

111TH CONGRESS
2^D SESSION

S. 3601

To promote the oil independence of the United States, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 15, 2010

Mr. MERKLEY (for himself, Mr. CARPER, Mr. UDALL of New Mexico, and Mr. BENNET) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To promote the oil independence of the United 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; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Oil Independence for a Stronger America Act of 2010”.

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

- Sec. 1. Short title; table of contents.
- Sec. 2. Definitions.

TITLE I—NATIONAL ENERGY SECURITY PROGRAM

- Sec. 101. National energy security program.
- Sec. 102. National Energy Security Council.

TITLE II—VEHICLE FUEL ECONOMY

Sec. 201. Vehicle fuel economy.

TITLE III—ELECTRIC VEHICLE DEPLOYMENT

- Sec. 301. Findings.
- Sec. 302. Definitions.
- Sec. 303. National Electric Drive Vehicle Deployment Program.
- Sec. 304. Targeted Electric Drive Vehicle Deployment Communities Program.
- Sec. 305. Modifications to tax credits.
- Sec. 306. Qualified plug-in electric drive motor vehicle refueling property bonds.
- Sec. 307. Utility planning for plug-in electric drive vehicles.
- Sec. 308. Federal fleets.
- Sec. 309. Advanced batteries for tomorrow prize.
- Sec. 310. Research and development program.
- Sec. 311. Study on the supply of raw materials.
- Sec. 312. Plug-in Electric Drive Vehicle Technical Advisory Committee.
- Sec. 313. Plug-in Electric Drive Vehicle Interagency Task Force.
- Sec. 314. Prohibition on disposing of advanced batteries in landfills.
- Sec. 315. Loan guarantees for advanced battery purchases for use in stationary applications.
- Sec. 316. Model updating building codes, permitting and inspection processes, and zoning or parking rules.
- Sec. 317. Workforce training.
- Sec. 318. Credit for grid-interactive plug-in vehicles.

TITLE IV—TRANSPORTATION INFRASTRUCTURE

Subtitle A—Transportation Options for Families and Businesses

- Sec. 401. Oil savings and greenhouse gas emission reductions through transportation efficiency.
- Sec. 402. Investing in transportation greenhouse gas emission reduction programs.
- Sec. 403. Commuter benefits equity.

Subtitle B—Freight Transportation

- Sec. 411. Freight transportation goal and plan.
- Sec. 412. Freight rail congestion grants.
- Sec. 413. Rail electrification study.

TITLE V—ALTERNATIVE TRANSPORTATION FUELS

Subtitle A—Advanced Biofuels

- Sec. 501. Allowance of investment tax credit for advanced biofuel facilities.
- Sec. 502. Grants for advanced biofuel facility property.
- Sec. 503. Inclusion of algae-based biofuel in definition of cellulosic biofuel.
- Sec. 504. Extension of cellulosic biofuel producer credit.
- Sec. 505. Extension of special allowance for cellulosic biofuel plant property.
- Sec. 506. Extension of incentives for biodiesel and renewable diesel.
- Sec. 507. Extension of alcohol fuels tax credits.

Subtitle B—Powering Vehicles With Natural Gas

- Sec. 511. Credit for qualified natural gas motor vehicles.

Sec. 512. Natural gas vehicle bonds.

Sec. 513. Incentives for manufacturing facilities producing vehicles fueled by compressed or liquified natural gas.

Sec. 514. Study of increasing natural gas and liquefied petroleum gas vehicles in Federal fleet.

TITLE VI—HEATING OIL AND PROPANE CONSERVATION

Sec. 601. Energy efficiency improvements for heating oil, propane, and kerosene use in homes and commercial buildings.

Sec. 602. Renewable biomass thermal energy for commercial buildings.

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) ADMINISTRATOR.—The term “Adminis-
4 trator” means the Administrator of the Environ-
5 mental Protection Agency.

6 (2) COUNCIL.—The term “Council” means the
7 National Energy Security Council established by sec-
8 tion 102.

9 (3) NATIONAL OIL INDEPENDENCE GOAL.—The
10 term “national oil independence goal” means the na-
11 tional oil independence goal established under sec-
12 tion 101(c).

13 (4) NATIONAL OIL INDEPENDENCE PLAN.—The
14 term “national oil independence plan” means the na-
15 tional oil independence plan established under sec-
16 tion 101(d).

1 **TITLE I—NATIONAL ENERGY**
2 **SECURITY PROGRAM**

3 **SEC. 101. NATIONAL ENERGY SECURITY PROGRAM.**

4 (a) **ESTABLISHMENT.**—There is established in the
5 Executive Office of the President the national energy secu-
6 rity program.

7 (b) **MISSION.**—The mission of the national energy se-
8 curity program shall be to coordinate the activities and
9 policies of the Federal Government to ensure, to the max-
10 imum extent practicable, that the United States meets—

11 (1) goals for reducing oil dependence, oil im-
12 ports, and oil consumption; and

13 (2) other energy policy goals, including goals
14 for—

15 (A) enhancing the competitiveness of the
16 United States in clean energy technology;

17 (B) strengthening clean energy technology
18 manufacturing in the United States;

19 (C) reducing greenhouse gas emissions;
20 and

21 (D) reducing other environmental impacts.

22 (c) **NATIONAL OIL INDEPENDENCE GOAL.**—

23 (1) **IN GENERAL.**—Subject to paragraph (2), it
24 is the goal of the United States to reduce oil con-
25 sumption by 8,000,000 barrels per day by calendar

1 year 2030 (as compared to the rate of oil consump-
2 tion projected for calendar year 2030 as of the date
3 of enactment of this Act).

4 (2) ADJUSTMENTS.—The President, in con-
5 sultation with the Council—

6 (A) may adjust the goal established under
7 paragraph (1); and

8 (B) shall ensure that the goal represents
9 the maximum practicable oil savings achievable,
10 taking into account other benefits of reducing
11 oil consumption (including economic, security,
12 and environmental benefits) and costs or other
13 economic effects.

14 (d) NATIONAL OIL INDEPENDENCE PLAN.—

15 (1) IN GENERAL.—The President, in coordina-
16 tion with the Council and the Director of the Office
17 of Management and Budget, shall—

18 (A) develop a national oil independence
19 plan that describes programs and activities that
20 will be implemented to meet or exceed the na-
21 tional oil independence goal;

22 (B) submit the national oil independence
23 plan to Congress not later than 180 days after
24 the date of enactment of this Act; and

1 (C) submit an updated national oil inde-
2 pendence plan to Congress every 2 years there-
3 after.

4 (2) REVIEW OF FEDERAL POLICIES, PROGRAMS,
5 AND AUTHORITIES.—Not later than 120 days after
6 the date of enactment of this Act, the President, in
7 coordination with the Council and the Director of
8 the Office of Management and Budget, shall review
9 existing programs and authorities of the Federal
10 Government and other applicable policies (including
11 tax policies) to determine—

12 (A)(i) which programs, authorities, or poli-
13 cies could be used to accelerate reductions in oil
14 dependence; and

15 (ii) the manner by which the programs, au-
16 thorities, or policies could be used to maximize
17 reductions in oil dependence; and

18 (B)(i) which programs, authorities, or poli-
19 cies have the effect of increasing oil consump-
20 tion and oil dependence or otherwise create bar-
21 riers to reducing oil consumption and oil de-
22 pendence; and

23 (ii) the manner by which the programs, au-
24 thorities, or policies—

1 (I) have the effect of encouraging oil
2 consumption or oil dependence or otherwise
3 create barriers to reducing oil consumption
4 and oil dependence; and

5 (II) could be modified or eliminated to
6 help meet the goal of reducing oil con-
7 sumption and oil dependence.

8 (3) CONTENTS.—At a minimum, the national
9 oil independence plan shall—

10 (A) cover implementation of the measures
11 and programs established by this Act;

12 (B) describe the results and conclusions of
13 the review conducted under paragraph (2);

14 (C) as appropriate, include—

15 (i) the use of programs, authorities,
16 or policies described in paragraph (2)(A);
17 and

18 (ii) if existing authority allows, pro-
19 posals to modify or eliminate programs,
20 authorities, or policies described in para-
21 graph (2)(B);

22 (D) include recommendations to Congress
23 for legislation that would further—

24 (i) promote reductions in oil consump-
25 tion and oil dependence;

1 (ii) reduce barriers to reducing oil
2 consumption and oil dependence; and

3 (iii) help meet the energy policy goals
4 of the United States;

5 (E) include a timetable for achieving the
6 national oil independence goal, including in-
7 terim targets on not less than a biennial basis;

8 (F) a plan for coordinating actions across
9 the Federal Government, including measures
10 established under this Act, to ensure, to the
11 maximum extent practicable, that the national
12 oil independence goal is met; and

13 (G) a timeline for issuing rules, Executive
14 orders, or other policy instruments that will im-
15 plement the recommendations contained the na-
16 tional oil independence plan.

17 (e) ANNUAL REQUESTS TO CONGRESS.—When sub-
18 mitting annual budget requests to Congress, the President
19 shall include—

20 (1) requests for sufficient funding for such pro-
21 grams as are necessary to meet the national oil inde-
22 pendence goal;

23 (2) requests for additional authority or changes
24 to existing laws or authorities to implement the na-
25 tional oil independence plan; and

1 (3) a report on the oil consumption and imports
2 of the United States relative to the national oil inde-
3 pendence goal and the interim targets and timelines
4 established in the national oil independence plan.

5 **SEC. 102. NATIONAL ENERGY SECURITY COUNCIL.**

6 (a) **ESTABLISHMENT.**—There is established in the
7 Executive Office of the President a National Energy Secu-
8 rity Council.

9 (b) **MISSION.**—The mission of the Council shall be
10 to assist and advise the President in—

11 (1) setting and meeting the national oil inde-
12 pendence goal;

13 (2) developing the national oil independence
14 plan and the requests described in section 101(e);

15 (3) coordinating the policies, programs, and ac-
16 tivities of the Federal program in order to imple-
17 ment the national oil independence plan and meet
18 the national oil independence goal; and

19 (4) ensuring that policy decisions and programs
20 are consistent with the energy policy goals of the
21 United States.

22 (c) **MEMBERSHIP.**—The membership of the Council
23 shall consist of—

24 (1) the Secretary of Energy;

25 (2) the Secretary of Transportation;

1 (3) the Administrator;

2 (4) the Director of the National Economic
3 Council;

4 (5) the Secretary of Commerce;

5 (6) the Secretary of Labor;

6 (7) the Secretary of Agriculture;

7 (8) the Chair of the Council on Environmental
8 Quality;

9 (9) the Secretary of Housing and Urban Devel-
10 opment;

11 (10) the Secretary of State;

12 (11) the Director of the Office of Management
13 and Budget; and

14 (12) the Director of the Office of Science and
15 Technology Policy.

16 (d) CHAIR.—The President shall act as Chair of the
17 Council.

18 (e) AUTHORIZATION OF APPROPRIATIONS.—There is
19 authorized to be appropriated to carry out this section
20 \$8,000,000 for each fiscal year.

21 **TITLE II—VEHICLE FUEL**
22 **ECONOMY**

23 **SEC. 201. VEHICLE FUEL ECONOMY.**

24 (a) LIGHT-DUTY VEHICLES.—The Secretary of
25 Transportation, using the authority provided under sec-

1 tion 32902 of title 49, United States Code, and the Ad-
2 ministrator, using the authority provided under the Clean
3 Air Act (42 U.S.C. 7401 et seq.), shall—

4 (1) not later than 1 year after the date of en-
5 actment of this Act, promulgate joint regulations es-
6 tablishing corporate average fuel economy standards
7 and greenhouse gas emissions limitations for light-
8 duty vehicles manufactured for each of model years
9 2017 through 2030 to maximize reductions in oil
10 consumption and greenhouse gas emissions con-
11 sistent with the criteria under those authorities; and

12 (2) every 3 years thereafter, update the stand-
13 ards and limitations established under paragraph (1)
14 for model years that are not less than 4 years after
15 the date of the update.

16 (b) MEDIUM- AND HEAVY-DUTY VEHICLES.—The
17 Secretary of Transportation, using the authority provided
18 under section 32902 of title 49, United States Code, and
19 the Administrator, using the authority provided under the
20 Clean Air Act (42 U.S.C. 7401 et seq.), shall—

21 (1) not later than 18 months after the date of
22 enactment of this Act, promulgate joint regulations
23 establishing corporate average fuel economy stand-
24 ards and greenhouse gas emissions limitations for
25 medium- and heavy-duty vehicles manufactured for

1 each of model years 2017 through 2030 to maximize
2 reductions in oil consumption and greenhouse gas
3 emissions consistent with the criteria under those
4 authorities; and

5 (2) every 3 years thereafter, update the stand-
6 ards and limitations established under paragraph (1)
7 for model years that are not less than 4 years after
8 the date of the update.

9 (c) NONROAD VEHICLES.—

10 (1) IN GENERAL.—Not later than 2 years after
11 the date of enactment of this Act, the Secretary of
12 Transportation, using the authority provided under
13 section 32902 of title 49, United States Code, and
14 the Administrator, using the authority provided
15 under the Clean Air Act (42 U.S.C. 7401 et seq.),
16 shall promulgate joint regulations establishing fuel
17 economy standards and greenhouse gas emissions
18 limitations for nonroad vehicles to maximize reduc-
19 tions in oil consumption and greenhouse gas emis-
20 sions.

21 (2) INCLUSIONS.—The nonroad vehicles de-
22 scribed in paragraph (1) shall include, at a min-
23 imum—

24 (A) airplanes and aviation vehicles;

25 (B) passenger and freight rail engines;

1 (C) boat and other marine engines; and

2 (D) off-highway construction vehicles.

3 (3) EFFECTIVE DATE.—The standards and lim-
4 itations established under paragraph (1) shall take
5 effect not earlier than 2 years after the date on
6 which the applicable regulations are promulgated.

7 (4) UPDATES.—The Secretary of Transpor-
8 tation and the Administrator shall establish a
9 timeline for updating the standards and limitations
10 established under paragraph (1) to maximize reduc-
11 tions in oil consumption and greenhouse gas.

12 **TITLE III—ELECTRIC VEHICLE** 13 **DEPLOYMENT**

14 **SEC. 301. FINDINGS.**

15 Congress finds that—

16 (1) the United States is the largest consumer of
17 petroleum in the world, consuming 19,500,000 bar-
18 rels per day of petroleum products during 2008;

19 (2) high and volatile international oil prices rep-
20 resent a significant and ongoing threat to the eco-
21 nomic and national security of the United States;

22 (3) many of the nations on which the United
23 States relies for petroleum supplies or that signifi-
24 cantly affect the world petroleum market share nei-

1 ther the national interest nor the values of the
2 United States;

3 (4) the United States imports more than 50
4 percent of the petroleum needs of the country each
5 day;

6 (5) in 2008, the net deficit of the United States
7 in petroleum trade amounted to more than
8 \$380,000,000,000, or nearly 60 percent of the total
9 trade deficit;

10 (6) the transportation sector of the United
11 States accounts for over $\frac{2}{3}$ of total national petro-
12 leum consumption and is 94 percent reliant on pe-
13 troleum;

14 (7) the electrification of the light-duty vehicle
15 fleet represents a direct pathway to significant re-
16 duction in petroleum dependence, because passenger
17 cars and light trucks account for more than 60 per-
18 cent of the transportation petroleum demand and
19 more than 40 percent of total petroleum demand in
20 the United States;

21 (8) the electrification of the light-duty vehicle
22 fleet promotes national energy security because the
23 electric power sector uses a diverse range of domes-
24 tic electricity generation sources;

1 (9) electric drive cars, when running on electric
2 power, produce no tailpipe emissions;

3 (10) the deployment of 700,000 plug-in electric
4 drive vehicles would result in a petroleum savings of
5 approximately 10,000,000 barrels per year compared
6 to the annual petroleum consumption as of the date
7 of enactment of this Act;

8 (11) in 2030, the United States could feasibly
9 deploy more than 100,000,000 plug-in electric drive
10 vehicles, which would result in a petroleum savings
11 of more than 1,000,000,000 barrels of petroleum per
12 year and greenhouse gas reductions of over
13 300,000,000 tons of carbon dioxide compared to the
14 annual petroleum consumption and greenhouse gas
15 emissions as of the date of enactment of this Act;
16 and

17 (12) a targeted deployment program for plug-in
18 electric drive vehicles that is focused on competi-
19 tively selected deployment communities—

20 (A) represents the best opportunity to in-
21 troduce plug-in electric drive vehicles to the
22 market; and

23 (B) with the information learned from the
24 deployment communities, will—

1 (i) inform best practices for the wide-
2 scale deployment of plug-in electric drive
3 vehicles; and

4 (ii) substantially reduce the oil con-
5 sumption of the United States.

6 **SEC. 302. DEFINITIONS.**

7 In this title:

8 (1) AGENCY.—The term “agency” has the
9 meaning given the term “Executive agency” in sec-
10 tion 105 of title 5, United States Code.

11 (2) CHARGING INFRASTRUCTURE.—The term
12 “charging infrastructure” means any property (not
13 including a building or the structural components of
14 a building) if the property is used for the recharging
15 of motor vehicles propelled by electricity, including
16 electrical panel upgrades, wiring, conduit, trenching,
17 pedestals, and related equipment.

18 (3) COMMITTEE.—The term “Committee”
19 means the Plug-in Electric Drive Vehicle Technical
20 Advisory Committee established by section 312.

21 (4) DEPLOYMENT COMMUNITY.—The term “de-
22 ployment community” means a community selected
23 by the Secretary to be part of the targeted plug-in
24 electric drive vehicles deployment communities pro-
25 gram under section 304.

1 (5) ELECTRIC DRIVE VEHICLE.—The term
2 “electric drive vehicle” means a vehicle that—

3 (A)(i) is—

4 (I) a light-duty vehicle (as the term is
5 defined in section 86.1803–01 of title 40,
6 Code of Federal Regulations, as in effect
7 as of the date of enactment of this Act)
8 that draws motive power from a battery
9 with a capacity of at least 4 kilowatt-
10 hours;

11 (II) a heavy-duty vehicle (as the term
12 is defined in section 86.1803–01 of title
13 40, Code of Federal Regulations, as in ef-
14 fect as of the date of enactment of this
15 Act) with a gross vehicle weight rating
16 greater than 8,500 pounds and less than
17 14,000 pounds that draws motive power
18 from a battery with a capacity of at least
19 8 kilowatt-hours;

20 (III) a heavy-duty vehicle (as the term
21 is defined in section 86.1803–01 of title
22 40, Code of Federal Regulations, as in ef-
23 fect as of the date of enactment of this
24 Act) with a gross vehicle weight rating
25 greater than 14,000 pounds and less than

1 33,000 pounds that draws motive power
2 from a battery with a capacity of at least
3 15 kilowatt-hours; or

4 (IV) a heavy-duty vehicle (as the term
5 is defined in section 86.1803–01 of title
6 40, Code of Federal Regulations, as in ef-
7 fect as of the date of enactment of this
8 Act) with a gross vehicle weight rating
9 greater than 33,000 pounds that draws
10 motive power from a battery with a capac-
11 ity of at least 20 kilowatt-hours; and

12 (ii) can be recharged from an external
13 source of electricity for motive power; or

14 (B) is a motor vehicle (as the term is de-
15 fined in section 216 of the Clean Air Act (42
16 U.S.C. 7550)) that draws motive power from a
17 fuel cell (as the term is defined in section 803
18 of the Spark M. Matsunaga Hydrogen Act of
19 2005 (42 U.S.C. 16152)).

20 (6) ELECTRIC UTILITY.—The term “electric
21 utility” has the meaning given the term in section
22 3 of the Public Utility Regulatory Policies Act of
23 1978 (16 U.S.C. 2602).

24 (7) FEDERAL-AID SYSTEM OF HIGHWAYS.—The
25 term “Federal-aid system of highways” means a

1 highway system described in section 103 of title 23,
2 United States Code.

3 (8) PLUG-IN ELECTRIC DRIVE VEHICLE.—

4 (A) IN GENERAL.—The term “plug-in elec-
5 tric drive vehicle” has the meaning given the
6 term in section 131(a)(5) of the Energy Inde-
7 pendence and Security Act of 2007 (42 U.S.C.
8 17011(a)(5)).

9 (B) INCLUSIONS.—The term “plug-in elec-
10 tric drive vehicle” includes—

11 (i) a low speed plug-in electric drive
12 vehicles that meet the Federal Motor Vehi-
13 cle Safety Standards described in section
14 571.500 of title 49, Code of Federal Regu-
15 lations (or successor regulations); and

16 (ii) any other motor vehicles that can
17 be recharged from an external source of
18 motive power and that is authorized to
19 travel on the Federal-aid system of high-
20 ways.

21 (9) PRIZE.—The term “Prize” means the Ad-
22 vanced Batteries for Tomorrow Prize established by
23 section 309.

24 (10) SECRETARY.—The term “Secretary”
25 means the Secretary of Energy.

1 (11) TASK FORCE.—The term “Task Force”
2 means the Plug-in Electric Drive Vehicle Inter-
3 agency Task Force established by section 313.

4 **SEC. 303. NATIONAL ELECTRIC DRIVE VEHICLE DEPLOY-**
5 **MENT PROGRAM.**

6 (a) IN GENERAL.—There is established within the
7 Department of Energy a national electric drive vehicle de-
8 ployment program.

9 (b) NATIONAL PLAN.—

10 (1) IN GENERAL.—Not later than 1 year after
11 the date of enactment of this Act, the Secretary
12 shall develop a national plan for electric drive vehicle
13 deployment that includes—

14 (A) an assessment of the maximum fea-
15 sible deployment of plug-in electric drive vehi-
16 cles by 2020 and 2030;

17 (B) the establishment of national goals for
18 market penetration of plug-in electric drive ve-
19 hicles by 2020 and 2030;

20 (C) a plan for using the successes and bar-
21 riers to deployment identified by the deploy-
22 ment communities program established under
23 section 304 to prepare communities across the
24 nation for the rapid deployment of plug-in elec-
25 tric drive vehicles that includes—

1 (i) measures that communities not se-
2 lected as deployment communities should
3 implement to prepare for electric drive ve-
4 hicle deployment; and

5 (ii) any recommendations to the Presi-
6 dent or Congress on the manner in which
7 the Federal Government can assist commu-
8 nities not selected as deployment commu-
9 nities in preparing for electric vehicle de-
10 ployment—

11 (I) to support national plug-in
12 electric drive vehicle deployment; and

13 (II) to benefit from the lessons
14 learned by targeted electric drive vehi-
15 cle deployment communities;

16 (D) a plan for providing technical assist-
17 ance to communities across the United States
18 to prepare for plug-in electric drive vehicle de-
19 ployment; and

20 (E) in consultation with the Task Force,
21 any recommendations to the President and to
22 Congress for changes in Federal programs (in-
23 cluding laws, regulations, and guidelines)—

24 (i) to better promote the deployment
25 of plug-in electric drive vehicles; and

1 (ii) to reduce barriers to the deploy-
2 ment of plug-in electric drive vehicles.

3 (2) UPDATES.—The Secretary shall use market
4 data and information from the targeted electric drive
5 vehicle deployment communities program established
6 under section 304 to regularly update the plan to re-
7 flect real world market conditions.

8 (c) TECHNICAL ASSISTANCE.—

9 (1) IN GENERAL.—In carrying out this section,
10 the Secretary shall provide, at the request of the ap-
11 plicable local elected official, technical assistance to
12 communities to assist with the deployment of plug-
13 in electric drive vehicles.

14 (2) PRIORITY.—In providing technical assist-
15 ance under this subsection, the Secretary shall give
16 priority to—

17 (A) communities that—

18 (i) applied to participate in the pro-
19 gram described in section 304 but were not
20 selected to be deployment communities;
21 and

22 (ii) submitted applications that were
23 evaluated as the most worthy of selection
24 based on criteria established by the Sec-
25 retary;

1 (B) communities that have established the
2 most engaged partnerships among stakeholders,
3 including, at a minimum—

4 (i) elected and appointed officials
5 from each of the participating State, local,
6 and tribal governments;

7 (ii) all relevant generators and dis-
8 tributors of electricity;

9 (iii) public utility commissions;

10 (iv) departments of public works and
11 transportation;

12 (v) owners and operators of property
13 that will be essential to the deployment of
14 a sufficient level of publicly available
15 charging infrastructure (including privately
16 owned parking lots or structures);

17 (vi) plug-in electric drive vehicle man-
18 ufacturers or retailers;

19 (vii) third-party providers of charging
20 infrastructure or services;

21 (viii) owners of any major fleet that
22 will participate in the program;

23 (ix) as appropriate, owners and opera-
24 tors of regional electric power distribution
25 and transmission facilities; and

1 (x) other existing community coali-
2 tions recognized by the Department of En-
3 ergy; and

4 (C) communities that have best dem-
5 onstrated that the public is likely to embrace
6 plug-in electric drive vehicles.

7 (d) REPORT.—The Secretary shall submit biennially
8 to the appropriate committees of Congress a report on the
9 progress made in implementing the national plan de-
10 scribed in subsection (b) that includes—

11 (1) a description of the progress made by the
12 technical assistance program under subsection (c);
13 and

14 (2) any updated recommendations of the Sec-
15 retary for changes in Federal programs to promote
16 the purposes of this section.

17 (e) AUTHORIZATION OF APPROPRIATIONS.—There is
18 authorized to be appropriated to carry out this section
19 \$10,000,000 for fiscal years 2011 through 2016.

20 **SEC. 304. TARGETED ELECTRIC DRIVE VEHICLE DEPLOY-**
21 **MENT COMMUNITIES PROGRAM.**

22 (a) ESTABLISHMENT.—

23 (1) IN GENERAL.—There is established within
24 the national electric drive deployment program es-
25 tablished under section 303 a targeted electric drive

1 vehicle deployment communities program (referred
2 to in this section as the “Program”).

3 (2) PHASE 1.—

4 (A) IN GENERAL.—The Secretary shall es-
5 tablish a competitive process to select at least
6 5 and not more than 15 phase 1 deployment
7 communities for the Program.

