regulation, that contains not more than 10 per-
19 cent petroleum, by volume.

20 “(5) LIGHT-DUTY VEHICLE.—The term ‘light-
21 duty vehicle’ means a 4-wheeled vehicle manufac-
22 tured primarily for use on public streets, roads, and
23 highways with a gross vehicle weight of less than
24 10,000 pounds.

25 “(b) FUEL OPTIONS STANDARD.—

1 “(1) IN GENERAL.—Except as provided in para-
2 graph (3), each light-duty vehicle manufacturer’s an-
3 nual covered inventory shall be comprised of—

4 “(A) not less than 50 percent fuel choice-
5 enabling vehicles in model years 2015, 2016,
6 and 2017; and

7 “(B) not less than 90 percent fuel choice-
8 enabling vehicles in model year 2018 and each
9 subsequent model year.

10 “(2) CERTIFICATION.—

11 “(A) IN GENERAL.—The Secretary of
12 Transportation, in consultation with the Admin-
13 istrator of the Environmental Protection Agen-
14 cy, shall certify the maximum feasible levels of
15 advanced alternative fuel blend possible based
16 on technological feasibility, economic practi-
17 cality, consumer cost impacts, maximizing the
18 potential number of domestic nonpetroleum
19 feedstock sources, and reducing foreign oil im-
20 ports.

21 “(B) CONTENTS.—The certification under
22 subparagraph (A) should include—

23 “(i) the type and blend of advanced
24 alternative fuel that can be utilized by ve-

1 hicles qualifying as a fuel choice-enabling
2 vehicle;

3 “(ii) the type and blend of advanced
4 alternative fuel that can be utilized by spe-
5 cific vehicles in use as of the date of the
6 enactment of the Practical Energy Plan
7 Act of 2011; and

8 “(iii) the type and blend of advanced
9 alternative fuel that can be utilized by new
10 and existing components of the Nation’s
11 transportation fueling infrastructure for
12 fuel-choice enabled vehicles.

13 “(C) TRIGGER.—Upon completion of the
14 certification under subparagraph (B)(i), new
15 light-duty vehicles may not be classified as fuel
16 choice-enabling vehicles unless the manufac-
17 turer warrants that such vehicles can be oper-
18 ated on fuels described in subparagraphs (A)
19 and (B) of subsection (a)(4).

20 “(3) DROP-IN FUEL.—Any drop-in liquid fuel
21 for use in gasoline engines that is described in sec-
22 tion (a)(4)(H) shall also be warranted to operate
23 with fuel described in subparagraphs (A) and (B) of
24 subsection (a)(4) pursuant to paragraph (2)(C).

1 “(4) SMALL MANUFACTURER EXEMPTION.—At
2 the request of a manufacturer, the Secretary of
3 Transportation shall exempt the manufacturer from
4 the requirement described in paragraph (1) if the
5 manufacturer’s annual covered inventory is fewer
6 than 10,000.

7 “(5) CREDIT TRADING AMONG MANUFACTUR-
8 ERS.—

9 “(A) IN GENERAL.—The Secretary may es-
10 tablish, by regulation, a fuel options standard
11 credit trading program to allow manufacturers
12 whose annual covered inventory exceeds the re-
13 quirement described in paragraph (1) to earn
14 credits to be sold to manufacturers that are un-
15 able to achieve the prescribed requirements.

16 “(B) DUAL FUEL CREDIT.—Beginning in
17 model year 2018, any vehicle used to qualify for
18 the fuel options standard under this subsection
19 cannot be used to receive the dual fuel credit
20 under section 32903.

21 “(c) FUEL CHOICE COMPARISON TOOL.—The Sec-
22 retary of Transportation, in consultation with the Sec-
23 retary of Energy and the Administrator of the Environ-
24 mental Protection Agency, shall develop a model label for
25 pumps in the United States dispensing advanced alter-

1 native fuels to consumers that identifies a single, readily
2 comprehensible metric that allows consumers to evaluate
3 the relative value, energy density, and expected vehicle
4 performance of any particular advanced alternative fuel
5 blend. The Secretary shall make the label available for vol-
6 untary reproduction and adoption.”.

7 **Subtitle D—Federal Fleets**

8 **SEC. 131. DEPARTMENT OF DEFENSE ALTERNATIVE FUELS** 9 **CONTRACTING.**

10 (a) **AUTHORITY.**—Subchapter II of chapter 173 of
11 title 10, United States Code, is amended by adding at the
12 end the following:

13 **“§ 2922h. Liquid fuels: contracts for procurement of** 14 **certain transportation fuels**

15 “(a) **AUTHORITY TO CONTRACT.**—The Secretary of
16 Defense may enter into 1 or more contracts for the pro-
17 curement of fuels described in subsection (b) for the De-
18 partment of Defense.

19 “(b) **COVERED FUELS.**—A fuel described in this sub-
20 section is a liquid transportation fuel, including jet fuel,
21 that is derived from domestic and Indian land sources of
22 biomass, coal, or other nonpetroleum products.

23 “(c) **PERIOD OF CONTRACT.**—The period of a con-
24 tract entered into under subsection (a) may not exceed
25 20 years.

1 “(d) **REPORTS ON CONTRACTS.**—Not later than 3
2 years after the date of enactment of this section, the Sec-
3 retary of Defense shall submit to Congress a report assess-
4 ing the impact of contracting under subsection (a) on the
5 vulnerability of the Department of Defense to disruptions
6 in the global oil supply, including an assessment of wheth-
7 er lengthening the maximum authorized period of contract
8 under subsection (c), could further reduce the vulner-
9 ability of the Department to such disruptions.”.

10 (b) **CLERICAL AMENDMENT.**—The table of sections
11 at the beginning of subchapter II of chapter 173 of such
12 title is amended by adding at the end the following:

“2922h. Liquid fuels: contracts for procurement of certain transportation
fuels.”.

13 **SEC. 132. FUELS FOR NATIONAL SECURITY AGENCIES.**

14 (a) **IN GENERAL.**—Section 526 of the Energy Inde-
15 pendence and Security Act of 2007 (42 U.S.C. 17142) is
16 amended by inserting “(other than the Department of De-
17 fense, the Department of Homeland Security, the Depart-
18 ment of State, and the National Aeronautics and Space
19 Administration)” after “Federal agency”.

20 (b) **SENSE OF CONGRESS.**—It the sense of Congress
21 that national security agencies not covered by section 526
22 of the Energy Independence and Security Act of 2007 (42
23 U.S.C. 17142) are encouraged to use, to the maximum

1 extent practicable, clean fuels derived from nonpetroleum
2 feedstocks.

3 **SEC. 133. SAVINGS FROM TRANSPORTATION ENERGY PER-**
4 **FORMANCE CONTRACTS.**

5 (a) **AUTHORITY TO ENTER INTO CONTRACTS.**—Sec-
6 tion 801(a)(1) of the National Energy Conservation Policy
7 Act (42 U.S.C. 8287(a)(1)) is amended in the first sen-
8 tence by inserting before the period at the end the fol-
9 lowing: “, including savings and benefits involving non-
10 building applications”.

11 (b) **PAYMENT OF COSTS.**—Section 801(a)(2)(B) of
12 the National Energy Conservation Policy Act (42 U.S.C.
13 8287(a)(2)(B)) is amended in the first sentence by strik-
14 ing “for utilities” and inserting “for utilities or fuel, or
15 both,”.

16 (c) **DEFINITIONS.**—

17 (1) **ENERGY SAVINGS.**—Section 804(2) of the
18 National Energy Conservation Policy Act (42 U.S.C.
19 8287c(2)) is amended—

20 (A) in subparagraph (A), by striking “or
21 other federally owned facilities” each place it
22 appears and inserting “, other federally owned
23 facilities, or other buildings or facilities at
24 which an Executive agency pays for utilities”;

25 (B) in subparagraph (C)—

1 (i) by inserting “(including new hydroelectric generation at Federal dams
2 that do not have hydroelectric generation
3 facilities)” after “cogeneration”; and

4 (ii) by striking “and” after the semi-
5 colon at the end;

6 (C) in subparagraph (D), by striking the
7 period at the end and inserting “; and”; and

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

9 “(E) the increased efficient use of non-
10 building applications; and

11 “(F) the savings realized from reduced fuel
12 use, including secondary savings.”.

13 (2) NONBUILDING APPLICATION; SECONDARY
14 SAVINGS.—Section 804 of the National Energy Con-
15 servation Policy Act (42 U.S.C. 8287c) is amended
16 by adding at the end the following:

17 “(5) NONBUILDING APPLICATION.—The term
18 ‘nonbuilding application’ means—

19 “(A) any class of vehicles, devices, or
20 equipment that is transportable under the
21 power of the applicable vehicle, device, or equip-
22 ment by land, sea, or air and that consumes en-
23 ergy from any fuel source for the purpose of—

24 “(i) that transportation; or
25

1 “(ii) maintaining a controlled environ-
2 ment within the vehicle, device, or equip-
3 ment; and

4 “(B) any federally owned equipment use to
5 generate electricity or transport water.

6 “(6) SECONDARY SAVINGS.—The term ‘sec-
7 ondary savings’ means additional energy, fuel, or
8 cost savings that are a direct consequence of the en-
9 ergy savings that result from the energy efficiency
10 improvements that are financed and implemented
11 pursuant to an energy savings performance con-
12 tract.”.

13 (d) GUIDANCE.—Not later than 1 year after the date
14 of enactment of this Act, the Secretary of Energy, in con-
15 sultation with the Secretary of Defense and the Adminis-
16 trator of General Services, shall issue guidance and rules
17 to Executive agencies to implement the amendments made
18 by this section.

19 **TITLE II—ENERGY EFFICIENCY**
20 **Subtitle A—Energy Performance in**
21 **Buildings**

22 **SEC. 201. SAVING ENERGY IN NEW BUILDINGS.**

23 (a) IN GENERAL.—Section 304 of the Energy Con-
24 servation and Production Act (42 U.S.C. 6833) is amend-
25 ed to read as follows:

1 **“SEC. 304. UPDATING BUILDING ENERGY EFFICIENCY.**

2 “(a) UPDATING NATIONAL MODEL BUILDING EN-
3 ERGY CODES.—

4 “(1) TARGETS.—

5 “(A) IN GENERAL.—The Secretary shall
6 support updating the national model building
7 energy codes and standards at least every 3
8 years to achieve overall energy savings, com-
9 pared to the 2009 IECC for residential build-
10 ings and ASHRAE Standard 90.1–2007 for
11 commercial buildings.

12 “(B) STATE AND LOCAL BUILDING EN-
13 ERGY CODES.—The Secretary shall encourage
14 and support the adoption of building energy
15 codes by States and, as appropriate, local gov-
16 ernments that—

17 “(i) meet or exceed the national model
18 building energy codes; or

19 “(ii) achieve equivalent or greater en-
20 ergy savings.

