

110TH CONGRESS
2D SESSION

H. R. 6709

To greatly enhance the Nation's path toward energy independence and environmental, energy, economic, and national security, by amending Federal policy to increase the production of domestic energy sources, to dedicate fixed percentages of the royalties received for conservation programs, environmental restoration projects, renewable energy research and development, clean energy technology research and development, increased development of existing energy sources, and energy assistance for those in need, and to share a portion of such royalties with producing States, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 31, 2008

Mr. PETERSON of Pennsylvania (for himself, Mr. ABERCROMBIE, Mr. COSTA, Mr. BURTON of Indiana, Mr. GENE GREEN of Texas, Mr. BROWN of South Carolina, Mr. LAMPSON, Mr. BISHOP of Utah, Mr. WALZ of Minnesota, Mr. HAYES, Mr. FOSTER, Mrs. CAPITO, Mr. BOREN, Mrs. DRAKE, Mr. CUELLAR, Mr. TIM MURPHY of Pennsylvania, Mr. ALTMIRE, Mr. SMITH of Nebraska, Mr. MCINTYRE, Mr. SALL, Mrs. BOYDA of Kansas, Mr. LAMBORN, Mr. ORTIZ, Mr. ROGERS of Kentucky, Ms. HERSETH SANDLIN, Mr. KINGSTON, Mr. HOLDEN, Mr. MILLER of Florida, Mr. CAZAYOUX, Mr. LEWIS of California, Mr. BARROW, Mr. WILSON of South Carolina, Mr. KANJORSKI, Mr. KLINE of Minnesota, Mr. MARSHALL, Mr. MICA, Mr. DONNELLY, Mr. MCCARTHY of California, Mr. LINCOLN DAVIS of Tennessee, Mr. TERRY, Mr. PATRICK J. MURPHY of Pennsylvania, Mr. SOUDER, Mr. BISHOP of Georgia, Mr. PENCE, Mr. MELANCON, Mr. BROUN of Georgia, Mr. BARTLETT of Maryland, and Mr. TAYLOR) introduced the following bill; which was referred to the Committee on Natural Resources, and in addition to the Committees on Energy and Commerce, Ways and Means, Science and Technology, Education and Labor, the Budget, and Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To greatly enhance the Nation’s path toward energy independence and environmental, energy, economic, and national security, by amending Federal policy to increase the production of domestic energy sources, to dedicate fixed percentages of the royalties received for conservation programs, environmental restoration projects, renewable energy research and development, clean energy technology research and development, increased development of existing energy sources, and energy assistance for those in need, and to share a portion of such royalties with producing States, 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 “National Conservation,
 5 Environment, and Energy Independence Act”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—OFFSHORE AND ONSHORE LEASING AND OTHER
 ENERGY PRODUCTION

Sec. 101. Termination of prohibitions on expenditures for, and withdrawals from, offshore and onshore leasing and other limitations on energy production.

Sec. 102. Outer Continental Shelf leasing program.

Sec. 103. Sharing of revenues.

Sec. 104. Policies regarding buying and building American.

Sec. 105. Elimination of other restrictions on use of energy alternatives.

TITLE II—CLEANER ENERGY PRODUCTION AND ENERGY
 CONSERVATION INCENTIVES

Sec. 201. Extension of renewable energy credit.

Sec. 202. Extension of credit for alternative fuel vehicles.

- Sec. 203. Extension of alternative fuel vehicle refueling property credit.
- Sec. 204. Extension of credit for energy efficient appliances.
- Sec. 205. Extension of credit for nonbusiness energy property.
- Sec. 206. Extension of credit for residential energy efficient property.
- Sec. 207. Extension of new energy efficient home credit.
- Sec. 208. Extension of energy efficient commercial buildings deduction.
- Sec. 209. Extension of energy credit.
- Sec. 210. Extension of credit for clean renewable energy bonds.
- Sec. 211. Extension of credits for biodiesel and renewable diesel.
- Sec. 212. Credit for plug-in hybrid vehicles.

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

- Sec. 301. Findings.
- Sec. 302. Definitions.
- Sec. 303. Objectives.
- Sec. 304. Modification of the Strategic Petroleum Reserve.
- Sec. 305. Energy Independence and Security Fund.

1 **TITLE I—OFFSHORE AND ON-**
2 **SHORE LEASING AND OTHER**
3 **ENERGY PRODUCTION**

4 **SEC. 101. TERMINATION OF PROHIBITIONS ON EXPENDI-**
5 **TURES FOR, AND WITHDRAWALS FROM, OFF-**
6 **SHORE AND ONSHORE LEASING AND OTHER**
7 **LIMITATIONS ON ENERGY PRODUCTION.**

8 (a) PROHIBITIONS ON EXPENDITURES.—All provi-
9 sions of Federal law that prohibit the expenditure of ap-
10 propriated funds to conduct natural gas, oil, oil shale, and
11 other energy production leasing and preleasing activities
12 for Federal lands shall have no force or effect with respect
13 to such activities.

14 (b) REVOCATION WITHDRAWALS.—All withdrawals
15 of Federal submerged lands of the Outer Continental Shelf
16 from leasing, including withdrawals by the President

1 under the authority of section 12(a) of the Outer Conti-
2 nental Shelf Lands Act (43 U.S.C. 1341(a)), are hereby
3 revoked and are no longer in effect with respect to the
4 leasing of areas for exploration for, and development and
5 production of natural gas and oil.

6 (c) GULF OF MEXICO OIL AND GAS.—Section 104
7 of division C of the Tax Relief and Health Care Act of
8 2006 (Public Law 109–432; 120 Stat. 3003) is repealed.

9 (d) OIL SHALE.—Section 433 of the Department of
10 the Interior, Environment, and Related Agencies Appro-
11 priations Act, 2008 (division F of Public Law 110–161;
12 121 Stat. 2152) is repealed.