8 (B) ELIGIBLE ENTITIES.—In selecting
9 participants for the Program under paragraph
10 (1), the Secretary shall only consider applica-
11 tions submitted by State, tribal, or local govern-
12 ment entities (or groups of State, tribal, or
13 local government entities).

14 (C) SELECTION.—Not later than 1 year
15 after the date of enactment of this Act, the Sec-
16 retary shall select the phase 1 deployment com-
17 munities under this paragraph.

18 (D) TERMINATION.—Phase 1 of the Pro-
19 gram shall be carried out for a 5-year period
20 beginning on the date funding under this title
21 is first provided to the deployment community.

22 (3) PHASE 2.—Not later than 5 years after the
23 date of enactment of this Act, the Secretary shall
24 submit to Congress a report that analyzes the suc-
25 cess of phase I and, if, based on the phase I anal-

1 ysis, the Secretary determines that a phase II pro-
2 gram is warranted, makes recommendations and de-
3 scribes a plan for phase II, including—

4 (A) recommendations regarding—

5 (i) the number of additional deploy-
6 ment communities that should be selected;

7 (ii) the manner in which criteria for
8 selection should be updated;

9 (iii) the manner in which incentive
10 structures for phase 2 deployment should
11 be changed; and

12 (iv) whether other forms of onboard
13 energy storage for electric drive vehicles
14 should be included in phase 2; and

15 (B) a request for appropriations to imple-
16 ment phase 2 of the Program.

17 (b) GOALS.—The goals of the Program are—

18 (1) to facilitate the rapid deployment of plug-
19 in electric drive vehicles, including—

20 (A) the deployment of 700,000 plug-in
21 electric drive vehicles in phase 1 in the deploy-
22 ment communities selected under paragraph
23 (2);

1 (B) the near-term achievement of signifi-
2 cant market penetration in deployment commu-
3 nities; and

4 (C) the achievement of significant market
5 penetration nationally;

6 (2) to establish models for the rapid deployment
7 of plug-in electric drive vehicles nationally, including
8 for the deployment of residential and publicly avail-
9 able charging infrastructure;

10 (3) to increase consumer knowledge and accept-
11 ance of plug-in electric drive vehicles;

12 (4) to encourage the innovation and investment
13 necessary to achieve mass market deployment of
14 plug-in electric drive vehicles;

15 (5) to demonstrate the integration of plug-in
16 electric drive vehicles into electricity distribution sys-
17 tems and the larger electric grid while maintaining
18 grid system performance and reliability;

19 (6) to demonstrate protocols and communica-
20 tion standards that facilitate vehicle integration into
21 the grid and provide seamless charging for con-
22 sumers traveling through multiple utility distribution
23 systems;

24 (7) to investigate differences among deployment
25 communities and to develop best practices for imple-

1 menting vehicle electrification in various commu-
2 nities, including best practices for planning for and
3 facilitating the construction of residential and pub-
4 licly available infrastructure to support plug-in elec-
5 tric drive vehicles;

6 (8) to collect comprehensive data on the pur-
7 chase and use of plug-in electric vehicles to inform
8 best practices for rapidly deploying plug-in electric
9 drive vehicles in other locations, including for the in-
10 stallation of charging infrastructure; and

11 (9) to reduce and displace petroleum use and
12 reduce greenhouse gas emissions by accelerating the
13 deployment of plug-in electric drive vehicles in the
14 United States.

15 (c) PHASE 1 DEPLOYMENT COMMUNITY SELECTION
16 CRITERIA.—

17 (1) IN GENERAL.—The Secretary shall ensure,
18 to the maximum extent practicable, that selected de-
19 ployment communities in phase 1 serve as models of
20 deployment for various communities across the
21 United States.

22 (2) SELECTION.—In selecting communities
23 under this section, the Secretary—

24 (A) shall ensure, to the maximum extent
25 practicable, that—

1 (i) the combination of selected com-
2 munities is diverse in population, demo-
3 graphics, urban and suburban composition,
4 typical commuting patterns, climate, type
5 of utility (including regulated, municipal,
6 cooperative, and vertically integrated utili-
7 ties), and geography;

8 (ii) at least 1 community selected has
9 a population of less than 125,000;

10 (iii) each deployment community will
11 achieve significant market penetration; and

12 (iv) the deployment communities
13 present a strong opportunity for replication
14 in other communities across the United
15 States;

16 (B) is encouraged to select a combination
17 of deployment communities that includes mul-
18 tiple models or approaches for deploying plug-
19 in electric drive vehicles that the Secretary be-
20 lieves are reasonably likely to be effective, in-
21 cluding multiple approaches to the deployment
22 of charging infrastructure; and

23 (C) in addition to the criteria described in
24 subparagraph (A), may give preference to appli-

1 cants proposing a greater non-Federal cost
2 share.

3 (3) CRITERIA.—

4 (A) IN GENERAL.—Not later than 120
5 days after the date of enactment of this Act,
6 the Secretary shall publish criteria for the selec-
7 tion of deployment communities that include re-
8 quirements that applications be submitted by a
9 State, tribal, or local government entity (or
10 groups of State, tribal, or local government en-
11 tities).

12 (B) APPLICATION REQUIREMENTS.—The
13 criteria published by the Secretary under sub-
14 paragraph (A) shall include application require-
15 ments that, at a minimum, include—

16 (i) goals for—

17 (I) the number of plug-in electric
18 drive vehicles to be deployed in the
19 community;

20 (II) the expected percentage of
21 light-duty vehicle sales that would be
22 sales of plug-in electric drive vehicles;
23 and

24 (III) the adoption of plug-in elec-
25 tric drive vehicles (including medium-

1 or heavy-duty vehicles) in private and
2 public fleets during the 5-year dura-
3 tion of the Program;

4 (ii) evidence that—

5 (I) the public is likely to embrace
6 plug-in electric drive vehicles; and

7 (II) automobile manufacturers
8 and dealers will be able to provide and
9 service the targeted number of plug-in
10 electric drive vehicles in the commu-
11 nity for the duration of the program;

12 (iii) clearly defined geographic bound-
13 aries of the proposed deployment area;

14 (iv) a community deployment plan for
15 the deployment of plug-in electric drive ve-
16 hicles, charging infrastructure, and serv-
17 ices in the deployment community;

18 (v) assurances that a majority of the
19 vehicle deployments anticipated in the plan
20 will be for personal vehicles authorized to
21 travel on the United States Federal-aid
22 system of highways, but may also in-
23 clude—

24 (I) private or public sector plug-
25 in electric drive fleet vehicles;

1 (II) medium- and heavy-duty hy-
2 brid vehicles;

3 (III) low speed plug-in electric
4 drive vehicles that meet Federal
5 Motor Vehicle Safety Standards de-
6 scribed in section 571.500 of title 49,
7 Code of Federal Regulations; and

8 (IV) any other plug-in electric
9 drive vehicle authorized to travel on
10 the United States Federal-aid system
11 of highways; and

12 (vi) any other merit-based criteria, as
13 determined by the Secretary.

14 (4) COMMUNITY DEPLOYMENT PLANS.—Plans
15 for the deployment of plug-in electric drive vehicles
16 shall include—

17 (A) a proposed level of cost sharing in ac-
18 cordance with subsection (d)(2)(C);

19 (B) documentation demonstrating a sub-
20 stantial partnership with relevant stakeholders,
21 including—

22 (i) a list of stakeholders that in-
23 cludes—

- 1 (I) elected and appointed officials
2 from each of the participating State,
3 local, and tribal governments;
- 4 (II) all relevant generators and
5 distributors of electricity;
- 6 (III) State utility regulatory au-
7 thorities;
- 8 (IV) departments of public works
9 and transportation;
- 10 (V) owners and operators of
11 property that will be essential to the
12 deployment of a sufficient level of
13 publicly available charging infrastruc-
14 ture (including privately owned park-
15 ing lots or structures);
- 16 (VI) plug-in electric drive vehicle
17 manufacturers or retailers;
- 18 (VII) third-party providers of
19 charging infrastructure or services;
- 20 (VIII) owners of any major fleet
21 that will participate in the program;
- 22 (IX) as appropriate, owners and
23 operators of regional electric power
24 distribution and transmission facili-
25 ties; and

- 1 (X) as appropriate, other existing
2 community coalitions recognized by
3 the Department of Energy;
- 4 (ii) evidence of the commitment of the
5 stakeholders to participate in the partner-
6 ship;
- 7 (iii) a clear description of the role and
8 responsibilities of each stakeholder; and
- 9 (iv) a plan for continuing the engage-
10 ment and participation of the stakeholders,
11 as appropriate, throughout the implemen-
12 tation of the deployment plan;
- 13 (C) a description of the number of plug-in
14 electric drive vehicles anticipated to be plug-in
15 electric drive personal vehicles and the number
16 of plug-in electric drive vehicles anticipated to
17 be privately owned fleet or public fleet vehicles;
- 18 (D) a plan for deploying residential and
19 publicly available charging infrastructure, in-
20 cluding—
- 21 (i) an assessment of the number of
22 consumers who will have access to private
23 residential charging infrastructure;

1 (ii) an approach for accommodating
2 residents who are not able to charge vehi-
3 cles at the place of residence;

4 (iii) a plan for ensuring that the
5 charging infrastructure be able to send and
6 receive the information needed to interact
7 with the grid and be compatible with smart
8 grid technologies to the extent appropriate;

9 (iv) an estimate of how many charg-
10 ing stations will be needed and where to lo-
11 cate the stations;

12 (v) a plan for how much publicly
13 available charging infrastructure will be
14 privately funded or located on private
15 property; and

16 (vi) a description of equipment to be
17 deployed, including assurances that, to the
18 maximum extent practicable, equipment to
19 be deployed will meet open, nonproprietary
20 standards for connecting to plug-in electric
21 drive vehicles that are either—

22 (I) commonly accepted by indus-
23 try at the time the equipment is being
24 acquired; or

1 (II) meet the standards developed
2 by the Director of the National Insti-
3 tute of Standards and Technology
4 under section 1305 of the Energy
5 Independence and Security Act of
6 2007 (42 U.S.C. 17385);

7 (E) a plan for effective marketing of plug-
8 in electric drive vehicles, charging services, and
9 infrastructure;

10 (F) descriptions of updated building codes
11 (or a plan to update building codes before or
12 during the grant period) to include charging in-
13 frastructure or dedicated circuits for charging
14 infrastructure, as appropriate, in new construc-
15 tion and major renovations;

16 (G) descriptions of updated construction
17 permitting or inspection processes (or a plan to
18 update construction permitting or inspection
19 processes) to allow for expedited installation of
20 charging infrastructure for purchasers of plug-
21 in electric drive vehicles, including a permitting
22 process that allows a vehicle purchaser to have
23 charging infrastructure installed within 3 busi-
24 ness days;

1 (H) descriptions of updated zoning, park-
2 ing rules, or other local ordinances as are nec-
3 essary to facilitate the installation of publicly
4 available charging infrastructure and to allow
5 for access to publicly available charging infra-
6 structure, as appropriate;

7 (I) additional incentives, beyond those es-
8 tablished by this title, for the purchasers of
9 plug-in electric drive vehicles, including rebates
10 or reductions in sales taxes or registration fees,
11 preferred parking spaces, and single rider ac-
12 cess to high occupancy vehicle lanes for plug-in
13 electric drive vehicles;

14 (J) additional incentives, beyond those es-
15 tablished by this title, for the installation of
16 charging infrastructure;

17 (K) a proposed plan for making necessary
18 utility and grid upgrades, including economi-
19 cally sound information technology upgrades
20 and a plan for recovering the cost of the up-
21 grades;

22 (L) a description of utility, grid operator,
23 or third-party charging service provider, policies
24 and plans for accommodating the deployment of
25 plug-in electric drive vehicles, including—

1 (i) rate structures or provisions and
2 billing protocols for the charging of plug-
3 in electric drive vehicles, including, as ap-
4 propriate—

5 (I) accommodation for billing
6 for—

7 (aa) charging at a place of
8 residence and at publicly avail-
9 able charging infrastructure; and

10 (bb) vehicle owners who can-
11 not charge at home by virtue of
12 the nature of their residence; and

13 (II) rate structures or provisions
14 that benefit consumers by facili-
15 tating—

16 (aa) charging off-peak rates;

17 (bb) load management strat-
18 egies that optimize reliable and
19 economical operation of the grid;

20 (cc) utilities, grid operators,
21 or third-party charging services
22 to draw battery charge for use on
23 the grid; or

1 (dd) the offer of other bene-
2 fits to the utility system or the
3 grid;

4 (ii) analysis of potential impacts to
5 the grid;

6 (iii) plans for using information tech-
7 nology or third-party aggregators to mini-
8 mize the effects of charging on peak loads;

9 (iv) plans for working with smart grid
10 technologies or third-party aggregators for
11 the purposes of smart charging and for al-
12 lowing 2-way communication and elec-
13 tricity movement; and

14 (v) plans for anticipating vehicle-to-
15 grid applications that will allow batteries
16 in cars as well as banks of batteries to be
17 used for grid storage, ancillary services
18 provision, and backup power;

19 (M) a deployment timeline;

20 (N) a plan for monitoring and evaluating
21 the implementation of the plan, including
22 metrics for assessing the success of the deploy-
23 ment and an approach to updating the plan, as
24 appropriate; and

1 (O) a description of the manner in which
2 any grant funds applied for under subsection
3 (d) will be used and the proposed local cost
4 share for the funds.

5 (d) PHASE 1 APPLICATIONS AND GRANTS.—

6 (1) IN GENERAL.—Not later than 120 days
7 after the date of publication by the Secretary of the
8 selection criteria described in subsection (c)(3), any
9 State, tribe, or local government, or group of State,
10 tribe, or local governments may apply to the Sec-
11 retary to become a deployment community.

12 (2) GRANTS.—

13 (A) IN GENERAL.—In each application, the
14 applicant may request up to \$250,000,000 in fi-
15 nancial assistance from the Secretary to fund
16 projects in the deployment community.

17 (B) USE OF FUNDS.—Funds provided
18 through a grant under this paragraph may be
19 used to help implement the plan for the deploy-
20 ment of plug-in electric drive vehicles included
21 in the application, including—

22 (i) planning for and installing charg-
23 ing infrastructure, including offering addi-
24 tional incentives as described in subsection
25 (c)(4)(J);

1 (ii) updating building codes, zoning or
2 parking rules, or permitting or inspection
3 processes as described in subparagraphs
4 (F), (G), and (H) of subsection (c)(4);

5 (iii) reducing the cost and increasing
6 the consumer adoption of plug-in electric
7 drive vehicles through incentives as de-
8 scribed in subsection (c)(4)(I);

9 (iv) workforce training, including
10 training of permitting officials;

11 (v) public education described in the
12 proposed marketing plan; and

13 (vi) shifting State, tribal, or local gov-
14 ernment fleets to plug-in electric drive ve-
15 hicles, at a rate in excess of the existing
16 Federal alternative fleet vehicle require-
17 ments.

18 (C) COST-SHARING.—

19 (i) IN GENERAL.—A grant provided
20 under this paragraph shall be subject to a
21 minimum non-Federal cost-sharing re-
22 quirement of 20 percent.

23 (ii) NON-FEDERAL SOURCES.—The
24 Secretary shall—

1 (I) determine the appropriate
2 cost share for each selected applicant;
3 and

4 (II) require that not less than 20
5 percent of the cost of an activity fund-
6 ed by a grant under this paragraph be
7 provided by a non-Federal source.

8 (iii) REDUCTION.—The Secretary may
9 reduce or eliminate the cost-sharing re-
10 quirement described in clause (i), as the
11 Secretary determines to be necessary.

12 (iv) CALCULATION OF AMOUNT.—In
13 calculating the amount of the non-Federal
14 share under this section, the Secretary—

15 (I) may include allowable costs in
16 accordance with the applicable cost
17 principles, including—

18 (aa) cash;

19 (bb) personnel costs;

20 (cc) the value of a service,
21 other resource, or third party in-
22 kind contribution determined in
23 accordance with the applicable
24 circular of the Office of Manage-
25 ment and Budget;

- 1 (dd) indirect costs or facili-
2 ties and administrative costs; or
- 3 (ee) any funds received
4 under the power program of the
5 Tennessee Valley Authority or
6 any Power Marketing Adminis-
7 tration (except to the extent that
8 such funds are made available
9 under an annual appropriation
10 Act);
- 11 (II) shall include contributions
12 made by State, tribal, or local govern-
13 ment entities and private entities; and
- 14 (III) shall not include—
- 15 (aa) revenues or royalties
16 from the prospective operation of
17 an activity beyond the time con-
18 sidered in the grant, unless from
19 a qualified electric drive vehicle
20 refueling property bond (as de-
21 fined in section 54G(a) of the In-
22 ternal Revenue Code of 1986);
- 23 (bb) proceeds from the pro-
24 spective sale of an asset of an ac-
25 tivity; or

1 (cc) other appropriated Fed-
2 eral funds.

3 (v) REPAYMENT OF FEDERAL
4 SHARE.—The Secretary shall not require
5 repayment of the Federal share of a cost-
6 shared activity under this section as a con-
7 dition of providing a grant.

8 (vi) TITLE TO PROPERTY.—The re-
9 ceipt of Federal funds under this section
10 shall not prohibit the purchaser of a vehi-
11 cle, equipment, or other property from re-
12 taining sole, permanent title to the vehicle,
13 equipment, or property at the conclusion of
14 the program.

15 (3) SELECTION.—Not later than 120 days after
16 the application deadline established under paragraph
17 (1), the Secretary shall announce the names of the
18 deployment communities selected under this sub-
19 section.

20 (e) REPORTING REQUIREMENTS.—

21 (1) IN GENERAL.—The Secretary, in consulta-
22 tion with the Committee, shall—

23 (A) determine what data will be required
24 to be collected by participants in deployment
25 communities and submitted to the Department

1 to allow for analysis of the deployment commu-
2 nities; and

3 (B) develop metrics to determine the suc-
4 cess of the deployment communities.

5 (2) PROVISION OF DATA.—As a condition of
6 participation in the Program, a deployment commu-
7 nity shall provide any data identified by the Sec-
8 retary under paragraph (1).

9 (3) REPORTS.—Not later than 3 years after the
10 date of enactment of this Act and again after the
11 completion of the Program, the Secretary shall sub-
12 mit to Congress a report that contains—

13 (A) a description of the status of—

14 (i) the deployment communities and
15 the implementation of the deployment plan
16 of each deployment community;

17 (ii) the rate of vehicle manufacturing
18 deployment and market penetration of
19 plug-in electric drive vehicles; and

20 (iii) the deployment of residential and
21 publicly available infrastructure;

22 (B) a description of the challenges experi-
23 enced and lessons learned from the program to
24 date, including the activities described in sub-
25 paragraph (A); and

1 (C) an analysis of the data collected under
2 this subsection.

3 (f) INFORMATION CLEARINGHOUSE.—The Secretary
4 shall make available to the public, in a timely manner, in-
5 formation regarding the cost, performance, usage data,
6 and technical data regarding the deployment and integra-
7 tion of plug-in electric drive vehicles in the deployment
8 communities.

9 (g) PROPRIETARY INFORMATION.—The Secretary
10 shall, as appropriate, provide for the protection of propri-
11 etary information and intellectual property rights.

12 (h) AUTHORIZATION OF APPROPRIATIONS.—There is
13 authorized to be appropriated to carry out this section
14 \$2,002,000,000.

15 (i) CONFORMING AMENDMENT.—Section 166(b)(5)
16 of title 23, United States Code, is amended—

17 (1) in subparagraph (A), by striking “Before
18 September 30, 2009, the State” and inserting “The
19 State”; and

20 (2) in subparagraph (B), by striking “Before
21 September 30, 2009, the State” and inserting “The
22 State”.

23 **SEC. 305. MODIFICATIONS TO TAX CREDITS.**

24 (a) CREDIT FOR NEW QUALIFIED PLUG-IN ELEC-
25 TRIC DRIVE MOTOR VEHICLES.—

1 (1) TRANSFERABILITY.—

2 (A) IN GENERAL.—Subsection (e) of sec-
3 tion 30D of the Internal Revenue Code of 1986
4 is amended by adding at the end the following
5 new paragraph:

6 “(3) REFUNDABLE PERSONAL CREDIT.—

7 “(A) IN GENERAL.—For purposes of this
8 title, in the case of a qualified deployment com-
9 munity taxpayer, the credit allowed under sub-
10 section (a) for any taxable year (determined
11 after application of paragraph (1) and without
12 regard to paragraph (2)(B)) shall be treated as
13 a credit allowable under subpart C for such tax-
14 able year (and not allowed under subsection
15 (a)), and paragraph (2) shall not apply to such
16 credit.

17 “(B) QUALIFIED DEPLOYMENT COMMU-
18 NITY TAXPAYER.—For purposes of subpara-
19 graph (A), the term ‘qualified deployment com-
20 munity taxpayer’ means a taxpayer—

21 “(i) who purchases a new qualified
22 plug-in electric drive motor vehicle to
23 which paragraph (1) does not apply, and

24 “(ii) who resides within, and registers
25 such vehicle in, a deployment community

1 selected by the Secretary under the Tar-
2 geted Electric Vehicles Deployment Com-
3 munities Program established by the ‘Oil
4 Independence for a Stronger America Act
5 of 2010’.

6 For purposes of the preceding sentence, such a
7 deployment community shall only be treated as
8 a deployment community after the date on
9 which such community is so selected (without
10 regard to the date on which any funds under
11 such Act are provided with respect to such com-
12 munity) and before the date on which Phase 1
13 of such program terminates.

14 “(C) REFUNDABLE CREDIT MAY BE
15 TRANSFERRED.—

16 “(i) IN GENERAL.—A qualified de-
17 ployment community taxpayer may, in con-
18 nection with the purchase of a new quali-
19 fied plug-in electric drive motor vehicle,
20 transfer any refundable credit described in
21 subparagraph (A)—

22 “(I) to any person who is in the
23 trade or business of selling new quali-
24 fied plug-in electric drive motor vehi-

1 cles and who sold such vehicle to the
2 taxpayer, or

3 “(II) to any person who is in the
4 trade or business of financing the
5 sales of new qualified plug-in electric
6 drive motor vehicles and who financed
7 the taxpayer’s purchase of such vehi-
8 cle.

9 “(ii) DISCLOSURE.—A qualified de-
10 ployment community taxpayer may trans-
11 fer a refundable credit described in sub-
12 paragraph (A) to a person described in
13 clause (i)(I) only if such person clearly dis-
14 closes to such taxpayer, through the use of
15 a window sticker attached to the new
16 qualified plug-in electric drive motor vehi-
17 cle—

18 “(I) the amount of the refund-
19 able credit described in subparagraph
20 (A) with respect to such vehicle, and

21 “(II) a notification that the tax-
22 payer will not be eligible for any cred-
23 it under any other section of this title
24 with respect to such vehicle unless the
25 taxpayer elects not to have this sec-

1 tion apply with respect to such vehi-
2 cle.

3 “(iii) CERTIFICATION.—A transferee
4 of a refundable credit described in sub-
5 paragraph (A) may not claim such credit
6 unless such claim is accompanied by a cer-
7 tification to the Secretary that the trans-
8 feree reduced the price the taxpayer paid
9 or the balance due to the financier, which-
10 ever is applicable, for the new qualified
11 plug-in electric drive motor vehicle by the
12 entire amount of such refundable credit.

13 “(iv) CONSENT REQUIRED FOR REV-
14 OCATION.—Any transfer under clause (i)
15 may be revoked only with the consent of
16 the Secretary.

17 “(v) SPECIAL RULE FOR BULK PUR-
18 CHASERS.—A qualified deployment com-
19 munity taxpayer who purchases 10 or more
20 new qualified plug-in electric drive motor
21 vehicles during the taxable year may trans-
22 fer a refundable credit described in sub-
23 paragraph (A) to any person.

1 “(vi) REGULATIONS.—The Secretary
2 may prescribe such regulations as nec-
3 essary—

4 “(I) to ensure that any refund-
5 able credit described in clause (i) is
6 claimed once and not retransferred by
7 a transferee, and

8 “(II) to provide a mechanism by
9 which the transferee may claim and
10 receive the credit within 3 months of
11 the sale of the new qualified plug-in
12 electric drive motor vehicle.”.

13 (B) DISPLAY OF CREDIT INFORMATION.—
14 Section 32908(b)(1) of title 49, United States
15 Code, is amended—

16 (i) by redesignating subparagraphs
17 (E) and (F) as subparagraphs (F) and
18 (G), and

19 (ii) by inserting after subparagraph
20 (D) the following new subparagraph:

21 “(E) the amount of the new qualified plug-
22 in electric drive motor vehicle credit allowable
23 with respect to the sale of the automobile under
24 section 30D of the Internal Revenue Code of
25 1986 (26 U.S.C. 30D).”.

1 (2) INCREASED CREDIT FOR TAXPAYERS IN DE-
2 PLOYMENT COMMUNITIES.—Subsection (f) of section
3 30D of such Code is amended by adding at the end
4 the following new paragraph:

5 “(8) INCREASED CREDIT FOR TAXPAYERS IN
6 DEPLOYMENT COMMUNITIES.—In the case of a
7 qualified deployment community taxpayer (within
8 the meaning of subsection (c)(3)(B)), subsection
9 (b)(2) shall be applied by substituting ‘\$5,000’ for
10 ‘\$2,500’.”.

11 (3) INCREASED PER MANUFACTURER CAP.—
12 Paragraph (2) of section 30(D)(e) of such Code is
13 amended by striking “200,000” and inserting
14 “300,000”.

15 (4) EXTENSION AND MODIFICATION OF NEW
16 QUALIFIED HYBRID MOTOR VEHICLE CREDIT.—

17 (A) EXTENSION.—Paragraph (3) of sec-
18 tion 30B(k) of such Code is amended by strik-
19 ing “December 31, 2009” and inserting “De-
20 cember 31, 2016”.

