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S. 2963

To provide for grants to clean technology consortia to enhance the economic, environmental, and energy security of the United States by promoting domestic development, manufacture, and deployment of clean technologies, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 19, 2016

Mr. MARKEY introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To provide for grants to clean technology consortia to enhance the economic, environmental, and energy security of the United States by promoting domestic development, manufacture, and deployment of clean technologies, 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.**

4 This Act may be cited as the “Consortia-Led Energy
5 and Advanced Manufacturing Networks Act”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

1 (1) ADVANCED MANUFACTURING.—

2 (A) IN GENERAL.—The term “advanced
3 manufacturing” means a manufacturing process
4 that makes extensive use of computer, high pre-
5 cision, or information technologies integrated
6 with a high performance workforce in a produc-
7 tion system capable of furnishing a hetero-
8 geneous mix of products in small or large vol-
9 umes with either the efficiency of mass produc-
10 tion or the flexibility of custom manufacturing
11 in order to respond quickly to customer de-
12 mands.

13 (B) INCLUSIONS.—The term “advanced
14 manufacturing” includes—

15 (i) new ways to manufacture existing
16 products; and

17 (ii) the manufacture of new products
18 emerging from new advanced technologies.

19 (2) CLEAN TECHNOLOGY.—The term “clean
20 technology” means a technology, production process,
21 or methodology that—

22 (A) produces energy from solar, wind, geo-
23 thermal, biomass, tidal, wave, ocean, or another
24 renewable energy source (as defined in section

1 609(a) of the Public Utility Regulatory Policies
2 Act of 1978 (7 U.S.C. 918c(a));

3 (B) more efficiently transmits, distributes,
4 or stores energy;

5 (C) enhances energy efficiency for build-
6 ings and industry, including combined heat and
7 power;

8 (D) enables the development of a Smart
9 Grid (as described in section 1301 of the En-
10 ergy Independence and Security Act of 2007
11 (42 U.S.C. 17381)), including integration of re-
12 newable energy sources and distributed genera-
13 tion, demand response, demand side manage-
14 ment, and systems analysis;

15 (E) produces an advanced or sustainable
16 material with energy or energy efficiency appli-
17 cations;

18 (F) improves energy efficiency for trans-
19 portation, including electric vehicles; or

20 (G) enhances water security through im-
21 proved water management, conservation, dis-
22 tribution, or end use applications.

23 (3) CLUSTER.—The term “cluster” means a
24 network of entities directly involved in the research,
25 development, finance, and commercial application of

1 clean technologies and advanced manufacturing
2 whose geographic proximity facilitates the use and
3 sharing of skilled human resources, infrastructure,
4 research facilities, educational and training institu-
5 tions, venture capital, and input suppliers.

6 (4) CONSORTIUM.—The term “consortium”
7 means a clean technology consortium established
8 under the program.

9 (5) INSTITUTION OF HIGHER EDUCATION.—The
10 term “institution of higher education” has the
11 meaning given the term in section 101(a) of the
12 Higher Education Act of 1965 (20 U.S.C. 1001(a)).

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

17 (7) PROGRAM.—The term “program” means
18 the clean technology consortia grant program estab-
19 lished under section 3(a).

20 (8) PROJECT.—The term “project” means an
21 activity with respect to which a consortium provides
22 support under this Act.

23 (9) QUALIFYING ENTITY.—The term “quali-
24 fying entity” means—

1 (A) an institution of higher education that
2 has entered into a partnership agreement with
3 a private-sector entity;

4 (B) a Federal or State entity with a focus
5 on developing clean technologies or clusters, as
6 determined by the Secretary;

7 (C) a nongovernmental organization with
8 expertise in translational research, clean tech-
9 nology, or cluster development; or

10 (D) any other entity determined appro-
11 priate by the Secretary.

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

14 (11) TRANSLATIONAL RESEARCH.—The term
15 “translational research” means the coordination of
16 basic or applied research with technical applications
17 to enable promising discoveries or inventions to
18 achieve commercial application.

19 **SEC. 3. ESTABLISHMENT OF CLEAN TECHNOLOGY CON-**
20 **SORTIA GRANT PROGRAM.**

21 (a) IN GENERAL.—The Secretary shall establish a
22 program to enhance the economic, environmental, and en-
23 ergy security of the United States by promoting domestic
24 development, manufacture, and deployment of state-of-

1 the-art clean technologies by making grants to eligible
2 clean technology consortia.

3 (b) CONSULTATION AND COORDINATION RE-
4 QUIRED.—In carrying out the program, the Secretary
5 shall—

6 (1) leverage the expertise and resources of pri-
7 vate research communities, institutions of higher
8 education, industry, venture capital, National Lab-
9 oratories, and other participants in technology inno-
10 vation—

11 (A) to support collaborative, cross-discipli-
12 nary research and development in clean tech-
13 nologies and advanced manufacturing; and

14 (B) to develop and accelerate the commer-
15 cial application of innovative clean technologies
16 and advanced manufacturing practices; and

17 (2) coordinate the innovation activities of con-
18 sortia with activities carried out by the Secretary of
19 Energy, the Secretary of Defense, other Federal
20 agency heads, industry, and institutions of higher
21 education, including by annually—

22 (A) issuing guidance regarding national
23 clean technology and advanced manufacturing
24 development priorities and strategic objectives;
25 and

1 (B) convening a conference relating to
2 clean technology and advanced manufacturing,
3 which shall bring together representatives of
4 Federal agencies, industry, institutions of high-
5 er education, and other entities to share re-
6 search and commercialization results, program
7 plans, and opportunities for collaboration.