21 “(C) MINIMUM REQUIREMENTS.—The tar-
22 gets for overall energy savings shall be at least
23 a—

24 “(i) 15 percent reduction in energy
25 use relative to a comparable building con-

1 constructed in compliance with the 2009
2 IECC by January 1, 2015;

3 “(ii) 15 percent reduction in energy
4 use relative to a comparable building con-
5 structed in compliance with the ASHRAE
6 Standard 90.1–2007 by May 1, 2014;

7 “(iii) 30 percent reduction in energy
8 use relative to a comparable building con-
9 structed in compliance with the 2009
10 IECC by January 1, 2018; and

11 “(iv) 45 percent reduction in energy
12 use relative to a comparable building con-
13 structed in compliance with the ASHRAE
14 Standard 90.1–2007 by January 1, 2019.

15 “(D) SPECIFIC YEARS.—

16 “(i) IN GENERAL.—Targets for spe-
17 cific dates subsequent to the dates estab-
18 lished under clauses (i) and (ii) of sub-
19 paragraph (C) shall be set by the Secretary
20 at least 3 years in advance of each target
21 date, coordinated with the IECC and
22 ASHRAE Standard 90.1 cycles, at the
23 maximum level of energy efficiency that is
24 technologically feasible and life-cycle cost

1 effective and higher than the preceding
2 target.

3 “(ii) DIFFERENT TARGET YEARS.—

4 “(I) IN GENERAL.—Subject to
5 paragraph (2)(D), not later than 3
6 years prior to implementation of
7 clauses (iii) and (iv) of subparagraph
8 (C), the Secretary may set a different
9 target date for the targets established
10 under those clauses if the Secretary
11 determines that the target cannot be
12 met by the target date.

13 “(II) NOTICE.—Not later than
14 15 days prior to a determination
15 made under subclause (I), the Sec-
16 retary shall inform the Committee on
17 Energy and Natural Resources of the
18 Senate and the Committee on Energy
19 and Commerce of the House of Rep-
20 resentatives of the determination.

21 “(E) TECHNICAL ASSISTANCE TO MODEL
22 CODE-SETTING AND STANDARD DEVELOPMENT
23 ORGANIZATIONS.—

24 “(i) IN GENERAL.—The Secretary
25 shall, on a timely basis, provide technical

1 assistance to model code-setting and stand-
2 ard development organizations.

3 “(ii) ASSISTANCE.—The assistance
4 shall, to the maximum extent practicable,
5 include technical assistance identified by
6 the organizations such as for—

7 “(I) evaluating codes or stand-
8 ards proposals or revisions;

9 “(II) building energy analysis
10 and design tools;

11 “(III) building demonstrations;
12 and

13 “(IV) design assistance and
14 training.

15 “(F) AMENDMENT PROPOSALS.—

16 “(i) IN GENERAL.—The Secretary
17 shall submit codes and standards amend-
18 ment proposals to the model code-setting
19 and standards development organizations,
20 with supporting evidence, sufficient to en-
21 able the national model building energy
22 codes and standards to meet the targets
23 established under subparagraph (C).

24 “(ii) CALCULATION METHODOLOGY.—
25 The Secretary shall make available the cal-

1 culation methodology (including input as-
2 sumptions and data) used by the Secretary
3 to estimate the energy savings of codes, in-
4 cluding proposals and revisions of codes.

5 “(2) REVISION OF BUILDING ENERGY USE
6 STANDARDS.—

7 “(A) IN GENERAL.—If the provisions of
8 the IECC or ASHRAE Standard 90.1 regard-
9 ing building energy use are revised, the Sec-
10 retary shall make a determination not later
11 than 180 days after the date of the revision, on
12 whether the revision will—

13 “(i) improve energy efficiency in
14 buildings; and

15 “(ii) meet the targets under para-
16 graph (1).

17 “(B) CODES OR STANDARDS NOT MEETING
18 TARGETS.—

19 “(i) IN GENERAL.—If the Secretary
20 makes a determination under subpara-
21 graph (A)(ii) that a code or standard does
22 not meet the targets established under
23 paragraph (1), not later than 1 year after
24 the date of the determination, the Sec-
25 retary shall provide the model code or

1 standard developer with proposed changes
2 that would result in a model code or stand-
3 ard that meets the targets (including sup-
4 porting evidence), taking into consider-
5 ation—

6 “(I) whether the modified code is
7 technically feasible and life-cycle cost
8 effective; and

9 “(II) potential costs, savings, and
10 other benefits for consumer and build-
11 ing owners, including the impact on
12 overall building ownership and oper-
13 ating costs.

14 “(ii) CONSULTATION WITH SEC-
15 RETARY.—On receipt of the proposed
16 changes, the model code or standard devel-
17 oper shall have an additional period of 90
18 days to provide input to the Secretary re-
19 garding the proposed changes and to con-
20 sult with the Secretary before a revised
21 model code or standard is released.

22 “(iii) IMPLEMENTATION OF
23 CHANGES.—

24 “(I) IN GENERAL.—After release
25 of a revised model code or standard,

1 the Secretary shall grant an addi-
2 tional period of 90 days for the model
3 code or standard developer to imple-
4 ment the model code or standard de-
5 veloped in consultation with the Sec-
6 retary.

7 “(II) MODIFIED CODE OR STAND-
8 ARD.—If the proposed changes are
9 not incorporated into the model code
10 or standard of the developer during
11 the 90-day period described in sub-
12 clause (I), the Secretary shall estab-
13 lish a modified code or standard that
14 meets the established targets.

15 “(iv) ADMINISTRATION.—Any code or
16 standard modified under this subparagraph
17 shall—

18 “(I) achieve a level of energy sav-
19 ings that is technologically feasible
20 and life-cycle cost-effective;

21 “(II) be based on the latest edi-
22 tion of the IECC or ASHRAE Stand-
23 ard 90.1, including any subsequent
24 amendments, addenda, or additions,

1 but may also consider other model
2 codes or standards; and

3 “(III) serve as the baseline for
4 the next determination under sub-
5 paragraph (A)(i).

6 “(C) CODES OR STANDARDS NOT UPDATED
7 FOR 3 YEARS.—

8 “(i) IN GENERAL.—If the model code
9 or standard is not revised by a target date
10 under paragraph (1)(C), the Secretary
11 shall, not later than 1 year after the target
12 date, establish a modified code or standard
13 that meets the targets under paragraph
14 (1)(C).

15 “(ii) REQUIREMENTS.—Any modified
16 code or standard shall—

17 “(I) achieve a level of energy sav-
18 ings that is technologically feasible
19 and life-cycle cost-effective;

20 “(II) be based on the latest revi-
21 sion of the IECC or ASHRAE Stand-
22 ard 90.1, including any amendments
23 or additions to the code or standard,
24 but may also consider other model
25 codes or standards; and

1 “(III) serve as the baseline for
2 the next determination under sub-
3 paragraph (A)(i).

4 “(D) ADMINISTRATION.—The Secretary
5 shall—

6 “(i) provide an opportunity for public
7 comment on targets, determinations, and
8 modified codes and standards under this
9 subsection;

10 “(ii) publish in the Federal Register
11 notice of targets, determinations, and
12 modified codes and standards under this
13 subsection; and

14 “(iii) consult with key model code-set-
15 ting and standard development organiza-
16 tions during the code development process.

17 “(b) ESTABLISHING VOLUNTARY MODEL CODES.—

18 “(1) DETERMINATION OF VOLUNTARY MODEL
19 CODE.—

20 “(A) IN GENERAL.—If the Secretary
21 makes an affirmative determination or estab-
22 lishes a modified code or standard under para-
23 graph (2), the Secretary shall establish the
24 modified code or standard as the Voluntary
25 Model Code.

1 “(B) STATE NOTIFICATION.—The Sec-
2 retary shall notify each State of the determina-
3 tion of the Voluntary Model Code not later than
4 30 days after establishing or modifying the
5 Code.

6 “(2) INITIAL VOLUNTARY MODEL CODE.—As of
7 the date of enactment of the Practical Energy Plan
8 Act of 2011, the Voluntary Model Code shall be—

9 “(A) the 2009 IECC for residential build-
10 ings; and

11 “(B) the ASHRAE Standard 90.1–2010
12 for commercial buildings.

13 “(c) STATE CERTIFICATION OF BUILDING ENERGY
14 CODE UPDATES.—

15 “(1) REVIEW AND UPDATING OF CODES BY
16 EACH STATE.—

17 “(A) IN GENERAL.—Not later than 2 years
18 after the date on which the Voluntary Model
19 Code is established under subsection (b), each
20 State shall certify to the Secretary whether or
21 not the State has reviewed and updated the
22 provisions of the residential and commercial
23 building codes of the State regarding energy ef-
24 ficiency.

1 “(B) DEMONSTRATION.—For a State to be
2 in compliance with this section, the certification
3 under subparagraph (A) shall include a dem-
4 onstration that the code provisions that are in
5 effect throughout the State—

6 “(i) meet or exceed the Voluntary
7 Model Code; or

8 “(ii) achieve equivalent or greater en-
9 ergy savings.

10 “(d) STATE CERTIFICATION OF COMPLIANCE WITH
11 BUILDING CODES.—

12 “(1) REQUIREMENT.—

13 “(A) IN GENERAL.—Not later than 3 years
14 after the date of a certification under sub-
15 section (c), each State shall certify whether or
16 not the State has—

17 “(i) achieved compliance under para-
18 graph (3) with the certified State building
19 energy code or the Voluntary Model Code;
20 or

21 “(ii) made significant progress under
22 paragraph (4) toward achieving compliance
23 with the certified State building energy
24 code or the Voluntary Model Code.

1 “(B) REPEAT CERTIFICATIONS.—If a
2 State certifies progress toward achieving com-
3 pliance, the State shall repeat the certification
4 each year until the State certifies that the State
5 has achieved compliance.

6 “(2) MEASUREMENT OF COMPLIANCE.—A cer-
7 tification under paragraph (1) shall include docu-
8 mentation of the rate of compliance based on—

9 “(A) independent inspections of a random
10 sample of the new and renovated buildings cov-
11 ered by the code in the preceding year; or

12 “(B) an alternative method that yields an
13 accurate measure of compliance.