13 **SEC. 102. OUTER CONTINENTAL SHELF LEASING PROGRAM.**

14 The Outer Continental Shelf Lands Act (43 U.S.C.
15 1331 et seq.) is amended by inserting after section 9 the
16 following:

17 **“SEC. 10. MORATORIA AREA AND STATE DISAPPROVAL RE-**
18 **QUIREMENT WITH RESPECT TO LEASING.**

19 “(a) PROHIBITION ON LEASING.—The Secretary may
20 not issue any lease authorizing exploration for, or develop-
21 ment of, natural gas or oil in any area of the outer Conti-
22 nental Shelf that is located within 25 miles of the coastline
23 of a State.

24 “(b) STATE DISAPPROVAL AUTHORITY.—The Sec-
25 retary may not issue any lease authorizing exploration for,

1 or development of, natural gas or oil in any area of the
2 outer Continental Shelf that is located more than 25 miles
3 and less than 50 miles from the coastline of a State if
4 the State has enacted, within the 1-year period beginning
5 on the date of the enactment of the National Conservation,
6 Environment, and Energy Independence Act, a law dis-
7 approving of the issuance of such leases by the Secretary.

8 “(c) MILITARY OPERATIONS.—The Secretary shall
9 consult with the Secretary of Defense regarding military
10 operations needs in the Outer Continental Shelf. The Sec-
11 retary shall work with the Secretary of Defense to resolve
12 any conflicts that might arise between such operations and
13 leasing under this section. If the Secretaries are unable
14 to resolve all such conflicts, any unresolved issues shall
15 be referred by the Secretaries to the President in a timely
16 fashion for immediate resolution.”.

17 **SEC. 103. SHARING OF REVENUES.**

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

20 (1) in paragraph (2) by striking “Notwith-
21 standing” and inserting “Except as provided in
22 paragraph (6), and notwithstanding”;

23 (2) by redesignating paragraphs (6) and (7) as
24 paragraphs (8) and (9); and

1 (3) by inserting after paragraph (5) the fol-
2 lowing:

3 “(6) BONUS BIDS AND ROYALTIES UNDER
4 QUALIFIED LEASES.—

5 “(A) NEW LEASES.—Of amounts received
6 by the United States as bonus bids, royalties,
7 rentals, and other sums collected under any
8 qualified lease on submerged lands made avail-
9 able for leasing under this Act by the enact-
10 ment of the National Conservation, Environ-
11 ment, and Energy Independence Act that are
12 located within the seaward boundaries of a
13 State established under section 4(a)(2)(A)—

14 “(i) 30 percent shall be deposited in
15 the general fund of the Treasury;

16 “(ii) 30 percent shall be paid to the
17 States that are producing States with re-
18 spect to those submerged lands;

19 “(iii) 8 percent shall be deposited in
20 the Conservation Reserve established by
21 paragraph (7);

22 “(iv) 10 percent shall be deposited in
23 the Environment Restoration Reserve es-
24 tablished by paragraph (7);

1 “(v) 15 percent shall be deposited in
2 the Renewable Energy Reserve established
3 by paragraph (7);

4 “(vi) 5 percent shall be deposited in
5 the Carbon Capture/Sequestration and Nu-
6 clear Waste Reserve Established by para-
7 graph (7); and

8 “(vii) 2 percent shall be available to
9 the Secretary of Health and Human Serv-
10 ices for carrying out the Low-Income
11 Home Energy Assistance Act of 1981 (42
12 U.S.C. 8621, et seq.).

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

24 “(C) USE OF PAYMENTS TO STATES.—
25 Amounts paid to a State under subparagraph

1 (A)(ii) shall be used by the State for one or
2 more of the following:

3 “(i) Education.

4 “(ii) Transportation.

5 “(iii) Coastal restoration, environ-
6 mental restoration, and beach replenish-
7 ment.

8 “(iv) Energy infrastructure.

9 “(v) Renewable energy development.

10 “(vi) Energy efficiency and conserva-
11 tion.

12 “(vii) Any other purpose determined
13 by State law.

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

15 “(i) ADJACENT STATE.—The term
16 ‘Adjacent State’ means, with respect to
17 any program, plan, lease sale, leased tract
18 or other activity, proposed, conducted, or
19 approved pursuant to the provisions of this
20 Act, any State the laws of which are de-
21 clared, pursuant to section 4(a)(2), to be
22 the law of the United States for the por-
23 tion of the outer Continental Shelf on
24 which such program, plan, lease sale,

1 leased tract, or activity appertains or is, or
2 is proposed to be, conducted.

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

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

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

21 “(v) QUALIFIED LEASE.—The term
22 ‘qualified lease’ means a natural gas or oil
23 lease made available under this Act grant-
24 ed after the date of the enactment of the
25 National Conservation, Environment, and

1 Energy Independence Act, for an area that
2 is available for leasing as a result of enact-
3 ment of section 101 of that Act.

4 “(E) APPLICATION.—This paragraph shall
5 apply to bonus bids and royalties received by
6 the United States under qualified leases after
7 September 30, 2008.

8 “(7) ESTABLISHMENT OF RESERVE AC-
9 COUNTS.—

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

13 “(i) the Conservation Reserve, to off-
14 set the cost of legislation enacted after the
15 date of the enactment of the National Con-
16 servation, Environment, and Energy Inde-
17 pendence Act for conservation programs,
18 such as weatherization, and conservation
19 tax credits and deductions for energy effi-
20 ciency in the residential, commercial, in-
21 dustrial and public sectors, including Con-
22 servation Districts;

23 “(ii) the Environment Restoration Re-
24 serve, to offset the cost of legislation en-
25 acted after the date of the enactment of

1 the National Conservation, Environment,
2 and Energy Independence Act to conduct
3 restoration activities to improve the overall
4 health of the ecosystems primarily or en-
5 tirely within wildlife refuges, national
6 parks, lakes, bays, rivers, and streams, in-
7 cluding the Great Lakes, the Chesapeake
8 and Delaware Bays, the San Francisco
9 Bay/Sacramento San Joaquin Bay Delta,
10 the Florida Everglades, New York Harbor,
11 the Colorado River Basin, and Intracoastal
12 Waterways and inlets that serve them;