21 (B) QUALIFIED INCREMENTAL HYBRID
22 COST.—Clause (iii) of section 30B(d)(2)(B) of
23 such Code is amended by striking “does not ex-
24 ceed—” and all that follows and inserting “does
25 not exceed—

1 “(I) \$15,000, if such vehicle has
2 a gross vehicle weight rating of not
3 more than 14,000 pounds,

4 “(II) \$30,000, if such vehicle has
5 a gross vehicle weight rating of more
6 than 14,000 pounds but not more
7 than 26,000 pounds,

8 “(III) \$60,000, if such vehicle
9 has a gross vehicle weight rating of
10 more than 26,000 pounds but not
11 more than 33,000 pounds, and

12 “(IV) \$100,000, if such vehicle
13 has a gross vehicle weight rating of
14 more than 33,000 pounds.”.

15 (C) APPLICABLE PERCENTAGE FOR HEAVY
16 TRUCKS ACHIEVING 20 PERCENT INCREASE IN
17 CITY FUEL ECONOMY.—Clause (ii) of section
18 30B(d)(2)(B) of such Code is amended by re-
19 designating subclauses (I), (II), and (III) as
20 subclauses (II), (III), and (IV), respectively,
21 and by inserting before subclause (II) (as so re-
22 designated) the following new subclause:

23 “(I) 10 percent in the case of a
24 vehicle to which clause (iii)(IV) ap-
25 plies if such vehicle achieves an in-

1 crease in city fuel economy relative to
2 a comparable vehicle of at least 20
3 percent but less than 30 percent.”.

4 (D) DOLLAR LIMITATION.—Subparagraph
5 (B) of section 30B(d)(2) of such Code is
6 amended by adding at the end the following
7 new clause:

8 “(vi) LIMITATION.—The amount al-
9 lowed as a credit under subsection (a)(3)
10 with respect to a vehicle by reason of
11 clause (i) of this subparagraph shall not
12 exceed \$24,000.”.

13 (E) HEAVY ELECTRIC VEHICLES.—Para-
14 graph (3) of section 30B(d) of such Code is
15 amended by redesignating subparagraphs (B),
16 (C), and (D) as subparagraphs (C), (D), and
17 (E), respectively, and by inserting after sub-
18 paragraph (A) the following new subparagraph:

19 “(B) HEAVY ELECTRIC VEHICLES.—In the
20 case of a vehicle with a gross vehicle weight rat-
21 ing of not less than 8,500 pounds, the term
22 ‘new qualified hybrid motor vehicle’ includes a
23 motor vehicle—

1 “(i) which draws propulsion energy
2 exclusively from a rechargeable energy
3 storage system, and

4 “(ii) which meets the requirements of
5 clauses (iii), (v), (vi), and (vii) of subpara-
6 graph (A).”.

7 (F) CREDITS MAY BE TRANSFERRED.—
8 Subsection (d) of section 30B of such Code is
9 amended by adding at the end the following
10 new paragraph:

11 “(4) TRANSFERABILITY OF CREDIT.—

12 “(A) IN GENERAL.—A taxpayer who places
13 in service any vehicle may transfer the credit al-
14 lowed under this subsection with respect to
15 such vehicle through an assignment to the seller
16 of such vehicle. Such transfer may be revoked
17 only with the consent of the Secretary.

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

23 (b) CREDIT FOR ALTERNATIVE FUEL VEHICLE RE-
24 FUELING PROPERTY.—

1 (1) EXTENSION OF INCREASED CREDIT FOR
2 ELECTRICITY.—

3 (A) IN GENERAL.—Paragraph (6) of sec-
4 tion 30C(e) of the Internal Revenue Code of
5 1986 is amended—

6 (i) by striking “DURING 2009 AND
7 2010” in the heading and inserting “DUR-
8 ING CERTAIN TAXABLE YEARS”,

9 (ii) by striking “and before January
10 1, 2011”,

11 (iii) by inserting “, which is placed in
12 service before January 1, 2011 (before
13 January 1, 2017, in the case of property
14 which relates to electricity)” after “hydro-
15 gen” in subparagraph (A), and

16 (iv) by inserting “, which is placed in
17 service before January 1, 2011” after “hy-
18 drogen” in subparagraph (B).

19 (B) EXTENSION OF CREDIT.—Subsection
20 (g) of section 30C of such Code is amended—

21 (i) by striking “and” at the end of
22 paragraph (1),

23 (ii) by redesignating paragraph (2) as
24 paragraph (3), and

1 (iii) by inserting after paragraph (1)
2 the following new paragraph:

3 “(2) in the case of property relating to elec-
4 tricity, after December 31, 2016, and”.

5 (2) MODIFICATION OF COST PROVISIONS.—Sub-
6 section (e) of section 30C of such Code is amended
7 by adding at the end the following new paragraph:

8 “(7) INSTALLATION OF ELECTRICITY PROP-
9 erty.—In the case of any qualified alternative fuel
10 vehicle refueling property which relates to electricity,
11 for purposes of subsection (a), the cost of such prop-
12 erty shall include the cost of the original installation
13 of such property.”.

14 (3) TRANSFERABILITY OF CREDIT.—Section
15 30C(e) of such Code, as amended by paragraph (2),
16 is amended by adding at the end the following new
17 paragraph:

18 “(8) TRANSFERABILITY OF CREDIT.—

19 “(A) IN GENERAL.—A person who places
20 any qualified alternative fuel vehicle refueling
21 property in service may transfer the credit
22 under this section through an assignment to
23 any other person. Such transfer may be revoked
24 only with the consent of the Secretary.

1 (3) by inserting after subparagraph (E) the fol-
2 lowing new subparagraph:

3 “(F) a qualified plug-in electric drive
4 motor vehicle refueling property bond,”.

5 (b) QUALIFIED PURPOSE.—Subparagraph (C) of sec-
6 tion 54A(d)(2) of the Internal Revenue Code of 1986 is
7 amended—

8 (1) by striking “and” at the end of clause (iv),

9 (2) by striking the period at the end of clause
10 (v) and inserting “, and”, and

11 (3) by adding at the end the following new
12 clause:

13 “(vi) in the case of a qualified plug-
14 in electric drive motor vehicle refueling
15 property bond, a purpose specified in sec-
16 tion 54G(a)(1).”.

17 (c) BONDS ALLOWED.—Subpart I of part IV of sub-
18 chapter A of chapter 1 of the Internal Revenue Code of
19 1986 is amended by adding at the end the following new
20 section:

21 **“SEC. 54G. QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR**
22 **VEHICLE REFUELING PROPERTY BONDS.**

23 “(a) QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR
24 VEHICLE REFUELING PROPERTY BOND.—For purposes
25 of this subpart, the term ‘qualified plug-in electric drive

1 motor vehicle refueling property bond’ means any bond
2 issued as part of an issue if—

3 “(1) 100 percent of the available project pro-
4 ceeds of such issue are to be used for capital expend-
5 itures incurred by a qualified issuer for 1 or more
6 qualified plug-in electric drive motor vehicle refuel-
7 ing properties,

8 “(2) the bond is issued by a qualified issuer,
9 and

10 “(3) the issuer designates such bond for pur-
11 poses of this section.

12 “(b) REDUCED CREDIT AMOUNT.—Notwithstanding
13 paragraph (2) of section 54A(b), the annual credit deter-
14 mined with respect to any qualified plug-in electric drive
15 motor vehicle refueling property bond is 70 percent of the
16 amount which would (but for this subsection) otherwise
17 be determined under such paragraph with respect to such
18 bond.

19 “(c) LIMITATION ON AMOUNT OF BONDS DES-
20 IGNATED.—The maximum aggregate face amount of
21 bonds which may be designated under subsection (a) by
22 any issuer shall not exceed the limitation amount allocated
23 to such issuer under subsection (e).

24 “(d) NATIONAL LIMITATION ON AMOUNT OF BONDS
25 DESIGNATED.—There is a national qualified plug-in elec-

1 tric drive motor vehicle refueling property bond limitation
2 of \$1,000,000,000.

3 “(e) ALLOCATIONS.—The Secretary shall make allo-
4 cations of the amount of the national qualified plug-in
5 electric drive motor vehicle refueling property bond limita-
6 tion described in subsection (d) among purposes described
7 in subsection (a)(1) in such manner as the Secretary de-
8 termines appropriate.

9 “(f) DEFINITIONS.—For purposes of this section—

10 “(1) QUALIFIED PLUG-IN ELECTRIC DRIVE
11 MOTOR VEHICLE REFUELING PROPERTY.—The term
12 ‘qualified plug-in electric drive motor vehicle refuel-
13 ing property’ means any qualified alternative fuel ve-
14 hicle refueling property (within the meaning of sec-
15 tion 30C) which relates to electricity.

16 “(2) QUALIFIED ISSUER.—

17 “(A) IN GENERAL.—The term ‘qualified
18 issuer’ means a public power provider, a cooper-
19 ative electric company, or a governmental body.

20 “(B) DENIAL OF DOUBLE BENEFIT.—With
21 respect to any issue, the term ‘qualified issuer’
22 shall not include any entity to which a credit
23 under section 30C is allowed for the taxable
24 year in which such issue is issued.

1 “(C) GOVERNMENTAL BODY.—The term
2 ‘governmental body’ means any State or Indian
3 tribal government, or any political subdivision
4 thereof.

5 “(D) PUBLIC POWER PROVIDER.—The
6 term ‘public power provider’ means a State util-
7 ity that has a service obligation to end-users or
8 to a distribution utility (within the meaning of
9 section 217 of the Federal Power Act, as in ef-
10 fect on the date of the enactment of this sec-
11 tion).

12 “(E) COOPERATIVE ELECTRIC COMPANY.—
13 The term ‘cooperative electric company’ means
14 a mutual or cooperative electric company de-
15 scribed in section 501(c)(12) or an organization
16 described in section 1381(a)(2)(C).”.

17 (d) CLERICAL AMENDMENT.—The table of sections
18 for subpart I of part IV of subchapter A of chapter 1 of
19 the Internal Revenue Code of 1986 is amended by adding
20 at the end the following new item:

 “Sec. 54G. Qualified plug-in electric drive motor vehicle refueling property
 bonds.”.

21 (e) EFFECTIVE DATE.—The amendments made by
22 subsections (a), (b), (c), and (d) shall apply to obligations
23 issued after the date of the enactment of this Act.

24 (f) LOAN GUARANTEES.—

1 (1) IN GENERAL.—Section 1705 of the Energy
2 Policy Act of 2005 (42 U.S.C. 16516) is amended—

3 (A) in subsection (a), by adding at the end
4 the following:

5 “(4) Charging infrastructure and networks of
6 charging infrastructure for plug-in drive electric ve-
7 hicles, if such charging infrastructure will be oper-
8 ational prior to December 31, 2016.”; and

9 (B) by striking subsection (e) and insert-
10 ing the following:

11 “(e) SUNSET.—The authority to enter into guaran-
12 tees under this section shall expire on September 30,
13 2011, except that for projects described in subsection
14 (a)(4), the authority to enter into guarantees shall expire
15 on December 31, 2016.”.

16 **SEC. 307. UTILITY PLANNING FOR PLUG-IN ELECTRIC**
17 **DRIVE VEHICLES.**

18 The Public Utility Regulatory Policies Act of 1978
19 (16 U.S.C. 2601 et seq.) is amended—

20 (1) in section 111(d) (16 U.S.C. 2621(d)), by
21 adding at the end the following:

22 “(20) **PLUG-IN ELECTRIC DRIVE VEHICLE**
23 **PLANNING.—**

24 “(A) **UTILITY PLAN FOR PLUG-IN ELEC-**
25 **TRIC DRIVE VEHICLES.—**

1 “(i) IN GENERAL.—Not later than 2
2 years after the date of enactment of this
3 paragraph, each electric utility shall de-
4 velop a plan to support the use of plug-in
5 electric drive vehicles, including medium
6 and heavy-duty hybrid electric vehicles in
7 the service area of the electric utility.

8 “(ii) REQUIREMENTS.—A plan under
9 clause (i) shall investigate—

10 “(I) various levels of potential
11 penetration of plug-in electric drive
12 vehicles in the utility service area;

13 “(II) the potential impacts that
14 the various levels would have on dis-
15 tribution infrastructure and on the
16 operation of the transmission grid;
17 and

18 “(III) the role of third parties in
19 providing reliable and economical
20 charging services.

21 “(iii) WAIVER.—An electric utility
22 that determines that the electric utility will
23 have no meaningful penetration of plug-in
24 electric drive vehicles during the 5-year pe-
25 riod beginning on the date of enactment of

1 this paragraph may petition the Secretary
2 to waive clause (i) for 5 years.

3 “(iv) UPDATES.—

4 “(I) IN GENERAL.—Each electric
5 utility shall update the plan of the
6 electric utility every 5 years.

7 “(II) RESUBMISSION OF WAIV-
8 ER.—An electric utility that received a
9 waiver under clause (iii) and wants
10 the waiver to continue after the expi-
11 ration of the waiver shall be required
12 to resubmit the waiver.

13 “(v) EXEMPTION.—If the Secretary
14 determines that a plan required by a State
15 regulatory authority meets the require-
16 ments of this paragraph, the Secretary
17 may accept that plan and exempt the elec-
18 tric utility submitting the plan from the re-
19 quirements of clause (i).

20 “(B) SUPPORT REQUIREMENTS.—Each
21 State regulatory authority (in the case of each
22 electric utility for which the authority has rate-
23 making authority) and each municipal and co-
24 operative utility shall—

1 “(i) participate in any local plan for
2 the deployment of recharging infrastruc-
3 ture in communities located in the foot-
4 print of the authority or utility;

5 “(ii) require that charging infrastruc-
6 ture deployed is interoperable with prod-
7 ucts of all auto manufacturers to the max-
8 imum extent practicable; and

9 “(iii) consider adopting minimum re-
10 quirements for deployment of electrical
11 charging infrastructure and other appro-
12 priate requirements necessary to support
13 the use of plug-in electric drive vehicles.

14 “(C) COST RECOVERY.—Each State regu-
15 latory authority (in the case of each electric
16 utility for which the authority has ratemaking
17 authority) and each municipal and cooperative
18 utility may consider whether, and to what ex-
19 tent, to allow cost recovery for plans and imple-
20 mentation of plans.

21 “(D) SMART GRID INTEGRATION.—The
22 State regulatory authority (in the case of each
23 electric utility for which the authority has rate-
24 making authority) and each municipal and co-
25 operative utility, in accordance with regulations

1 issued by the Federal Energy Regulatory Com-
2 mission under section 1305(d) of the Energy
3 Independence and Security Act of 2007 (42
4 U.S.C. 17385), shall—

5 “(i) establish any appropriate proto-
6 cols and standards for integrating plug-in
7 electric drive vehicles into an electrical dis-
8 tribution system, including Smart Grid
9 systems and devices as described in title
10 XIII of the Energy Independence and Se-
11 curity Act of 2007 (42 U.S.C. 17381 et
12 seq.);

13 “(ii) develop, to the maximum extent
14 practicable, the means and methods for ap-
15 propriate billing settlements between utili-
16 ties, consumers, and third parties in and
17 across utility territories;

18 “(iii) identify the smart grid infra-
19 structure and information technology that
20 would likely need to be installed to most
21 efficiently manage plug-in electric vehicles;
22 and

23 “(iv) in consideration of this section,
24 review the determination made under sub-
25 section (a), including whether time-of-use

1 pricing should be employed to enable the
2 use of plug-in electric drive vehicles to con-
3 tribute to meeting peak-load and ancillary
4 service power needs.

5 “(E) DETERMINATION.—Not later than 3
6 years after the date of enactment of this para-
7 graph, each State regulatory authority (with re-
8 spect to each electric utility for which the au-
9 thority has ratemaking authority), and each
10 municipal and cooperative electric utility, shall
11 complete the consideration, and shall make the
12 determination, referred to in subsection (a) with
13 respect to the standard established by this
14 paragraph.”

15 (2) in section 112(c) (16 U.S.C. 2622(c))—

16 (A) in the first sentence, by striking “Each
17 State” and inserting the following:

18 “(1) IN GENERAL.—Each State”;

19 (B) in the second sentence, by striking “In
20 the case” and inserting the following:

21 “(2) SPECIFIC STANDARDS.—

22 “(A) NET METERING AND FOSSIL FUEL
23 GENERATION EFFICIENCY.—In the case”;

24 (C) in the third sentence, by striking “In
25 the case” and inserting the following:

1 “(B) TIME-BASED METERING AND COMMU-
2 NICATIONS.—In the case”;

3 (D) in the fourth sentence—

4 (i) by striking “In the case” and in-
5 serting the following:

6 “(C) INTERCONNECTION.—In the case”;

7 and

8 (ii) by striking “paragraph (15)” and
9 inserting “paragraph (15) of section
10 111(d)”;

11 (E) in the fifth sentence, by striking “In
12 the case” and inserting the following:

13 “(D) INTEGRATED RESOURCE PLANNING,
14 RATE DESIGN MODIFICATIONS, SMART GRID IN-
15 VESTMENTS, SMART GRID INFORMATION.—In
16 the case”; and

17 (F) by adding at the end the following:

18 “(E) PLUG-IN ELECTRIC DRIVE VEHICLE
19 PLANNING.—In the case of the standards estab-
20 lished by paragraph (20) of section 111(d), the
21 reference contained in this subsection to the
22 date of enactment of this Act shall be deemed
23 to be a reference to the date of enactment of
24 that paragraph.”; and

1 (3) in section 112(d) (16 U.S.C. 2622(d)), in
2 the matter preceding paragraph (1), by striking
3 “(19)” and inserting “(20)”.

4 **SEC. 308. FEDERAL FLEETS.**

5 (a) IN GENERAL.—Electricity consumed by Federal
6 agencies to fuel plug-in electric drive vehicles—

7 (1) is an alternative fuel (as defined in section
8 301 of the Energy Policy Act of 1992 (42 U.S.C.
9 13218)); and

10 (2) shall be accounted for under Federal fleet
11 management reporting requirements, not under Fed-
12 eral building management reporting requirements.

13 (b) ASSESSMENT AND REPORT.—Not later than 180
14 days after the date of enactment of this Act and at the
15 completion of the Program, the Federal Energy Manage-
16 ment Program and the General Services Administration,
17 in consultation with the Task Force, shall complete an as-
18 sessment of Federal Government fleets, including the
19 Postal Service and the Department of Defense, and sub-
20 mit a report to Congress that describes—

21 (1) for each Federal agency, which types of ve-
22 hicles the agency uses that would or would not be
23 suitable for near-term and medium-term conversion
24 to plug-in electric drive vehicles, taking into account
25 the types of vehicles for which plug-in electric drive

1 vehicles could provide comparable functionality and
2 lifecycle costs;

3 (2) how many plug-in electric drive vehicles
4 could be deployed by the Federal Government in 5
5 years and in 10 years, assuming that plug-in electric
6 drive vehicles are available and are purchased when
7 new vehicles are needed or existing vehicles are re-
8 placed; and

9 (3) the estimated cost to the Federal Govern-
10 ment for vehicle purchases under paragraph (2) for
11 each fiscal year.

12 (c) INVENTORY AND DATA COLLECTION.—

13 (1) IN GENERAL.—In carrying out the assess-
14 ment and report under subsection (b), the Federal
15 Energy Management Program, in consultation with
16 the General Services Administration, shall—

17 (A) develop an information request for
18 each agency that operates a fleet of at least 20
19 motor vehicles; and

20 (B) establish guidelines for each agency to
21 use in developing a plan to deploy plug-in elec-
22 tric drive vehicles.

23 (2) AGENCY RESPONSES.—Each agency that
24 operates a fleet of at least 20 motor vehicles shall—

1 (A) collect information on the vehicle fleet
2 of the agency in response to the information re-
3 quest described in paragraph (1); and

4 (B) develop a plan to deploy plug-in elec-
5 tric drive vehicles.

6 (3) ANALYSIS OF RESPONSES.—The Federal
7 Energy Management Program shall—

8 (A) analyze the information submitted by
9 each agency under paragraph (2);

10 (B) approve or suggest amendments to the
11 plan of each agency to ensure that the plan is
12 consistent with the goals and requirements of
13 this title; and

14 (C) submit a plan to Congress and the
15 General Services Administration to be used in
16 developing the pilot program described in sub-
17 section (e).

18 (d) BUDGET REQUEST.—Each agency of the Federal
19 Government shall include plug-in electric drive vehicle pur-
20 chases identified in the report under subsection (b) in the
21 budget of the agency to be included in the budget of the
22 United States Government submitted by the President
23 under section 1105 of title 31, United States Code.

24 (e) PILOT PROGRAM TO DEPLOY PLUG-IN ELECTRIC
25 DRIVE VEHICLES IN THE FEDERAL FLEET.—

1 (1) IN GENERAL.—The Administrator of Gen-
2 eral Services shall acquire plug-in electric drive vehi-
3 cles and the requisite charging infrastructure to be
4 deployed in a range of locations in the Federal fleet
5 during the 5-year period beginning on the date of
6 enactment of this Act.

7 (2) DATA COLLECTION.—The Administrator of
8 General Services shall collect data regarding—

9 (A) the cost, performance, and use of plug-
10 in electric drive vehicles in the Federal fleet;

11 (B) the deployment and integration of
12 plug-in electric drive vehicles in the Federal
13 fleet; and

14 (C) the contribution of plug-in electric
15 drive vehicles in the Federal fleet toward reduc-
16 ing the use of fossil fuels and greenhouse gas
17 emissions.

18 (3) REPORT.—Not later than 6 years after the
19 date of enactment of this Act, the Administrator of
20 General Services shall submit to the appropriate
21 committees of Congress a report that—

22 (A) describes the status of plug-in electric
23 drive vehicles in the Federal fleet; and

24 (B) includes an analysis of the data col-
25 lected under this subsection.

1 (4) PUBLIC WEBSITE.—The Federal Energy
2 Management Program shall maintain and regularly
3 update a publicly available website that provides in-
4 formation on the status of plug-in electric vehicles in
5 the Federal fleet.

6 (f) AUTHORIZATION OF APPROPRIATIONS.—There is
7 authorized to be appropriated for the Federal Government
8 to pay for incremental costs to purchase or lease plug-
9 in electric drive vehicles and the requisite charging infra-
10 structure for Federal fleets \$25,000,000.

11 **SEC. 309. ADVANCED BATTERIES FOR TOMORROW PRIZE.**

12 (a) IN GENERAL.—Not later than 1 year after the
13 date of enactment of this Act, as part of the program de-
14 scribed in section 1008 of the Energy Policy Act of 2005
15 (42 U.S.C. 16396), the Secretary shall establish the Ad-
16 vanced Batteries for Tomorrow Prize to competitively
17 award cash prizes in accordance with this section to ad-
18 vance the research, development, demonstration, and com-
19 mercial application of a 500-mile vehicle battery.

20 (b) BATTERY SPECIFICATIONS.—

21 (1) IN GENERAL.—To be eligible for the Prize,
22 a battery submitted by an entrant shall be—

23 (A) able to power a plug-in electric drive
24 vehicle authorized to travel on the United

1 States Federal-aid system of highways for at
2 least 500 miles before recharging;

3 (B) of a size that would not be cost-prohib-
4 itive or create space constraints, if mass-pro-
5 duced; and

6 (C) cost-effective (measured in cost per kil-
7 owatt hour), if mass-produced.

8 (2) ADDITIONAL REQUIREMENTS.—The Sec-
9 retary, in consultation with the Committee, shall es-
10 tablish any additional battery specifications that the
11 Secretary and the Committee determine to be nec-
12 essary.

13 (c) PRIVATE FUNDS.—

14 (1) IN GENERAL.—Subject to paragraph (2)
15 and notwithstanding section 3302 of title 31, United
16 States Code, the Secretary may accept, retain, and
17 use funds contributed by any person, government
18 entity, or organization for purposes of carrying out
19 this subsection—

20 (A) without further appropriation; and

21 (B) without fiscal year limitation.

22 (2) RESTRICTION ON PARTICIPATION.—An enti-
23 ty providing private funds for the Prize may not
24 participate in the competition for the Prize.

1 (d) TECHNICAL REVIEW.—The Secretary, in con-
2 sultation with the Committee, shall establish a technical
3 review committee composed of non-Federal officers to re-
4 view data submitted by Prize entrants under this section
5 and determine whether the data meets the prize specifica-
6 tions described in subsection (b).

7 (e) THIRD PARTY ADMINISTRATION.—The Secretary
8 may select, on a competitive basis, a third party to admin-
9 ister awards provided under this section.

10 (f) ELIGIBILITY.—To be eligible for an award under
11 this section—

12 (1) in the case of a private entity, the entity
13 shall be incorporated in and maintain a primary
14 place of business in the United States; and

15 (2) in the case of an individual (whether par-
16 ticipating as a single individual or in a group), the
17 individual shall be a citizen or lawful permanent
18 resident of the United States.

19 (g) AWARD AMOUNTS.—

20 (1) IN GENERAL.—Subject to the availability of
21 funds to carry out this section, the amount of the
22 Prize shall be \$10,000,000.

23 (2) BREAKTHROUGH ACHIEVEMENT AWARDS.—
24 In addition to the award described in paragraph (1),
25 the Secretary, in consultation with the technical re-

1 view committee established under subsection (d),
2 may award cash prizes in recognition of break-
3 through achievements in research, development,
4 demonstration, and commercial application of activi-
5 ties described in subsection (b).

6 (h) 500-MILE BATTERY AWARD FUND.—

7 (1) ESTABLISHMENT.—There is established in
8 the Treasury of the United States a fund to be
9 known as the “500-mile Battery Fund” (referred to
10 in this section as the “Fund”), to be administered
11 by the Secretary, to be available without fiscal year
12 limitation and subject to appropriation, to award
13 amounts under this section.

14 (2) TRANSFERS TO FUND.—The Fund shall
15 consist of—

16 (A) such amounts as are appropriated to
17 the Fund under subsection (i); and

18 (B) such amounts as are described in sub-
19 section (c) and that are provided for the Fund.

20 (3) PROHIBITION.—Amounts in the Fund may
21 not be made available for any purpose other than a
22 purposes described in subsection (a).