14 “(3) ACHIEVEMENT OF COMPLIANCE.—A State
15 shall be considered to achieve compliance under
16 paragraph (1) if—

17 “(A) at least 90 percent of new building
18 space covered by the code in the preceding year
19 substantially meets all the requirements of the
20 code regarding energy efficiency, or achieves
21 equivalent or greater energy savings; or

22 “(B) the estimated excess energy use of
23 new and renovated buildings that did not meet
24 the code in the preceding year, compared to a
25 baseline of comparable buildings that meet the

1 code, is not more than 5 percent of the esti-
2 mated energy use of all new and renovated
3 buildings covered by the code during the pre-
4 ceding year.

5 “(4) SIGNIFICANT PROGRESS TOWARD
6 ACHIEVEMENT OF COMPLIANCE.—

7 “(A) IN GENERAL.—For purposes of para-
8 graph (1), a State shall be considered to have
9 made significant progress toward achieving
10 compliance if the State—

11 “(i) has developed and is imple-
12 menting a plan for achieving compliance
13 not later than 8 years after the date of en-
14 actment of the Practical Energy Plan Act
15 of 2011, assuming continued adequate
16 funding, including active training and en-
17 forcement programs;

18 “(ii) after 1 or more years of ade-
19 quate funding, has demonstrated progress,
20 in conformance with the plan described in
21 clause (i), toward compliance;

22 “(iii) after 5 or more years of ade-
23 quate funding, meets the requirements of
24 paragraph (3) if ‘80 percent’ is substituted

1 for ‘90 percent’ or ‘10 percent’ is sub-
2 stituted for ‘5 percent’; and

3 “(iv) has not had more than 8 years
4 of adequate funding.

5 “(B) ADEQUATE FUNDING.—For purposes
6 of this paragraph, funding shall be considered
7 adequate if the Federal Government provides to
8 the States at least \$50,000,000 for a fiscal year
9 in funding and support for development and im-
10 plementation of State building energy codes, in-
11 cluding for training and enforcement.

12 “(C) TECHNICAL ASSISTANCE TO
13 STATES.—The Secretary shall make available
14 technical assistance to States to implement this
15 section, including procedures and technical
16 analysis for States—

17 “(i) to demonstrate that the code pro-
18 visions of the States achieve equivalent or
19 greater energy savings than the Voluntary
20 Model Code;

21 “(ii) to document the rate of compli-
22 ance with a building energy code; and

23 “(iii) to improve and implement State
24 residential and commercial building energy
25 efficiency codes.

1 “(D) VOLUNTARY ADVANCED CODES AND
2 STANDARDS.—

3 “(i) IN GENERAL.—The Secretary
4 shall support the development of voluntary
5 advanced model codes and standards for
6 residential and commercial buildings that
7 achieve energy savings of at least 30 per-
8 cent compared to the Voluntary Model
9 Code, for use in—

10 “(I) building design;

11 “(II) voluntary and market
12 transformation programs;

13 “(III) incentive criteria; and

14 “(IV) voluntary adoption by
15 States.

16 “(ii) UPDATES.—The voluntary ad-
17 vanced model codes and standards shall be
18 updated at least once every 3 years.

19 “(e) COMPLIANCE.—

20 “(1) VALIDATION OF CERTIFICATION.—

21 “(A) IN GENERAL.—Subject to subpara-
22 graph (B), not later than 60 days after the date
23 of receipt of certification required by subsection
24 (c), the Secretary shall inform the submitting
25 State in writing of whether the Secretary vali-

1 dates the certification and, if not validated, the
2 reasons for not validating the certification as
3 submitted.

4 “(B) DEFERRAL.—On the request of the
5 State, the Secretary may defer the validation
6 decision for an additional 90 days.

7 “(C) NONCOMPLIANCE.—Any State for
8 which the Secretary has not accepted a certifi-
9 cation by a deadline under subsection (c) or (d)
10 shall be considered out of compliance with this
11 section.

12 “(2) LOCAL GOVERNMENT.—In any State that
13 is out of compliance with this section, a local govern-
14 ment may be considered in compliance with this sec-
15 tion by meeting the certification requirements under
16 subsections (c) and (d).

17 “(3) ANNUAL REPORTS BY SECRETARY.—

18 “(A) IN GENERAL.—The Secretary shall
19 annually submit to Congress, and publish in the
20 Federal Register, a report that describes—

21 “(i) the status of Voluntary Model
22 Codes;

23 “(ii) the status of code adoption and
24 compliance in the States; and

25 “(iii) implementation of this section.

1 “(B) IMPACTS.—The report shall include
2 estimates of impacts of past action under this
3 section, and potential impacts of further action,
4 on lifetime energy use by buildings and result-
5 ing energy costs to individuals and businesses.

6 “(4) CONSIDERATION IN GRANT PROCESS.—
7 The Secretary shall consider as a factor of any
8 grants to be awarded by the Department to States
9 whether or not the State is in compliance with this
10 section under paragraph (1).

11 “(f) AVAILABILITY OF IMPLEMENTATION ASSIST-
12 ANCE FUNDING.—

13 “(1) IN GENERAL.—

14 “(A) REQUIREMENT.—The Secretary shall
15 provide implementation assistance funding to
16 States and local governments to implement this
17 section, and to improve and implement State
18 residential and commercial building energy effi-
19 ciency codes, including increasing and verifying
20 compliance with the codes and training of State
21 and local building code officials.

22 “(B) STATE ACTIONS.—In determining
23 whether, and in what amount, to provide imple-
24 mentation assistance funding under this sub-

1 section, the Secretary shall consider the actions
2 proposed by the State—

3 “(i) to implement this section;

4 “(ii) to improve and implement resi-
5 dential and commercial building energy ef-
6 ficiency codes; and

7 “(iii) to promote building energy effi-
8 ciency through the use of the codes.

9 “(2) ADDITIONAL FUNDING.—Additional fund-
10 ing shall be provided under this subsection for im-
11 plementation of a plan to achieve and document at
12 least a 90-percent rate of compliance with residential
13 and commercial building energy efficiency codes,
14 based on energy performance—

15 “(A) to a State that is in compliance with
16 this section under subsection (e)(1); and

17 “(B) in a State in which there is no state-
18 wide energy code for residential or commercial
19 buildings, or in which State codes fail to comply
20 with subparagraph (A), to a local government
21 that is in compliance with this section under
22 subsection (e)(2).

23 “(3) TRAINING.—Of the amounts made avail-
24 able under this subsection, the State may use
25 amounts required, but not to exceed \$500,000 per

1 State, to train State and local building code officials
 2 to implement and enforce codes described in para-
 3 graph (2).

4 “(4) AUTHORIZATION OF APPROPRIATIONS.—
 5 There are authorized to be appropriated to carry out
 6 this subsection—

7 “(A) \$300,000,000 for each of fiscal years
 8 2012 through 2016; and

9 “(B) such sums as are necessary for fiscal
 10 year 2016 and each fiscal year thereafter.”.

11 (b) DEFINITION OF IECC.—Section 303 of the En-
 12 ergy Conservation and Production Act (42 U.S.C. 6832)
 13 is amended by adding at the end the following:

14 “(17) IECC.—The term ‘IECC’ means the
 15 International Energy Conservation Code.”.

16 **SEC. 202. ENABLING HOMES AND BUILDINGS ENERGY RET-**
 17 **ROFITS.**

18 (a) DEFINITIONS.—In this section:

19 (1) COST.—The term “cost” has the meaning
 20 given the term in section 502 of the Federal Credit
 21 Reform Act of 1990 (2 U.S.C. 661a).

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

1 (3) LOAN GUARANTEE.—The term “loan guar-
2 antee” has the meaning given the term in section
3 502 of the Federal Credit Reform Act of 1990 (2
4 U.S.C. 661a).

5 (4) PROGRAM.—The term “Program” means
6 the Homes and Buildings Energy Retrofits Program
7 established by subsection (b).

8 (5) SECRETARY.—The term “Secretary” means
9 the Secretary of Energy.

10 (6) SECURITY.—The term “security” has the
11 meaning given the term in section 2 of the Securities
12 Act of 1933 (15 U.S.C. 77b).

13 (7) STATE.—The term “State” means—

14 (A) a State;

15 (B) the District of Columbia;

16 (C) the Commonwealth of Puerto Rico;

17 and

18 (D) any other territory or possession of the

19 United States.

20 (b) ESTABLISHMENT.—There is established in the
21 Department of Energy a program to be known as the
22 Homes and Buildings Energy Retrofits Program, which
23 shall—

24 (1) have annual target energy efficiency retrofit
25 rates of—

1 (A) 5 percent for homes; and

2 (B) 2 percent for commercial buildings;

3 and

4 (2) encourage private lending for energy retro-
5 fits.

6 (c) ELIGIBILITY CRITERIA.—

7 (1) IN GENERAL.—In administering the Pro-
8 gram, the Secretary shall establish eligibility criteria
9 for applicants for financial assistance under sub-
10 section (d) who can offer financial products and pro-
11 grams consistent with the purposes of this section.

12 (2) CRITERIA.—Criteria for applicants shall—

13 (A) take into account—

14 (i) expected energy savings;

15 (ii) percentage electricity rate in-
16 creases in areas to be served by the appli-
17 cant that are attributable to implementa-
18 tion of environmental controls on power
19 generation;

20 (iii) the number and type of buildings
21 that can be served by the applicant, the
22 size of the potential market, and the scope
23 of the program (in terms of measures or
24 technologies to be used);

1 (iv) the ability of the applicant to suc-
2 cessfully execute the proposed program
3 and maintain the performance of the pro-
4 posed projects and investments;

5 (v) financial criteria, as applicable, in-
6 cluding the ability of the applicant to raise
7 private capital or other sources of funds
8 for the proposed program;

9 (vi) criteria that enable the Secretary
10 to determine sound program design, in-
11 cluding—

12 (I) an assurance of credible en-
13 ergy efficiency or renewable energy
14 generation performance; and

15 (II) financial product or program
16 design that effectively reduces barriers
17 posed by traditional financing pro-
18 grams;

19 (vii) such criteria, standards, guide-
20 lines, and mechanisms as will enable the
21 Secretary, to the maximum extent prac-
22 ticable, to communicate to program spon-
23 sors and originators, servicers, and sellers
24 of financial obligations the eligibility of
25 loans for resale;

1 (viii) the ability of the applicant to re-
2 port relevant data on program perform-
3 ance; and

4 (ix) the ability of the applicant to use
5 incentives or marketing techniques that are
6 likely to result in successful market pene-
7 tration; and

8 (B) encourage—

9 (i) use of technologies that are either
10 well-established or new, but demonstrated
11 to be reliable;

12 (ii) applicants that can offer building
13 owners or lessees payment plans generally
14 designed to permit the combination of en-
15 ergy payments and assessments or charges
16 from the installation or payments associ-
17 ated with financing to be lower than the
18 energy payments prior to installing energy
19 efficiency measures or on-site renewable
20 energy technologies;

21 (iii) applicants that will use repay-
22 ment mechanisms convenient for building
23 owners, such as tax-increment financing,
24 special tax districts, on-utility-bill repay-
25 ment, or other mechanisms;

1 (iv) applicants that can provide con-
2 venience for building owners by combining
3 participation in the lending program
4 with—

5 (I) processing for tax credits and
6 other incentives; and

7 (II) technical assistance in select-
8 ing and working with vendors to pro-
9 vide energy efficiency measures or on-
10 site renewable energy generation sys-
11 tems;

12 (v) applicants the projects of which
13 will use contractors that hire within a 50-
14 mile radius of the project, or as close as is
15 practicable;

16 (vi) applicants that will use materials
17 and technologies manufactured in the
18 United States;

19 (vii) partnerships with or other in-
20 volvement of State workforce investment
21 boards, labor organizations, community-
22 based organizations, State-approved ap-
23 prenticeship programs, and other job train-
24 ing entities; and

1 (viii) applicants that can provide fi-
2 nancing programs or financial products
3 that mitigate barriers other than the initial
4 expense of installing measures or tech-
5 nologies, such as unfavorable lease terms.