13 “(iii) the Renewable Energy Reserve,
14 to offset the cost of legislation enacted
15 after the date of the enactment of the Na-
16 tional Conservation, Environment, and En-
17 ergy Independence Act to accelerate the
18 use of cleaner domestic energy resources
19 and alternative fuels; to promote the utili-
20 zation of energy-efficient products and
21 practices; and to increase research, devel-
22 opment, and deployment of clean renew-
23 able energy and efficiency technologies and
24 job training programs for those purposes;
25 and

1 “(iv) the Carbon Capture and Seques-
2 tration Reserve, to offset the cost of legis-
3 lation enacted after the date of the enact-
4 ment of the National Conservation, Envi-
5 ronment, and Energy Independence Act to
6 promote research and development projects
7 associated with carbon capture and storage
8 in the production of liquid transportation
9 fuels, synthetic natural gas, chemical feed-
10 stocks, and electricity, and for the disposi-
11 tion and recycling/reprocessing of nuclear
12 waste from nuclear power plants.

13 “(B) PROCEDURE FOR ADJUSTMENTS.—

14 “(i) BUDGET COMMITTEE CHAIR-
15 MAN.—After the reporting of a bill or joint
16 resolution, or the offering of an amend-
17 ment thereto or the submission of a con-
18 ference report thereon, providing funding
19 for the purposes set forth in clause (i), (ii),
20 (iii), or (iv) of subparagraph (A) in excess
21 of the amount of the deposits under para-
22 graph (6)(A) for those purposes for fiscal
23 year 2009, the chairman of the Committee
24 on the Budget of the applicable House of
25 Congress shall make the adjustments set

1 forth in clause (ii) for the amount of new
2 budget authority and outlays in that meas-
3 ure and the outlays flowing from that
4 budget authority.

5 “(ii) MATTERS TO BE ADJUSTED.—

6 The adjustments referred to in clause (i)
7 are to be made to—

8 “(I) the discretionary spending
9 limits, if any, set forth in the appro-
10 prium concurrent resolution on the
11 budget;

12 “(II) the allocations made pursu-
13 ant to the appropriate concurrent res-
14 olution on the budget pursuant to sec-
15 tion 302(a) of the Congressional
16 Budget Act of 1974; and

17 “(III) the budget aggregates con-
18 tained in the appropriate concurrent
19 resolution on the budget as required
20 by section 301(a) of the Congressional
21 Budget Act of 1974.

22 “(iii) AMOUNTS OF ADJUSTMENTS.—

23 The adjustments referred to in clauses (i)
24 and (ii) shall not exceed the receipts esti-
25 mated by the Congressional Budget Office

1 that are attributable to this Act for the fis-
2 cal year in which the adjustments are
3 made.

4 “(C) EXPENDITURES ONLY BY SECRETARY
5 OF THE INTERIOR IN CONSULTATION.—Legisla-
6 tion shall not be treated as legislation referred
7 to in subparagraph (A) unless any expenditure
8 under such legislation for a purpose referred to
9 in that subparagraph may be made only after
10 consultation with the Administrator of the En-
11 vironmental Protection Agency, the Adminis-
12 trator of the National Oceanic and Atmospheric
13 Administration, the Secretary of the Army act-
14 ing through the Corps of Engineers, and, as ap-
15 propriate, the Secretary of State.

16 “(8) MAINTENANCE OF EFFORT BY STATES.—
17 The Secretary of the Interior, the Secretary of
18 Health and Human Services, the Secretary of En-
19 ergy, and any other Federal official with authority
20 to implement legislation referred to in paragraph
21 (6)(A) shall ensure that financial assistance provided
22 to a State under that legislation for any purpose
23 with amounts made available under this subsection
24 or in any legislation with respect to which paragraph
25 (7) applies supplement, and do not replace, the

1 amounts expended by the State for that purpose be-
2 fore the date of the enactment of the National Con-
3 servation, Environment, and Energy Independence
4 Act”.

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

1 **SEC. 104. POLICIES REGARDING BUYING AND BUILDING**
2 **AMERICAN.**

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

16 (b) SAFEGUARD FOR EXTRAORDINARY ABILITY.—
17 Section 30(a) of the Outer Continental Shelf Lands Act
18 (43 U.S.C. 1356(a)) is amended in the matter preceding
19 paragraph (1) by striking “regulations which” and insert-
20 ing “regulations that shall be supplemental and com-
21 plimentary with and under no circumstances a substi-
22 tution for the provisions of the Constitution and laws of
23 the United States extended to the subsoil and seabed of
24 the outer Continental Shelf pursuant to section 4 of this
25 Act, except insofar as such laws would otherwise apply to
26 individuals who have extraordinary ability in the sciences,

1 arts, education, or business, which has been demonstrated
2 by sustained national or international acclaim, and that”.

3 **SEC. 105. ELIMINATION OF OTHER RESTRICTIONS ON USE**
4 **OF ENERGY ALTERNATIVES.**

5 (a) RENEWABLE BIOMASS.—Section 211(o)(1)(I) of
6 the Clean Air Act (42 U.S.C. 7545(o)(1)(I)) is amended
7 effective January 1, 2009—

8 (1) in clause (ii), by striking “on non-federal
9 land”; and

10 (2) in clause (iv), by striking “that are from
11 non-federal forestlands, including forestlands” and
12 inserting “from forestlands, including those on pub-
13 lic lands and those”.

14 (b) ALTERNATIVE FUELS.—Section 526 of the En-
15 ergy Independence and Security Act of 2007 (42 U.S.C.
16 17142) is repealed.

