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Referred to the Committee on Foreign Affairs

AN ACT

To establish a comprehensive United States Government policy to encourage the efforts of countries in sub-Saharan Africa to develop an appropriate mix of power solutions, including renewable energy, for more broadly distributed electricity access in order to support poverty reduction, promote development outcomes, and drive economic growth, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Electrify Africa Act
5 of 2015”.

6 **SEC. 2. PURPOSE.**

7 The purpose of this Act is to encourage the efforts
8 of countries in sub-Saharan Africa to improve access to
9 affordable and reliable electricity in Africa in order to
10 unlock the potential for inclusive economic growth, job cre-
11 ation, food security, improved health, education, and envi-
12 ronmental outcomes, and poverty reduction.

13 **SEC. 3. STATEMENT OF POLICY.**

14 It is the policy of the United States to partner, con-
15 sult, and coordinate with the governments of sub-Saharan
16 African countries, international financial institutions, and
17 African regional economic communities, cooperatives, and
18 the private sector, in a concerted effort to—

19 (1) promote first-time access to power and
20 power services for at least 50,000,000 people in sub-
21 Saharan Africa by 2020 in both urban and rural
22 areas;

23 (2) encourage the installation of at least 20,000
24 additional megawatts of electrical power in sub-Sa-
25 haran Africa by 2020 using a broad mix of energy

1 options to help reduce poverty, promote sustainable
2 development, and drive inclusive economic growth;

3 (3) promote non-discriminatory reliable, afford-
4 able, and sustainable power in urban areas (includ-
5 ing small urban areas) to promote economic growth
6 and job creation;

7 (4) promote policies to facilitate public-private
8 partnerships to provide non-discriminatory reliable,
9 sustainable, and affordable electrical service to rural
10 and underserved populations;

11 (5) encourage the necessary in-country reforms,
12 including facilitating public-private partnerships spe-
13 cifically to support electricity access projects to
14 make such expansion of power access possible;

15 (6) promote reforms of power production, deliv-
16 ery, and pricing, as well as regulatory reforms and
17 transparency, to support long-term, market-based
18 power generation and distribution;

19 (7) promote policies to displace kerosene light-
20 ing with other technologies;

21 (8) promote an all-of-the-above energy develop-
22 ment strategy for sub-Saharan Africa that includes
23 the use of oil, natural gas, coal, hydroelectric, wind,
24 solar, and geothermal power, and other sources of
25 energy; and

1 (9) promote and increase the use of private fi-
2 nancing and seek ways to remove barriers to private
3 financing and assistance for projects, including
4 through charitable organizations.

5 **SEC. 4. DEVELOPMENT OF COMPREHENSIVE, MULTIYEAR**
6 **STRATEGY.**

7 (a) STRATEGY REQUIRED.—

8 (1) IN GENERAL.—The President shall establish
9 a comprehensive, integrated, multiyear strategy to
10 encourage the efforts of countries in sub-Saharan
11 Africa to implement national power strategies and
12 develop an appropriate mix of power solutions to
13 provide access to sufficient reliable, affordable, and
14 sustainable power in order to reduce poverty and
15 drive economic growth and job creation consistent
16 with the policy stated in section 3.

17 (2) FLEXIBILITY AND RESPONSIVENESS.—The
18 President shall ensure that the strategy required
19 under paragraph (1) maintains sufficient flexibility
20 for and remains responsive to concerns and interests
21 of affected local communities and technological inno-
22 vation in the power sector.

23 (b) REPORT REQUIRED.—Not later than 180 days
24 after the date of the enactment of this Act, the President
25 shall transmit to the Committee on Foreign Relations of

1 the Senate and the Committee on Foreign Affairs of the
2 House of Representatives a report that contains the strat-
3 egy required under subsection (a) and includes a discus-
4 sion of the following elements:

5 (1) The objectives of the strategy and the cri-
6 teria for determining the success of the strategy.

7 (2) A general description of efforts in sub-Saha-
8 ran Africa to—

9 (A) increase power production;

10 (B) strengthen electrical transmission and
11 distribution infrastructure;

12 (C) provide for regulatory reform and
13 transparent and accountable governance and
14 oversight;

15 (D) improve the reliability of power;

16 (E) maintain the affordability of power;

17 (F) maximize the financial sustainability of
18 the power sector; and

19 (G) improve non-discriminatory access to
20 power that is done in consultation with affected
21 communities.