6 (3) DIVERSE PORTFOLIO.—In establishing cri-
7 teria and selecting applicants to receive financial as-
8 sistance under subsection (d), the Secretary shall se-
9 lect a portfolio of investments that reaches a diver-
10 sity of building owners and lessees, including—

11 (A) individual homeowners or lessees;

12 (B) multifamily apartment building owners
13 or lessees;

14 (C) condominium owners associations;

15 (D) commercial building owners or lessees,
16 including multi-tenant commercial properties;

17 (E) industrial building owners or lessees;

18 and

19 (F) schools, hospitals, and other buildings
20 designated by the Secretary.

21 (d) FINANCIAL ASSISTANCE.—

22 (1) IN GENERAL.—For applicants determined
23 to be eligible under criteria established under sub-
24 section (c), the Secretary may provide financial as-
25 sistance in the form of direct loans, letters of credit,

1 loan guarantees, insurance products, other credit en-
2 hancements or debt instruments (including
3 securitization or indirect credit support), or other fi-
4 nancial products to promote the widespread deploy-
5 ment of, and mobilize private sector support of cred-
6 it and investment institutions for, energy efficiency
7 measures and on-site renewable energy generation
8 systems in buildings.

9 (2) FINANCIAL PRODUCTS.—The Secretary—

10 (A) in cooperation with Federal, State,
11 local, and private sector entities, shall develop
12 debt instruments that provide for the aggrega-
13 tion of, or directly aggregate, programs for the
14 deployment of energy efficiency measures and
15 on-site renewable energy generation systems on
16 a scale appropriate for residential, commercial,
17 or industrial applications; and

18 (B) may insure, guarantee, purchase, and
19 make commitments to purchase any debt in-
20 strument associated with the deployment of
21 clean energy technologies (including subordi-
22 nated securities) for the purpose of enhancing
23 the availability of private financing for the de-
24 ployment of energy efficiency measures and on-
25 site renewable energy generation systems.

1 (3) APPLICATION REVIEW.—

2 (A) IN GENERAL.—To the maximum ex-
3 tent practicable and consistent with sound busi-
4 ness practices, the Secretary shall seek to expe-
5 dite reviews of applications for credit support
6 under this section in order to communicate to
7 applicants in a timely manner the likelihood of
8 support so that the applicants can seek private
9 capital in order to receive final approval.

10 (B) MECHANISMS.—In carrying out this
11 paragraph, the Secretary shall consider using
12 mechanisms such as—

13 (i) a system for conditional pre-ap-
14 proval that informs applicants that final
15 applicants will be approved, if established
16 conditions are met;

17 (ii) clear guidelines that communicate
18 to applicants what level of performance on
19 eligibility criteria will ensure approval for
20 credit support or resale;

21 (iii) in the case of an applicant port-
22 folio of more than 300 loans or other fi-
23 nancial arrangement, an expedited review
24 based on statistical sampling to ensure

1 that the loan or other financial arrange-
2 ment meets the eligibility criteria; and

3 (iv) in the case of an applicant with a
4 demonstrated track record with respect to
5 successfully originating eligible loans or
6 other financial arrangements and who
7 meets appropriate other criteria deter-
8 mined by the Secretary, a system for dele-
9 gating responsibility for meeting eligibility
10 criteria that includes appropriate protec-
11 tions such as buy-back mechanisms in the
12 event criteria are determined not to have
13 been met.

14 (C) DISPOSITION OF DEBT OR INTER-
15 EST.—The Secretary may acquire, hold, and
16 sell or otherwise dispose of, pursuant to com-
17 mitments or otherwise, any debt associated with
18 the deployment of clean energy technologies or
19 interest in the debt.

20 (D) PRICING.—

21 (i) IN GENERAL.—The Secretary may
22 establish requirements, and impose charges
23 or fees, which may be regarded as elements
24 of pricing, for different classes of appli-

1 cants, originators, sellers, servicers, or
2 services.

3 (ii) CLASSIFICATION OF APPLICANTS,
4 ORIGINATORS, SELLERS AND SERVICERS.—
5 For the purpose of clause (i), the Secretary
6 may classify applicants, originators, sellers
7 and servicers as necessary to promote
8 transparency and liquidity and properly
9 characterize the risk of default.

10 (E) SECONDARY MARKET SUPPORT.—

11 (i) IN GENERAL.—The Secretary may
12 lend on the security of, and make commit-
13 ments to lend on the security of, any debt
14 that the Secretary has insured, guaran-
15 teed, issued or is authorized to purchase
16 under this section.

17 (ii) AUTHORIZED ACTIONS.—On such
18 terms and conditions as the Secretary may
19 prescribe, the Secretary may—

- 20 (I) give security;
21 (II) insure;
22 (III) guarantee;
23 (IV) purchase;
24 (V) sell;

1 (VI) pay interest or other return;

2 and

3 (VII) issue notes, debentures,

4 bonds, or other obligations or securi-

5 ties.

6 (F) LENDING ACTIVITIES.—

7 (i) IN GENERAL.—The Secretary shall

8 determine—

9 (I) the volume of the lending ac-
10 tivities of the Program; and

11 (II) the types of loan ratios, risk
12 profiles, interest rates, maturities, and
13 charges or fees in the secondary mar-
14 ket operations of the Program.

15 (ii) OBJECTIVES.—Determinations
16 under clause (i) shall be consistent with
17 the objectives of—

18 (I) providing an attractive invest-
19 ment environment for programs that
20 install energy efficiency measures or
21 on-site renewable energy generation
22 technologies;

23 (II) making the operations of the
24 Program self-supporting over a rea-
25 sonable time frame;

1 (III) encouraging, and not crowd-
2 ing out, reasonably priced private fi-
3 nancing mechanisms and institutions;
4 and

5 (IV) advancing the goals estab-
6 lished under this section.

7 (G) EXEMPT SECURITIES.—All securities
8 issued, insured, or guaranteed by the Secretary
9 shall, to the same extent as securities that are
10 direct obligations of or obligations guaranteed
11 as to principal or interest by the United States,
12 be considered to be exempt securities within the
13 meaning of the laws administered by the Secu-
14 rities and Exchange Commission.

15 (e) PERIODIC REPORTS.—Not later than 1 year after
16 commencement of operation of the Program and at least
17 biannually thereafter, the Secretary shall submit to the
18 Committee on Energy and Natural Resources of the Sen-
19 ate and the Committee on Energy and Commerce of the
20 House of Representatives a report that includes a descrip-
21 tion of the Program in meeting the purpose and goals es-
22 tablished by or pursuant to this section.

23 (f) AUDITS BY THE COMPTROLLER GENERAL.—

24 (1) IN GENERAL.—The programs, activities, re-
25 ceipts, expenditures, and financial transactions of

1 the Program shall be subject to audit by the Comp-
2 troller General of the United States under such rules
3 and regulations as may be prescribed by the Comp-
4 troller General.

5 (2) ACCESS.—The representatives of the Gov-
6 ernment Accountability Office shall—

7 (A) have access to the personnel and to all
8 books, accounts, documents, records (including
9 electronic records), reports, files, and all other
10 papers, automated data, things, or property be-
11 longing to, under the control of, or in use by
12 the Program, or any agent, representative, at-
13 torney, advisor, or consultant retained by the
14 Program, and necessary to facilitate the audit;

15 (B) be afforded full facilities for verifying
16 transactions with the balances or securities held
17 by depositories, fiscal agents, and custodians;

18 (C) be authorized to obtain and duplicate
19 any such books, accounts, documents, records,
20 working papers, automated data and files, or
21 other information relevant to the audit without
22 cost to the Comptroller General; and

23 (D) have the right of access of the Comp-
24 troller General to such information pursuant to
25 section 716(c) of title 31, United States Code.

1 (3) ASSISTANCE AND COST.—

2 (A) IN GENERAL.—For the purpose of con-
3 ducting an audit under this subsection, the
4 Comptroller General may, in the discretion of
5 the Comptroller General, employ by contract,
6 without regard to section 3709 of the Revised
7 Statutes (41 U.S.C. 5), professional services of
8 firms and organizations of certified public ac-
9 countants for temporary periods or for special
10 purposes.

11 (B) REIMBURSEMENT.—

12 (i) IN GENERAL.—On the request of
13 the Comptroller General, the Secretary
14 shall reimburse the General Accountability
15 Office for the full cost of any audit con-
16 ducted by the Comptroller General under
17 this subsection.

18 (ii) CREDITING.—Such reimburse-
19 ments shall—

20 (I) be credited to the appropria-
21 tion account entitled “Salaries and
22 Expenses, Government Accountability
23 Office” at the time at which the pay-
24 ment is received; and

1 (II) remain available until ex-
2 pended.

3 (g) AUTHORIZATION OF APPROPRIATIONS.—There is
4 authorized to be appropriated to carry out this section
5 \$2,000,000,000.

6 **SEC. 203. RURAL ENERGY SAVINGS.**

7 Title VI of the Farm Security and Rural Investment
8 Act of 2002 (7 U.S.C. 7901 note et seq.) is amended by
9 adding at the end the following:

10 **“SEC. 6407. RURAL ENERGY SAVINGS PROGRAM.**

11 “(a) DEFINITIONS.—In this section:

12 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-
13 tity’ means—

14 “(A) any public power district, public util-
15 ity district, or similar entity, or any electric co-
16 operative described in sections 501(c)(12) or
17 1381(a)(2)(C) of the Internal Revenue Code of
18 1986, that borrowed and repaid, prepaid, or is
19 paying an electric loan made or guaranteed by
20 the Rural Utilities Service (or any predecessor
21 agency); or

22 “(B) any entity primarily owned or con-
23 trolled by an entity or entities described in sub-
24 paragraph (A).