23 (4) ANNUAL REPORTS.—

24 (A) IN GENERAL.—Not later than 60 days
25 after the end of each fiscal year beginning with

1 fiscal year 2012, the Secretary shall submit a
2 report on the operation of the Fund during the
3 fiscal year to—

4 (i) the Committees on Appropriations
5 of the House of Representatives and of the
6 Senate;

7 (ii) the Committee on Energy and
8 Natural Resources of the Senate; and

9 (iii) the Committee on Energy and
10 Commerce of the House of Representa-
11 tives.

12 (B) CONTENTS.—Each report shall in-
13 clude, for the fiscal year covered by the report,
14 the following:

15 (i) A statement of the amounts depos-
16 ited into the Fund.

17 (ii) A description of the expenditures
18 made from the Fund for the fiscal year, in-
19 cluding the purpose of the expenditures.

20 (iii) Recommendations for additional
21 authorities to fulfill the purpose of the
22 Fund.

23 (iv) A statement of the balance re-
24 maining in the Fund at the end of the fis-
25 cal year.

1 (5) SEPARATE APPROPRIATIONS ACCOUNT.—
2 Section 1105(a) of title 31, United States Code, is
3 amended—

4 (A) by redesignating paragraphs (35) and
5 (36) as paragraphs (36) and (37), respectively;

6 (B) by redesignating the second paragraph
7 (33) (relating to obligational authority and out-
8 lays requested for homeland security) as para-
9 graph (35); and

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

11 “(LL) a separate statement for the 500-
12 mile Battery Fund established under section
13 8(h) of the ‘Oil Independence for a Stronger
14 America Act of 2010’, which shall include the
15 estimated amount of deposits into the Fund,
16 obligations, and outlays from the Fund.”.

17 (i) AUTHORIZATION OF APPROPRIATIONS.—There is
18 authorized to be appropriated to carry out this section
19 \$10,000,000.

20 **SEC. 310. RESEARCH AND DEVELOPMENT PROGRAM.**

21 (a) RESEARCH AND DEVELOPMENT PROGRAM.—

22 (1) IN GENERAL.—The Secretary, in consulta-
23 tion with the Committee, shall establish a program
24 to fund research and development in advanced bat-
25 teries, electric drive vehicle components, electric

1 drive infrastructure, and other technologies sup-
2 porting the development, manufacture, and deploy-
3 ment of electric drive vehicles and charging infra-
4 structure.

5 (2) USE OF FUNDS.—The program may include
6 funding for—

7 (A) the development of low-cost, smart-
8 charging and vehicle-to-grid connectivity tech-
9 nology;

10 (B) the benchmarking and assessment of
11 open software systems using nationally estab-
12 lished evaluation criteria; and

13 (C) new technologies in electricity storage
14 for vehicles.

15 (3) REPORT.—Not later than 4 years after the
16 date of enactment of this Act, the Secretary shall
17 submit to Congress a report describing the status of
18 the program described in paragraph (1).

19 (b) SECONDARY USE APPLICATIONS PROGRAM.—

20 (1) IN GENERAL.—The Secretary, in consulta-
21 tion with the Committee, shall carry out a research,
22 development, and demonstration program that builds
23 upon any work carried out under section 915 of the
24 Energy Policy Act of 2005 (42 U.S.C. 16195) and—

1 (A) identifies possible uses of a vehicle bat-
2 tery after the useful life of the battery in a ve-
3 hicle has been exhausted;

4 (B) assesses the potential for markets for
5 uses described in subparagraph (A) to develop,
6 as well as any barriers to the development of
7 the markets; and

8 (C) identifies the potential uses of a vehicle
9 battery—

10 (i) with the most promise for market
11 development; and

12 (ii) for which market development
13 would be aided by a demonstration project.

14 (2) REPORT.—Not later than 2 years after the
15 date of enactment of this Act, the Secretary shall
16 submit to the appropriate committees of Congress
17 an initial report on the findings of the program de-
18 scribed in paragraph (1), including recommendations
19 for stationary energy storage and other potential ap-
20 plications for batteries used in plug-in electric drive
21 vehicles.

22 (c) DEMONSTRATION PROJECTS.—

23 (1) IN GENERAL.—Based on the results of the
24 program described in subsection (b), the Secretary,
25 in consultation with the Committee, shall develop

1 guidelines for projects that demonstrate the sec-
2 ondary uses of vehicle batteries.

3 (2) PUBLICATION OF GUIDELINES.—Not later
4 than 30 months after the date of enactment of this
5 Act, the Secretary shall—

6 (A) publish the guidelines described in
7 paragraph (1); and

8 (B) solicit applications for funding for
9 demonstration projects.

10 (3) GRANT PROGRAM.—Not later than 38
11 months after the date of enactment of this Act, the
12 Secretary shall select proposals for grant funding
13 under this section, based on an assessment of which
14 proposals are mostly likely to contribute to the devel-
15 opment of a secondary market for batteries.

16 (d) MATERIALS RECYCLING STUDY.—

17 (1) IN GENERAL.—The Secretary, in consulta-
18 tion with the Committee, shall carry out a study on
19 the recycling of materials from plug-in electric drive
20 vehicles and the batteries used in plug-in electric
21 drive vehicles.

22 (2) REPORT.—Not later than 2 years after the
23 date of enactment of this Act, the Secretary shall
24 submit to the appropriate committees of Congress a

1 report on the findings of the study described in
2 paragraph (1).

3 (e) AUTHORIZATION OF APPROPRIATIONS.—There is
4 authorized to be appropriated to carry out this section
5 \$1,530,000,000, including—

6 (1) \$1,500,000,000 for use in conducting the
7 program described in subsection (a) for fiscal years
8 2011 through 2020;

9 (2) \$5,000,000 for use in conducting the pro-
10 gram described in subsection (b) for fiscal years
11 2011 through 2016; and

12 (3) \$25,000,000 for use in providing grants de-
13 scribed in subsection (c) for fiscal years 2011
14 through 2020.

15 **SEC. 311. STUDY ON THE SUPPLY OF RAW MATERIALS.**

16 (a) IN GENERAL.—The Secretary of the Interior, in
17 consultation with the Secretary and the Task Force, shall
18 conduct a study that—

19 (1) identifies the raw materials needed for the
20 manufacture of plug-in electric drive vehicles, bat-
21 teries, and other components for plug-in electric
22 drive vehicles, and for the infrastructure needed to
23 support plug-in electric drive vehicles;

1 (b) MISSION.—The mission of the Committee shall
2 be to advise the Secretary on technical matters, includ-
3 ing—

4 (1) the priorities for research and development;

5 (2) means of accelerating the deployment of
6 safe, economical, and efficient plug-in electric drive
7 vehicles for mass market adoption;

8 (3) the development and deployment of charg-
9 ing infrastructure;

10 (4) the development of uniform codes, stand-
11 ards, and safety protocols for plug-in electric drive
12 vehicles and charging infrastructure; and

13 (5) reporting on the competitiveness of the
14 United States in plug-in electric drive vehicle and in-
15 frastructure research, manufacturing, and deploy-
16 ment.

17 (c) MEMBERSHIP.—

18 (1) MEMBERS.—

19 (A) IN GENERAL.—The Committee shall
20 consist of not less than 12, but not more than
21 25, members.

22 (B) REPRESENTATION.—The Secretary
23 shall appoint the members to Committee from
24 among representatives of—

25 (i) domestic industry;

- 1 (ii) institutions of higher education;
2 (iii) professional societies;
3 (iv) Federal, State, and local govern-
4 mental agencies (including the National
5 Laboratories); and
6 (v) financial, transportation, labor, en-
7 vironmental, or other appropriate organiza-
8 tions, as the Secretary determines to be
9 necessary.

10 (2) TERMS.—

11 (A) IN GENERAL.—The term of a Com-
12 mittee member shall not be longer than 3 years.

13 (B) STAGGERED TERMS.—The Secretary
14 may appoint members to the Committee for dif-
15 fering term lengths to ensure continuity in the
16 functioning of the Committee.

17 (C) REAPPOINTMENTS.—A member of the
18 Committee whose term is expiring may be re-
19 appointed.

20 (3) CHAIRPERSON.—The Committee shall have
21 a chairperson, who shall be elected by and from the
22 members.

23 (d) REVIEW.—The Committee shall review and make
24 recommendations to the Secretary on the implementation
25 of programs and activities under this title.

1 (e) RESPONSE.—

2 (1) IN GENERAL.—The Secretary shall consider
3 and may adopt any recommendation of the Com-
4 mittee under subsection (c).

5 (2) BIENNIAL REPORT.—

6 (A) IN GENERAL.—Not later than 2 years
7 after the date of enactment of this Act and
8 every 2 years thereafter, the Secretary shall
9 submit to the appropriate committees of Con-
10 gress a report describing any new recommenda-
11 tions of the Committee.

12 (B) CONTENTS.—The report shall in-
13 clude—

14 (i) a description of the manner in
15 which the Secretary has implemented or
16 plans to implement the recommendations
17 of the Committee; or

18 (ii) an explanation of the reason that
19 a recommendation of the Committee has
20 not been implemented.

21 (C) TIMING.—The report described in this
22 paragraph shall be submitted by the Secretary
23 at the same time the President submits the
24 budget proposal for the Department of Energy
25 to Congress.

1 (f) COORDINATION.—The Committee shall hold joint
2 annual meetings with the Hydrogen and Fuel Cell Tech-
3 nical Advisory Committee established by section 807 of the
4 Energy Policy Act of 2005 (42 U.S.C. 16156) to help co-
5 ordinate the work and recommendations of the Commit-
6 tees.

7 (g) SUPPORT.—The Secretary shall provide to the
8 Committee the resources necessary to carry out this sec-
9 tion, as determined to be necessary by the Secretary.

10 **SEC. 313. PLUG-IN ELECTRIC DRIVE VEHICLE INTER-**
11 **AGENCY TASK FORCE.**

12 (a) IN GENERAL.—Not later than 120 days after the
13 date of enactment of this Act, the President shall establish
14 the Plug-in Electric Drive Vehicle Interagency Task
15 Force, to be chaired by the Secretary and which shall con-
16 sist of at least 1 representative from each of—

- 17 (1) the Office of Science and Technology Policy;
- 18 (2) the Council on Environmental Quality;
- 19 (3) the Department of Energy;
- 20 (4) the Department of Transportation;
- 21 (5) the Department of Defense;
- 22 (6) the Department of Commerce (including the
23 National Institute of Standards and Technology);
- 24 (7) the Environmental Protection Agency;
- 25 (8) the General Services Administration; and

1 (9) any other Federal agencies that the Presi-
2 dent determines to be appropriate.

3 (b) MISSION.—The mission of the Task Force shall
4 be to ensure awareness, coordination, and integration of
5 the activities of the Federal Government relating to elec-
6 tric drive vehicles, including—

7 (1) plug-in electric drive vehicle research and
8 development (including necessary components);

9 (2) the development of widely accepted smart-
10 grid standards and protocols for charging infrastruc-
11 ture;

12 (3) the relationship of plug-in electric drive ve-
13 hicle charging practices to electric utility regulation;

14 (4) the relationship of plug-in electric drive ve-
15 hicle deployment to system reliability and security;

16 (5) the general deployment of plug-in electric
17 drive vehicles in the Federal, State, and local gov-
18 ernments and for private use;

19 (6) the development of uniform codes, stand-
20 ards, and safety protocols for plug-in electric drive
21 vehicles and charging infrastructure; and

22 (7) the alignment of international plug-in elec-
23 tric drive vehicle standards.

24 (c) ACTIVITIES.—

1 (1) IN GENERAL.—In carrying out this section,
2 the Task Force may—

3 (A) organize workshops and conferences;

4 (B) issue publications; and

5 (C) create databases.

6 (2) MANDATORY ACTIVITIES.—In carrying out
7 this section, the Task Force shall—

8 (A) foster the exchange of generic, non-
9 proprietary information and technology among
10 industry, academia, and the Federal Govern-
11 ment;

12 (B) integrate and disseminate technical
13 and other information made available as a re-
14 sult of the programs and activities under this
15 title;

16 (C) support education about plug-in elec-
17 tric drive vehicles;

18 (D) monitor, analyze, and report on the ef-
19 fects of plug-in electric drive vehicle deployment
20 on the environment and public health, including
21 air emissions from vehicles and electricity gen-
22 erating units; and

23 (E) review and report on—

24 (i) opportunities to use Federal pro-
25 grams (including laws, regulations, and

1 guidelines) to promote the deployment of
2 plug-in electric drive vehicles; and

3 (ii) any barriers to the deployment of
4 plug-in electric drive vehicles, including
5 barriers that are attributable to Federal
6 programs (including laws, regulations, and
7 guidelines).

8 (d) AGENCY COOPERATION.—A Federal agency—

9 (1) shall cooperate with the Task Force; and

10 (2) provide, on request of the Task Force, ap-
11 propriate assistance in carrying out this section, in
12 accordance with applicable Federal laws (including
13 regulations).

14 **SEC. 314. PROHIBITION ON DISPOSING OF ADVANCED BAT-**
15 **TERIES IN LANDFILLS.**

16 An advanced battery from a plug-in electric drive ve-
17 hicle shall be disposed of in accordance with the Mercury-
18 Containing and Rechargeable Battery Management Act
19 (42 U.S.C. 14301 et seq.).

20 **SEC. 315. LOAN GUARANTEES FOR ADVANCED BATTERY**
21 **PURCHASES FOR USE IN STATIONARY APPLI-**
22 **CATIONS.**

23 Subtitle B of title I of the Energy Independence and
24 Security Act of 2007 (42 U.S.C. 17011 et seq.) is amend-
25 ed by adding at the end the following:

1 **“SEC. 137. LOAN GUARANTEES FOR ADVANCED BATTERY**
2 **PURCHASES.**

3 “(a) DEFINITIONS.—In this section:

4 “(1) QUALIFIED AUTOMOTIVE BATTERY.—The
5 term ‘qualified automotive battery’ means a battery
6 that—

7 “(A) has at least 4 kilowatt hours of bat-
8 tery capacity; and

9 “(B) is designed for use in qualified plug-
10 in electric drive motor vehicles but is purchased
11 for nonautomotive applications.

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

14 “(A) an original equipment manufacturer;

15 “(B) an electric utility;

16 “(C) any provider of range extension infra-
17 structure; or

18 “(D) any other qualified entity, as deter-
19 mined by the Secretary.

20 “(b) LOAN GUARANTEES.—

21 “(1) IN GENERAL.—The Secretary shall guar-
22 antee loans made to eligible entities for the aggre-
23 gate purchase of not less than 200 qualified auto-
24 motive batteries in a calendar year that have a total
25 minimum power rating of 1 megawatt and use ad-
26 vanced battery technology.

1 charging infrastructure for purchasers of electric
2 drive vehicles (including a permitting process that
3 allows a vehicle purchaser to have charging infra-
4 structure installed the same day a vehicle is pur-
5 chased); and

6 (3) model zoning, parking rules, or other local
7 ordinances that—

8 (A) facilitate the installation of publicly
9 available charging infrastructure; and

10 (B) allow for access to publicly available
11 charging infrastructure.

12 (b) **OPTIONAL ADOPTION.**—An applicant for selec-
13 tion as a deployment community under section 303 shall
14 not be required to use the model building codes, permit-
15 ting and inspection processes, or zoning, parking rules, or
16 other ordinances described in the report published under
17 subsection (a).

18 (c) **SMART GRID INTEGRATION.**—In developing the
19 model codes or ordinances described in subsection (a), the
20 Secretary shall take into account smart grid integration.

21 (d) **AUTHORIZATION OF APPROPRIATIONS.**—There is
22 authorized to be appropriated to carry out this section
23 \$1,000,000.

24 **SEC. 317. WORKFORCE TRAINING.**

25 (a) **MAINTENANCE AND SUPPORT.**—

1 (1) IN GENERAL.—The Secretary, in consulta-
2 tion with the Committee and the Task Force, shall
3 award grants to institutions of higher education and
4 other qualified training and education institutions
5 for the establishment of programs to provide train-
6 ing and education for vocational workforce develop-
7 ment through centers of excellence.

8 (2) PURPOSE.—Training funded under this
9 subsection shall be intended to ensure that the work-
10 force has the necessary skills needed to maintain
11 plug-in electric drive vehicles and the infrastructure
12 required to support plug-in electric drive vehicles.

13 (3) SCOPE.—Training funded under this sub-
14 section shall include training for—

15 (A) first responders;

16 (B) electricians and contractors who will
17 be installing infrastructure;

18 (C) engineers;

19 (D) code inspection officials; and

20 (E) dealers and mechanics.

21 (b) DESIGN.—The Secretary shall award grants to
22 institutions of higher education and other qualified train-
23 ing and education institutions for the establishment of
24 programs to provide training and education in designing
25 plug-in electric drive vehicles and associated components

1 and infrastructure to ensure that the United States can
2 lead the world in this field.

3 (c) REPORT.—Not later than 1 year after the date
4 of enactment of this Act, the Secretary shall submit to
5 Congress a report on the implementation of the training
6 programs under this section.

7 (d) AUTHORIZATION OF APPROPRIATIONS.—There
8 are authorized to be appropriated \$250,000,000 to carry
9 out this section.

10 **SEC. 318. CREDIT FOR GRID-INTERACTIVE PLUG-IN VEHI-**
11 **CLES.**

12 (a) IN GENERAL.—Subpart B of part IV of sub-
13 chapter A of chapter 1 of the Internal Revenue Code of
14 1986 is amended by adding at the end the following new
15 section:

16 **“SEC. 30E. QUALIFIED GRID-INTERACTIVE PLUG-IN VEHI-**
17 **CLES.**

18 “(a) IN GENERAL.—There shall be allowed as a cred-
19 it against the tax imposed by this chapter for the taxable
20 year an amount equal to the lesser of—

21 “(1) 50 percent of the cost of any qualified
22 grid-interactive plug-in vehicle placed in service by
23 the taxpayer during the taxable year, or

24 “(2) \$25,000.

1 “(b) LIMITATION ON NUMBER OF QUALIFIED GRID-
2 INTERACTIVE PLUG-IN VEHICLES.—No credit shall be al-
3 lowed with respect to any qualified grid-interactive plug-
4 in vehicle placed in service after the calendar quarter in
5 which the number of qualified grid-interactive vehicles
6 placed in service in the United States after the date of
7 the enactment of this section is at least 6,000.

8 “(c) APPLICATION WITH OTHER CREDITS.—

9 “(1) BUSINESS CREDIT TREATED AS PART OF
10 GENERAL BUSINESS CREDIT.—So much of the credit
11 which would be allowed under subsection (a) for any
12 taxable year (determined without regard to this sub-
13 section) that is attributable to property of a char-
14 acter subject to an allowance for depreciation shall
15 be treated as a credit listed in section 38(b) for such
16 taxable year (and not allowed under subsection (a)).

17 “(2) PERSONAL CREDIT.—

18 “(A) IN GENERAL.—For purposes of this
19 title, the credit allowed under subsection (a) for
20 any taxable year (determined after application
21 of paragraph (1)) shall be treated as a credit
22 allowable under subpart A for such taxable
23 year.

24 “(B) LIMITATION BASED ON AMOUNT OF
25 TAX.—In the case of a taxable year to which

1 section 26(a)(2) does not apply, the credit al-
 2 lowed under subsection (a) for any taxable year
 3 (determined after application of paragraph (1))
 4 shall not exceed the excess of—

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

8 “(ii) the sum of the credits allowable
 9 under subpart A (other than this section
 10 and sections 25D, 30, and 30D) and sec-
 11 tion 27 for the taxable year.

12 “(d) QUALIFIED GRID-INTERACTIVE PLUG-IN VEHI-
 13 CLE.—For purposes of this section, the term ‘qualified
 14 grid-interactive plug-in vehicle’ means any vehicle—

15 “(1) which—

16 “(A) is made by a manufacturer and origi-
 17 nally placed in service by the taxpayer, or

18 “(B) has been modified to meet the re-
 19 quirements of paragraphs (3) and (4) by a
 20 qualified vehicle converter and originally placed
 21 in service as a modified vehicle by the taxpayer,

22 “(2) which is acquired for use or lease by the
 23 taxpayer and not for resale,

1 “(3) which is propelled to a significant extent
2 by an electric motor which draws electricity from a
3 traction battery which—

4 “(A) has not less than 20 kilowatt hours
5 of traction battery storage, and

6 “(B) has not less than 12 kilowatt hours
7 of charging and discharging power capability at
8 240 volts,

9 “(4) which has hardware and software in place
10 on the vehicle necessary to allow a qualified
11 aggregator to control battery charging from and dis-
12 charging to the electrical grid, and

13 “(5) with respect to which the taxpayer has en-
14 tered into a contract or agreement with a qualified
15 aggregator to provide grid services for not less than
16 3 years.

17 “(e) OTHER DEFINITIONS.—For purposes of this
18 section—

19 “(1) MANUFACTURER.—The term ‘manufac-
20 turer’ has the meaning given such term under sec-
21 tion 30B.

22 “(2) QUALIFIED VEHICLE CONVERTER.—The
23 term ‘qualified vehicle converter’ means any person
24 who is in the trade or business of installing electric

1 drive or grid interface components in existing vehi-
2 cles.

3 “(3) QUALIFIED AGGREGATOR.—The term
4 ‘qualified aggregator’ means any person who—

5 “(A) is in the trade or business of control-
6 ling multiple qualified grid-interactive plug-in
7 vehicles to provide valuable grid services and
8 paying owners of those vehicles for the ability
9 to control charging and discharging of vehicle
10 battery storage systems to the grid, and

11 “(B) is either—

12 “(i) an Independent System Operator
13 as defined in section 3 of the Federal
14 Power Act (16 U.S.C. 796),

15 “(ii) a Regional Transmission Organi-
16 zation as defined in such section 3,

17 “(iii) a load-serving entity, or

18 “(iv) an independent company who ac-
19 cumulates grid services from a collection of
20 qualified grid-interactive plug-in vehicles.

21 “(4) LOAD-SERVING ENTITY.—The term ‘load-
22 serving entity’ means an electricity distribution com-
23 pany or utility company that provides distribution
24 and energy services for electricity and electric cus-
25 tomer services.

1 “(f) SPECIAL RULES.—

2 “(1) BASIS REDUCTION.—For purposes of this
3 subtitle, the basis of any property for which a credit
4 is allowable under subsection (a) shall be reduced by
5 the amount of such credit so allowed.

6 “(2) NO DOUBLE BENEFIT.—

7 “(A) COORDINATION WITH CREDIT FOR
8 NEW QUALIFIED PLUG-IN ELECTRIC VEHI-
9 CLES.—No credit shall be allowed under sub-
10 section (a) with respect to any vehicle for which
11 a credit is allowed under section 30D.

12 “(B) OTHER PROVISIONS.—The amount of
13 any deduction or credit (other than the credit
14 allowed under section 30D) allowable under this
15 chapter for a new qualified grid-interactive
16 plug-in vehicle shall be reduced by the amount
17 of credit allowed under subsection (a) for such
18 vehicle.

19 “(3) PROPERTY USED OUTSIDE UNITED STATES
20 NOT QUALIFIED.—No credit shall be allowable under
21 subsection (a) with respect to any property referred
22 to in section 50(b)(1).

23 “(4) RECAPTURE.—The Secretary shall, by reg-
24 ulations, provide for recapturing the benefit of any
25 credit allowable under subsection (a) with respect to

1 any property which ceases to be property eligible for
2 such credit.

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

7 “(g) TERMINATION.—This section shall not apply to
8 property placed in service after December 31, 2015.”.

9 (b) CONFORMING AMENDMENTS.—

10 (1) Section 38(a) of the Internal Revenue Code
11 of 1986 is amended by striking “plus” at the end of
12 paragraph (35), by striking the period at the end of
13 paragraph (36) and inserting “, plus”, and by add-
14 ing at the end the following new paragraph:

15 “(37) the portion of the qualified grid-inter-
16 active plug-in vehicle credit to which section
17 30E(c)(1) applies.”.

18 (2) Section 1016(a) of such Code is amended
19 by striking “and” at the end of paragraph (36), by
20 striking the period at the end of paragraph (37) and
21 inserting “, and”, and by adding at the end the fol-
22 lowing new paragraph:

23 “(38) to the extent provided in section
24 30E(f)(1).”.

1 (3) Section 6501(m) of such Code is amended
2 by inserting “30E(f)(5),” after “30D(e)(4),”.

3 (4) The table of sections for subpart B of part
4 IV of subchapter A of chapter 1 of such Code is
5 amended by adding at the end the following new
6 item:

“Sec. 30E. Qualified grid-interactive plug-in vehicles.”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to property placed in service after
9 the date of the enactment of this Act.

10 **TITLE IV—TRANSPORTATION**
11 **INFRASTRUCTURE**
12 **Subtitle A—Transportation Options**
13 **for Families and Businesses**

14 **SEC. 401. OIL SAVINGS AND GREENHOUSE GAS EMISSION**
15 **REDUCTIONS THROUGH TRANSPORTATION**
16 **EFFICIENCY.**

17 (a) ENVIRONMENTAL PROTECTION AGENCY.—Part
18 A of title II of the Clean Air Act (42 U.S.C. 7521 et seq.)
19 is amended by adding at the end the following:

20 **“SEC. 220. OIL SAVINGS AND GREENHOUSE GAS EMISSION**
21 **REDUCTIONS THROUGH TRANSPORTATION**
22 **EFFICIENCY.**

23 “(a) IN GENERAL.—The Administrator, in consulta-
24 tion with the Secretary of Transportation (referred to in

1 this section as the ‘Secretary’), shall promulgate, and up-
2 date from time to time, regulations to establish—

3 “(1) national transportation-related goals for
4 reducing oil consumption and greenhouse gas emis-
5 sions that are commensurate with the emission re-
6 duction targets established under the Oil Independ-
7 ence for a Stronger America Act of 2010 and the
8 amendments made by that Act;

9 “(2) standardized models and related methods,
10 to be used by States, metropolitan planning organi-
11 zations, and air quality agencies to address oil sav-
12 ings and emission reduction goals, including—

13 “(A) the development of surface transpor-
14 tation-related oil savings and greenhouse gas
15 emission reduction targets pursuant to sections
16 134 and 135 of title 23, and sections 5303 and
17 5304 of title 49, United States Code;

18 “(B) the assessment of projected surface
19 transportation-related oil consumption and
20 greenhouse gas emissions from transportation
21 strategies;

22 “(C) the assessment of projected surface
23 transportation-related oil consumption and
24 greenhouse gas emissions from State and re-
25 gional transportation plans;

1 “(D) the establishment of surface trans-
2 portation-related oil consumption and green-
3 house gas emission baselines at national, State,
4 and regional levels; and

5 “(E) the measurement and assessment of
6 actual surface transportation-related oil con-
7 sumption and emissions to assess progress to-
8 ward achievement of oil savings and emission
9 targets at the State and regional levels;

10 “(3) methods for collection of data on transpor-
11 tation-related oil consumption and greenhouse gas
12 emissions; and

13 “(4) publication and distribution of successful
14 strategies employed by States, Indian tribes, metro-
15 politan planning organizations, and other entities to
16 reduce transportation-related oil consumption and
17 greenhouse gas emissions.