17 (c) LIMITATION ON NUMBER OF NEW QUALIFIED
18 HYBRID ADVANCED LEAN-BURN TECHNOLOGY VEHI-
19 CLES.—Section 30B of the Internal Revenue Code of 1986
20 is amended by striking subsection (f).

1 **TITLE II—CLEANER ENERGY**
2 **PRODUCTION AND ENERGY**
3 **CONSERVATION INCENTIVES**

4 **SEC. 201. EXTENSION OF RENEWABLE ENERGY CREDIT.**

5 Each of the following provisions of section 45(d) of
6 the Internal Revenue Code of 1986 (relating to qualified
7 facilities) is amended by striking “January 1, 2009” and
8 inserting “January 1, 2013”:

9 (1) Paragraph (1) (relating to wind facility).

10 (2) Clauses (i) and (ii) of paragraph (2)(A) (re-
11 lating to closed-loop biomass facility).

12 (3) Clauses (i)(I) and (ii) of paragraph (3)(A)
13 (relating to (open-loop biomass facility).

14 (4) Paragraph (4) (relating to geothermal en-
15 ergy facility).

16 (5) Paragraph (5) (relating to small irrigation
17 power facility).

18 (6) Paragraph (6) (relating to landfill gas facili-
19 ties).

20 (7) Paragraph (7) (relating to trash combustion
21 facilities).

22 (8) Paragraph (8) (relating to refined coal pro-
23 duction facility).

24 (9) Subparagraphs (A) and (B) of paragraph
25 (9) (relating to qualified hydropower facility).

1 **SEC. 202. EXTENSION OF CREDIT FOR ALTERNATIVE FUEL**
2 **VEHICLES.**

3 Paragraphs (2), (3), and (4) of section 30B(j) of the
4 Internal Revenue Code of 1986 are each amended by
5 striking the date therein and inserting “December 31,
6 2014”.

7 **SEC. 203. EXTENSION OF ALTERNATIVE FUEL VEHICLE RE-**
8 **FUELING PROPERTY CREDIT.**

9 (a) IN GENERAL.—Paragraph (2) of section 30C(g)
10 of such Code (relating to termination) is amended by
11 striking “December 31, 2009” and inserting “December
12 31, 2010”.

13 (b) ALTERNATIVE FUELS.—Paragraph (1) of section
14 30C(g) of the Internal Revenue Code of 1986 is amended
15 by striking “hydrogen,” inserting “hydrogen or alternative
16 fuels (as defined in section 30B(e)(4)(B)).”.

17 **SEC. 204. EXTENSION OF CREDIT FOR ENERGY EFFICIENT**
18 **APPLIANCES.**

19 (a) IN GENERAL.—Subsection (b) of section 45M of
20 the Internal Revenue Code of 1986 (relating to applicable
21 amount) is amended by striking “calendar year 2006 or
22 2007” each place it appears in paragraphs (1)(A)(i),
23 1(1)(B)(i), (1)(C)(ii)(I), and (1)(C)(iii)(I), and inserting
24 “calendar year 2006, 2007, 2008, 2009, 2010, 2011,
25 2012, or 2013”.

1 (b) RESTART OF CREDIT LIMITATION.—Paragraph
2 (1) of section 45M(e) of such Code (relating to aggregate
3 credit amount allowed) is amended by inserting “begin-
4 ning after December 31, 2007” after “for all prior taxable
5 years”.

6 (c) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to appliances produced after De-
8 cember 31, 2007.

9 **SEC. 205. EXTENSION OF CREDIT FOR NONBUSINESS EN-**
10 **ERGY PROPERTY.**

11 (a) IN GENERAL.—Section 25C(g) of the Internal
12 Revenue Code of 1986 (relating to termination) is amend-
13 ed by striking “December 31, 2007” and inserting “De-
14 cember 31, 2013”.

15 (b) EFFECTIVE DATE.—The amendment made by
16 this section shall apply to property placed in service after
17 December 31, 2007.

18 **SEC. 206. EXTENSION OF CREDIT FOR RESIDENTIAL EN-**
19 **ERGY EFFICIENT PROPERTY.**

20 Section 25D(g) of the Internal Revenue Code of 1986
21 (relating to termination) is amended by striking “Decem-
22 ber 31, 2008” and inserting “December 31, 2014”.

1 **SEC. 207. EXTENSION OF NEW ENERGY EFFICIENT HOME**
2 **CREDIT.**

3 Subsection (g) of section 45L of the Internal Revenue
4 Code of 1986 (relating to termination) is amended by
5 striking “December 31, 2008” and inserting “December
6 31, 2013”.

7 **SEC. 208. EXTENSION OF ENERGY EFFICIENT COMMERCIAL**
8 **BUILDINGS DEDUCTION.**

9 Section 179D(h) of the Internal Revenue Code of
10 1986 (relating to termination) is amended by striking
11 “December 31, 2008” and inserting “December 31,
12 2013”.

13 **SEC. 209. EXTENSION OF ENERGY CREDIT.**

14 (a) **SOLAR ENERGY PROPERTY.**—Paragraphs
15 (2)(A)(i)(II) and (3)(A)(ii) of section 48(a) of the Internal
16 Revenue Code of 1986 (relating to energy credit) are each
17 amended by striking “January 1, 2009” and inserting
18 “January 1, 2017”.

19 (b) **FUEL CELL PROPERTY.**—Subparagraph (E) of
20 section 48(c)(1) of such Code (relating to qualified fuel
21 cell property) is amended by striking “December 31,
22 2008” and inserting “December 31, 2016”.

23 (c) **MICROTURBINE PROPERTY.**—Subparagraph (E)
24 of section 48(c)(2) of such Code (relating to qualified
25 microturbine property) is amended by striking “December
26 31, 2008” and inserting “December 31, 2013”.

1 **SEC. 210. EXTENSION OF CREDIT FOR CLEAN RENEWABLE**
2 **ENERGY BONDS.**

3 (a) **EXTENSION.**—Section 54(m) of the Internal Rev-
4 enue Code of 1986 (relating to termination) is amended
5 by striking “December 31, 2008” and inserting “Decem-
6 ber 31, 2013”.