1 “(2) ENERGY EFFICIENCY MEASURES.—The
2 term ‘energy efficiency measures’ means, for or at
3 property served by an eligible entity, structural im-
4 provements and investments in cost-effective, com-
5 mercial technologies to increase energy efficiency.

6 “(3) QUALIFIED CONSUMER.—The term ‘quali-
7 fied consumer’ means a consumer served by an eligi-
8 ble entity that has the ability to repay a loan made
9 under subsection (c), as determined by an eligible
10 entity.

11 “(4) SECRETARY.—The term ‘Secretary’ means
12 the Secretary of Agriculture, acting through the Ad-
13 ministrator of the Rural Utilities Service.

14 “(b) LOANS TO ELIGIBLE ENTITIES.—

15 “(1) IN GENERAL.—Subject to paragraph (2),
16 the Secretary shall make loans to eligible entities
17 that agree to use the loan funds to make loans to
18 qualified consumers as described in subsection (c)
19 for the purpose of implementing energy efficiency
20 measures.

21 “(2) REQUIREMENTS.—

22 “(A) IN GENERAL.—As a condition to re-
23 ceiving a loan under this subsection, an eligible
24 entity shall—

1 “(i) establish a list of energy effi-
2 ciency measures that is expected to de-
3 crease energy use or costs of qualified con-
4 sumers;

5 “(ii) prepare an implementation plan
6 for use of the loan funds; and

7 “(iii) provide for appropriate measure-
8 ment and verification to ensure the effec-
9 tiveness of the energy efficiency loans
10 made by the eligible entity and that there
11 is no conflict of interest in the carrying out
12 of this section.

13 “(B) REVISION OF LIST OF ENERGY EFFI-
14 CIENCY MEASURES.—An eligible entity may up-
15 date the list required under subparagraph
16 (A)(i) to account for newly available efficiency
17 technologies, subject to the approval of the Sec-
18 retary.

19 “(C) EXISTING ENERGY EFFICIENCY PRO-
20 GRAMS.—An eligible entity that, on or before
21 the date of the enactment of this section or
22 within 60 days after such date, has already es-
23 tablished an energy efficiency program for
24 qualified consumers may use an existing list of
25 energy efficiency measures, implementation

1 plan, or measurement and verification system of
2 that program to satisfy the requirements of
3 subparagraph (A) if the Secretary determines
4 the list, plans, or systems are consistent with
5 the purposes of this section.

6 “(3) NO INTEREST.—A loan under this sub-
7 section shall bear no interest.

8 “(4) REPAYMENT.—In the case of a loan made
9 under paragraph (1)—

10 “(A) the term shall not exceed 20 years
11 after the date the loan is closed; and

12 “(B) except as provided in paragraph (6),
13 the repayment of each advance shall be amor-
14 tized for a period of not to exceed 10 years.

15 “(5) AMOUNT OF ADVANCES.—Any advance of
16 loan funds to an eligible entity in any single year
17 shall not exceed 50 percent of the approved loan
18 amount.

19 “(6) SPECIAL ADVANCE FOR START-UP ACTIVI-
20 TIES.—

21 “(A) IN GENERAL.—To assist an eligible
22 entity in defraying appropriate start-up costs
23 (as determined by the Secretary) of establishing
24 new programs or modifying existing programs
25 to carry out subsection (d), the Secretary shall

1 allow an eligible entity to request a special ad-
2 vance.

3 “(B) AMOUNT.—No eligible entity may re-
4 ceive a special advance under this paragraph
5 for an amount that is more than 4 percent of
6 the loan amount received by the eligible entity
7 under paragraph (1).

8 “(C) REPAYMENT.—Repayment—

9 “(i) shall be required not later than
10 the end of the 10-year period beginning on
11 the date the advance is received; and

12 “(ii) at the election of the eligible en-
13 tity, may be deferred to the end of the 10-
14 year period.

15 “(c) LOANS TO QUALIFIED CONSUMERS.—

16 “(1) TERMS OF LOANS.—Loans made by an eli-
17 gible entity to qualified consumers using loan funds
18 provided by the Secretary under subsection (b)—

19 “(A) may bear interest, not to exceed 3
20 percent, to be used for purposes that include es-
21 tablishing a loan loss reserve and to offset per-
22 sonnel and program costs of eligible entities to
23 provide the loans;

24 “(B) shall finance energy efficiency meas-
25 ures for the purpose of decreasing energy usage

1 or costs of the qualified consumer by an
2 amount such that a loan term of not more than
3 10 years will not pose an undue financial bur-
4 den on the qualified consumer, as determined
5 by the eligible entity;

6 “(C) shall not be used to fund energy effi-
7 ciency measures made to personal property un-
8 less the personal property—

9 “(i) is or becomes attached to real
10 property as a fixture; or

11 “(ii) is a manufactured home;

12 “(D) shall be repaid through charges
13 added to the electric bill for the property for, or
14 at which, energy efficiency measures are or will
15 be implemented, on the condition that this re-
16 quirement does not prohibit—

17 “(i) the voluntary prepayment of a
18 loan by the owner of the property; or

19 “(ii) the use of any additional repay-
20 ment mechanisms that are—

21 “(I) demonstrated to have appro-
22 priate risk mitigation features, as de-
23 termined by the eligible entity; or

1 “(II) required if the qualified
2 consumer is no longer a customer of
3 the eligible entity; and

4 “(E) shall require an energy audit by an
5 eligible entity to determine the impact of pro-
6 posed energy efficiency measures on the energy
7 costs and consumption of the qualified con-
8 sumer.

9 “(2) CONTRACTORS.—In addition to any other
10 qualified general contractor, eligible entities may
11 serve as general contractors.

12 “(d) MEASUREMENT AND VERIFICATION, TRAINING,
13 AND TECHNICAL ASSISTANCE.—

14 “(1) CONTRACT AUTHORIZED.—Not later than
15 90 days after the date of enactment of this section,
16 the Secretary—

17 “(A) shall establish a plan for measure-
18 ment and verification, training, and technical
19 assistance of the program; and

20 “(B) may enter into 1 or more contracts
21 for the purposes of—

22 “(i) providing measurement and
23 verification activities; and

24 “(ii) developing a program to provide
25 technical assistance and training to the

1 employees of eligible entities to carry out
2 this section.

3 “(2) USE OF SUBCONTRACTORS AUTHOR-
4 IZED.—A qualified entity that enters into a contract
5 under paragraph (1) may use subcontractors to as-
6 sist the qualified entity in carrying out the contract.

7 “(e) FAST START DEMONSTRATION PROJECTS.—

8 “(1) DEMONSTRATION PROJECTS AUTHOR-
9 ITY.—The Secretary may enter into agreements with
10 eligible entities (or groups of eligible entities) that
11 have energy efficiency programs described in sub-
12 section (b)(2)(C) to establish energy efficiency loan
13 demonstration projects consistent with the purposes
14 of this section.

15 “(2) EVALUATION CRITERIA.—In determining
16 which eligible entities to award loans under this sec-
17 tion, the Secretary shall take into consideration enti-
18 ties that—

19 “(A) implement approaches to energy au-
20 dits or investments in energy efficiency meas-
21 ures that yield measurable and predictable sav-
22 ings;

23 “(B) use measurement and verification
24 processes to determine the effectiveness of en-
25 ergy efficiency loans made by eligible entities;

1 “(C) include training for employees of eli-
2 gible entities, including any contractors of such
3 entities, to implement or oversee the activities
4 described in subparagraphs (A) and (B);

5 “(D) provide for the participation of a ma-
6 jority of eligible entities in a State;

7 “(E) reduce the need for generating capac-
8 ity;

9 “(F) provide efficiency loans to—

10 “(i) not fewer than 20,000 consumers,
11 in the case of a single eligible entity; or

12 “(ii) not fewer than 80,000 con-
13 sumers, in the case of a group of eligible
14 entities; and

15 “(G) serve areas in which, as determined
16 by the Secretary, a large percentage of con-
17 sumers reside—

18 “(i) in manufactured homes; or

19 “(ii) in housing units that are more
20 than 50 years old.

21 “(3) DEADLINE FOR IMPLEMENTATION.—The
22 agreements required by paragraph (1) shall, to the
23 maximum extent practicable, be entered into not
24 later than 90 days after the date of enactment of
25 this section.

1 “(4) EFFECT ON AVAILABILITY OF LOANS NA-
2 TIONALLY.—Nothing in this subsection shall delay
3 the availability of loans to eligible entities on a na-
4 tional basis beginning not later than 180 days after
5 the date of enactment of this section.

6 “(5) ADDITIONAL DEMONSTRATION PROJECT
7 AUTHORITY.—

8 “(A) IN GENERAL.—The Secretary may
9 conduct demonstration projects in addition to
10 the project authorized by paragraph (1).

11 “(B) INAPPLICABILITY OF CERTAIN CRI-
12 TERIA.—The additional demonstration projects
13 may be carried out without regard to subpara-
14 graphs (D), (F), or (G) of paragraph (2).

15 “(f) ADDITIONAL AUTHORITY.—The authority pro-
16 vided in this section is in addition to any authority of the
17 Secretary to offer loans under any other law.

18 “(g) REGULATIONS.—

19 “(1) IN GENERAL.—Except as otherwise pro-
20 vided in this subsection, not later than 180 days
21 after the date of enactment of this section, the Sec-
22 retary shall promulgate such regulations as are nec-
23 essary to implement this section.

1 “(2) PROCEDURE.—The promulgation of the
2 regulations and administration of this section shall
3 be made without regard to—

4 “(A) chapter 35 of title 44, United States
5 Code (commonly known as the ‘Paperwork Re-
6 duction Act’); and

7 “(B) the Statement of Policy of the Sec-
8 retary of Agriculture effective July 24, 1971
9 (36 Fed. Reg. 13804), relating to notices of
10 proposed rulemaking and public participation in
11 rulemaking.

12 “(3) CONGRESSIONAL REVIEW OF AGENCY
13 RULEMAKING.—In carrying out this section, the Sec-
14 retary shall use the authority provided under section
15 808 of title 5, United States Code.

16 “(4) INTERIM REGULATIONS.—Notwithstanding
17 paragraphs (1) and (2), to the extent regulations are
18 necessary to carry out any provision of this section,
19 the Secretary shall implement such regulations
20 through the promulgation of an interim rule.

21 “(h) AUTHORIZATION OF APPROPRIATIONS.—There
22 is authorized to be appropriated to the Secretary to carry
23 out this section \$760,000,000, to remain available until
24 expended.”.