18 “(b) ROLE OF DEPARTMENT OF TRANSPOR-
19 TATION.—The Secretary, in consultation with the Admin-
20 istrator, shall promulgate, and update from time to time,
21 regulations—

22 “(1) to improve the ability of transportation
23 planning models and tools, including travel demand
24 models, to address oil consumption and greenhouse
25 gas emissions;

1 “(2) to assess projected surface transportation-
2 related travel activity and transportation strategies
3 from State and regional transportation plans; and

4 “(3) to update transportation planning require-
5 ments and approval of transportation plans as nec-
6 essary to carry out this section.

7 “(c) CONSULTATION AND MODELS.—In promul-
8 gating the regulations, the Administrator and the Sec-
9 retary—

10 “(1) shall consult with States, Indian tribes,
11 metropolitan planning organizations, and air quality
12 agencies;

13 “(2) may use existing models and methodolo-
14 gies if the models and methodologies are widely con-
15 sidered to reflect the best practicable modeling or
16 methodological approach for assessing actual and
17 projected transportation-related oil consumption and
18 greenhouse gas emissions from transportation plans
19 and projects; and

20 “(3) shall consider previously developed plans
21 that were based on models and methodologies for re-
22 ducing oil consumption and greenhouse gas emis-
23 sions in applying those regulations to the first ap-
24 provals after promulgation.

1 “(d) TIMING.—The Administrator and the Secretary
2 shall—

3 “(1) publish proposed regulations under sub-
4 sections (a) and (b) not later than 1 year after the
5 date of enactment of this section; and

6 “(2) promulgate final regulations under sub-
7 sections (a) and (b) not later than 18 months after
8 the date of enactment of this section.

9 “(e) ASSESSMENT.—

10 “(1) IN GENERAL.—At least every 6 years after
11 promulgating final regulations under subsections (a)
12 and (b), the Administrator and the Secretary shall
13 jointly assess current and projected progress in re-
14 ducing national transportation-related oil consump-
15 tion and greenhouse gas emissions.

16 “(2) REQUIREMENTS.—The assessment shall—

17 “(A) examine the contributions to emission
18 reductions attributable to—

19 “(i) improvements in vehicle effi-
20 ciency;

21 “(ii) greenhouse gas performance of
22 transportation fuels;

23 “(iii) reductions in vehicle miles trav-
24 eled;

1 “(iv) changes in consumer demand
2 and use of transportation management sys-
3 tems; and

4 “(v) any other greenhouse gas-related
5 transportation policies enacted by Con-
6 gress; and

7 “(B) include an analysis of the impact of
8 the investments made by each State and metro-
9 politan planning organization through the appli-
10 cable statewide transportation improvement
11 program and transportation improvement pro-
12 gram, respectively, over the most recent 6-year
13 period on reducing transportation-related green-
14 house gas emissions and oil consumption.

15 “(3) STATE DEPARTMENTS OF TRANSPOR-
16 TATION.—The Secretary shall issue guidance to es-
17 tablish procedures for State departments of trans-
18 portation to collect and report the data required for
19 the Secretary to carry out the assessment.

20 “(4) RESULTS OF ASSESSMENT.—The Sec-
21 retary and the Administrator shall consider—

22 “(A) the results of the assessment con-
23 ducted under this subsection; and

24 “(B) based on those results, whether tech-
25 nical or other updates to regulations required

1 under this section and sections 134 and 135 of
2 title 23, and sections 5303 and 5304 of title 49,
3 United States Code, are necessary.”.

4 (b) METROPOLITAN PLANNING ORGANIZATIONS.—

5 (1) TITLE 23.—Section 134 of title 23, United
6 States Code, is amended—

7 (A) in subsection (a)(1)—

8 (i) by striking “minimizing” and in-
9 serting “reducing”; and

10 (ii) by inserting “, reliance on oil, im-
11 pacts on the environment, transportation-
12 related greenhouse gas emissions,” after
13 “consumption”;

14 (B) in subsection (h)(1)(E)—

15 (i) by inserting “sustainability, and
16 livability, reduce surface transportation-re-
17 lated reliance on oil and greenhouse gas
18 emissions, adapt to the effects of climate
19 change,” after “energy conservation,”;

20 (ii) by inserting “and public health”
21 after “quality of life”; and

22 (iii) by inserting “, including housing
23 and land use patterns” after “development
24 patterns”;

25 (C) in subsection (i)—

1 (i) in paragraph (4)(A)—

2 (I) by striking “consult, as ap-
3 propriate,” and inserting “cooperate”;

4 (II) by inserting “transportation,
5 public transportation, air quality, en-
6 ergy, and housing, and shall consult,
7 as appropriate, with State and local
8 agencies and Indian tribes responsible
9 for” after “responsible for”; and

10 (III) by inserting “public
11 health,” after “conservation,”; and

12 (ii) in paragraph (5)(C)(iii), by insert-
13 ing “and through the website of the metro-
14 politan planning organization, including oil
15 savings and emission reduction targets and
16 strategies developed under subsection
17 (k)(6), including an analysis of the antici-
18 pated effects of the targets and strate-
19 gies,” after “World Wide Web”;

20 (D) in subsection (j)(5)(A), by striking
21 “subsection (k)(4)” and inserting “subsection
22 (k)(5)”;

23 (E) in subsection (k)—

1 (i) by redesignating paragraphs (1)
2 through (5) as paragraphs (2) through (6),
3 respectively;

4 (ii) by inserting before paragraph (2)
5 (as so redesignated) the following:

6 “(1) DEFINITIONS.—In this subsection:

7 “(A) METROPOLITAN PLANNING ORGANI-
8 ZATION.—The term ‘metropolitan planning or-
9 ganization’ means a metropolitan planning or-
10 ganization described in clause (i) or (ii) of para-
11 graph (7)(B).

12 “(B) SCENARIO ANALYSIS.—The term ‘sce-
13 nario analysis’ means the use of a planning tool
14 that—

15 “(i) develops a range of scenarios rep-
16 resenting various combinations of transpor-
17 tation strategies, land use strategies, and
18 development patterns, estimates of how
19 each of those scenarios would perform in
20 meeting the oil savings and greenhouse gas
21 emission reduction targets based on anal-
22 ysis of various forces (such as health,
23 transportation, economic or environmental
24 factors, and land use) that affect growth;

25 “(ii) includes features such as—

1 “(I) the involvement of the gen-
2 eral public, key stakeholders, and
3 elected officials on a broad scale;

4 “(II) the creation of an oppor-
5 tunity for those participants to edu-
6 cate each other as to growth trends
7 and trade-offs, as a means to incor-
8 porate values and feedback into future
9 plans; and

10 “(III) the use of continuing ef-
11 forts and ongoing processes; and

12 “(iii) may include key elements such
13 as—

14 “(I) identification of the consid-
15 erations shaping planning decisions
16 and outcomes;

17 “(II) determination of patterns
18 of interaction;

19 “(III) creation of scenarios for
20 discussion purposes;

21 “(IV) analysis of implications;

22 “(V) evaluation of scenarios; and

23 “(VI) use of monitoring indica-
24 tors.”; and

1 (iii) by adding at the end the fol-
2 lowing:

3 “(7) TRANSPORTATION OIL SAVINGS AND
4 GREENHOUSE GAS REDUCTION EFFORTS.—

5 “(A) IN GENERAL.—Within a metropolitan
6 planning area serving a transportation manage-
7 ment area, the transportation planning process
8 under this section shall address transportation-
9 related oil consumption and greenhouse gas
10 emissions by including oil savings and emission
11 reduction targets and strategies to meet those
12 targets.

13 “(B) ELIGIBLE ORGANIZATIONS.—

14 “(i) MPOS WITHIN TMAS.—All provi-
15 sions and requirements of this section, in-
16 cluding the requirements for transpor-
17 tation oil savings and greenhouse gas re-
18 duction efforts, shall apply to metropolitan
19 planning organizations that also serve as
20 transportation management areas.

21 “(ii) OTHER MPOS.—A metropolitan
22 planning organization that does not serve
23 as a transportation management area—

24 “(I) may develop transportation
25 oil savings and greenhouse gas emis-

1 sion reduction targets and strategies
2 to meet those targets; and

3 “(II) if those targets and strate-
4 gies are developed, shall be subject to
5 all applicable provisions and require-
6 ments of this section and the Oil
7 Independence for a Stronger America
8 Act of 2010 and amendments made
9 by that Act, including requirements of
10 the transportation oil savings and
11 greenhouse gas reduction efforts.

12 “(C) ESTABLISHMENT OF TARGETS AND
13 CRITERIA.—

14 “(i) IN GENERAL.—Not later than 2
15 years after the promulgation of the final
16 regulations required under section 220 of
17 the Clean Air Act, each metropolitan plan-
18 ning organization that also serves as a
19 transportation management area shall de-
20 velop surface transportation-related oil sav-
21 ings and greenhouse gas emission reduc-
22 tion targets, as well as strategies to meet
23 those targets, in consultation with State
24 air agencies and Indian tribes as part of

1 the metropolitan transportation planning
2 process under this section.

3 “(ii) MULTIPLE DESIGNATIONS.—If
4 more than 1 metropolitan planning organi-
5 zation has been designated within a metro-
6 politan area, each metropolitan planning
7 organization shall coordinate with other
8 metropolitan planning organizations in the
9 same metropolitan area to develop the tar-
10 gets and strategies described in clause (i).

11 “(iii) MINIMUM REQUIREMENTS.—
12 Each metropolitan transportation plan de-
13 veloped by a metropolitan planning organi-
14 zation under clause (i) shall, within the
15 plan, demonstrate progress in stabilizing
16 and reducing transportation-related oil
17 consumption and greenhouse gas emissions
18 so as to contribute to the achievement of
19 State targets pursuant to section
20 135(f)(9).

21 “(iv) REQUIREMENTS FOR TARGETS
22 AND STRATEGIES.—The targets and strat-
23 egies developed as part of a plan under
24 this subparagraph shall, at a minimum—

1 “(I) be based on the oil consump-
2 tion and emission and travel demand
3 models and related methodologies es-
4 tablished in the final regulations re-
5 quired under section 220 of the Clean
6 Air Act;

7 “(II) inventory all sources of sur-
8 face transportation-related oil con-
9 sumption and greenhouse gas emis-
10 sions;

11 “(III) apply to those modes of
12 surface transportation that are ad-
13 dressed in the planning process under
14 this section;

15 “(IV) be integrated and con-
16 sistent with regional transportation
17 plans and transportation improvement
18 programs; and

19 “(V) be selected through scenario
20 analysis, and include, pursuant to the
21 requirements of the transportation
22 planning process under this section,
23 transportation investment and man-
24 agement strategies that reduce oil
25 consumption and greenhouse gas

1 emissions from the transportation sec-
2 tor over the life of the plan, such as—

3 “(aa) efforts to increase
4 public transportation ridership,
5 including through service im-
6 provements, capacity expansions,
7 and access enhancement;

8 “(bb) efforts to increase
9 walking, bicycling, and other
10 forms of nonmotorized transpor-
11 tation;

12 “(cc) implementation of zon-
13 ing and other land use regula-
14 tions and plans to support infill,
15 transit-oriented development, re-
16 development, or mixed use devel-
17 opment;

18 “(dd) travel demand man-
19 agement programs (including
20 carpool, vanpool, or car-share
21 projects), transportation pricing
22 measures, parking policies, and
23 programs to promote telecom-
24 muting, flexible work schedules,
25 and satellite work centers;

- 1 “(ee) highway and transit
2 operational improvements, includ-
3 ing intelligent transportation sys-
4 tems or other operational im-
5 provements to reduce long-term
6 oil consumption and greenhouse
7 gas emissions through reduced
8 congestion and improved system
9 management;
- 10 “(ff) intercity passenger rail
11 improvements;
- 12 “(gg) high-speed rail im-
13 provements and programs;
- 14 “(hh) intercity bus improve-
15 ments;
- 16 “(ii) freight rail improve-
17 ments;
- 18 “(jj) use of materials or
19 equipment associated with the
20 construction or maintenance of
21 transportation projects that re-
22 duce oil consumption and green-
23 house gas emissions;

1 “(kk) public facilities for
2 supplying electricity to electric or
3 plug-in hybrid-electric vehicles;

4 “(ll) local street network im-
5 provements; and

6 “(mm) any other effort that
7 demonstrates progress in reduc-
8 ing transportation-related oil con-
9 sumption and greenhouse gas
10 emissions in each metropolitan
11 planning organization under this
12 subsection.

13 “(v) IDENTIFICATION OF PROJECTS
14 AND STRATEGIES.—The plan developed
15 under this section shall include a list of
16 projects and strategies based on the tar-
17 gets and strategies identified under clause
18 (iv).

19 “(D) REVIEW AND APPROVAL.—Not later
20 than 180 days after the date of submission of
21 a plan under this section—

22 “(i) the Secretary and the Adminis-
23 trator shall review the plan; and

24 “(ii) the Secretary shall make a deter-
25 mination that the plan submitted by a met-

1 ropolitan planning organization meets the
2 requirements of subparagraph (C) if—

3 “(I) the Secretary finds that a
4 metropolitan planning organization
5 has developed, submitted, and pub-
6 lished the plan of the metropolitan
7 planning organization pursuant to this
8 section;

9 “(II) the Secretary, in consulta-
10 tion with the Administrator, deter-
11 mines that the plan is likely to achieve
12 the targets established by the metro-
13 politan planning organization under
14 this subsection; and

15 “(III) the development of the
16 plan complies with the minimum re-
17 quirements established under clauses
18 (iii) and (iv) of subparagraph (C).

19 “(E) CERTIFICATION.—

20 “(i) IN GENERAL.—Only metropolitan
21 planning organizations that meet the re-
22 quirements of subparagraph (C) shall be
23 eligible to receive performance grants
24 under section 402(c) of the Oil Independ-
25 ence for a Stronger America Act of 2010.

1 “(ii) FAILURE TO COMPLY.—Failure
2 to comply with the requirements under
3 subparagraph (C) shall not impact certifi-
4 cation standards under paragraph (6).”.

5 (2) TITLE 49.—Section 5303 of title 49, United
6 States Code, is amended—

7 (A) in subsection (a)(1)—

8 (i) by striking “minimizing” and in-
9 serting “reducing”; and

10 (ii) by inserting “, reliance on oil, im-
11 pacts on the environment, transportation-
12 related greenhouse gas emissions,” after
13 “consumption”;

14 (B) in subsection (h)(1)(E)—

15 (i) by inserting “sustainability, and
16 livability, reduce surface transportation-re-
17 lated reliance on oil and greenhouse gas
18 emissions, adapt to the effects of climate
19 change,” after “energy conservation,”;

20 (ii) by inserting “and public health”
21 after “quality of life”; and

22 (iii) by inserting “, including housing
23 and land use patterns” after “development
24 patterns”;

25 (C) in subsection (i)—

1 (i) in paragraph (4)(A)—

2 (I) by striking “consult, as ap-
3 propriate,” and inserting “cooperate”;

4 (II) by inserting “transportation,
5 public transportation, air quality, en-
6 ergy, and housing, and shall consult,
7 as appropriate, with State and local
8 agencies and Indian tribes responsible
9 for” after “responsible for” and

10 (III) by inserting “public
11 health,” after “conservation,”; and

12 (ii) in paragraph (5)(C)(iii), by insert-
13 ing “and through the website of the metro-
14 politan planning organization, including oil
15 savings and emission reduction targets and
16 strategies developed under subsection
17 (k)(6), including an analysis of the antici-
18 pated effects of the targets and strate-
19 gies,” after “World Wide Web”; and

20 (D) in subsection (k)—

21 (i) by redesignating paragraphs (1)
22 through (5) as paragraphs (2) through (6),
23 respectively;

24 (ii) by inserting before paragraph (2)
25 (as so redesignated) the following:

1 “(1) DEFINITION OF METROPOLITAN PLANNING
2 ORGANIZATION.—In this subsection, the term ‘met-
3 ropolitan planning organization’ means a metropoli-
4 tan planning organization described in clause (i) or
5 (ii) of paragraph (7)(B).”;

6 (iii) by adding at the end the fol-
7 lowing:

8 “(7) TRANSPORTATION OIL SAVINGS AND
9 GREENHOUSE GAS REDUCTION EFFORTS.—

10 “(A) IN GENERAL.—Within a metropolitan
11 planning area serving a transportation manage-
12 ment area, the transportation planning process
13 under this section shall address transportation-
14 related oil consumption and greenhouse gas
15 emissions by including oil savings and emission
16 reduction targets and strategies to meet those
17 targets.

18 “(B) ELIGIBLE ORGANIZATIONS.—

19 “(i) IN GENERAL.—The requirements
20 of the transportation greenhouse gas re-
21 duction efforts shall apply only to metro-
22 politan planning organizations within a
23 transportation management area.

24 “(ii) DEVELOPMENT OF PLAN.—A
25 metropolitan planning organization that

1 does not serve as a transportation manage-
2 ment area—

3 “(I) may develop transportation
4 oil savings and greenhouse gas emis-
5 sion reduction targets and strategies
6 to meet those targets; and

7 “(II) if those targets and strate-
8 gies are developed, shall be subject to
9 all provisions and requirements of this
10 section, including requirements of the
11 transportation oil savings and green-
12 house gas reduction efforts.

13 “(C) ESTABLISHMENT OF TARGETS AND
14 CRITERIA.—

15 “(i) IN GENERAL.—Not later than 2
16 years after the promulgation of the final
17 regulations required under section 220 of
18 the Clean Air Act, each metropolitan plan-
19 ning organization shall develop surface
20 transportation-related oil savings and
21 greenhouse gas emission reduction targets,
22 as well as strategies to meet those targets,
23 in consultation with State air agencies and
24 Indian tribes as part of the metropolitan

1 transportation planning process under this
2 section.

3 “(ii) MULTIPLE DESIGNATIONS.—If
4 more than 1 metropolitan planning organi-
5 zation has been designated within a metro-
6 politan area, each metropolitan planning
7 organization shall coordinate with other
8 metropolitan planning organizations in the
9 same metropolitan area to develop the tar-
10 gets and strategies described in clause (i).

11 “(iii) MINIMUM REQUIREMENTS.—
12 Each metropolitan transportation plan de-
13 veloped by a metropolitan planning organi-
14 zation under clause (i) shall, within the
15 plan, demonstrate progress in stabilizing
16 and reducing transportation-related oil
17 consumption and greenhouse gas emissions
18 so as to contribute to the achievement of
19 State targets pursuant to section 135(f)(9)
20 of title 23.

21 “(iv) REQUIREMENTS FOR TARGETS
22 AND STRATEGIES.—The targets and strat-
23 egies developed as part of a plan under
24 this subparagraph shall, at a minimum—

1 “(I) be based on the oil consump-
2 tion and emission models and related
3 methodologies established in the final
4 regulations required under section
5 220 of the Clean Air Act;

6 “(II) inventory all sources of sur-
7 face transportation-related oil con-
8 sumption and greenhouse gas emis-
9 sions;

10 “(III) apply to those modes of
11 surface transportation that are ad-
12 dressed in the planning process under
13 this section;

14 “(IV) be integrated and con-
15 sistent with regional transportation
16 plans and transportation improvement
17 programs; and

18 “(V) be selected through scenario
19 analysis (as defined in section
20 134(k)(1) of title 23), and include,
21 pursuant to the requirements of the
22 transportation planning process under
23 this section, transportation investment
24 and management strategies that re-
25 duce oil consumption and greenhouse

1 gas emissions from the transportation
2 sector over the life of the plan, such
3 as—

4 “(aa) efforts to increase
5 public transportation ridership,
6 including through service im-
7 provements, capacity expansions,
8 and access enhancement;

9 “(bb) efforts to increase
10 walking, bicycling, and other
11 forms of nonmotorized transpor-
12 tation;

13 “(cc) implementation of zon-
14 ing and other land use regula-
15 tions and plans to support infill,
16 transit-oriented development, re-
17 development, or mixed use devel-
18 opment;

19 “(dd) travel demand man-
20 agement programs (including
21 carpool, vanpool, or car-share
22 projects), transportation pricing
23 measures, parking policies, and
24 programs to promote telecom-

1 muting, flexible work schedules,
2 and satellite work centers;

3 “(ee) highway and transit
4 operational improvements, includ-
5 ing intelligent transportation sys-
6 tems or other operational im-
7 provements to reduce long-term
8 oil consumption and greenhouse
9 gas emissions through reduced
10 congestion and improved system
11 management;

12 “(ff) intercity passenger rail
13 improvements;

14 “(gg) high-speed rail im-
15 provements and programs;

16 “(hh) intercity bus improve-
17 ments;

18 “(ii) freight rail improve-
19 ments;

20 “(jj) use of materials or
21 equipment associated with the
22 construction or maintenance of
23 transportation projects that re-
24 duce oil consumption and green-
25 house gas emissions;

1 “(kk) public facilities for
2 supplying electricity to electric or
3 plug-in hybrid-electric vehicles;

4 “(ll) local street network im-
5 provements; and

6 “(mm) any other effort that
7 demonstrates progress in reduc-
8 ing transportation-related oil con-
9 sumption and greenhouse gas
10 emissions in each metropolitan
11 planning organization under this
12 subsection.

13 “(v) IDENTIFICATION OF PROJECTS
14 AND STRATEGIES.—The plan developed
15 under this section shall include a list of
16 projects and strategies based on the tar-
17 gets and strategies identified under clause
18 (iv).

19 “(D) REVIEW AND APPROVAL.—Not later
20 than 180 days after the date of submission of
21 a plan under this section—

22 “(i) the Secretary and the Adminis-
23 trator shall review the plan; and

24 “(ii) the Secretary shall make a deter-
25 mination that the plan submitted by a met-

1 ropolitan planning organization meets the
2 requirements of subparagraph (C) if—

3 “(I) the Secretary finds that a
4 metropolitan planning organization
5 has developed, submitted, and pub-
6 lished the plan of the metropolitan
7 planning organization pursuant to this
8 section;

9 “(II) the Secretary, in consulta-
10 tion with the Administrator, deter-
11 mines that the plan is likely to achieve
12 the targets established by the metro-
13 politan planning organization under
14 this subsection; and

15 “(III) the development of the
16 plan complies with the minimum re-
17 quirements established under clauses
18 (iii) and (iv) of subparagraph (C).

19 “(E) CERTIFICATION.—

20 “(i) IN GENERAL.—Only metropolitan
21 planning organizations that meet the re-
22 quirements of subparagraph (C) shall be
23 eligible to receive performance grants
24 under section 402(c) of the Oil Independ-
25 ence for a Stronger America Act of 2010.

1 “(ii) FAILURE TO COMPLY.—Failure
2 to comply with the requirements under
3 subparagraph (C) shall not impact certifi-
4 cation standards under paragraph (6).”.

5 (c) STATES.—

6 (1) TITLE 23.—Section 135 of title 23, United
7 States Code, is amended—

8 (A) in subsection (d)(1)(E)—

9 (i) by inserting “sustainability, and
10 livability, reduce surface transportation-re-
11 lated oil consumption and greenhouse gas
12 emissions, adapt to the effects of climate
13 change,” after “energy conservation,”;

14 (ii) by inserting “and public health”
15 after “quality of life”; and

16 (iii) by inserting “, including housing
17 and land use patterns” after “development
18 patterns”; and

19 (B) in subsection (f)—

20 (i) in paragraph (2)(D)(i)—

21 (I) by striking “, as appropriate,
22 in consultation” and inserting “in co-
23 operation”;

24 (II) by inserting “State and local
25 agencies and Indian tribes responsible

1 for transportation, public transpor-
 2 tation, air quality, energy, and hous-
 3 ing and in consultation with” before
 4 “State, tribal”; and

5 (III) by inserting “public
 6 health,” after “conservation,”;

7 (ii) in paragraph (3)(B)(iii), by insert-
 8 ing “and through the website of the State,
 9 including oil savings and emission reduc-
 10 tion targets and strategies developed under
 11 paragraph (9) and an analysis of the an-
 12 ticipated effects of the targets and strate-
 13 gies” after “World Wide Web”; and

14 (iii) by adding at the end the fol-
 15 lowing:

16 “(9) TRANSPORTATION OIL SAVINGS AND
 17 GREENHOUSE GAS REDUCTION EFFORTS.—

18 “(A) IN GENERAL.—Within a State, the
 19 transportation planning process under this sec-
 20 tion, shall address transportation-related green-
 21 house gas emissions by including emission re-
 22 duction targets and strategies to meet those
 23 targets.

24 “(B) ESTABLISHMENT OF TARGETS AND
 25 CRITERIA.—

1 “(i) IN GENERAL.—Not later than 2
2 years after the promulgation of the final
3 regulations required under section 220 of
4 the Clean Air Act, each State shall develop
5 surface transportation-related oil savings
6 and greenhouse gas emission reduction tar-
7 gets, as well as strategies to meet those
8 targets, in consultation with State air
9 agencies and Indian tribes as part of the
10 transportation planning process under this
11 section.