22 (3) A description of plans to support efforts of
23 countries in sub-Saharan Africa to increase access to
24 power in urban and rural areas, including a descrip-

1 tion of plans designed to address commercial, indus-
2 trial, and residential needs.

3 (4) A description of plans to support efforts to
4 reduce waste and corruption, ensure local commu-
5 nity consultation, and improve existing power gen-
6 eration through the use of a broad power mix, in-
7 cluding fossil fuel and renewable energy, distributed
8 generation models, energy efficiency, and other tech-
9 nological innovations, as appropriate.

10 (5) An analysis of existing mechanisms for en-
11 suring, and recommendations to promote—

12 (A) commercial cost recovery;

13 (B) commercialization of electric service
14 through distribution service providers, including
15 cooperatives, to consumers;

16 (C) improvements in revenue cycle man-
17 agement, power pricing, and fees assessed for
18 service contracts and connections;

19 (D) reductions in technical losses and com-
20 mercial losses; and

21 (E) non-discriminatory access to power, in-
22 cluding recommendations on the creation of new
23 service provider models that mobilize commu-
24 nity participation in the provision of power
25 services.

1 (6) A description of the reforms being under-
2 taken or planned by countries in sub-Saharan Africa
3 to ensure the long-term economic viability of power
4 projects and to increase access to power, including—

5 (A) reforms designed to allow third parties
6 to connect power generation to the grid;

7 (B) policies to ensure there is a viable and
8 independent utility regulator;

9 (C) strategies to ensure utilities become or
10 remain creditworthy;

11 (D) regulations that permit the participa-
12 tion of independent power producers and pri-
13 vate-public partnerships;

14 (E) policies that encourage private sector
15 and cooperative investment in power generation;

16 (F) policies that ensure compensation for
17 power provided to the electrical grid by on-site
18 producers;

19 (G) policies to unbundle power services;

20 (H) regulations to eliminate conflicts of in-
21 terest in the utility sector;

22 (I) efforts to develop standardized power
23 purchase agreements and other contracts to
24 streamline project development;

1 (J) efforts to negotiate and monitor com-
2 pliance with power purchase agreements and
3 other contracts entered into with the private
4 sector; and

5 (K) policies that promote local community
6 consultation with respect to the development of
7 power generation and transmission projects.

8 (7) A description of plans to ensure meaningful
9 local consultation, as appropriate, in the planning,
10 long-term maintenance, and management of invest-
11 ments designed to increase access to power in sub-
12 Saharan Africa.

13 (8) A description of the mechanisms to be es-
14 tablished for—

15 (A) selection of partner countries for fo-
16 cused engagement on the power sector;

17 (B) monitoring and evaluating increased
18 access to, and reliability and affordability of,
19 power in sub-Saharan Africa;

20 (C) maximizing the financial sustainability
21 of power generation, transmission, and distribu-
22 tion in sub-Saharan Africa;

23 (D) establishing metrics to demonstrate
24 progress on meeting goals relating to access to

1 power, power generation, and distribution in
2 sub-Saharan Africa; and

3 (E) terminating unsuccessful programs.

4 (9) A description of how the President intends
5 to promote trade in electrical equipment with coun-
6 tries in sub-Saharan Africa, including a description
7 of how the government of each country receiving as-
8 sistance pursuant to the strategy—

9 (A) plans to lower or eliminate import tar-
10 iffs or other taxes for energy and other power
11 production and distribution technologies des-
12 tined for sub-Saharan Africa, including equip-
13 ment used to provide energy access, including
14 solar lanterns, solar home systems, and micro
15 and mini grids; and

16 (B) plans to protect the intellectual prop-
17 erty of companies designing and manufacturing
18 products that can be used to provide energy ac-
19 cess in sub-Saharan Africa.