1 **Subtitle B—Federal Properties**

2 **SEC. 211. ENERGY EFFICIENT FEDERAL BUILDINGS.**

3 (a) IN GENERAL.—

4 (1) REQUIREMENTS.—Section 543 of the Na-
5 tional Energy Conservation Policy Act (42 U.S.C.
6 8253) is amended—

7 (A) by redesignating the second subsection

8 (f) (relating to large capital energy invest-
9 ments) as subsection (g); and

10 (B) by adding at the end the following:

11 “(h) ENERGY EFFICIENT FEDERAL BUILDINGS.—

12 “(1) IN GENERAL.—To the maximum extent
13 practicable, each Federal agency shall ensure that
14 any new Federal building is designed in a manner
15 to enhance energy efficiency, including—

16 “(A) by complying with paragraphs (2)
17 and (3); and

18 “(B) by identifying and analyzing impacts
19 from energy usage and alternative energy
20 sources in all environmental impact statements
21 or similar analyses required under the National
22 Environmental Policy Act of 1969 (42 U.S.C.
23 4321 et seq.) for proposals covering new or ex-
24 panded Federal facilities.

1 “(2) FIRST STAGE.—To the maximum extent
2 practicable, each Federal agency shall ensure that
3 any Federal building that enters the design phase on
4 or after January 1, 2012—

5 “(A) is designed to exceed national build-
6 ing performance standards updated in accord-
7 ance with section 304 of the Energy Conserva-
8 tion and Production Act (42 U.S.C. 6833);

9 “(B) accelerates use of cost-effective, inno-
10 vative technologies and strategies to minimize
11 consumption of energy, water, and materials;
12 and

13 “(C) is located in accordance with a proc-
14 ess that considers sites with convenient access
15 to public transportation alternatives.

16 “(3) SECOND STAGE.—To the maximum extent
17 practicable, each Federal agency shall ensure that
18 any Federal building that enters the design phase on
19 or after January 1, 2020, is designed to achieve net-
20 zero energy use by January 1, 2030.”.

21 (2) CONFORMING AMENDMENTS.—Section
22 305(a)(3) of the Energy Conservation and Produc-
23 tion Act (42 U.S.C. 6834(a)(3)) is amended—

24 (A) by striking subparagraph (B); and

1 (B) by redesignating subparagraphs (C)
2 and (D) as subparagraphs (B) and (C), respec-
3 tively.

4 (b) LEASES.—

5 (1) IN GENERAL.—Section 435(a) of the En-
6 ergy Independence and Security Act of 2007 (42
7 U.S.C. 17091(a)) is amended—

8 (A) by striking “Except as” and inserting
9 the following:

10 “(1) ENERGY STAR LABEL.—Except as”; and

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

12 “(2) ENERGY CONSUMPTION INFORMATION.—
13 Effective beginning on the date that is 180 days
14 after the date of enactment of the Practical Energy
15 Plan Act of 2011, no Federal agency shall enter into
16 or renew a lease of a commercial building unless
17 there is clearly and publicly available for the build-
18 ing information concerning the actual energy con-
19 sumption of the building for each of the 5 most re-
20 cent years for which data are available, in a normal-
21 ized data format that permits data comparability, as
22 determined by the Administrator of General Serv-
23 ices.”.

24 (2) EXCEPTION.—Section 435(b)(1) of the En-
25 ergy Independence and Security Act of 2007 (42

1 U.S.C. 17091(b)(1)) is amended by striking sub-
2 paragraph (B) and inserting the following:

3 “(B) the agency—

4 “(i) proposes to remain in the build-
5 ing that the agency has occupied pre-
6 viously; and

7 “(ii) conducts a cost-benefit analysis
8 that compares—

9 “(I) the financial savings from
10 moving to a building that meets the
11 standards described in subsection (a);
12 to

13 “(II) the cost of relocating per-
14 sonnel and equipment;”.

15 (c) CONGRESSIONAL APPROVAL OF PROPOSED
16 PROJECTS.—Section 3307 of title 40, United States Code,
17 is amended by adding at the end the following:

18 “(i) AVAILABILITY OF FUNDS FOR DESIGN UP-
19 DATES.—

20 “(1) IN GENERAL.—Subject to paragraph (2),
21 for any project for which congressional approval is
22 received under subsection (a) and for which the de-
23 sign has been substantially completed but construc-
24 tion has not begun, the Administrator of General
25 Services may use appropriated funds to update the

1 project design to meet applicable Federal building
2 energy efficiency standards established under section
3 305 of the Energy Conservation and Production Act
4 (42 U.S.C. 6834) and other requirements estab-
5 lished under section 3312.

6 “(2) LIMITATION.—The use of funds under
7 paragraph (1) shall not exceed 125 percent of the
8 estimated energy or other cost savings associated
9 with the updates as determined by a life-cycle cost
10 analysis under section 544 of the National Energy
11 Conservation Policy Act (42 U.S.C. 8254).”.

12 **SEC. 212. ACCELERATING ENERGY SAVINGS PERFORMANCE**

13 **CONTRACTS.**

14 Section 543(f)(4) of the National Energy Conserva-
15 tion Policy Act (42 U.S.C. 8253(f)(4)) is amended by
16 striking “may” and inserting “shall”.

17 **SEC. 213. SENSE OF CONGRESS ON INCLUSION OF ENERGY**

18 **EFFICIENCY AS SELECTION CRITERIA FOR**

19 **BASE CLOSURE AND REALIGNMENT DECI-**

20 **SIONS.**

21 It is the sense of Congress that the energy efficiency
22 of military installations, including operating costs, inde-
23 pendence from the energy grid, and utilization of private
24 sector resources and new technologies, should be one of
25 the criteria used by the Secretary of Defense in making

1 recommendations for the closure or realignment of mili-
2 tary installations inside the United States under the Base
3 Closure and Realignment Act of 1990 (part A of title
4 XXIX of Public Law 101–510; 10 U.S.C. 2687 note) or
5 any other provision of law.

6 **SEC. 214. FEDERAL PROPERTY REALIGNMENT AND SAV-**
7 **INGS.**

8 (a) DEFINITIONS.—In this section—

9 (1) the term “agency”—

10 (A) means an Executive agency as defined
11 under section 105 of title 5, United States
12 Code; and

13 (B) does not include the United States
14 Postal Service;

15 (2) the term “Director” means the Director of
16 the Office of Management and Budget;

17 (3) the term “disposal” means any action that
18 constitutes the removal of a property from the Fed-
19 eral inventory or that produces revenue for the Fed-
20 eral Government from its inventory, including sale,
21 deed, demolition, or exchange;

22 (4) the term “Federal civilian real property”—

23 (A) means Federal real property assets, in-
24 cluding buildings, land, warehouses, facilities,
25 or other physical structures under the custody

1 and control of any agency that are used for ci-
2 vilian purposes;

3 (B) does not include—

4 (i) military installations;

5 (ii) any property that is excluded for
6 reasons of national security or homeland
7 security by the Director;

8 (iii) any property that is excepted
9 from the definition of the term “property”
10 under section 102(9) of title 40, United
11 States Code, however any constructed
12 asset that may reside upon the property
13 excepted from that definition shall be in-
14 cluded as Federal civilian real property;

15 (iv) land managed as part of the na-
16 tional wildlife refuge system, but not any
17 constructed asset within or on that land;

18 (v) Indian lands, as defined under sec-
19 tion 203 of the Public Lands Corps Act of
20 1993 (16 U.S.C. 1722), but not any con-
21 structed asset within or on the land;

22 (vi) property governed by the first sec-
23 tion of the Tennessee Valley Authority Act
24 of 1933 (16 U.S.C. 831); or

1 (vii) real property owned by the
2 United States Postal Service; and

3 (5) the term “military installation”—

4 (A) means a base, camp, post, station,
5 yard, center, homeport facility for any ship, or
6 other activity under the jurisdiction of the De-
7 partment of Defense, including any leased facil-
8 ity; and

9 (B) does not include any facility used pri-
10 marily for civil works, rivers and harbors
11 projects, or flood control.

12 (b) INTERAGENCY REVIEW PROCESS.—

13 (1) REDUCTION OF INVENTORY.—The General
14 Services Administration shall identify opportunities
15 for the Federal Government to significantly reduce
16 the inventory of Federal civilian real property.

17 (2) INDEPENDENT ANALYSIS.—

18 (A) IN GENERAL.—The Director shall per-
19 form an independent analysis of the inventory
20 of Federal civilian real property.

21 (B) RECOMMENDATIONS.—To assist in the
22 analysis, the Director shall obtain recommenda-
23 tions from agencies, which shall include the
24 identification of—

1 (i) Federal civilian real properties that
2 can be sold for proceeds and otherwise dis-
3 posed of, transferred, consolidated, co-lo-
4 cated, or reconfigured, so as to reduce the
5 Federal civilian real property inventory
6 and operating costs of the Federal Govern-
7 ment;

8 (ii) operational efficiencies that the
9 Federal Government can realize in its op-
10 eration and maintenance of Federal civil-
11 ian real properties;

12 (iii) the anticipated cost of disposal,
13 transfer, consolidation, co-location, or re-
14 configuration of Federal civilian real prop-
15 erties identified under paragraph (1); and

16 (iv) the environmental effects of the
17 disposal, transfer, consolidation, co-loca-
18 tion, or reconfiguration of the Federal civil
19 real properties identified under paragraph
20 (1) and of any reasonable alternatives to
21 such Federal civil real properties, and po-
22 tential mitigation of any of the adverse en-
23 vironmental effects.

24 (3) REVIEW OF THE RECOMMENDATIONS.—In
25 consultation with the Administrator of General Serv-

1 ices and the Secretary of Energy, the Director shall
2 conduct a review of the recommendations provided
3 by agencies.

4 (4) FINAL RECOMMENDATIONS.—The Director
5 shall notify each agency of the final recommendation
6 of the Director of actions to be taken by the agency
7 with respect to the applicable Federal civilian real
8 property.

9 (c) IMPLEMENTATION OF DIRECTOR RECOMMENDA-
10 TIONS.—

11 (1) IN GENERAL.—Notwithstanding any other
12 provision of law, each agency shall prepare and carry
13 out each recommendation of the Director.

14 (2) SCHEDULE.—Each agency shall—

15 (A) begin preparations to implement rec-
16 ommendations of the Director as soon as prac-
17 ticable; and

18 (B) complete implementation of all rec-
19 ommendations of the Director not later than
20 the end of the 5-year period beginning on the
21 date the agency received notification with re-
22 spect to the applicable Federal civilian real
23 property.

24 (3) EXTENUATING CIRCUMSTANCES.—For any
25 recommendation that will take longer than the 5-

1 year period due to extenuating circumstances, an
2 agency shall notify the Director as soon as the cir-
3 cumstance occurs with an estimated time to com-
4 plete the recommendation. In such cases, the Direc-
5 tor may extend the period for completion of the rec-
6 ommendation for a period of up to an additional 2
7 years.