7 **SEC. 211. EXTENSION OF CREDITS FOR BIODIESEL AND RE-**
8 **NEWABLE DIESEL.**

9 (a) **IN GENERAL.**—Sections 40A(g), 6426(e)(6), and
10 6427(e)(5)(B) of the Internal Revenue Code of 1986 are
11 each amended by striking “December 31, 2008” and in-
12 serting “December 31, 2013”.

13 (b) **EFFECTIVE DATE.**—The amendments made by
14 this section shall apply to fuel produced, and sold or used,
15 after December 31, 2008.

16 **SEC. 212. CREDIT FOR PLUG-IN HYBRID VEHICLES.**

17 (a) **IN GENERAL.**—Subpart B of part IV of sub-
18 chapter A of chapter 1 of the Internal Revenue Code of
19 1986 (relating to other credits) is amended by adding at
20 the end the following new section:

21 **“SEC. 30D. PLUG-IN HYBRID VEHICLES.**

22 “(a) **ALLOWANCE OF CREDIT.**—There shall be al-
23 lowed as a credit against the tax imposed by this chapter
24 for the taxable year an amount equal to the sum of the
25 credit amounts determined under subsection (b) with re-

1 spect to each qualified plug-in hybrid vehicle placed in
2 service by the taxpayer during the taxable year.

3 “(b) PER VEHICLE DOLLAR LIMITATION.—

4 “(1) IN GENERAL.—The amount determined
5 under this subsection with respect to any qualified
6 plug-in hybrid vehicle is the sum of the amounts de-
7 termined under paragraphs (2) and (3) with respect
8 to such vehicle.

9 “(2) BASE AMOUNT.—The amount determined
10 under this paragraph is \$4,000.

11 “(3) BATTERY CAPACITY.—In the case of vehi-
12 cle which draws propulsion energy from a battery
13 with not less than 5 kilowatt hours of capacity, the
14 amount determined under this paragraph is \$200,
15 plus \$200 for each kilowatt hour of capacity in ex-
16 cess of 5 kilowatt hours. The amount determined
17 under this paragraph shall not exceed \$2,000.

18 “(c) APPLICATION WITH OTHER CREDITS.—

19 “(1) BUSINESS CREDIT TREATED AS PART OF
20 GENERAL BUSINESS CREDIT.—So much of the credit
21 which would be allowed under subsection (a) for any
22 taxable year (determined without regard to this sub-
23 section) that is attributable to property of a char-
24 acter subject to an allowance for depreciation shall

1 be treated as a credit listed in section 38(b) for such
2 taxable year (and not allowed under subsection (a)).

3 “(2) PERSONAL CREDIT.—

4 “(A) IN GENERAL.—For purposes of this
5 title, the credit allowed under subsection (a) for
6 any taxable year (determined after application
7 of paragraph (1)) shall be treated as a credit
8 allowable under subpart A for such taxable
9 year.

10 “(B) LIMITATION BASED ON AMOUNT OF
11 TAX.—In the case of a taxable year to which
12 section 26(a)(2) does not apply, the credit al-
13 lowed under subsection (a) for any taxable year
14 (determined after application of paragraph (1))
15 shall not exceed the excess of—

16 “(i) the sum of the regular tax liabil-
17 ity (as defined in section 26(b)) plus the
18 tax imposed by section 55, over

19 “(ii) the sum of the credits allowable
20 under subpart A (other than this section
21 and sections 23 and 25D) and section 27
22 for the taxable year.

23 “(d) QUALIFIED PLUG-IN HYBRID VEHICLE.—For
24 purposes of this section—

1 “(1) IN GENERAL.—The term ‘qualified plug-in
2 hybrid vehicle’ means a motor vehicle (as defined in
3 section 30(c)(2))—

4 “(A) the original use of which commences
5 with the taxpayer,

6 “(B) which is acquired for use or lease by
7 the taxpayer and not for resale,

8 “(C) which is made by a manufacturer,

9 “(D) which has a gross vehicle weight rat-
10 ing of less than 14,000 pounds,

11 “(E) which has received a certificate of
12 conformity under the Clean Air Act and meets
13 or exceeds the Bin 5 Tier II emission standard
14 established in regulations prescribed by the Ad-
15 ministrator of the Environmental Protection
16 Agency under section 202(i) of the Clean Air
17 Act for that make and model year vehicle,

18 “(F) which is propelled to a significant ex-
19 tent by an electric motor which draws electricity
20 from a battery which—

21 “(i) has a capacity of not less than 4
22 kilowatt hours, and

23 “(ii) is capable of being recharged
24 from an external source of electricity, and

25 “(G) which either—

1 “(i) is also propelled to a significant
2 extent by other than an electric motor, or

3 “(ii) has a significant onboard source
4 of electricity which also recharges the bat-
5 tery referred to in subparagraph (F).

6 “(2) EXCEPTION.—The term ‘qualified plug-in
7 hybrid vehicle’ shall not include any vehicle which is
8 not a passenger automobile or light truck if such ve-
9 hicle has a gross vehicle weight rating of less than
10 8,500 pounds.

11 “(3) OTHER TERMS.—The terms ‘passenger
12 automobile’, ‘light truck’, and ‘manufacturer’ have
13 the meanings given such terms in regulations pre-
14 scribed by the Administrator of the Environmental
15 Protection Agency for purposes of the administra-
16 tion of title II of the Clean Air Act (42 U.S.C. 7521
17 et seq.).

18 “(4) BATTERY CAPACITY.—The term ‘capacity’
19 means, with respect to any battery, the quantity of
20 electricity which the battery is capable of storing, ex-
21 pressed in kilowatt hours, as measured from a 100
22 percent state of charge to a 0 percent state of
23 charge.