12 “(ii) MINIMUM REQUIREMENTS.—
13 Each transportation plan developed by a
14 State under clause (i) shall, within the
15 plan, demonstrate progress in stabilizing
16 and reducing transportation-related oil
17 consumption and greenhouse gas emissions
18 in the State so as to contribute to the
19 achievement of national goals pursuant to
20 section 220(a)(1) of the Clean Air Act.

21 “(iii) REQUIREMENTS FOR TARGETS
22 AND STRATEGIES.—The targets and strat-
23 egies developed as part of a plan under
24 this subparagraph shall, at a minimum—

1 “(I) be based on the oil consump-
2 tion and emission models and related
3 methodologies established in the final
4 regulations required under section
5 220 of the Clean Air Act;

6 “(II) inventory all sources of sur-
7 face transportation-related oil con-
8 sumption and greenhouse gas emis-
9 sions;

10 “(III) apply to those modes of
11 surface transportation that are ad-
12 dressed in the planning process under
13 this section;

14 “(IV) be integrated and con-
15 sistent with statewide transportation
16 plans and statewide transportation
17 improvement programs; and

18 “(V) be selected through scenario
19 analysis (as defined in section
20 134(k)(1)), and include, pursuant to
21 the requirements of the transportation
22 planning process under this section,
23 transportation investment and man-
24 agement strategies that reduce oil
25 consumption and greenhouse gas

1 emissions from the transportation sec-
2 tor over the life of the plan, such as—

3 “(aa) efforts to increase
4 public transportation ridership,
5 including through service im-
6 provements, capacity expansions,
7 and access enhancement;

8 “(bb) efforts to increase
9 walking, bicycling, and other
10 forms of nonmotorized transpor-
11 tation;

12 “(cc) implementation of zon-
13 ing and other land use regula-
14 tions and plans to support infill,
15 transit-oriented development, re-
16 development, or mixed use devel-
17 opment;

18 “(dd) travel demand man-
19 agement programs (including
20 carpool, vanpool, or car-share
21 projects), transportation pricing
22 measures, parking policies, and
23 programs to promote telecom-
24 muting, flexible work schedules,
25 and satellite work centers;

- 1 “(ee) highway and transit
2 operational improvements, includ-
3 ing intelligent transportation sys-
4 tems or other operational im-
5 provements to reduce congestion
6 and improve system manage-
7 ment;
- 8 “(ff) intercity passenger rail
9 improvements;
- 10 “(gg) high-speed rail im-
11 provements and programs;
- 12 “(hh) intercity bus improve-
13 ments;
- 14 “(ii) freight rail improve-
15 ments;
- 16 “(jj) use of materials or
17 equipment associated with the
18 construction or maintenance of
19 transportation projects that re-
20 duce oil consumption and green-
21 house gas emissions;
- 22 “(kk) public facilities for
23 supplying electricity to electric or
24 plug-in hybrid-electric vehicles;

1 “(ll) local street network im-
2 provements; and

3 “(mm) any other effort that
4 demonstrates progress in reduc-
5 ing transportation-related oil con-
6 sumption and greenhouse gas
7 emissions.

8 “(iv) IDENTIFICATION OF PROJECTS
9 AND STRATEGIES.—The plan developed
10 under this section shall include a list of
11 projects and strategies based on the tar-
12 gets and strategies identified under clause
13 (iii).

14 “(C) COORDINATION AND CONSULTATION
15 WITH PUBLIC AGENCIES.—Transportation oil
16 savings and greenhouse gas emission targets
17 and plans pursuant to this section shall be de-
18 veloped—

19 “(i) in coordination with—

20 “(I) all metropolitan planning or-
21 ganizations covered by this section
22 within the State; and

23 “(II) transportation and air qual-
24 ity agencies within the State;

1 “(ii) in consultation with representa-
2 tives of State and local housing, economic
3 development, energy, and land use agen-
4 cies; and

5 “(iii) in consultation with Indian
6 tribes contiguous to the State.

7 “(D) ENFORCEMENT.—Not later than 180
8 days after the date of submission of a plan
9 under this section—

10 “(i) the Secretary and the Adminis-
11 trator shall review the plan; and

12 “(ii) the Secretary shall make a deter-
13 mination that the plan submitted by a
14 State meets the requirements of subpara-
15 graph (B) if—

16 “(I) the Secretary finds that a
17 State has developed, submitted, and
18 published the plan pursuant to this
19 section;

20 “(II) the Secretary, in consulta-
21 tion with the Administrator, deter-
22 mines that the plan is likely to achieve
23 the targets established by the State
24 under this subsection; and

1 “(III) the development of the
2 plan complies with the minimum re-
3 quirements established under clauses
4 (ii) and (iii) of subparagraph (B).

5 “(E) PLANNING FINDING.—

6 “(i) IN GENERAL.—Only States that
7 meet the requirements of subparagraph
8 (B) shall be eligible to receive performance
9 grants under section 402(c) of the Oil
10 Independence for a Stronger America Act
11 of 2010.

12 “(ii) FAILURE TO COMPLY.—Failure
13 to comply with the requirements under
14 subparagraph (B) shall not impact the
15 planning finding under subsection (g)(7).”.

16 (2) TITLE 49.—Section 5304 of title 49, United
17 States Code is amended—

18 (A) in subsection (d)(1)(E)—

19 (i) by inserting “sustainability, and
20 livability, reduce surface transportation-re-
21 lated oil consumption and greenhouse gas
22 emissions, adapt to the effects of climate
23 change,” after “energy conservation,”;

24 (ii) by inserting “and public health”
25 after “quality of life”; and

1 (iii) by inserting “, including housing
2 and land use patterns” after “development
3 patterns”; and

4 (B) in subsection (f)—

5 (i) in paragraph (2)(D)(i)—

6 (I) by striking “, as appropriate,
7 in consultation” and inserting “in co-
8 operation”;

9 (II) by inserting “State and local
10 agencies and Indian tribes responsible
11 for transportation, public transpor-
12 tation, air quality, and housing and in
13 consultation with” before “State, trib-
14 al”; and

15 (III) by inserting “public
16 health,” after “conservation,”;

17 (ii) in paragraph (3)(B)(iii), by insert-
18 ing “and through the website of the State,
19 including oil savings and emission reduc-
20 tion targets and strategies developed under
21 paragraph (9) and an analysis of the an-
22 ticipated effects of the targets and strate-
23 gies” after “World Wide Web”; and

24 (iii) by adding at the end the fol-
25 lowing:

1 “(9) TRANSPORTATION OIL SAVINGS AND
2 GREENHOUSE GAS REDUCTION EFFORTS.—

3 “(A) IN GENERAL.—Within a State, the
4 transportation planning process under this sec-
5 tion shall address transportation-related oil con-
6 sumption and greenhouse gas emissions by in-
7 cluding oil savings and emission reduction tar-
8 gets and strategies to meet those targets.

9 “(B) ESTABLISHMENT OF TARGETS AND
10 CRITERIA.—

11 “(i) IN GENERAL.—Not later than 2
12 years after the promulgation of the final
13 regulations required under section 220 of
14 the Clean Air Act, each State shall develop
15 surface transportation-related oil savings
16 and greenhouse gas emission reduction tar-
17 gets, as well as strategies to meet those
18 targets, in consultation with State air
19 agencies and Indian tribes as part of the
20 transportation planning process under this
21 section.

22 “(ii) MINIMUM REQUIREMENTS.—
23 Each transportation plan developed by a
24 State under clause (i) shall, within the
25 plan, demonstrate progress in stabilizing

1 and reducing transportation-related oil
2 consumption and greenhouse gas emissions
3 in the State so as to contribute to the
4 achievement of national targets pursuant
5 to section 220(a)(1) of the Clean Air Act.

6 “(iii) REQUIREMENTS FOR TARGETS
7 AND STRATEGIES.—The targets and strat-
8 egies developed as part of a plan under
9 this subparagraph shall, at a minimum—

10 “(I) be based on the oil consump-
11 tion and emission models and related
12 methodologies established in the final
13 regulations required under section
14 220 of the Clean Air Act;

15 “(II) inventory all sources of sur-
16 face transportation-related oil con-
17 sumption and greenhouse gas emis-
18 sions;

19 “(III) apply to those modes of
20 surface transportation that are ad-
21 dressed in the planning process under
22 this section;

23 “(IV) be integrated and con-
24 sistent with statewide transportation

1 plans and statewide transportation
2 improvement programs; and

3 “(V) be selected through scenario
4 analysis (as defined in section
5 134(k)(1) of title 23), and include,
6 pursuant to the requirements of the
7 transportation planning process under
8 this section, transportation investment
9 and management strategies that re-
10 duce oil consumption and greenhouse
11 gas emissions from the transportation
12 sector over the life of the plan, such
13 as—

14 “(aa) efforts to increase
15 public transportation ridership,
16 including through service im-
17 provements, capacity expansions,
18 and access enhancement;

19 “(bb) efforts to increase
20 walking, bicycling, and other
21 forms of nonmotorized transpor-
22 tation;

23 “(cc) implementation of zon-
24 ing and other land use regula-
25 tions and plans to support infill,

1 transit-oriented development, re-
2 development, or mixed use devel-
3 opment;

4 “(dd) travel demand man-
5 agement programs (including
6 carpool, vanpool, or car-share
7 projects), transportation pricing
8 measures, parking policies, and
9 programs to promote telecom-
10 muting, flexible work schedules,
11 and satellite work centers;

12 “(ee) highway and transit
13 operational improvements, includ-
14 ing intelligent transportation sys-
15 tems or other operational im-
16 provements to reduce congestion
17 and improve system manage-
18 ment;

19 “(ff) intercity passenger rail
20 improvements;

21 “(gg) high-speed rail im-
22 provements and programs;

23 “(hh) intercity bus improve-
24 ments;

1 “(ii) freight rail improve-
2 ments;

3 “(jj) use of materials or
4 equipment associated with the
5 construction or maintenance of
6 transportation projects that re-
7 duce oil consumption and green-
8 house gas emissions;

9 “(kk) public facilities for
10 supplying electricity to electric or
11 plug-in hybrid-electric vehicles;
12 and

13 “(ll) any other effort that
14 demonstrates progress in reduc-
15 ing transportation-related oil con-
16 sumption and greenhouse gas
17 emissions.

18 “(iv) IDENTIFICATION OF PROJECTS
19 AND STRATEGIES.—The plan developed
20 under this section shall include a list of
21 projects and strategies based on the tar-
22 gets and strategies identified under clause
23 (iii).

24 “(C) COORDINATION AND CONSULTATION
25 WITH PUBLIC AGENCIES.—Transportation oil

1 savings and greenhouse gas targets and plans
2 pursuant to this section shall be developed—

3 “(i) in coordination with—

4 “(I) all metropolitan planning or-
5 ganizations covered by this section
6 within the State; and

7 “(II) transportation and air qual-
8 ity agencies within the State;

9 “(ii) in consultation with representa-
10 tives of State and local housing, economic
11 development, energy, and land use agen-
12 cies; and

13 “(iii) in consultation with Indian
14 tribes contiguous to the State.

15 “(D) ENFORCEMENT.—Not later than 180
16 days after the date of submission of a plan
17 under this section—

18 “(i) the Secretary and the Adminis-
19 trator shall review the plan; and

20 “(ii) the Secretary shall make a deter-
21 mination that the plan submitted by a
22 State meets the requirements of subpara-
23 graph (B) if—

24 “(I) the Secretary finds that a
25 State has developed, submitted, and

1 published the plan pursuant to this
2 section;

3 “(II) the Secretary, in consulta-
4 tion with the Administrator, deter-
5 mines that the plan is likely to achieve
6 the targets established by the State
7 under this subsection; and

8 “(III) the development of the
9 plan complies with the minimum re-
10 quirements established under clauses
11 (ii) and (iii) of subparagraph (B).

12 “(E) PLANNING FINDING.—

13 “(i) IN GENERAL.—Only States that
14 meet the requirements of subparagraph
15 (B) shall be eligible to receive performance
16 grants under section 402(c) of the Oil
17 Independence for a Stronger America Act
18 of 2010.

19 “(ii) FAILURE TO COMPLY.—Failure
20 to comply with the requirements under
21 subparagraph (B) shall not impact the
22 planning finding under subsection (g)(7).”.

23 (d) APPLICABILITY.—Section 304 of the Clean Air
24 Act (42 U.S.C. 7604) shall not apply to the planning pro-

1 visions of this section or any amendment made by this
2 section.

3 (e) LAND USE AUTHORITY.—Nothing in this section
4 or an amendment made by this section—

5 (1) infringes on the existing authority of local
6 governments to plan or control land use; or

7 (2) provides or transfers authority over land
8 use to any other entity.

9 (f) TABLE OF CONTENTS.—The table of contents of
10 title II of the Clean Air Act (42 U.S.C. prec. 7401) is
11 amended by adding at the end the following:

“Sec. 220. Greenhouse gas emission reductions through transportation effi-
ciency.”.

12 **SEC. 402. INVESTING IN TRANSPORTATION GREENHOUSE**
13 **GAS EMISSION REDUCTION PROGRAMS.**

14 (a) IN GENERAL.—The Secretary of Transportation
15 (referred to in this section as the “Secretary”) shall dis-
16 tribute funds made available to carry out this section to
17 States and metropolitan planning organizations to carry
18 out the purposes of this section for each fiscal year, includ-
19 ing—

20 (1) supporting the development and updating of
21 transportation greenhouse gas reduction targets and
22 strategies; and

23 (2) providing financial assistance to implement
24 plans approved pursuant to—

1 (A) sections 134(k)(6) and 135(f)(9) of
2 title 23, United States Code; and

3 (B) sections 5303(k)(7) and 5304(f)(9) of
4 title 49, United States Code.

5 (b) ALLOCATION FOR PLANNING.—

6 (1) IN GENERAL.—Subject to paragraph (2),
7 the Secretary shall distribute not more than 10 per-
8 cent of the funds available to carry out this section
9 for a fiscal year for metropolitan planning organiza-
10 tions to develop and update transportation plans, in-
11 cluding targets and strategies for greenhouse gas
12 emission reduction under—

13 (A) sections 134(k)(6) and 135(f)(9) of
14 title 23, United States Code; and

15 (B) sections 5303(k)(7) and 5304(f)(9) of
16 title 49, United States Code.

17 (2) ELIGIBLE ORGANIZATIONS.—The Secretary
18 shall distribute the funds available under paragraph
19 (1) to metropolitan planning organizations (as de-
20 fined in section 134(k)(1) of title 23, United States
21 Code) in the proportion that—

22 (A) the population within such a metropoli-
23 tan planning organization; bears to

24 (B) the total population of all such metro-
25 politan planning organizations.

1 (c) PERFORMANCE AWARDS.—

2 (1) IN GENERAL.—After distributing funds pur-
3 suant to subsection (b)(1), and subject to subsection
4 (h), the Secretary shall distribute the remainder of
5 the funds made available to carry out this section to
6 provide support to States and metropolitan planning
7 organizations.

8 (2) CRITERIA.—In making distributions under
9 this subsection, the Secretary, in consultation with
10 the Administrator, shall develop criteria for making
11 the distribution, taking into consideration, with re-
12 spect to areas to be covered by the distributions—

13 (A) the quantity of total oil consumption
14 and greenhouse gas emissions to be reduced as
15 a result of implementation of a plan, within a
16 covered area;

17 (B) the quantity of total oil consumption
18 and greenhouse gas emissions to be reduced per
19 capita as a result of the implementation of a
20 plan, within the covered area;

21 (C) the cost-effectiveness of reducing oil
22 consumption and greenhouse gas emissions dur-
23 ing the life of the plan;

1 (D) progress toward achieving oil savings
2 and emission reductions target established
3 under—

4 (i) sections 134(k)(6) and 135(f)(9) of
5 title 23, United States Code; and

6 (ii) sections 5303(k)(7) and
7 5304(f)(9) of title 49, United States Code;

8 (E) reductions in oil consumption and
9 greenhouse gas emissions previously achieved by
10 States and metropolitan planning organizations
11 during the 5-year period beginning on the date
12 of enactment of this Act;

13 (F) the extent to which the plan increases
14 transportation options and mobility, particularly
15 for low-income individuals, minorities, the elder-
16 ly, households without motor vehicles, cost-bur-
17 dened households, and the disabled;

18 (G) the extent to which projects funded
19 will facilitate development patterns and strate-
20 gies that reduce oil consumption and green-
21 house gas emissions; and

22 (H) other factors, including innovative ap-
23 proaches, minimization of costs, and consider-
24 ation of economic development, revenue genera-
25 tion, consumer fuel cost-savings, and other eco-

1 nomic, environmental, and health benefits, as
2 the Secretary determines to be appropriate.

3 (d) REQUIREMENT FOR REDUCED OIL CONSUMP-
4 TION AND EMISSIONS.—Funds received under subsection
5 (c) may be used only to fund strategies that demonstrate
6 reductions in oil consumption and greenhouse gas emis-
7 sions that are sustainable over the life of the applicable
8 transportation plan.

9 (e) COST-SHARING.—The Federal share of the costs
10 of a project receiving Federal financial assistance under
11 this section shall be 80 percent.

12 (f) COMPLIANCE WITH APPLICABLE LAWS.—

13 (1) IN GENERAL.—Subject to paragraph (2), a
14 project receiving funds under this section shall com-
15 ply with all applicable Federal laws (including regu-
16 lations), including applicable requirements of titles
17 23 and 49, United States Code.

18 (2) ELIGIBILITY.—Project eligibility shall be
19 determined in accordance with this section.

20 (3) DETERMINATION OF APPLICABLE MODAL
21 REQUIREMENTS.—The Secretary shall—

22 (A) have the discretion to designate the
23 specific modal requirements that shall apply to
24 a project; and

1 (B) be guided by the predominant modal
2 characteristics of the project in the event that
3 a project has cross-modal application.

4 (g) ADDITIONAL REQUIREMENTS.—

5 (1) IN GENERAL.—As a condition of the receipt
6 of funds under this section, the interests of public
7 transportation employees affected by the assistance
8 shall be protected under arrangements that the Sec-
9 retary of Labor determines—

10 (A) to be fair and equitable; and

11 (B) to provide benefits equal to the bene-
12 fits established under section 5333(b) of title
13 49, United States Code.

14 (h) MISCELLANEOUS.—

15 (1) ROAD-USE AND CONGESTION PRICING
16 MEASURES.—All projects supported by funds made
17 available under this section shall not be subject to
18 section 301 of title 23, United States Code shall be
19 eligible to receive amounts collected through road-
20 use and congestion pricing measures.

21 (2) LIMITATIONS.—The Administrator may not
22 approve any transportation plan for a project that
23 would be inconsistent with existing design, procure-
24 ment, and construction guidelines established by the
25 Department of Transportation.

1 (3) TRANSFERS.—With the approval of the Sec-
 2 retary, recipients of funds under this section may
 3 enter into agreements providing for the transfer of
 4 funds or value to private transportation providers or
 5 ineligible public entities (such as local governments,
 6 air quality agencies, zoning commissions, special dis-
 7 tricts, and transit agencies) that have statutory re-
 8 sponsibility or authority for actions necessary to im-
 9 plement strategies pursuant to—

10 (A) sections 134(k)(6) and 135(f)(9) of
 11 title 23, United States Code; and

12 (B) sections 5303(k)(7) and 5304(f)(9) of
 13 title 49, United States Code.

14 (i) AUTHORIZATION OF APPROPRIATIONS.—There
 15 are authorized to be appropriated such sums as are nec-
 16 essary to carry out this section.

17 **SEC. 403. COMMUTER BENEFITS EQUITY.**

18 (a) UNIFORM DOLLAR LIMITATION FOR ALL TYPES
 19 OF TRANSPORTATION FRINGE BENEFITS.—

20 (1) IN GENERAL.—Section 132(f)(2) of the In-
 21 ternal Revenue Code of 1986 (relating to limitation
 22 on exclusion) is amended—

23 (A) by striking “\$100” in subparagraph

24 (A) and inserting “\$230”, and

1 (B) by striking “\$175” in subparagraph
2 (B) and inserting “\$230”.

3 (2) INFLATION ADJUSTMENT CONFORMING
4 AMENDMENTS.—Subparagraph (A) of section
5 132(f)(6) of the Internal Revenue Code of 1986 (re-
6 lating to inflation adjustment) is amended—

7 (A) by striking the last sentence,

8 (B) by striking “1999” and inserting
9 “2009”, and

10 (C) by striking “1998” and inserting
11 “2008”.

12 (3) EFFECTIVE DATE.—The amendments made
13 by this section shall apply to taxable years beginning
14 after December 31, 2008.

15 (b) CLARIFICATION OF FEDERAL EMPLOYEE BENE-
16 FITS.—Section 7905 of title 5, United States Code, is
17 amended—

18 (1) in subsection (a)—

19 (A) in paragraph (2)(C), by inserting
20 “and” after the semicolon;

21 (B) in paragraph (3), by striking “; and”
22 and inserting a period; and

23 (C) by striking paragraph (4); and

24 (2) in subsection (b)(2), by striking subpara-
25 graph (A) and inserting the following:

1 “(A) a qualified transportation fringe as
2 defined in section 132(f)(1) of the Internal Rev-
3 enue Code of 1986;”.

4 **Subtitle B—Freight Transportation**

5 **SEC. 411. FREIGHT TRANSPORTATION GOAL AND PLAN.**

6 (a) FREIGHT TRANSPORTATION OPTIONS GOAL.—

7 (1) IN GENERAL.—Subject to paragraph (2), it
8 shall be the goal of the United States to shift at
9 least 10 percent of freight shipped by truck to rail
10 or marine shipping by calendar year 2020.

11 (2) INCREASE.—The Secretary of Transpor-
12 tation may increase the goal established under para-
13 graph (1) based on the evaluation of national freight
14 rail and marine shipping infrastructure and the na-
15 tional freight transportation options plan developed
16 pursuant to subsection (b).

17 (b) FREIGHT TRANSPORTATION PLAN.—

18 (1) IN GENERAL.—Not later than 18 months
19 after the date of enactment of this Act, the Sec-
20 retary of Transportation shall develop a national
21 freight transportation options plan.

22 (2) CONTENTS.—The plan developed under
23 paragraph (1) shall include—

24 (A) an evaluation of national freight rail
25 and marine shipping infrastructure;

1 (B) an assessment of barriers to increased
2 movement of freight by rail and marine ship-
3 ping;

4 (C) an identification of areas or corridors
5 in which additional capacity or other infrastruc-
6 ture is needed to allow increased use of freight
7 rail and marine shipping; and

8 (D) a strategic plan for investments in ca-
9 pacity or other measures to encourage increased
10 use of freight rail and marine shipping to meet
11 the goal established under subsection (a).

12 **SEC. 412. FREIGHT RAIL CONGESTION GRANTS.**

13 (a) IN GENERAL.—Section 24105 of title 49, United
14 States Code, is amended to read as follows:

15 **“§ 24105. Freight rail congestion grants**

16 “(a) AUTHORITY.—The Secretary of Transportation
17 may make grants to States for financing the capital costs
18 of facilities, infrastructure, and equipment for high pri-
19 ority rail corridor projects necessary to reduce congestion
20 in freight rail transportation.

21 “(b) ELIGIBLE PROJECTS.—Projects eligible for
22 grants under this section shall be covered by a State rail
23 plan and provide public benefits (as defined by chapter
24 27).

1 “(c) FEDERAL SHARE.—The Federal share of the
2 cost of a project financed under this section shall not ex-
3 ceed 80 percent.

4 “(d) GRANT CONDITIONS.—The Secretary of Trans-
5 portation shall require each recipient of a grant under this
6 section to comply with the applicable grant requirements
7 of section 24405.

8 “(e) EQUITABLE DISTRIBUTION.—The Secretary
9 shall take such measures as are necessary to ensure an
10 equitable geographic distribution of funds and an appro-
11 priate balance in addressing the needs of urban and rural
12 communities.

13 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
14 are authorized to be appropriated to carry out this section
15 such sums as are necessary.”.

16 (b) TABLE OF SECTIONS AMENDMENT.—The table of
17 sections for chapter XXX of title 49, United States Code,
18 is amended by striking the item relating to section 24105
19 and inserting the following:

“Sec. 24105. Freight rail congestion grants.”.

20 **SEC. 413. RAIL ELECTRIFICATION STUDY.**

21 (a) IN GENERAL.—The Comptroller General of the
22 United States shall conduct a study on the benefits and
23 costs of electrification of rail corridors, including the role
24 of rail electrification in meeting the national oil independ-
25 ence goal established under section 101.

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 Commerce, Science, and
 4 Transportation of the Senate and the Committee on
 5 Transportation and Infrastructure of the House of Rep-
 6 resentatives a report describing the results of the study
 7 required under subsection (a).

8 **TITLE V—ALTERNATIVE**
 9 **TRANSPORTATION FUELS**
 10 **Subtitle A—Advanced Biofuels**

11 **SEC. 501. ALLOWANCE OF INVESTMENT TAX CREDIT FOR**
 12 **ADVANCED BIOFUEL FACILITIES.**

13 (a) IN GENERAL.—Subsection (a) of section 48 of the
 14 Internal Revenue Code of 1986 is amended by adding at
 15 the end the following new paragraph:

16 “(6) ELECTION TO TREAT QUALIFIED AD-
 17 VANCED BIOFUEL FACILITIES AS ENERGY PROP-
 18 ERTY.—

19 “(A) IN GENERAL.—In the case of any
 20 qualified property which is part of a qualified
 21 advanced biofuel facility investment credit facil-
 22 ity—

23 “(i) such property shall be treated as
 24 energy property for purposes of this sec-
 25 tion, and

1 “(ii) the energy percentage with re-
2 spect to such property shall be 30 percent.