8 (d) AGENCY IMPLEMENTATION AUTHORITY.—In im-
9 plementing any recommendation under this section, an
10 agency may—

11 (1) acquire such land, construct such replace-
12 ment facilities, and conduct such advance planning
13 and design as may be required to transfer functions
14 from 1 location to another;

15 (2) provide outplacement assistance to civilian
16 employees employed by the agency at a location sub-
17 ject to a recommendation;

18 (3) carry out activities for purposes of environ-
19 mental restoration and mitigation at any such instal-
20 lation; and

21 (4) reimburse other agencies for actions per-
22 formed at the request of the Director with respect
23 to any such recommendation.

24 (e) SPECIFIC AUTHORITIES.—

25 (1) AUTHORITY UNDER THIS SECTION.—

1 (A) IN GENERAL.—Notwithstanding any
2 other provision of the laws that govern the dis-
3 posal authorities of agencies, all disposals im-
4 plemented as a result of a recommendation of
5 the Director shall be implemented in accordance
6 with this section. If any other disposal authority
7 for an agency is inconsistent with this section,
8 the provisions of this section shall control the
9 implementation of a disposal recommended by
10 the Director.

11 (B) OTHER AUTHORITIES.—To the extent
12 that the other disposal authorities are otherwise
13 consistent with this section, an agency shall im-
14 plement a recommendation of the Director to
15 dispose a property by using those other disposal
16 authorities of the agency, regardless of whether
17 the agency—

18 (i) has been delegated disposal author-
19 ity by the Administrator of the General
20 Services Administration under subtitle I of
21 title 40 or subtitle I of title 41, United
22 States Code;

23 (ii) has an independent disposal au-
24 thority; or

1 (iii) is required to work in partnership
2 with the General Services Administration
3 property disposal unit.

4 (2) AUTHORIZED ACTIONS.—In accordance with
5 this subsection, when implementing a recommenda-
6 tion to consolidate, reconfigure, co-locate, or realign
7 a real property asset all agencies may take such ac-
8 tion as necessary to implement the recommendations
9 of the Director. Consistent with this section, the Di-
10 rector may instruct an agency to use the expertise
11 of the General Services Administration in carrying
12 out a recommended consolidation, reconfiguration,
13 co-location, or realignment. Consistent with law and
14 available funding, any agency may contract with the
15 General Services Administration for assistance or
16 consultation on implementing a recommendation to
17 consolidate, reconfigure, co-locate, or realign a real
18 property asset.

19 (3) SUSPENSION OF TRANSACTIONS.—If any
20 Federal civilian real property is identified as an
21 asset to be disposed, consolidated, reconfigured, or
22 otherwise realigned in a recommendation of the Di-
23 rector, any transaction with respect to that property
24 that would prevent a recommendation from being
25 carried out shall be suspended during a 45-day pe-

1 riod beginning on the date of the notification re-
2 ceived by an agency with respect to the applicable
3 Federal civilian real property.

4 (f) DETERMINATIONS REGARDING CERTAIN TRANS-
5 ACTIONS.—Notwithstanding any other provision of law,
6 for any transaction identified, recommended, or com-
7 menced as a result of this section, the Director shall deter-
8 mine whether and to what extent an agency shall imple-
9 ment the transaction consistent with any legal priorities
10 or requirements to enter into a transaction to convey a
11 Federal civilian real property for less than fair market
12 value or in a transaction that mandates the exclusion of
13 other market participants.

14 (g) STATUTES NOT APPLICABLE.—Notwithstanding
15 any other provision of law, any recommendation or com-
16 mencement under this section of a disposal, consolidation,
17 reconfiguration, co-location, or realignment of civilian real
18 property shall not be subject to—

19 (1) section 545(b)(8) of title 40, United States
20 Code;

21 (2) sections 550, 554, and 553 of title 40,
22 United States Code;

23 (3) section 501 of Public Law 100–77 (42
24 U.S.C. 11411);

1 (4) any section of An Act Authorizing the
2 Transfer of Certain Real Property for Wildlife, or
3 other Purposes (16 U.S.C. 667b);

4 (5) section 47151 of title 49, United States
5 Code;

6 (6) sections 107 and 317 of title 23, United
7 States Code;

8 (7) section 1304(b) of title 40, United States
9 Code;

10 (8) section 13(d) of the Surplus Property Act
11 of 1944 (50 U.S.C. App. 1622(d));

12 (9) any other provision of law authorizing the
13 conveyance of real property owned by the Federal
14 Government for no consideration; or

15 (10) any congressional notification requirement
16 other than that in section 545 of title 40, United
17 States Code.

18 (h) NO RESTRICTION ON USE OF FUNDS.—No provi-
19 sion of law shall be construed as restricting the use of
20 funds for disposing or realigning Federal civilian real
21 property in accordance with a recommendation of the Di-
22 rector, except in the case of a provision of law which spe-
23 cifically refers to a particular asset of Federal civilian real
24 property and expressly states that such restriction shall
25 apply to such asset notwithstanding this section.

1 (i) FUNDING.—

2 (1) DEFINITIONS.—In this subsection—

3 (A) the term “gross proceeds” means the
4 gross proceeds received from the disposal of any
5 Federal civilian real property in accordance
6 with a recommendation of the Director under
7 this section;

8 (B) the term “related costs” means
9 amounts—

10 (i) to cover the necessary costs associ-
11 ated with—

12 (I) the disposal of property;

13 (II) consolidation, co-location,
14 and reconfiguration actions; and

15 (III) other actions taken to oth-
16 erwise realize operational efficiencies,
17 including such actions as environ-
18 mental restoration; and

19 (ii) for outplacement assistance to
20 Federal employees who work at a Federal
21 property that is affected by actions taken
22 under this section, and whose employment
23 would be terminated as a result of such
24 disposal, consolidation, or other realign-
25 ment.

1 (2) USE OF FUNDS.—

2 (A) IN GENERAL.—The Director shall de-
3 termine the amounts of gross proceeds to be de-
4 posited—

5 (i) as miscellaneous receipts in the
6 General Fund of the United States Treas-
7 ury; and

8 (ii) in appropriations accounts of
9 agencies in accordance with subparagraph
10 (B).

11 (B) AGENCY FUNDING.—Amounts depos-
12 ited under subparagraph (A)(ii) may be depos-
13 ited in an applicable agency appropriation ac-
14 count relating to—

15 (i) related costs;

16 (ii) real property management rein-
17 vestment; or

18 (iii) the funding of any program es-
19 tablished under section 121, 201, 202,
20 203, or 221 or an amendment made by
21 that section.

22 (C) AVAILABILITY.—Any amounts depos-
23 ited in an appropriations account under this
24 subsection—

- 1 (i) shall be available for any author-
 2 ized purpose of that account; and
 3 (ii) shall remain available until ex-
 4 pended.

5 **Subtitle C—Industrial and Power**
 6 **Generation Energy Efficiency**

7 **SEC. 221. STATE PARTNERSHIP INDUSTRIAL ENERGY EFFI-**
 8 **CIENCY REVOLVING LOAN PROGRAM.**

9 Section 399A of the Energy Policy and Conservation
 10 Act (42 U.S.C. 6371h–1) is amended—

11 (1) in the section heading, by inserting “**AND**
 12 **INDUSTRY**” before the period at the end;

13 (2) by redesignating subsections (h) and (i) as
 14 subsections (i) and (j), respectively; and

15 (3) by inserting after subsection (g) the fol-
 16 lowing:

17 “(h) STATE PARTNERSHIP INDUSTRIAL ENERGY EF-
 18 FICIENCY REVOLVING LOAN PROGRAM.—

19 “(1) IN GENERAL.—The Secretary shall carry
 20 out a program under which the Secretary shall pro-
 21 vide grants to eligible lenders to pay the Federal
 22 share of creating a revolving loan program under
 23 which loans are provided to commercial and indus-
 24 trial manufacturers to implement commercially avail-
 25 able technologies or processes that significantly re-

1 duce systems energy intensity, including the use of
2 energy intensive feedstocks and improved recycling
3 of materials.

4 “(2) ELIGIBLE LENDERS.—To be eligible to re-
5 ceive cost-matched Federal funds under this sub-
6 section, a lender shall—

7 “(A) be a community or economic develop-
8 ment lender;

9 “(B) be part of a partnership that includes
10 participation by, at a minimum—

11 “(i) a State or local government agen-
12 cy; and

13 “(ii) a private financial institution or
14 other provider of loan capital;

15 “(C) submit an application to the Sec-
16 retary, and receive the approval of the Sec-
17 retary, for cost-matched Federal funds to carry
18 out a loan program described in paragraph (1);
19 and

20 “(D) ensure that non-Federal funds are
21 provided to match, on at least a dollar-for-dol-
22 lar basis, the amount of Federal funds that are
23 provided to carry out a revolving loan program
24 described in paragraph (1).

1 “(3) AWARD.—The amount of cost-matched
2 Federal funds provided to an eligible lender shall not
3 exceed \$100,000,000 for any fiscal year.

4 “(4) RECAPTURE OF AWARDS.—

5 “(A) IN GENERAL.—An eligible lender that
6 receives an award under paragraph (1) shall be
7 required to repay to the Secretary an amount
8 of cost-match Federal funds, as determined by
9 the Secretary under subparagraph (B), if the
10 eligible lender is unable or unwilling to operate
11 a program described in this subsection for a pe-
12 riod of not less than 10 years beginning on the
13 date on which the eligible lender first receives
14 funds made available through the award.

15 “(B) DETERMINATION BY SECRETARY.—

16 The Secretary shall determine the amount of
17 cost-match Federal funds that an eligible lender
18 shall be required to repay to the Secretary
19 under subparagraph (A) based on the consider-
20 ation by the Secretary of—

21 “(i) the amount of non-Federal funds
22 matched by the eligible lender;

23 “(ii) the amount of loan losses in-
24 curred by the revolving loan program de-
25 scribed in paragraph (1); and

1 “(iii) any other appropriate factor, as
2 determined by the Secretary.

3 “(C) USE OF RECAPTURED COST-MATCH
4 FEDERAL FUNDS.—The Secretary may dis-
5 tribute to eligible lenders under this subsection
6 each amount received by the Secretary under
7 this paragraph.

8 “(5) ELIGIBLE PROJECTS.—A program for
9 which cost-matched Federal funds are provided
10 under this subsection shall be designed to accelerate
11 the implementation, at facilities located in the
12 United States, of industrial and commercial applica-
13 tions of technologies or processes that substantially
14 reduce the energy intensity of operations or produc-
15 tion of the facility, including reduction of energy in-
16 tensive feedstocks and improved recycling of mate-
17 rials in manufacturing.