8 (c) PURPOSES OF CONSORTIA.—The purposes of a
9 consortia receiving a grant under the program shall in-
10 clude—

11 (1) promoting new innovative clean technologies
12 that have demonstrated interest and potential for
13 commercialization;

14 (2) expanding advanced manufacturing capabili-
15 ties, networks, supply chains, and assets, in the area
16 of clean technologies, that contribute to regional and
17 national manufacturing competitiveness and poten-
18 tial for growth;

19 (3) promoting job creation and entrepreneur-
20 ship through the establishment of new companies,
21 the expansion of existing companies, and commer-
22 cialization of clean technologies;

23 (4) providing technical or financial assistance to
24 companies desiring to invest in clean technologies,

1 new products or services, or enhanced processes that
2 will grow sales and jobs;

3 (5) determining opportunities and challenges
4 that companies are facing and how to improve the
5 use or production by those companies of clean tech-
6 nologies;

7 (6) assisting individual small- and medium-sized
8 enterprises with adopting and using new clean tech-
9 nologies and related business and advanced manu-
10 facturing practices;

11 (7) accelerating investment in, and deployment
12 of, clean technologies through public-private partner-
13 ships;

14 (8) encouraging partnering between and among
15 emerging and established clean technology and ad-
16 vanced manufacturing enterprises; and

17 (9) demonstrating a comprehensive and success-
18 ful model for commercialization of clean technologies
19 for promotion and emulation.

20 (d) GRANT PROGRAM.—

21 (1) IN GENERAL.—The Secretary shall award
22 grants on a competitive basis—

23 (A) not later than 2 years after the date
24 of enactment of this Act, to at least 1 eligible
25 consortium; and

1 (B) not later than 10 years after the date
2 of enactment of this Act, to not fewer than 6
3 eligible consortia.

4 (2) ELIGIBILITY.—To be eligible to receive a
5 grant under paragraph (1), a consortium shall—

6 (A) consist of—

7 (i) one or more institutions of higher
8 education that can demonstrate a signifi-
9 cant annual clean technology research
10 budget, entrepreneurial support programs,
11 and technology licensing expertise; and

12 (ii) a total of 3 or more qualifying en-
13 tities that can demonstrate expertise in
14 translational research, clean technology,
15 and cluster development;

16 (B) have established a binding agreement
17 among the members of the consortium that doc-
18 uments—

19 (i) the structure of the partnership
20 agreement;

21 (ii) a governance and management
22 structure that enables cost-effective use of
23 grant funds;

24 (iii) a conflicts-of-interest policy, in-
25 cluding procedures, consistent with those

1 procedures of the Department of Com-
2 merce, to ensure that employees and des-
3 ignees for consortium activities who are in
4 decisionmaking capacities disclose all mate-
5 rial conflicts of interest, including finan-
6 cial, organizational, and personal conflicts
7 of interest;

8 (iv) an accounting structure that
9 meets the requirements of the Secretary
10 and that may be audited under subsection
11 (e); and

12 (v) the existence of an external advi-
13 sory committee under paragraph (5);

14 (C) demonstrate that the consortium re-
15 ceives funding from one or more non-Federal
16 sources, such as a State and participants of the
17 consortium, that may be used to support
18 projects;

19 (D) be part of an existing cluster or dem-
20 onstrate high potential to develop a new cluster;

21 (E) operate as a nonprofit organization or
22 a public-private partnership under an operating
23 agreement led by a nonprofit organization; and

24 (F) establish an external advisory com-
25 mittee under paragraph (5).

1 (3) GRANT PERIOD; AMOUNT OF GRANT.—

2 (A) GRANT PERIOD.—

3 (i) IN GENERAL.—The initial period
4 of a grant awarded under paragraph (1)
5 shall not exceed 5 years.

6 (ii) EXTENSION.—The Secretary may
7 extend the term of a grant for a period of
8 not more than 5 additional years.

9 (B) AMOUNT OF GRANT.—

10 (i) IN GENERAL.—A grant awarded
11 under paragraph (1) shall not exceed the
12 lesser of—

13 (I) \$30,000,000 per fiscal year;

14 or

15 (II) the collective contributions of
16 non-Federal entities to the consor-
17 tium, as described in paragraph
18 (2)(C).

19 (ii) FLEXIBILITY.—In determining the
20 amount of a grant under this section, the
21 Secretary shall consider—

22 (I) the translational research ca-
23 pacity of the consortium;

1 (II) the financial, human, and fa-
2 cility resources of the qualifying enti-
3 ties; and

4 (III) the cluster of which the con-
5 sortium is a part.