20 (10) A description of how the President intends
21 to encourage the growth of distributed renewable en-
22 ergy markets in sub-Saharan Africa, including off-
23 grid lighting and power, that includes—

24 (A) an analysis of the state of distributed
25 renewable energy in sub-Saharan Africa;

1 (B) a description of market barriers to the
2 deployment of distributed renewable energy
3 technologies both on- and off-grid in sub-Saha-
4 ran Africa;

5 (C) an analysis of the efficacy of efforts by
6 the Overseas Private Investment Corporation
7 and the United States Agency for International
8 Development to facilitate the financing of the
9 importation, distribution, sale, leasing, or mar-
10 keting of distributed renewable energy tech-
11 nologies; and

12 (D) a description of how bolstering distrib-
13 uted renewable energy can enhance the overall
14 effort to increase power access in sub-Saharan
15 Africa.

16 (11) A description of plans to ensure that small
17 and medium enterprises based in sub-Saharan Africa
18 can fairly compete for energy development and en-
19 ergy access opportunities associated with this Act.

20 (12) A description of how United States invest-
21 ments to increase access to energy in sub-Saharan
22 Africa may reduce the need for foreign aid and de-
23 velopment assistance in the future.

24 (13) A description of policies or regulations,
25 both domestically and internationally, that create

1 barriers to private financing of the projects under-
2 taken in this Act.

3 (14) A description of the specific national secu-
4 rity benefits to the United States that will be de-
5 rived from increased energy access in sub-Saharan
6 Africa.

7 (c) INTERAGENCY WORKING GROUP.—

8 (1) IN GENERAL.—The President may, as ap-
9 propriate, establish an Interagency Working Group
10 to coordinate the activities of relevant United States
11 Government departments and agencies involved in
12 carrying out the strategy required under this sec-
13 tion.

14 (2) FUNCTIONS.—The Interagency Working
15 Group may, among other things—

16 (A) seek to coordinate the activities of the
17 United States Government departments and
18 agencies involved in implementing the strategy
19 required under this section;

20 (B) ensure efficient and effective coordina-
21 tion between participating departments and
22 agencies; and

23 (C) facilitate information sharing, and co-
24 ordinate partnerships between the United
25 States Government, the private sector, and

1 other development partners to achieve the goals
2 of the strategy.

3 **SEC. 5. PRIORITIZATION OF EFFORTS AND ASSISTANCE**
4 **FOR POWER PROJECTS IN SUB-SAHARAN AF-**
5 **RICA BY KEY UNITED STATES INSTITUTIONS.**

6 (a) IN GENERAL.—In pursuing the policy goals de-
7 scribed in section 3, the Administrator of the United
8 States Agency for International Development, the Director
9 of the Trade and Development Agency, the Overseas Pri-
10 vate Investment Corporation, and the Chief Executive Of-
11 ficer and Board of Directors of the Millennium Challenge
12 Corporation should, as appropriate, prioritize and expedite
13 institutional efforts and assistance to facilitate the involve-
14 ment of such institutions in power projects and markets,
15 both on- and off-grid, in sub-Saharan Africa and partner
16 with other investors and local institutions in sub-Saharan
17 Africa, including private sector actors, to specifically in-
18 crease access to reliable, affordable, and sustainable power
19 in sub-Saharan Africa, including through—

20 (1) maximizing the number of people with new
21 access to power and power services;

22 (2) improving and expanding the generation,
23 transmission and distribution of power;

24 (3) providing reliable power to people and busi-
25 nesses in urban and rural communities;

1 (4) addressing the energy needs of marginalized
2 people living in areas where there is little or no ac-
3 cess to a power grid and developing plans to system-
4 atically increase coverage in rural areas;

5 (5) reducing transmission and distribution
6 losses and improving end-use efficiency and demand-
7 side management;

8 (6) reducing energy-related impediments to
9 business productivity and investment; and

10 (7) building the capacity of countries in sub-Sa-
11 haran Africa to monitor and appropriately and
12 transparently regulate the power sector and encour-
13 age private investment in power production and dis-
14 tribution.

15 (b) EFFECTIVENESS MEASUREMENT.—In
16 prioritizing and expediting institutional efforts and assist-
17 ance pursuant to this section, as appropriate, such institu-
18 tions shall use clear, accountable, and metric-based targets
19 to measure the effectiveness of such guarantees and assist-
20 ance in achieving the goals described in section 3.