18 “(6) EVALUATION.—The Secretary shall evalu-
19 ate applications for cost-matched Federal funds
20 under this subsection taking into consideration—

21 “(A) the commitment to provide non-Fed-
22 eral funds in accordance with paragraph
23 (2)(D);

24 “(B) the plan of the program to encourage
25 private lending for energy efficiency upgrades;

1 “(C) program economic sustainability;

2 “(D) the capability of the applicant to ad-
3 minister the program;

4 “(E) the quantity of energy savings or en-
5 ergy feedstock minimization;

6 “(F) the energy intensity of areas to be
7 served by the program;

8 “(G) percentage electricity rate increases
9 in areas to be served by the applicant that are
10 attributable to implementation of environmental
11 controls on existing power generation facilities
12 and new power generation facilities;

13 “(H) State adoption and progress on im-
14 plementation of energy efficiency building codes
15 as established in section 304 of the Energy
16 Conservation and Production Act (42 U.S.C.
17 6833); and

18 “(I) the ability to fund energy efficient
19 projects on a timely basis after the date of the
20 grant award.

21 “(7) AUTHORIZATION OF APPROPRIATIONS.—

22 There is authorized to be appropriated to carry out
23 this subsection \$500,000,000 for each of fiscal years
24 2012 through 2016.”.

1 **SEC. 222. STUDY OF NEW SOURCE REVIEW TO ENCOURAGE**
2 **ENERGY EFFICIENCY.**

3 (a) IN GENERAL.—The Comptroller General of the
4 United States shall conduct a review to examine—

5 (1) the impact of new source review require-
6 ments under the Clean Air Act (42 U.S.C. 7401 et
7 seq.) and related laws on the ability of plant owners
8 to improve energy efficiency of regulated major
9 sources, including power generation for commercial
10 sale and covered industrial sources;

11 (2) the implementation of new source review re-
12 quirements by the Administrator of the Environ-
13 mental Protection Agency, including transparency
14 and consistency in measurement and procedures;

15 (3) the potential to increase energy efficiency in
16 power generation, including—

17 (A) likely consumer rates and emissions
18 (at both the individual facility and system-wide
19 levels);

20 (B) the impact of the improvements; and

21 (C) the impact of new source review re-
22 quirements and implementation by the Adminis-
23 trator on achieving efficiency gains; and

24 (4) existing Federal programs to improve en-
25 ergy efficiency in power generation applications.

1 (b) REPORT.—Not later than 180 days after the date
 2 of enactment of this Act, the Comptroller General shall
 3 submit to the Committee on Energy and Natural Re-
 4 sources of the Senate and the Committee on Natural Re-
 5 sources of the House of Representatives a report on the
 6 results of the study conducted under subsection (a).

7 **Subtitle D—Procurement, Equip-**
 8 **ment, and Appliance Efficiency**

9 **SEC. 231. APPLIANCE AND EQUIPMENT EFFICIENCY.**

10 (a) COVERAGE.—Section 322(a) of the Energy Policy
 11 and Conservation Act (42 U.S.C. 6292(a)) is amended—

12 (1) by designating paragraph (20) as paragraph
 13 (21); and

14 (2) by inserting after paragraph (19) the fol-
 15 lowing:

16 “(20) Computer monitors and displays, per-
 17 sonal computers, and cable, satellite, and fiber optic
 18 service set top boxes.”.

19 (b) ENERGY CONSERVATION STANDARDS.—Section
 20 325(l) of the Energy Policy and Conservation Act (42
 21 U.S.C. 6295(l)) is amended—

22 (1) by striking “paragraph (19)” each place it
 23 appears and inserting “paragraph (21)”;

24 (2) in the first sentence of paragraph (3), by
 25 inserting “and computer monitors and displays, per-

1 sonal computers, and cable, satellite, and fiber optic
2 service set top boxes” after “television sets”; and

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

4 “(5) NOTICE.—If the Secretary finds that a
5 covered product meets the criteria established under
6 paragraph (1) but does not establish an energy con-
7 servation standard for the covered product, the Sec-
8 retary shall submit to the Committee on Energy and
9 Natural Resources of the Senate and the Committee
10 on Energy and Commerce of the House of Rep-
11 resentatives a notice indicating that the standard
12 has not been established.”.

13 (c) DEFINITION OF INDUSTRIAL EQUIPMENT.—Sec-
14 tion 340(2)(B) of the Energy Policy and Conservation Act
15 (42 U.S.C. 6311(2)(B)) is amended—

16 (1) in clause (xi), by striking “and” at the end;

17 (2) in clause (xii), by striking the period at the
18 end and inserting “; and”; and

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

20 “(xiii) other equipment.”.

21 (d) COVERED EQUIPMENT.—Section 342 of the En-
22 ergy Policy and Conservation Act (42 U.S.C. 6313) is
23 amended by adding at the end the following:

1 “(g) COVERED EQUIPMENT.—The Secretary shall es-
2 tablish an energy conservation standard for each type or
3 class of covered equipment described in section 340(1) if—

4 “(1) the requirements of subsections (o) and
5 (p) of section 325 are met for the type or class;

6 “(2) substantial improvement in the energy effi-
7 ciency of products of the type or class is techno-
8 logically feasible; and

9 “(3) the application of a labeling rule or vol-
10 untary labeling program to the type or class is not
11 likely to be sufficient to induce manufacturers to
12 produce, and consumers and other persons to pur-
13 chase, covered products of the type or class that
14 achieve the maximum energy efficiency that is tech-
15 nologically feasible and economically justified.”.

16 (e) REPORT ON EFFICIENCY STANDARDS FOR ADDI-
17 TIONAL CONSUMER PRODUCTS AND COMMERCIAL AND IN-
18 DUSTRIAL EQUIPMENT.—Not later than 1 year after the
19 date of enactment of this Act, the Secretary of Energy
20 shall submit to the Committee on Energy and Commerce
21 of the House of Representatives and the Committee on
22 Energy and Natural Resources of the Senate a report that
23 identifies—

24 (1) consumer products and commercial and in-
25 dustrial equipment not covered by efficiency stand-

1 ards (as of the date of enactment of this Act) that
2 have significant national energy savings potential
3 (including through usage of natural gas), as deter-
4 mined by the Secretary;

5 (2) levels of potential energy savings for prod-
6 ucts and equipment identified under paragraph (1);

7 (3) which of the products and equipment identi-
8 fied under paragraph (1) are likely, prima facie, to
9 qualify as covered under authority of the Secretary
10 in existence on the date of enactment of this Act,
11 and a plan for formal review of those products and
12 equipment under existing authority; and

13 (4) which of the products identified under para-
14 graph (1) require additional authority for the Sec-
15 retary to be covered.

16 **SEC. 232. FEDERAL PROCUREMENT AND USAGE OF ENERGY**
17 **EFFICIENT PRODUCTS.**

18 (a) IN GENERAL.—Section 553(b) of the National
19 Energy Conservation Policy Act (42 U.S.C. 8259b(b)) is
20 amended—

21 (1) by striking paragraph (1) and inserting the
22 following:

23 “(1) REQUIREMENT.—Except as provided in
24 paragraph (4), beginning on the date of enactment
25 of the Practical Energy Plan Act of 2011, the head

1 of an agency shall procure, for not less than 95 per-
2 cent of the new contract actions, task orders, and
3 delivery orders for products and services (other than
4 for weapon systems) for the agency—

5 “(A) an Energy Star rated product;

6 “(B) a FEMP designated product; or

7 “(C) any other highly energy efficient
8 product that is—

9 “(i) reasonably expected to exceed En-
10 ergy Star ratings; and

11 “(ii) procured for the purposes of test-
12 ing and demonstrating new technologies to
13 encourage commercial application.”; and

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

15 “(4) EXEMPTION.—Paragraph (1) shall not
16 apply if there are less than 2 products available that
17 meet applicable energy efficiency criteria.”.

18 (b) GUIDANCE.—Not later than 1 year after the date
19 of enactment of this Act, the Administrator of General
20 Services, in consultation with the Secretary of Energy,
21 shall issue guidance for Executive agencies to employ tools
22 that achieve energy savings through the use of computer
23 hardware, energy efficiency software, and power tools.

24 (c) REPORTS ON PLANS AND SAVINGS.—Not later
25 than 180 days after the date of the issuance of the guid-

1 ance under subsection (b), each Executive agency shall
2 submit to the Administrator of General Services and make
3 publicly available a report that describes—

4 (1) the plan of the Executive agency for imple-
5 menting the guidance within the Executive agency;
6 and

7 (2) estimated energy and financial savings from
8 employing the tools described in subsection (b).

9 **TITLE III—MEASUREMENT AND** 10 **REVIEW**

11 **SEC. 301. MEASUREMENT AND REVIEW.**

12 (a) IN GENERAL.—Not later than 90 days after the
13 date of enactment of this Act, the Secretary of Energy,
14 in consultation with the Administrator of the Environ-
15 mental Protection Agency and the Secretary of Transpor-
16 tation, shall submit to the appropriate committees of Con-
17 gress a list of Federal programs (including programs es-
18 tablished or modified under this Act and the amendments
19 made by this Act), for which the Comptroller General of
20 the United States shall carry out a study that monitors
21 the progress of the programs in meeting the energy secu-
22 rity, economic competitiveness, and pollution reduction
23 goals under this Act and the amendments made by this
24 Act.

25 (b) STUDY.—

1 (1) IN GENERAL.—Not later than 3 years after
2 the date of enactment of this Act and every 3 years
3 thereafter for the 12-year period beginning on the
4 date of enactment of this Act, the Comptroller Gen-
5 eral of the United States shall—

6 (A) carry out a study that monitors the
7 progress of the programs described in sub-
8 section (a);

9 (B) submit to the appropriate committees
10 of Congress a report containing the findings of
11 the study carried out under this subsection; and

12 (C) publish reports and, to the maximum
13 extent practicable, accompanying data for pub-
14 lic view on the Internet.

15 (2) CONTENTS.—A study and report carried
16 out under paragraph (1) shall include—

17 (A) an examination of the effects the pro-
18 grams described in subsection (a) have had
19 on—

20 (i) Federal fiscal issues;

21 (ii) the consumption, production, and
22 import of oil and petroleum products;

23 (iii) national energy production and
24 demand;

- 1 (iv) pollution levels and greenhouse
2 gas emissions;
- 3 (v) power and fuel costs;
- 4 (vi) energy intensity and economic
5 productivity; and
- 6 (vii) the advancement and deployment
7 of technology;
- 8 (B) any recommendations of the Comp-
9 troller General on improving the performance of
10 the programs.

○