3 “(B) QUALIFIED PROPERTY.—For pur-
4 poses of this paragraph, the term ‘qualified
5 property’ means property—

6 “(i) which is—

7 “(I) tangible personal property,
8 or

9 “(II) other tangible property (not
10 including a building or its structural
11 components), but only if such prop-
12 erty is used as an integral part of the
13 qualified investment credit facility,
14 and

15 “(ii) with respect to which deprecia-
16 tion (or amortization in lieu of deprecia-
17 tion) is allowable.

18 “(C) QUALIFIED ADVANCED BIOFUEL FA-
19 CILITY.—For purposes of this paragraph, the
20 term ‘qualified advanced biofuel facility’ means
21 any facility—

22 “(i) the primary purpose of which is
23 the production of advanced biofuels which
24 are transportation-grade fuels,

1 “(ii) which is originally placed in serv-
2 ice by the taxpayer after the date of the
3 enactment of this paragraph and before
4 December 31, 2015, and

5 “(iii) with respect to which the tax-
6 payer makes an election to have this para-
7 graph apply.

8 “(D) ADVANCED BIOFUELS.—For pur-
9 poses of subparagraph (C), the term ‘advanced
10 biofuel’ means alcohol (as defined in section
11 40(d)(1)), other than ethanol derived from corn
12 starch, used as a fuel which has lifecycle green-
13 house gas emissions (as defined in section
14 211(o)(1)(H) of the Clean Air Act) at least 50
15 percent less than baseline lifecycle greenhouse
16 gas emissions (as defined in section
17 211(o)(1)(C) of such Act).”.

18 (b) COORDINATION WITH SPECIAL ALLOWANCE FOR
19 CELLULOSIC BIOFUEL PLANT PROPERTY.—Paragraph
20 (8) of section 168(l) of the Internal Revenue Code of 1986
21 is amended by inserting “or under section 48(a)(6)” be-
22 fore the period at the end.

23 (c) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to property placed in service after
25 the date of the enactment of this Act.

1 **SEC. 502. GRANTS FOR ADVANCED BIOFUEL FACILITY**
2 **PROPERTY.**

3 Section 1603 of division B of the American Recovery
4 and Reinvestment Act of 2009 is amended by adding at
5 the end the following new subsection:

6 “(k) APPLICATION TO QUALIFIED ADVANCED
7 BIOFUEL FACILITY PROPERTY.—In the case of qualified
8 property (as defined in section 48(a)(6)(B) of the Internal
9 Revenue Code of 1986) which is part of a qualified ad-
10 vanced biofuel facility (within the meaning of section
11 48(a)(6)(C) of such Code)—

12 “(1) such qualified property shall be treated as
13 specified energy property for purposes of this sec-
14 tion, and

15 “(2) in applying this section to such qualified
16 property—

17 “(A) subsection (a) shall be applied—

18 “(i) by substituting ‘the 2-year period
19 beginning on the date of the enactment of
20 this Act’ for ‘2009 or 2010’ each place it
21 appears, and

22 “(ii) by substituting ‘after such 2-year
23 period’ for ‘2010’ in paragraph (2) thereof,

24 “(B) the applicable percentage with respect
25 to such qualified property shall be 30 percent,

1 “(C) the credit termination date with re-
2 spect to such qualified property shall be Janu-
3 ary 1, 2016, and

4 “(D) subsection (j) shall be applied by sub-
5 stituting ‘the date which is 9-months after the
6 2-year period described in subsection
7 (k)(2)(A)(i)’ for ‘October 1, 2011’.”.

8 **SEC. 503. INCLUSION OF ALGAE-BASED BIOFUEL IN DEFINI-**
9 **TION OF CELLULOSIC BIOFUEL.**

10 (a) CELLULOSIC BIOFUEL PRODUCER CREDIT.—

11 (1) GENERAL RULE.—Paragraph (4) of section
12 40(a) of the Internal Revenue Code of 1986 is
13 amended by inserting “and algae-based” after “cel-
14 lulosic”.

15 (2) DEFINITIONS.—Paragraph (6) of section
16 40(b) of such Code is amended—

17 (A) by inserting “AND ALGAE-BASED”
18 after “CELLULOSIC” in the heading,

19 (B) by striking subparagraph (A) and in-
20 serting the following:

21 “(A) IN GENERAL.—The cellulosic and
22 algae-based biofuel producer credit of any tax-
23 payer is an amount equal to the applicable
24 amount for each gallon of—

1 “(i) qualified cellulosic biofuel produc-
2 tion, and

3 “(ii) qualified algae-based biofuel pro-
4 duction.”,

5 (C) by redesignating subparagraphs (F),
6 (G), and (H) as subparagraphs (I), (J), and
7 (K), respectively,

8 (D) by inserting “AND ALGAE-BASED”
9 after “CELLULOSIC” in the heading of subpara-
10 graph (I), as so redesignated,

11 (E) by inserting “or algae-based biofuel,
12 whichever is appropriate,” after “cellulosic
13 biofuel” in subparagraph (J), as so redesign-
14 ated,

15 (F) by inserting “and qualified algae-based
16 biofuel production” after “qualified cellulosic
17 biofuel production” in subparagraph (K), as so
18 redesignated, and

19 (G) by inserting after subparagraph (E)
20 the following new subparagraphs:

21 “(F) QUALIFIED ALGAE-BASED BIOFUEL
22 PRODUCTION.—For purposes of this section,
23 the term ‘qualified algae-based biofuel produc-
24 tion’ means any algae-based biofuel which is

1 produced by the taxpayer, and which during the
2 taxable year—

3 “(i) is sold by the taxpayer to another
4 person—

5 “(I) for use by such other person
6 in the production of a qualified algae-
7 based biofuel mixture in such other
8 person’s trade or business (other than
9 casual off-farm production),

10 “(II) for use by such other per-
11 son as a fuel in a trade or business,
12 or

13 “(III) who sells such algae-based
14 biofuel at retail to another person and
15 places such algae-based biofuel in the
16 fuel tank of such other person, or

17 “(ii) is used or sold by the taxpayer
18 for any purpose described in clause (i).

19 The qualified algae-based biofuel production of
20 any taxpayer for any taxable year shall not in-
21 clude any alcohol which is purchased by the
22 taxpayer and with respect to which such pro-
23 ducer increases the proof of the alcohol by addi-
24 tional distillation.

1 “(G) QUALIFIED ALGAE-BASED BIOFUEL
2 MIXTURE.—For purposes of this paragraph, the
3 term ‘qualified algae-based biofuel mixture’
4 means a mixture of algae-based biofuel and gas-
5 oline or of algae-based biofuel and a special fuel
6 which—

7 “(i) is sold by the person producing
8 such mixture to any person for use as a
9 fuel, or

10 “(ii) is used as a fuel by the person
11 producing such mixture.

12 “(H) ALGAE-BASED BIOFUEL.—For pur-
13 poses of this paragraph—

14 “(i) IN GENERAL.—The term ‘algae-
15 based biofuel’ means any liquid fuel, in-
16 cluding gasoline, diesel, aviation fuel, and
17 ethanol, which—

18 “(I) is produced from the bio-
19 mass of algal organisms, and

20 “(II) meets the registration re-
21 quirements for fuels and fuel additives
22 established by the Environmental Pro-
23 tection Agency under section 211 of
24 the Clean Air Act (42 U.S.C. 7545).

1 “(ii) ALGAL ORGANISM.—The term
2 ‘algal organism’ means a single- or multi-
3 cellular organism which is primarily aquat-
4 ic and classified as a non-vascular plant,
5 including microalgae, blue-green algae
6 (cyanobacteria), and macroalgae (sea-
7 weeds).

8 “(iii) EXCLUSION OF LOW-PROOF AL-
9 COHOL.—Such term shall not include any
10 alcohol with a proof of less than 150. The
11 determination of the proof of any alcohol
12 shall be made without regard to any added
13 denaturants.”.

14 (3) CONFORMING AMENDMENTS.—

15 (A) Subparagraph (D) of section 40(d)(3)
16 of such Code is amended—

17 (i) by inserting “AND ALGAE-BASED”
18 after “CELLULOSIC” in the heading,

19 (ii) by inserting “or (b)(6)(F)” after
20 “(b)(6)(C)” in clause (ii), and

21 (iii) by inserting “or algae-based”
22 after “such cellulosic”.

23 (B) Paragraph (6) of section 40(d) of such
24 Code is amended—

1 (i) by inserting “AND ALGAE-BASED”
2 after “CELLULOSIC” in the heading, and

3 (ii) by striking the first sentence and
4 inserting “No cellulosic and algae-based
5 biofuel producer credit shall be determined
6 under subsection (a) with respect to any
7 cellulosic or algae-based biofuel unless such
8 cellulosic or algae-based biofuel is produced
9 in the United States and used as a fuel in
10 the United States.”

11 (C) Paragraph (3) of section 40(e) of such
12 Code is amended by inserting “AND ALGAE-
13 BASED” after “CELLULOSIC” in the heading.

14 (D) Paragraph (1) of section 4101(a) of
15 such Code is amended—

16 (i) by inserting “or algae-based” after
17 “cellulosic”, and

18 (ii) by inserting “and 40(b)(6)(H), re-
19 spectively” after “section 40(b)(6)(E)”.

20 (b) SPECIAL ALLOWANCE FOR CELLULOSIC BIOFUEL
21 PLANT PROPERTY.—Subsection (l) of section 168 of the
22 Internal Revenue Code of 1986 is amended—

23 (1) by inserting “AND ALGAE-BASED” after
24 “CELLULOSIC” in the heading,

1 (2) by inserting “and any qualified algae-based
2 biofuel plant property” after “qualified cellulosic
3 biofuel plant property” in paragraph (1),

4 (3) by redesignating paragraphs (4) through
5 (8), as amended by section 501, as paragraphs (6)
6 through (10), respectively,

7 (4) by inserting “or qualified algae-based
8 biofuel plant property” after “cellulosic biofuel plant
9 property” in paragraph (7)(C), as so redesignated,

10 (5) by striking “with respect to” and all that
11 follows in paragraph (9), as so redesignated, and in-
12 serting “with respect to any qualified cellulosic
13 biofuel plant property and any qualified algae-based
14 biofuel plant property which ceases to be such quali-
15 fied property.”,

16 (6) by inserting “or qualified algae-based
17 biofuel plant property” after “cellulosic biofuel plant
18 property” in paragraph (10), as so redesignated, and

19 (7) by inserting after paragraph (3) the fol-
20 lowing new paragraphs:

21 “(4) QUALIFIED ALGAE-BASED BIOFUEL PLANT
22 PROPERTY.—The term ‘qualified algae-based biofuel
23 plant property’ means property of a character sub-
24 ject to the allowance for depreciation—

1 “(A) which is used in the United States
2 solely to produce algae-based biofuel,

3 “(B) the original use of which commences
4 with the taxpayer after the date of the enact-
5 ment of this paragraph,

6 “(C) which is acquired by the taxpayer by
7 purchase (as defined in section 179(d)) after
8 the date of the enactment of this paragraph,
9 but only if no written binding contract for the
10 acquisition was in effect on or before such date,
11 and

12 “(D) which is placed in service by the tax-
13 payer before January 1, 2013.

14 “(5) ALGAE-BASED BIOFUEL.—

15 “(A) IN GENERAL.—The term ‘algae-based
16 biofuel’ means any liquid fuel which is produced
17 from the biomass of algal organisms.

18 “(B) ALGAL ORGANISM.—The term ‘algal
19 organism’ means a single- or multi-cellular or-
20 ganism which is primarily aquatic and classified
21 as a non-vascular plant, including microalgae,
22 blue-green algae (cyanobacteria), and
23 macroalgae (seaweeds).”.

24 (c) EFFECTIVE DATES.—

1 (1) CELLULOSIC BIOFUEL PRODUCER CRED-
2 IT.—The amendments made by subsection (a) shall
3 apply to fuel produced after the date of the enact-
4 ment of this Act.

5 (2) SPECIAL ALLOWANCE FOR CELLULOSIC
6 BIOFUEL PLANT PROPERTY.—The amendments
7 made by subsection (b) shall apply to property pur-
8 chased and placed in service after the date of the en-
9 actment of this Act.

10 **SEC. 504. EXTENSION OF CELLULOSIC BIOFUEL PRODUCER**
11 **CREDIT.**

12 (a) IN GENERAL.—Subparagraph (K) of section
13 40(b)(6) of the Internal Revenue Code of 1986, as redesignig-
14 nated by section 503(a)(2)(C), is amended by striking
15 “January 1, 2013” and inserting “January 1, 2016”,

16 **SEC. 505. EXTENSION OF SPECIAL ALLOWANCE FOR CELLU-**
17 **LOSIC BIOFUEL PLANT PROPERTY.**

18 (a) IN GENERAL.—Paragraph (2)(D) of section
19 168(l) of the Internal Revenue Code of 1986 is amended
20 by striking “January 1, 2013” and inserting “January 1,
21 2016”.

22 (b) ALGAE-BASED BIOFUEL.—Paragraph (4)(D) of
23 section 168(l) of the Internal Revenue Code of 1986, as
24 amended by section 503(b)(7), is amended by striking
25 “January 1, 2013” and inserting “January 1, 2016”.

1 (c) CONFORMING AMENDMENT.—Paragraph (7)(B)
2 of section 168(l) of the Internal Revenue Code of 1986,
3 as redesignated by section 503(b)(3), is amended by strik-
4 ing “January 1, 2013” and inserting “January 1, 2016”.

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

8 **SEC. 506. EXTENSION OF INCENTIVES FOR BIODIESEL AND**
9 **RENEWABLE DIESEL.**

10 (a) CREDITS FOR BIODIESEL AND RENEWABLE DIE-
11 SEL USED AS FUEL.—Subsection (g) of section 40A of
12 the Internal Revenue Code of 1986 is amended by striking
13 “December 31, 2009” and inserting “December 31,
14 2015”.

15 (b) EXCISE TAX CREDITS AND OUTLAY PAYMENTS
16 FOR BIODIESEL AND RENEWABLE DIESEL FUEL MIX-
17 TURES.—

18 (1) Paragraph (6) of section 6426(c) of the In-
19 ternal Revenue Code of 1986 is amended by striking
20 “December 31, 2009” and inserting “December 31,
21 2015”.

22 (2) Subparagraph (B) of section 6427(e)(6) of
23 the Internal Revenue Code of 1986 is amended by
24 striking “December 31, 2009” and inserting “De-
25 cember 31, 2015”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to fuel sold or used after December
3 31, 2009.

4 **SEC. 507. EXTENSION OF ALCOHOL FUELS TAX CREDITS.**

5 (a) IN GENERAL.—Paragraph (1) of section 40(e) of
6 the Internal Revenue Code of 1986 is amended—

7 (1) in subparagraph (A), by striking “December
8 31, 2010” and inserting “December 31, 2015”, and

9 (2) in subparagraph (B), by striking “January
10 1, 2011” and inserting “January 1, 2016”.

11 (b) RULE FOR CREDIT FOR ETHANOL BLENDERS.—
12 Subsection (h) of section 40 of the Internal Revenue Code
13 of 1986 is amended—

14 (1) in paragraph (1), by striking “during cal-
15 endar years 2001 through 2010” and inserting
16 “after calendar year 2001”, and

17 (2) in paragraph (2), by inserting at the end
18 the following flush sentence:

19 “In the case of any sale or use after calendar year 2010,
20 the blender amount and the low-proof blender amount
21 shall be 0 cents.”.

22 (c) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to alcohol produced, sold, or used
24 after December 31, 2010.

1 **Subtitle B—Powering Vehicles**
2 **With Natural Gas**

3 **SEC. 511. CREDIT FOR QUALIFIED NATURAL GAS MOTOR**
4 **VEHICLES.**

5 (a) IN GENERAL.—

6 (1) IN GENERAL.—Subsection (e) of section
7 30B of the Internal Revenue Code of 1986 (relating
8 to new qualified alternative fuel motor vehicle credit)
9 is amended by adding at the end the following new
10 paragraphs:

11 “(6) SPECIAL RULES FOR QUALIFIED NATURAL
12 GAS MOTOR VEHICLES.—

13 “(A) IN GENERAL.—In the case of a quali-
14 fied natural gas motor vehicle—

15 “(i) such motor vehicle shall be treat-
16 ed as a new qualified alternative fuel motor
17 vehicle under this subsection,

18 “(ii) paragraph (3) shall be applied by
19 multiplying each of the dollar amounts
20 contained in such paragraph by 2, and

21 “(iii) the credit allowed under this
22 subsection shall be transferrable as pro-
23 vided in subparagraph (B).

24 “(B) TRANSFERABILITY OF CREDIT.—

1 “(i) IN GENERAL.—A taxpayer who
 2 places in service qualified natural gas
 3 motor vehicle may transfer the credit al-
 4 lowed under this subsection with respect to
 5 such vehicle through an assignment to the
 6 seller, the manufacturer, or the lessee of
 7 such vehicle. Such transfer may be revoked
 8 only with the consent of the Secretary.

9 “(ii) REGULATIONS.—The Secretary
 10 shall prescribe such regulations as nec-
 11 essary to ensure that any credit trans-
 12 ferred under clause (i) is claimed once and
 13 not reassigned by such other person.

14 “(7) QUALIFIED NATURAL GAS MOTOR VEHI-
 15 CLE.—

16 “(A) IN GENERAL.—For purposes of this
 17 subsection, the term ‘qualified natural gas
 18 motor vehicle’ means any motor vehicle—

19 “(i) which is described in subpara-
 20 graph (B), (C), or (D),

21 “(ii) the original use of which com-
 22 mences with the taxpayer,

23 “(iii) which is acquired by the tax-
 24 payer for use or lease, but not for resale,
 25 and

1 “(iv) which is placed in service before
2 the date which is 10 years after the date
3 of the enactment of this paragraph.

4 “(B) HEAVY DUTY VEHICLES.—A motor
5 vehicle is described in this subparagraph if such
6 motor vehicle—

7 “(i) is made by a manufacturer,

8 “(ii) has a gross vehicle weight rating
9 of more than 8,500 pounds, and

10 “(iii) is—

11 “(I) only capable of operating on
12 compressed or liquified natural gas, or

13 “(II) capable of operating for
14 more than 175 miles on 1 fueling of
15 compressed or liquified natural gas
16 and is capable of operating on gaso-
17 line or diesel fuel.

18 “(C) LIGHT AND MEDIUM DUTY VEHI-
19 CLES.—A motor vehicle is described in this sub-
20 paragraph if such motor vehicle—

21 “(i) is made by a manufacturer,

22 “(ii) has a gross vehicle weight rating
23 of not more 8,500 pounds,

24 “(iii) is—

1 “(I) only capable of operating on
2 compressed or liquified natural gas, or

3 “(II) capable of operating for
4 more than 175 miles on 1 fueling of
5 compressed or liquified natural gas
6 and is capable of operating on gaso-
7 line or diesel fuel,

8 “(iv) is of a character subject to de-
9 preciation, and

10 “(v) is acquired by a taxpayer who—

11 “(I) owns and operates not less
12 than 10 motor vehicles in the course
13 of a trade or business at the time of
14 the acquisition, and

15 “(II) has placed in service more
16 than 2 motor vehicles described in
17 clauses (i) through (iv) or described in
18 subparagraph (D)(iii) after the date
19 of the enactment of this paragraph.

20 “(D) CONVERTED OR REPOWERED VEHI-
21 CLES.—

22 “(i) IN GENERAL.—A motor vehicle is
23 described in this subparagraph if such
24 motor vehicle is a motor vehicle described

1 in clause (ii) or clause (iii) which is con-
2 verted or repowered so that it—

3 “(I) is only capable of operating
4 on compressed or liquified natural
5 gas, or

6 “(II) is capable of operating for
7 more than 175 miles on 1 fueling of
8 compressed or liquified natural gas
9 and is capable of operating on gaso-
10 line or diesel fuel, is capable of oper-
11 ating on compressed or liquefied nat-
12 ural gas.

13 “(ii) HEAVY DUTY VEHICLES.—A
14 motor vehicle is described in this clause if
15 such motor vehicle—

16 “(I) has a gross vehicle weight
17 rating of more than 8,500 pounds,
18 and

19 “(II) was not capable of oper-
20 ating on compressed or liquified nat-
21 ural gas before the date of such con-
22 version or repower.

23 “(iii) LIGHT AND MEDIUM DUTY VE-
24 HICLES.—A motor vehicle is described in
25 this clause if such motor vehicle—

1 “(I) has a gross vehicle weight
2 rating of not more 8,500 pounds,

3 “(II) was not capable of oper-
4 ating on compressed or liquified nat-
5 ural gas before the date of such con-
6 version or repower,

7 “(III) is of a character subject to
8 depreciation,

9 “(IV) is acquired by a taxpayer
10 who owns and operates not less than
11 10 motor vehicles in the course of a
12 trade or business at the time of the
13 acquisition, and

14 “(V) is acquired by a taxpayer
15 who has placed in service more than 2
16 motor vehicles described in subclauses
17 (I) through (III) or described in sub-
18 paragraph (C) after the date of the
19 enactment of this paragraph.

20 “(iv) SPECIAL RULES.—

21 “(I) TREATMENT AS NEW.—For
22 purposes of this subsection, the origi-
23 nal use of any motor vehicle described
24 in clause (i) shall be treated as begin-

1 ning with the first use after the date
2 of the conversion or repower.

3 “(II) RULE OF CONSTRU-
4 TION.—In the case of a used vehicle
5 which is converted or repowered, noth-
6 ing in this section shall be construed
7 to require that the motor vehicle be
8 acquired in the year the credit is
9 claimed under this section with re-
10 spect to such vehicle.

11 “(E) SPECIAL RULE.—For purposes of
12 this subsection, in the case of a motor vehicle
13 which—

14 “(i) is described in subparagraph (C)
15 or (D)(iii),

16 “(ii) is placed in service after the date
17 of the enactment of this paragraph, and

18 “(iii) is placed in service by a tax-
19 payer in a taxable year prior to the taxable
20 year in which such taxpayer places in serv-
21 ice the third such motor vehicle described
22 in subparagraph (C) or (D)(iii) after such
23 date of enactment.

1 such motor vehicle shall be treated as placed in
2 service in the taxable year in which such third
3 motor vehicle is placed in service.”.

4 (2) CONFORMING AMENDMENT.—Subparagraph
5 (B) of section 30B(e)(5) of such Code is amended
6 by inserting “(other than a qualified natural gas
7 motor vehicle)” after “paragraph (3)”.

8 (b) MIXED-FUEL VEHICLES.—Subparagraph (C) of
9 section 30B(e)(5) of the Internal Revenue Code of 1986
10 is amended by striking “a mixed-fuel vehicle which oper-
11 ates using” and all that follows and inserting “a mixed-
12 fuel vehicle which—

13 “(i) in the case of such a vehicle
14 which is capable of operating on com-
15 pressed or liquified natural gas, operates
16 using at least 65 percent compressed or
17 liquified natural gas and not more than 35
18 percent petroleum-based fuel, and

19 “(ii) in the case of any other such ve-
20 hicle, operates using at least 75 percent al-
21 ternative fuel and not more than 25 per-
22 cent petroleum-based fuel.”.

23 (c) ALTERNATIVE MINIMUM TAX TREATMENT.—
24 Subparagraph (B) of section 38(e)(4) of the Internal Rev-
25 enue Code of 1986 is amended by redesignating clauses

1 (i) through (ix) as clauses (ii) through (x), respectively,
 2 and by inserting after before clause (ii) (as so redesign-
 3 nated) the following new clause:

4 “(i) the amount of the credit deter-
 5 mined under section 30B which is attrib-
 6 utable to a qualified natural gas motor ve-
 7 hicle (as defined in section 30B(e)(7)).”.

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

11 **SEC. 512. NATURAL GAS VEHICLE BONDS.**

12 (a) **IN GENERAL.**—Subpart I of part IV of sub-
 13 chapter A of chapter 1 (relating to qualified tax credit
 14 bonds) of the Internal Revenue Code of 1986, as amended
 15 by section 306, is amended by adding at the end the fol-
 16 lowing new section:

17 **“SEC. 54H. NATURAL GAS VEHICLE BONDS.**

18 “(a) **NATURAL GAS VEHICLE BOND.**—For purposes
 19 of this subpart, the term ‘natural gas vehicle bond’ means
 20 any bond issued as part of an issue if—

21 “(1) 100 percent of the available project pro-
 22 ceeds of such issue are to be used for capital expend-
 23 itures incurred by a governmental body for 1 or
 24 more qualified natural gas vehicle projects placed in

1 service by such governmental body primarily for gov-
 2 ernmental or public use,

3 “(2) the bond is issued by a governmental body,

4 “(3) the issuer designates such bond for pur-
 5 poses of this section, and

6 “(4) in lieu of the requirements of section
 7 54A(d)(2), the issue meets the requirements of sub-
 8 section (c).

9 “(b) LIMITATION ON AMOUNT OF BONDS DES-
 10 IGNATED.—

11 “(1) IN GENERAL.—The maximum aggregate
 12 face amount of bonds which may be designated
 13 under subsection (a) by any issuer shall not exceed
 14 the limitation amount allocated under this sub-
 15 section to such issuer.

16 “(2) NATIONAL LIMITATION ON AMOUNT OF
 17 BONDS DESIGNATED.—There is a national natural
 18 gas vehicle bond limitation of \$3,000,000,000.

19 “(3) ALLOCATION BY SECRETARY.—The Sec-
 20 retary shall allocate the amount described in para-
 21 graph (2) among qualified natural gas vehicle
 22 projects in such manner as the Secretary determines
 23 appropriate.

24 “(c) SPECIAL RULES RELATING TO EXPENDI-
 25 TURES.—

1 “(1) IN GENERAL.—An issue shall be treated as
2 meeting the requirements of this subsection if, as of
3 the date of issuance, the issuer reasonably expects—

4 “(A) 100 percent or more of the available
5 project proceeds of such issue are to be spent
6 for 1 or more qualified natural gas vehicle
7 projects within the 5-year period beginning on
8 the date of issuance of the natural gas vehicle
9 bond,

10 “(B) a binding commitment with a third
11 party to spend at least 10 percent of such avail-
12 able project proceeds will be incurred within the
13 6-month period beginning on the date of
14 issuance of the natural gas vehicle bond, and

15 “(C) such projects will be completed with
16 due diligence and such available project pro-
17 ceeds will be spent with due diligence.