21 (c) PROMOTION OF USE OF PRIVATE FINANCING AND
22 ASSISTANCE.—In carrying out policies under this section,
23 such institutions shall promote the use of private financing
24 and assistance and seek ways to remove barriers to private

1 financing for projects and programs under this Act, in-
2 cluding through charitable organizations.

3 (d) **RULE OF CONSTRUCTION.**—Nothing in this sec-
4 tion may be construed to authorize modifying or limiting
5 the portfolio of the institutions covered by subsection (a)
6 in other developing regions.

7 **SEC. 6. LEVERAGING INTERNATIONAL SUPPORT.**

8 In implementing the strategy described in section 4,
9 the President should direct the United States representa-
10 tives to appropriate international bodies to use the influ-
11 ence of the United States, consistent with the broad devel-
12 opment goals of the United States, to advocate that each
13 such body—

14 (1) commit to significantly increase efforts to
15 promote investment in well-designed power sector
16 and electrification projects in sub-Saharan Africa
17 that increase energy access, in partnership with the
18 private sector and consistent with the host countries’
19 absorptive capacity;

20 (2) address energy needs of individuals and
21 communities where access to an electricity grid is
22 impractical or cost-prohibitive;

23 (3) enhance coordination with the private sector
24 in sub-Saharan Africa to increase access to elec-
25 tricity;

1 (4) provide technical assistance to the regu-
2 latory authorities of sub-Saharan African govern-
3 ments to remove unnecessary barriers to investment
4 in otherwise commercially viable projects; and

5 (5) utilize clear, accountable, and metric-based
6 targets to measure the effectiveness of such projects.

7 **SEC. 7. PROGRESS REPORT.**

8 (a) IN GENERAL.—Not later than three years after
9 the date of the enactment of this Act, the President shall
10 transmit to the Committee on Foreign Affairs of the
11 House of Representatives and the Committee on Foreign
12 Relations of the Senate a report on progress made toward
13 achieving the strategy described in section 4 that includes
14 the following:

15 (1) A report on United States programs sup-
16 porting implementation of policy and legislative
17 changes leading to increased power generation and
18 access in sub-Saharan Africa, including a description
19 of the number, type, and status of policy, regulatory,
20 and legislative changes initiated or implemented as
21 a result of programs funded or supported by the
22 United States in countries in sub-Saharan Africa to
23 support increased power generation and access after
24 the date of the enactment of this Act.

1 (2) A description of power projects receiving
2 United States Government support and how such
3 projects, including off-grid efforts, are intended to
4 achieve the strategy described in section 4.

5 (3) For each project described in paragraph
6 (2)—

7 (A) a description of how the project fits
8 into, or encourages modifications of, the na-
9 tional energy plan of the country in which the
10 project will be carried out, including encour-
11 aging regulatory reform in that county;

12 (B) an estimate of the total cost of the
13 project to the consumer, the country in which
14 the project will be carried out, and other inves-
15 tors;

16 (C) the amount of financing provided or
17 guaranteed by the United States Government
18 for the project;

19 (D) an estimate of United States Govern-
20 ment resources for the project, itemized by
21 funding source, including from the Overseas
22 Private Investment Corporation, the United
23 States Agency for International Development,
24 the Department of the Treasury, and other ap-

1 appropriate United States Government depart-
2 ments and agencies;

3 (E) an estimate of the number and re-
4 gional locations of individuals, communities,
5 businesses, schools, and health facilities that
6 have gained power connections as a result of
7 the project, with a description of how the reli-
8 ability, affordability, and sustainability of power
9 has been improved as of the date of the report;

10 (F) an assessment of the increase in the
11 number of people and businesses with access to
12 power, and in the operating electrical power ca-
13 pacity in megawatts as a result of the project
14 between the date of the enactment of this Act
15 and the date of the report;

16 (G) a description of efforts to gain mean-
17 ingful local consultation for projects associated
18 with this Act and any significant estimated
19 noneconomic effects of the efforts carried out
20 pursuant to this Act; and

21 (H) a description of the participation by
22 small and medium enterprises based in sub-Sa-