24 “(e) SPECIAL RULES.—

1 “(1) BASIS REDUCTION.—The basis of any
2 property for which a credit is allowable under sub-
3 section (a) shall be reduced by the amount of such
4 credit (determined without regard to subsection (c)).

5 “(2) RECAPTURE.—The Secretary shall, by reg-
6 ulations, provide for recapturing the benefit of any
7 credit allowable under subsection (a) with respect to
8 any property which ceases to be property eligible for
9 such credit.

10 “(3) PROPERTY USED OUTSIDE UNITED
11 STATES, ETC., NOT QUALIFIED.—No credit shall be
12 allowed under subsection (a) with respect to any
13 property referred to in section 50(b)(1) or with re-
14 spect to the portion of the cost of any property
15 taken into account under section 179.

16 “(4) ELECTION NOT TO TAKE CREDIT.—No
17 credit shall be allowed under subsection (a) for any
18 vehicle if the taxpayer elects to not have this section
19 apply to such vehicle.

20 “(5) PROPERTY USED BY TAX-EXEMPT ENTITY;
21 INTERACTION WITH AIR QUALITY AND MOTOR VEHI-
22 CLE SAFETY STANDARDS.—Rules similar to the rules
23 of paragraphs (6) and (10) of section 30B(h) shall
24 apply for purposes of this section.”.

1 (b) PLUG-IN VEHICLES NOT TREATED AS NEW
2 QUALIFIED HYBRID VEHICLES.—Section 30B(d)(3) is
3 amended by adding at the end the following new subpara-
4 graph:

5 “(D) EXCLUSION OF PLUG-IN VEHICLES.—
6 Any vehicle with respect to which a credit is al-
7 lowable under section 30D (determined without
8 regard to subsection (c) thereof) shall not be
9 taken into account under this section.”.

10 (c) CREDIT MADE PART OF GENERAL BUSINESS
11 CREDIT.—Section 38(b) is amended by striking “plus” at
12 the end of paragraph (32), by striking the period at the
13 end of paragraph (33) and inserting “, plus”, and by add-
14 ing at the end the following new paragraph:

15 “(34) the portion of the plug-in hybrid vehicle
16 credit to which section 30D(c)(1) applies.”.

17 (d) CONFORMING AMENDMENTS.—

18 (1)(A) Section 24(b)(3)(B), as amended by this
19 Act, is amended by striking “and 25D” and insert-
20 ing “25D, and 30D”.

21 (B) Section 25(e)(1)(C)(ii) is amended by in-
22 serting “30D,” after “25D,”.

23 (C) Section 25B(g)(2), as amended by this Act,
24 is amended by striking “and 25D” and inserting “,
25 25D, and 30D”.

1 (D) Section 26(a)(1), as amended by this Act,
2 is amended by striking “and 25D” and inserting
3 “25D, and 30D”.

4 (E) Section 1400C(d)(2) is amended by striking
5 “and 25D” and inserting “25D, and 30D”.

6 (2) Section 1016(a) is amended by striking
7 “and” at the end of paragraph (35), by striking the
8 period at the end of paragraph (36) and inserting “,
9 and”, and by adding at the end the following new
10 paragraph:

11 “(37) to the extent provided in section
12 30D(e)(1).”.

13 (3) Section 6501(m) is amended by inserting
14 “30D(e)(4),” after “30C(e)(5),”.

15 (4) The table of sections for subpart B of part
16 IV of subchapter A of chapter 1 is amended by add-
17 ing at the end the following new item:

 “Sec. 30D. Plug-in hybrid vehicles.”.

18 (e) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to taxable years beginning after
20 December 31, 2008.

1 **TITLE III—MODIFYING THE**
2 **STRATEGIC PETROLEUM RE-**
3 **SERVE AND FUNDING CON-**
4 **SERVATION AND ENERGY RE-**
5 **SEARCH AND DEVELOPMENT**

6 **SEC. 301. FINDINGS.**

7 Congress finds the following:

8 (1) The Strategic Petroleum Reserve (SPR)
9 was created by Congress in 1975, to protect the Na-
10 tion from any future oil supply disruptions. When
11 the program was established, United States refiners
12 were capable of handling light and medium crude
13 and the make up of the SPR matched this capacity.
14 This is not the case today.

15 (2) A GAO analysis found that nearly half of
16 the refineries considered vulnerable to supply disrup-
17 tions are not compatible with the types of oil cur-
18 rently stored in the SPR and would be unable to
19 maintain normal refining capacity if forced to rely
20 on SPR oil as currently constituted, thereby reduc-
21 ing the effectiveness of the SPR in the event of a
22 supply disruption. GAO concluded that the SPR
23 should be comprised of at least 10 percent heavy
24 crude.

1 (3) This Act implements the GAO recommenda-
2 tion and dedicates funds received from the trans-
3 actions to existing energy conservation, research,
4 and assistance programs.

5 **SEC. 302. DEFINITIONS.**

6 In this title—

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

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

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

15 **SEC. 303. OBJECTIVES.**

16 The objectives of this title are as follows:

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

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

1 **SEC. 304. MODIFICATION OF THE STRATEGIC PETROLEUM**
2 **RESERVE.**

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

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

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

23 (3) deposit 90 percent of the remaining net pro-
24 ceeds from the exchange into the account established
25 under section 305(a).

1 **SEC. 305. ENERGY INDEPENDENCE AND SECURITY FUND.**

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

6 (b) ADMINISTRATION.—The Secretary shall be re-
7 sponsible for administering the Fund for the purpose of
8 carrying out this section.

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

13 (d) DISTRIBUTION OF FUNDS.—The Secretary shall
14 make available for obligation, without further appropria-
15 tion and without fiscal year limitation, the following
16 amounts from the Fund:

17 (1) ADVANCED RESEARCH PROJECTS AGENCY—
18 ENERGY.—The Secretary shall transfer
19 \$100,000,000 to the account “Energy Trans-
20 formation Acceleration Fund”, established under
21 section 5012(m) of the America COMPETES Act
22 (42 U.S.C. 16538(m)), to remain available until ex-
23 pended. Of the funds so transferred, the Secretary
24 shall further allocate the amounts made available for
25 obligation as follows:

1 (A) \$50,000,000 shall be available for uni-
2 versity-based research projects.