6 (iii) INCREASES IN AMOUNTS.—Sub-
7 ject to clause (i), a consortium may re-
8 quest an increase in the amount of a grant
9 at the time the consortium requests an ex-
10 tension under subparagraph (A)(ii).

11 (4) APPLICATIONS.—

12 (A) IN GENERAL.—An eligible consortium
13 desiring a grant under paragraph (1) shall sub-
14 mit to the Secretary an application at such
15 time, in such manner, and containing such in-
16 formation as the Secretary may require.

17 (B) DISQUALIFICATION.—The Secretary
18 may disqualify an application if the Secretary
19 determines that the conflicts-of-interest policy
20 of the consortium, as described in paragraph
21 (2)(B)(iii), is inadequate.

22 (5) EXTERNAL ADVISORY COMMITTEES.—

23 (A) IN GENERAL.—To be eligible to receive
24 a grant under paragraph (1), a consortium
25 shall establish an external advisory committee,

1 the members of which shall have extensive and
2 relevant scientific, technical, industry, financial,
3 or research management expertise.

4 (B) DUTIES.—An external advisory com-
5 mittee shall—

6 (i) review the proposed plans, pro-
7 grams, project selection criteria, and
8 projects of the consortium; and

9 (ii) ensure that projects selected by
10 the consortium meet the applicable con-
11 flicts-of-interest policy of the consortium.

12 (C) MEMBERS.—An external advisory com-
13 mittee shall consist of—

14 (i) representatives of the members of
15 the consortium; and

16 (ii) such representatives of industry,
17 including entrepreneurs and venture cap-
18 italists, as the members of the consortium
19 determine to be necessary.

20 (D) SECRETARY AS MEMBER.—The Sec-
21 retary shall join the external advisory com-
22 mittee of each consortium that receives a grant.

23 (6) USE OF GRANT FUNDS.—

24 (A) IN GENERAL.—Subject to subpara-
25 graph (C), a consortium awarded a grant under

1 paragraph (1) shall use the grant amounts to
2 support translational research, technology devel-
3 opment, manufacturing innovation, and com-
4 mercialization activities relating to clean tech-
5 nology.

6 (B) PROJECT SELECTION.—As a condition
7 of receiving a grant under paragraph (1), a
8 consortium shall—

9 (i) develop and make available to the
10 public on the website of the Department of
11 Commerce proposed plans, programs,
12 project selection criteria, and terms for in-
13 dividual project awards;

14 (ii) establish policies—

15 (I) to prevent resources provided
16 to the consortium from being used to
17 displace private sector investment oth-
18 erwise likely to occur, including in-
19 vestment from private sector entities
20 that are members of the consortium;

21 (II) to facilitate the participation
22 of private entities that invest in clean
23 technologies—

24 (aa) to perform due dili-
25 gence on award proposals;

1 (bb) to participate in the
2 award review process; and

3 (cc) to provide guidance to
4 projects supported by the consor-
5 tium; and

6 (III) to facilitate the participa-
7 tion of entities with a demonstrated
8 history of commercial application of
9 clean technologies in the development
10 of consortium projects;

11 (iii) oversee project solicitations, re-
12 view proposed projects, and select projects
13 for awards; and

14 (iv) monitor project implementation.

15 (C) LIMITATIONS.—

16 (i) ADMINISTRATIVE EXPENSES.—A
17 consortium may not use greater than 10
18 percent of the grant amounts for adminis-
19 trative expenses.

20 (ii) PROHIBITION ON USE.—A consor-
21 tium may not use any grant amounts to
22 construct a new building or facility.

23 (e) AUDITS.—

24 (1) IN GENERAL.—A consortium that receives a
25 grant under subsection (d)(1) shall carry out, in ac-

1 cordance with such requirements as the Secretary
2 may prescribe, an annual audit to determine whether
3 the grant has been used in accordance with this Act.

4 (2) REPORT.—The consortium shall submit a
5 copy of each audit under paragraph (1) to the Sec-
6 retary and the Comptroller General of the United
7 States.

8 (3) GAO REVIEW.—As a condition of receiving
9 a grant under this Act, a consortium shall allow the
10 Comptroller General of the United States, on the re-
11 quest of the Comptroller General, full access to the
12 books, records, and personnel of consortium.

13 (4) REPORTS TO CONGRESS.—The Secretary
14 shall submit to Congress annually a report that in-
15 cludes—

16 (A) a copy of each audit carried out under
17 paragraph (1); and

18 (B) any recommendations of the Secretary
19 relating to the program.

20 (f) REVOCATION OF AWARDS.—The Secretary may—

21 (1) review the grants awarded under subsection
22 (d)(1); and

23 (2) revoke a grant awarded under subsection
24 (d)(1) if the Secretary determines that a consortium

1 has used the grant in a manner that is not con-
2 sistent with this Act.

3 **SEC. 4. AUTHORIZATION OF APPROPRIATIONS.**

4 There is authorized to be appropriated to the Sec-
5 retary to carry out this Act \$100,000,000.

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