18 “(2) EXTENSION OF PERIOD.—Upon submis-
19 sion of a request prior to the expiration of the period
20 described in paragraph (1)(A), the Secretary may
21 extend such period if the issuer establishes that the
22 failure to satisfy the 5-year requirement is due to
23 reasonable cause and the related projects will con-
24 tinue to proceed with due diligence.

1 “(3) FAILURE TO SPEND REQUIRED AMOUNT
2 OF BOND PROCEEDS WITHIN 5 YEARS.—To the ex-
3 tent that less than 100 percent of the available
4 project proceeds of such issue are expended by the
5 close of the 5-year period beginning on the date of
6 issuance (or if an extension has been obtained under
7 paragraph (2), by the close of the extended period),
8 the issuer shall redeem all of the nonqualified bonds
9 within 90 days after the end of such period. For
10 purposes of this paragraph, the amount of the non-
11 qualified bonds required to be redeemed shall be de-
12 termined in the same manner as under section 142.

13 “(d) GOVERNMENTAL BODY.—For purposes of this
14 section, the term ‘governmental body’ means any State,
15 territory, possession of the United States, the District of
16 Columbia, Indian tribal government, and any political sub-
17 division thereof.

18 “(e) QUALIFIED NATURAL GAS VEHICLE
19 PROJECT.—For purposes of this subpart, the term ‘quali-
20 fied natural gas vehicle project’ means—

21 “(1) 1 or more qualified natural gas vehicles
22 (as defined in section 30B(e)(7)), or

23 “(2) 1 or more qualified alternative fuel vehicle
24 refueling properties which are used to store and or

1 dispense compressed or liquefied natural gas (within
2 the meaning of section 30C(c)).

3 “(f) TERMINATION.—This section shall not apply
4 with respect to any bond issued after December 31,
5 2019.”.

6 (b) CONFORMING AMENDMENTS.—

7 (1) Paragraph (1) of section 54A(d) of the In-
8 ternal Revenue Code of 1986, as amended by section
9 306, is amended by striking “or” at the end of sub-
10 paragraph (E), by inserting “or” at the end of sub-
11 paragraph (F), and by inserting after subparagraph
12 (F) the following new subparagraph:

13 “(G) a natural gas vehicle bond,”.

14 (2) Subparagraph (C) of section 54A(d)(2) of
15 such Code, as amended by section 306, is amended
16 by striking “and” at the end of clause (v), by strik-
17 ing the period at the end of clause (vi) and inserting
18 “, and”, and by adding at the end the following new
19 clause:

20 “(vii) in the case of a natural gas ve-
21 hicle bond, a purpose specified in section
22 54H(a)(1).”.

23 (c) CLERICAL AMENDMENT.—The table of sections
24 for subpart I of part IV of subchapter A of chapter 1 of

1 such Code, as amended by section 306, is amended by add-
 2 ing at the end the following new item:

“Sec. 54H. Natural gas vehicle bonds.”.

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

6 **SEC. 513. INCENTIVES FOR MANUFACTURING FACILITIES**
 7 **PRODUCING VEHICLES FUELED BY COM-**
 8 **PRESSED OR LIQUIFIED NATURAL GAS.**

9 (a) **DEDUCTION FOR MANUFACTURING FACILI-**
 10 **TIES.**—

11 (1) **IN GENERAL.**—Part VI of subchapter B of
 12 chapter 1 of the Internal Revenue Code of 1986 (re-
 13 lating to itemized deductions for individuals and cor-
 14 porations) is amended by inserting after section
 15 179E the following new section:

16 **“SEC. 179F. EXPENSING FOR MANUFACTURING FACILITIES**
 17 **PRODUCING VEHICLES FUELED BY COM-**
 18 **PRESSED NATURAL GAS OR LIQUIFIED NAT-**
 19 **URAL GAS.**

20 “(a) **TREATMENT AS EXPENSES.**—A taxpayer may
 21 elect to treat the applicable percentage of the cost of any
 22 qualified natural gas vehicle manufacturing facility prop-
 23 erty as an expense which is not chargeable to a capital
 24 account. Any cost so treated shall be allowed as a deduc-

1 tion for the taxable year in which the qualified manufac-
2 turing facility property is placed in service.

3 “(b) APPLICABLE PERCENTAGE.—For purposes of
4 subsection (a), the applicable percentage is—

5 “(1) 100 percent, in the case of qualified nat-
6 ural gas vehicle manufacturing facility property
7 which is placed in service before January 1, 2015,
8 and

9 “(2) 50 percent, in the case of qualified natural
10 gas vehicle manufacturing facility property which is
11 placed in service after December 31, 2014, and be-
12 fore January 1, 2020.

13 “(c) ELECTION.—

14 “(1) IN GENERAL.—An election under this sec-
15 tion for any taxable year shall be made on the tax-
16 payer’s return of the tax imposed by this chapter for
17 the taxable year. Such election shall be made in such
18 manner as the Secretary may by regulations pre-
19 scribe.

20 “(2) ELECTION IRREVOCABLE.—Any election
21 made under this section may not be revoked except
22 with the consent of the Secretary.

23 “(d) QUALIFIED NATURAL GAS VEHICLE MANUFAC-
24 TURING FACILITY PROPERTY.—For purposes of this sec-
25 tion—

1 “(1) IN GENERAL.—The term ‘qualified natural
2 gas vehicle manufacturing facility property’ means
3 any qualified property—

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

6 “(B) which is placed in service by the tax-
7 payer after the date of the enactment of this
8 section and before January 1, 2020, and

9 “(C) no written binding contract for the
10 construction of which was in effect on or before
11 the date of the enactment of this section.

12 “(2) QUALIFIED PROPERTY.—

13 “(A) IN GENERAL.—The term ‘qualified
14 property’ means any property which is a facility
15 or a portion of a facility used for the production
16 of—

17 “(i) any qualified natural gas vehicles
18 (as defined in section 30B(e)(7)), or

19 “(ii) any eligible component.

20 “(B) ELIGIBLE COMPONENT.—The term
21 ‘eligible component’ means any component
22 which is designed specifically for use in such a
23 qualified natural gas vehicle.

24 “(e) SPECIAL RULE FOR DUAL USE PROPERTY.—

1 “(1) IN GENERAL.—In the case of any qualified
 2 natural gas vehicle manufacturing facility property
 3 which is used to produce both property described in
 4 clauses (i) and (ii) of subsection (d)(2)(A) and prop-
 5 erty which is not so described, the amount of costs
 6 taken into account under subsection (a) shall be re-
 7 duced by an amount equal to—

8 “(A) the total amount of such costs (deter-
 9 mined before the application of this subsection),
 10 multiplied by

11 “(B) the percentage of property expected
 12 to be produced which is not so described.

13 “(2) REGULATIONS.—The Secretary shall pre-
 14 scribe such regulations as are necessary to carry out
 15 the purpose of this subsection.”.

16 (2) CLERICAL AMENDMENT.—The table of sec-
 17 tions of part VI of subchapter B of chapter 1 of the
 18 Internal Revenue Code of 1986 is amended by in-
 19 serting after the item relating to section 179E the
 20 following new item:

“Sec. 179F. Expensing for manufacturing facilities producing vehicles fueled by
 compressed natural gas or liquified natural gas.”.

21 (b) REFUND OF CREDIT FOR PRIOR YEAR MINIMUM
 22 TAX LIABILITY.—Section 53 of the Internal Revenue
 23 Code of 1986 (relating to credit for prior year minimum

1 tax liability) is amended by adding at the end the following
2 new subsection:

3 “(g) ELECTION TO TREAT AMOUNTS ATTRIBUTABLE
4 TO QUALIFIED MANUFACTURING FACILITY.—

5 “(1) IN GENERAL.—In the case of an eligible
6 taxpayer, the amount determined under subsection
7 (c) for the taxable year (after the application of sub-
8 section (e)) shall be increased by an amount equal
9 to the applicable percentage of any qualified natural
10 gas vehicle manufacturing facility property which is
11 placed in service during the taxable year.

12 “(2) APPLICABLE PERCENTAGE.—For purposes
13 of paragraph (1), the applicable percentage is—

14 “(A) 35 percent, in the case of qualified
15 natural gas vehicle manufacturing facility prop-
16 erty which is placed in service before January
17 1, 2015, and

18 “(B) 17.5 percent, in the case of qualified
19 natural gas vehicle manufacturing facility prop-
20 erty which is placed in service after December
21 31, 2014, and before January 1, 2020.

22 “(3) ELIGIBLE TAXPAYER.—For purposes of
23 this subsection, the term ‘eligible taxpayer’ means
24 any taxpayer—

1 “(A) who places in service qualified natural
2 gas vehicle manufacturing facility property dur-
3 ing the taxable year,

4 “(B) who does not make an election under
5 section 179F(c), and

6 “(C) who makes an election under this
7 subsection.

8 “(4) OTHER DEFINITIONS AND SPECIAL
9 RULES.—

10 “(A) QUALIFIED NATURAL GAS VEHICLE
11 MANUFACTURING FACILITY PROPERTY.—The
12 term ‘qualified natural gas vehicle manufac-
13 turing facility property’ has the meaning given
14 such term under section 179F(d).

15 “(B) SPECIAL RULE FOR DUAL USE PROP-
16 erty.—In the case of any qualified natural gas
17 vehicle manufacturing facility property which is
18 used to produce both qualified property (as de-
19 fined in section 179F(d)) and other property
20 which is not qualified property, the amount of
21 costs taken into account under paragraph (1)
22 shall be reduced by an amount equal to—

23 “(i) the total amount of such costs
24 (determined before the application of this
25 subparagraph), multiplied by

1 “(ii) the percentage of property ex-
2 pected to be produced which is not quali-
3 fied property.

4 “(C) ELECTION.—

5 “(i) IN GENERAL.—An election under
6 this subsection for any taxable year shall
7 be made on the taxpayer’s return of the
8 tax imposed by this chapter for the taxable
9 year. Such election shall be made in such
10 manner as the Secretary may by regula-
11 tions prescribe.

12 “(ii) ELECTION IRREVOCABLE.—Any
13 election made under this subsection may
14 not be revoked except with the consent of
15 the Secretary.

16 “(5) CREDIT REFUNDABLE.—For purposes of
17 this title (other than this section), the credit allowed
18 by reason of this subsection shall be treated as if it
19 were allowed under subpart C.”.

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

1 **SEC. 514. STUDY OF INCREASING NATURAL GAS AND LIQ-**
2 **UEFIED PETROLEUM GAS VEHICLES IN FED-**
3 **ERAL FLEET.**

4 (a) IN GENERAL.—The Administrator of General
5 Services, in consultation with the Administrator and the
6 Secretary, shall conduct a study of the means by which
7 the Federal fleet could increase the number of light-, me-
8 dium-, and heavy-duty natural gas and liquefied petroleum
9 gas vehicles in the fleet.

10 (b) COMPONENTS.—In conducting the study, the Ad-
11 ministrator of General Services shall—

12 (1) take into consideration Executive Order
13 13514 (74 Fed. Reg. 52117; relating to Federal
14 leadership in environmental, energy, and economic
15 performance) requiring agencies to meet a 30 per-
16 cent reduction in vehicle fleet petroleum use by
17 2020;

18 (2) assess—

19 (A) the barriers to increasing the number
20 of natural gas and liquefied petroleum gas vehi-
21 cles in the Federal fleet;

22 (B) the potential for maximizing the use of
23 natural gas and liquefied petroleum gas vehicles
24 in the fleet;

25 (C) the expected reductions in petroleum
26 use and greenhouse gas emissions as part of the

1 potential impacts of increasing natural gas and
 2 liquefied petroleum in the fleet; and

3 (D) the lifecycle costs involved in fleet con-
 4 versions, including the cost savings from re-
 5 duced fuel consumption;

6 (3) provide a separate analysis of the potential
 7 costs of installing the specific fueling infrastructure
 8 required to increase natural gas and liquefied petro-
 9 leum gas in the fleet; and

10 (4) include feasibility assessments for increas-
 11 ing the number of light-, medium-, and heavy-duty
 12 natural gas and liquefied petroleum gas vehicles in
 13 the fleet over a base period of 10 years and acceler-
 14 ated periods of 3 and 5 years.

15 (c) REPORT.—Not later than 180 days after the date
 16 of enactment of this Act, the Administrator of General
 17 Services shall submit to the appropriate committees of
 18 Congress a report on the results of the study conducted
 19 under this section.

20 **TITLE VI—HEATING OIL AND**
 21 **PROPANE CONSERVATION**

22 **SEC. 601. ENERGY EFFICIENCY IMPROVEMENTS FOR HEAT-**
 23 **ING OIL, PROPANE, AND KEROSENE USE IN**
 24 **HOMES AND COMMERCIAL BUILDINGS.**

25 (a) DEFINITIONS.—In this section:

1 (1) COST-EFFECTIVE.—The term “cost-effec-
2 tive”, with respect to an energy efficiency program,
3 means that the program meets the total resource
4 cost test, which requires that the net present value
5 of economic benefits over the life of the program or
6 measure (including avoided supply and delivery costs
7 and deferred or avoided investments) is greater than
8 the net present value of the economic costs over the
9 life of the program, including program costs and in-
10 cremental costs borne by the energy consumer.

11 (2) DEPARTMENT.—The term “Department”
12 means the Department of Energy.

13 (3) NORA.—The term “NORA” means a na-
14 tional oilheat research alliance established pursuant
15 to section 704 of the National Oilheat Research Alli-
16 ance Act of 2000 (42 U.S.C. 6201 note; Public Law
17 106–469) or a successor entity.

18 (4) PERC.—The term “PERC” means the
19 Propane Education and Research Council authorized
20 by the Propane Education and Research Act of 1996
21 (15 U.S.C. 6401 et seq.) or a successor entity.

22 (5) SECRETARY.—The term “Secretary” means
23 the Secretary of Energy.

24 (b) ENERGY EFFICIENCY IMPROVEMENT FOR HEAT-
25 ING OIL, PROPANE, AND KEROSENE PROGRAM.—

1 (1) ESTABLISHMENT.—There is established in
2 the Department the Energy Efficiency Improvement
3 for Heating Oil, Propane, and Kerosene Program
4 under which the Secretary shall provide funds to
5 each State that has elected to participate in pro-
6 grams operated by NORA or PERC to carry out
7 cost-effective energy efficiency programs for homes
8 and buildings that use home heating oil, propane,
9 and kerosene.

10 (2) DISTRIBUTION OF FUNDS.—The Secretary
11 shall distribute funds under paragraph (1) among
12 the States based on the relative amount of funds col-
13 lected in each State under the National Oilheat Re-
14 search Alliance Act of 2000 (42 U.S.C. 6201 note;
15 Public Law 106–469) and the Propane Education
16 and Research Act of 1996 (15 U.S.C. 6401 et seq.).

17 (c) USE OF PROCEEDS.—

18 (1) IN GENERAL.—A State shall use the
19 amounts distributed under subsection (b)(2) to carry
20 out cost-effective energy efficiency programs for con-
21 sumers that use home heating oil, propane, or ker-
22 osene for residential or commercial purposes.

23 (2) ADMINISTRATION AND DELIVERY MECHA-
24 NISMS.—In administering a program under this sec-
25 tion, a State shall—

1 (A) to the maximum extent practicable, de-
2 liver efficiency programs through, or integrated
3 with, existing energy efficiency programs super-
4 vised by the State, including, as appropriate,
5 energy efficiency programs administered by par-
6 ties other than the State;

7 (B) to the maximum extent practicable, co-
8 ordinate the administration and delivery of en-
9 ergy efficiency programs supported under this
10 section, among other such programs and with
11 existing programs for various fuel types, to de-
12 liver comprehensive, fuel-blind, coordinated pro-
13 grams to consumers;

14 (C) ensure that funding provided under
15 this section does not displace or substitute for
16 existing or alternative sources of funding for
17 energy efficiency programs;

18 (D) taking into account subparagraphs (A)
19 through (C), designate 1 or more energy effi-
20 ciency program administrators for cost-effective
21 home heating oil, propane, and kerosene effi-
22 ciency programs;

23 (E) designate an existing, or establish a
24 new, stakeholder oversight council or equivalent
25 to review efficiency program designs and effi-

1 efficiency program cost-effectiveness and make rec-
2 ommendation for improvement and ensure co-
3 ordination between efficiency programs for
4 other fuels such as electricity and natural gas;

5 (F) establish methodologies and processes
6 for the manner by which efficiency programs
7 are developed, administered, reviewed, and ap-
8 proved in the State and report to the Secretary
9 annually on the methodologies and processes
10 used to develop, administer, review, and ap-
11 prove home heating oil, propane, and kerosene
12 programs; and

13 (G) ensure that evaluation, monitoring,
14 and verification of the efficiency programs are
15 conducted by an independent third-party annu-
16 ally with reporting to the States, public, and
17 the Secretary.

18 (d) REPORTS.—

19 (1) STATE.—Not later than April 30 of each
20 year, each State that receives funds under this sec-
21 tion shall submit to the Secretary a report for the
22 previous calendar year in accordance with such re-
23 quirements as the Secretary may prescribe that—

24 (A) describes the use by the State of funds
25 provided by this section, including a description

1 of the cost-effective energy efficiency programs
2 funded;

3 (B) demonstrates the consumer savings,
4 cost-effectiveness of, and the lifetime and an-
5 nual energy savings achieved by, energy effi-
6 ciency programs funded under this section; and

7 (C) includes a report prepared by an inde-
8 pendent third party, in accordance with such
9 regulations as the Secretary may issue, evalu-
10 ating the performance of the cost-effective en-
11 ergy efficiency programs funded under this sec-
12 tion, including consumer savings, cost-effective-
13 ness of, and the lifetime and annual energy sav-
14 ings of the efficiency programs.

15 (2) SECRETARY.—

16 (A) IN GENERAL.—Not later than April
17 30, 2013, and every 2 years thereafter, the Sec-
18 retary shall submit to Congress a report con-
19 taining—

20 (i) an evaluation of the consumer sav-
21 ings, cost-effectiveness of, and the lifetime
22 and annual energy savings achieved by, en-
23 ergy efficiency programs funded under this
24 section; and

1 (ii) recommendations for means of
2 more effectively achieving consumer sav-
3 ings, cost-effectiveness, and lifetime and
4 annual energy savings through efficiency
5 programs for home heating oil, propane,
6 and kerosene consumer for residential or
7 commercial purposes.

8 (B) PUBLICATION.—The Secretary shall
9 make the reports submitted under subpara-
10 graph (A) available to the public, including by
11 publishing the reports on the Internet.

12 (e) ENFORCEMENT.—If the Secretary determines
13 that a State is not in compliance with this section, the
14 Secretary may distribute funds that would have been dis-
15 tributed to the State under subsection (b)2) among the
16 remaining States, on a pro rata basis, for use in carrying
17 out programs under this section.

18 **SEC. 602. RENEWABLE BIOMASS THERMAL ENERGY FOR**
19 **COMMERCIAL BUILDINGS.**

20 (a) DEFINITIONS.—In this section:

21 (1) COMMERCIAL BUILDING.—

22 (A) IN GENERAL.—The term “commercial
23 building” means a building that—

24 (i) is located in the United States;

25 and

1 (ii) was in existence or initially de-
2 signed as of December 31, 2009.

3 (B) EXCLUSIONS.—The term “commercial
4 building” does not include—

5 (i) a federally owned building; or

6 (ii) a residential building.

7 (2) ELIGIBLE BUILDING.—The term “eligible
8 building” means a commercial building or multi-
9 family residential building that uses (or, if under de-
10 velopment but not yet constructed, is designed to
11 consume) heating oil or another petroleum product
12 as the primary thermal energy source of the build-
13 ing.

14 (3) MULTIFAMILY RESIDENTIAL BUILDING.—

15 (A) IN GENERAL.—The term “multifamily
16 residential building” means a structure of 5 or
17 more dwelling units that—

18 (i) is located in the United States;

19 and

20 (ii) was in existence or initially de-
21 signed as of December 31, 2009.

22 (B) EXCLUSION.—The term “multifamily
23 residential building” does not include a feder-
24 ally owned building.

1 (4) PROGRAM.—The term “program” means
2 the renewable biomass thermal energy loan program
3 established under this section.

4 (5) QUALIFIED BOILER.—The term “qualified
5 boiler” means a wood or wood-pellet fired boiler or
6 furnace that—

7 (A) has a capacity of not less than
8 300,000 Btu per hour; and

9 (B) meets or exceeds 60 percent total sys-
10 tem efficiency based on lower heating value.

11 (6) QUALIFIED PROGRAM DELIVERY ENTITY.—
12 The term “qualified program delivery entity” means
13 a State, political subdivision of a State, tribal gov-
14 ernment, energy utility, natural gas utility, nonprofit
15 or community-based organization, energy service
16 company, retailer, or any other qualified entity
17 that—

18 (A) meets the eligibility requirements of
19 this section; and

20 (B) is approved by the State that admin-
21 isters the program in the State.

22 (7) SECRETARY.—The term “Secretary” means
23 the Secretary of Energy.

24 (b) ESTABLISHMENT.—The Secretary shall establish
25 a renewable biomass thermal energy loan program under

1 which the Secretary shall make grants to States to support
2 financial assistance provided by qualified program delivery
3 entities for replacing, in eligible buildings, thermal energy
4 systems that use heating oil or another petroleum product
5 in qualified boilers.

6 (c) ELIGIBILITY OF QUALIFIED PROGRAM DELIVERY
7 ENTITIES.—To be eligible to participate in the program,
8 a qualified program delivery entity—

9 (1) shall offer a financing product under which
10 eligible participants may pay over time for the cost
11 to the owner of an eligible building (after all applica-
12 ble Federal, State, local, and other rebates or incen-
13 tives are applied) of replacing or redesigning a ther-
14 mal energy system that uses heating oil or another
15 petroleum product with a qualified boiler;

16 (2) shall offer an incentive or other strategy for
17 encouraging the owner of an eligible building to
18 make energy efficiency improvements to the thermal
19 energy delivery system of an eligible building at the
20 same time as a qualified boiler is installed;

21 (3) shall establish standard underwriting cri-
22 teria to determine the eligibility of program appli-
23 cants, which criteria shall be consistent with com-
24 mercially recognized best practices applicable to the
25 form of financial assistance being provided (as deter-

1 mined by the designated entity administering the
2 program in the State); and

3 (4) may establish and offer financing mecha-
4 nisms to pool the needs of multiple eligible buildings
5 into a single finance package in order to lower trans-
6 actions costs and enable projects in small or low-in-
7 come municipalities to participate in the program.

8 (d) ALLOCATION.—In making funds available to
9 States for each fiscal year under this section, the Sec-
10 retary shall use the formula used to allocate funds to
11 States to carry out State energy conservation plans estab-
12 lished under part D of title III of the Energy Policy and
13 Conservation Act (42 U.S.C. 6321 et seq.).

14 (e) QUALIFIED PROGRAM DELIVERY ENTITIES.—Be-
15 fore making a grant to a State under this section, the Sec-
16 retary shall require the Governor of the State to provide
17 to the Secretary a letter of assurance that the State—

18 (1) has 1 or more qualified program delivery
19 entities that meet the requirements of this section;

20 (2) has established a loan program mechanism
21 that incorporates an effective repayment mechanism,
22 which may include—

23 (A) on-utility-bill repayment;

24 (B) tax assessment or other form of prop-
25 erty assessment financing;

1 (C) municipal service charges;

2 (D) energy or energy efficiency services
3 contracts; or

4 (E) alternative contractual repayment
5 mechanisms that have been demonstrated to
6 have appropriate risk mitigation features; and

7 (3) will provide, in a timely manner, all infor-
8 mation regarding the administration of the program
9 as the Secretary may require to permit the Secretary
10 to meet the reporting requirements of subsection (h).

11 (f) USE OF GRANT FUNDS.—Grant funds made
12 available to States under the program may be used to sup-
13 port financing products offered by qualified program deliv-
14 ery entities to eligible participants, by providing—

15 (1) interest rate reductions;

16 (2) loan loss reserves or other forms of credit
17 enhancement;

18 (3) revolving loan funds from which qualified
19 program delivery entities may offer direct loans;

20 (4) other debt instruments or financial products
21 necessary—

22 (A) to maximize leverage provided through
23 available funds; and

24 (B) to support widespread deployment of
25 qualified boilers; and

1 (5) technical assistance delivered for nonprofit
2 or community based organizations and local govern-
3 ments in economically distressed counties, on financ-
4 ing options or project development and design of-
5 fered to eligible entities, particularly eligible entities
6 located in low-income communities, HUB zones, or
7 other Federal designations aimed at increasing the
8 participation and benefit from Federal programs of
9 underserved or low-income communities.

10 (g) USE OF REPAYMENT FUNDS.—In the case of a
11 revolving loan fund established by a State described in
12 subsection (f)(3), a qualified program delivery entity may
13 use funds repaid by eligible participants under the pro-
14 gram to provide financial assistance for additional eligible
15 participants to make improvements described in sub-
16 section (b) in a manner that is consistent with this section
17 or other such criteria as are prescribed by the State.

18 (h) PROGRAM EVALUATION.—Not later than 180
19 days after the date of enactment of this Act, the Secretary
20 shall submit to Congress a program evaluation that de-
21 scribes—

22 (1) how many eligible participants have partici-
23 pated in the program;

24 (2) how many jobs have been created through
25 the program, directly and indirectly;

1 (3) what steps could be taken to promote fur-
2 ther deployment of qualified boilers;

3 (4) the quantity of verifiable energy savings, re-
4 newable energy deployment, eligible building owner
5 energy bill savings, and other benefits of the pro-
6 gram; and

7 (5) the performance of the programs carried
8 out by qualified program delivery entities under this
9 section, including information on the rate of default
10 and repayment.

11 (i) AUTHORIZATION OF APPROPRIATIONS.—There
12 are authorized to be appropriated to carry out this section
13 such sums as are necessary for each of fiscal years 2011
14 through 2020.

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