3 (B) \$10,000,000 shall be available for pro-
4 gram direction expenses.

5 (2) WIND ENERGY RESEARCH AND DEVELOP-
6 MENT.—The Secretary shall transfer \$15,000,000 to
7 the account “Energy Efficiency and Renewable En-
8 ergy”, to remain available until expended, for nec-
9 essary expenses for a program to support the devel-
10 opment of next-generation wind turbines, including
11 turbines capable of operating in areas with low wind
12 speeds, as authorized in section 931(a)(2)(B) of the
13 Energy Policy Act of 2005 (42 U.S.C.
14 16231(a)(2)(B)).

15 (3) SOLAR ENERGY RESEARCH AND DEVELOP-
16 MENT.—The Secretary shall transfer \$30,000,000 to
17 the account “Energy Efficiency and Renewable En-
18 ergy”, to remain available until expended, for nec-
19 essary expenses for a program to accelerate the re-
20 search, development, demonstration, and deployment
21 of solar energy technologies, and public education
22 and outreach materials pursuant to such program,
23 as authorized by section 931(a)(2)(A) of the Energy
24 Policy Act of 2005 (42 U.S.C. 16231(a)(2)(A)).

1 (4) LOW INCOME WEATHERIZATION AND
2 LIHEAP.—The Secretary shall transfer
3 \$100,000,000 to the account “Weatherization As-
4 sistance Program”, to remain available until ex-
5 pended, for necessary expenses for a program to
6 weatherize low income housing, as authorized by sec-
7 tion 411 of the Energy Independence and Security
8 Act of 2007 (Public Law 110–140). The Secretary
9 shall transfer \$100,000,000 to the Secretary of
10 Health and Human Services for distribution to
11 States under section 2604(a) through (d) of the
12 Low-Income Home Energy Assistance Act of 1981
13 (42 U.S.C. 8623(a)–(d)).

14 (5) MARINE AND HYDROKINETIC RENEWABLE
15 ELECTRIC ENERGY.—The Secretary shall transfer
16 \$30,000,000 to the account “Energy Efficiency and
17 Renewable Energy”, to remain available until ex-
18 pended, for necessary expenses for a program to ac-
19 celerate the research, development, demonstration,
20 and deployment of ocean and wave energy, including
21 hydrokinetic renewable energy, as authorized by sec-
22 tion 931 of the Energy Policy Act of 2005 (42
23 U.S.C. 16231) and section 636 of the Energy Inde-
24 pendence and Security Act of 2007 (42 U.S.C.
25 17215).

1 (6) ADVANCED VEHICLES RESEARCH, DEVELOP-
2 MENT, AND DEMONSTRATION.—The Secretary shall
3 transfer \$40,000,000 to the account “Energy Effi-
4 ciency and Renewable Energy”, to remain available
5 until expended, for necessary expenses for research,
6 development, and demonstration on advanced, cost-
7 effective technologies to improve the energy effi-
8 ciency and environmental performance of vehicles, as
9 authorized in section 911(a)(2)(A) of the Energy
10 Policy Act of 2005 (42 U.S.C. 16191(a)(2)(A)).

11 (7) INDUSTRIAL ENERGY EFFICIENCY RE-
12 SEARCH AND DEVELOPMENT.—The Secretary shall
13 transfer \$110,000,000 to the account “Energy Effi-
14 ciency and Renewable Energy”, to remain available
15 until expended, for necessary expenses for a program
16 to accelerate the research, development, demonstra-
17 tion, and deployment of new technologies to improve
18 the energy efficiency and reduce greenhouse gas
19 emissions from industrial processes, as authorized in
20 section 911(a)(2)(C) of the Energy Policy Act of
21 2005 (42 U.S.C. 16191(a)(2)(C)) and in section 452
22 of the Energy Independence and Security Act of
23 2007 (42 U.S.C. 17111).

24 (8) BUILDING AND LIGHTING ENERGY EFFI-
25 CIENCY RESEARCH AND DEVELOPMENT.—The Sec-

1 retary shall transfer \$70,000,000 to the account
2 “Energy Efficiency and Renewable Energy”, to re-
3 main available until expended, for necessary ex-
4 penses for a program to accelerate the research, de-
5 velopment, demonstration, and deployment of new
6 technologies to improve the energy efficiency of and
7 reduce greenhouse gas emissions from buildings, as
8 authorized in section 321(g) of the Energy Inde-
9 pendence and Security Act of 2007 (42 U.S.C. 6295
10 note), section 422 of the Energy Independence and
11 Security Act of 2007 (42 U.S.C. 17082), and section
12 912 of the Energy Policy Act of 2005 (42 U.S.C.
13 16192).

14 (9) GEOTHERMAL ENERGY DEVELOPMENT.—
15 The Secretary shall transfer \$30,000,000 to the ac-
16 count “Energy Efficiency and Renewable Energy”,
17 to remain available until expended, for necessary ex-
18 penses for geothermal research and development ac-
19 tivities to be managed by the National Renewable
20 Energy Laboratory, as authorized by sections 613,
21 614, 615, and 616 of the Energy Independence and
22 Security Act of 2007 (42 U.S.C. 17192–95) and sec-
23 tion 931(a)(2)(C) of the Energy Policy Act of 2005
24 (42 U.S.C. 16231(a)(2)(C)).

1 (10) SMART GRID TECHNOLOGY RESEARCH, DE-
2 VELOPMENT, AND DEMONSTRATION.—The Secretary
3 shall transfer \$30,000,000 to the account “Energy
4 Efficiency and Renewable Energy”, to remain avail-
5 able until expended, for necessary expenses for re-
6 search, development, and demonstration of smart
7 grid technologies, as authorized by section 1304 of
8 the Energy Independence and Security Act of 2007
9 (42 U.S.C. 17384).

10 (11) CARBON CAPTURE AND STORAGE.—The
11 Secretary shall transfer \$385,000,000 to the account
12 “Fossil Energy Research and Development”, to re-
13 main available until expended, for necessary ex-
14 penses for a program of demonstration projects of
15 carbon capture and storage, and for a research pro-
16 gram to address public health, safety, and environ-
17 mental impacts, as authorized by section 963 of the
18 Energy Policy Act of 2005 (42 U.S.C. 16293) and
19 sections 703 and 707 of the Energy Independence
20 and Security Act of 2007 (42 U.S.C. 17251,
21 17255).

22 (12) NONCONVENTIONAL DOMESTIC NATURAL
23 GAS PRODUCTION AND ENVIRONMENTAL RE-
24 SEARCH.—

1 (A) The Secretary shall transfer
2 \$50,000,000 to the account authorized by sec-
3 tion 999H(e) of the Energy Policy Act of 2005
4 (42 U.S.C. 16378(e)), to remain available until
5 expended.

6 (B) The Secretary shall transfer
7 \$15,000,000 to the account “Fossil Energy Re-
8 search and Development”, to remain available
9 until expended, for necessary expenses for a
10 program of basin-oriented assessments and pub-
11 lic and private partnerships involving States
12 and industry to foster the development of re-
13 gional advanced technological, regulatory, and
14 economic development strategies for the effi-
15 cient and environmentally sustainable recovery
16 and market delivery of natural gas and domes-
17 tic petroleum resources within the United
18 States, and for support for the Stripper Well
19 Consortium.

20 (13) HYDROGEN RESEARCH AND DEVELOP-
21 MENT.—The Secretary shall transfer \$5,000,000 to
22 the account “Energy Efficiency and Renewable En-
23 ergy”, to remain available until expended, for nec-
24 essary expenses for the Department of Energy’s H-
25 Prize Program, as authorized by section 1008(f) of

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

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

5 (A) The Secretary shall transfer
6 \$30,000,000 to the account “Basic Energy
7 Sciences”, to remain available until expended,
8 for necessary expenses for a program to accel-
9 erate basic research on energy storage systems
10 to support electric drive vehicles, stationary ap-
11 plications, and electricity transmission and dis-
12 tribution, as authorized by section 641(p)(1) of
13 the Energy Independence and Security Act of
14 2007 (42 U.S.C. 17231(p)(1)).

15 (B) The Secretary shall transfer
16 \$70,000,000 to the account “Energy Efficiency
17 and Renewable Energy”, to remain available
18 until expended, including—

19 (i) \$30,000,000 for a program to ac-
20 celerate applied research on energy storage
21 systems to support electric drive vehicles,
22 stationary applications, and electricity
23 transmission and distribution as authorized
24 by section 641(p)(2) of the Energy Inde-

1 pendence and Security Act of 2007 (42
2 U.S.C. 17231(p)(2));

3 (ii) \$20,000,000 for energy storage
4 systems demonstrations as authorized by
5 section 641(p)(4) of the Energy Independ-
6 ence and Security Act of 2007 (42 U.S.C.
7 17231(p)(4)); and

8 (iii) \$20,000,000 for vehicle energy
9 storage systems demonstrations as author-
10 ized by section 641(p)(5) of the Energy
11 Independence and Security Act of 2007
12 (42 U.S.C. 17231(p)(5)).

13 (e) TRANSFER PROCEDURES.—The Secretary shall
14 make an initial transfer from the Fund no later than 30
15 days after the initial deposit of monies into the Fund. The
16 Secretary shall make additional transfers no later than 30
17 days after subsequent deposits. If the amount available to
18 be transferred is less than the levels authorized under sub-
19 section (d), the transfers for each program shall be allo-
20 cated on a pro rata basis. If the amount available to be
21 transferred exceeds the levels authorized under subsection
22 (d), the transfers for each program shall be increased on
23 a pro rata basis.

24 (f) MANAGEMENT AND OVERSIGHT.—

1 (1) ADDITIONALITY OF FISCAL YEAR 2008
2 TRANSFERS.—All amounts transferred under sub-
3 section (d) shall be in addition to, and shall not be
4 substituted for, any funds appropriated for the same
5 or similar purposes in the Consolidated Appropria-
6 tions Act, 2008.

7 (2) EXCESS FUNDS.—The total of all amounts
8 transferred under subsection (d) and any funds ap-
9 propriated for the same or similar purposes in the
10 Consolidated Appropriations Act, 2008 may not ex-
11 ceed the amounts authorized in other Acts for such
12 purposes. In the event that amounts made available
13 under this title plus amounts under the Consolidated
14 Appropriations Act, 2008 exceed the cumulative
15 amounts authorized in other Acts for any program
16 funded by this Act, the excess amounts shall be dis-
17 tributed to the other programs funded by this title
18 on a pro rata basis.

19 (3) PROGRAM PLANS AND PERFORMANCE MEAS-
20 URES.—The Secretary shall prepare and publish in
21 the Federal Register a plan for the proposed use of
22 all funds authorized in subsection (d). The plan also
23 shall identify how the use of these funds will be ad-
24 ditive to, and not displace, annual appropriations.
25 The plans also shall identify performance measures

1 to assess the additional benefits that may be realized
2 from the application of the additional funding pro-
3 vided under this section. The initial plan shall be
4 published in the Federal Register not later than 45
5 days after the date of enactment of this Act.

6 (4) CONGRESSIONAL OVERSIGHT AND RE-
7 VIEW.—Nothing in this section shall limit or restrict
8 the review and oversight of program plans by the ap-
9 propriate committees of Congress. Nothing in this
10 section shall limit or restrict the authority of Con-
11 gress to set alternative spending limitations in an-
12 nual appropriations Acts.

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

○