

TO REQUIRE THE SECRETARY OF THE INTERIOR TO ASSEMBLE A TEAM OF TECHNICAL, POLICY, AND FINANCIAL EXPERTS TO ADDRESS THE ENERGY NEEDS OF THE INSULAR AREAS OF THE UNITED STATES AND THE FREELY ASSOCIATED STATES THROUGH THE DEVELOPMENT OF ACTION PLANS AIMED AT REDUCING RELIANCE ON IMPORTED FOSSIL FUELS AND INCREASING USE OF INDIGENOUS CLEAN-ENERGY RESOURCES, AND FOR OTHER PURPOSES

JUNE 19, 2014.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. UPTON, from the Committee on Energy and Commerce,
submitted the following

R E P O R T

[To accompany H.R. 83]

[Including cost estimate of the Congressional Budget Office]

The Committee on Energy and Commerce, to whom was referred the bill (H.R. 83) to require the Secretary of the Interior to assemble a team of technical, policy, and financial experts to address the energy needs of the insular areas of the United States and the Freely Associated States through the development of action plans aimed at reducing reliance on imported fossil fuels and increasing use of indigenous clean-energy resources, and for other purposes, having considered the same, report favorably thereon with amendment and recommend that the bill as amended do pass.

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The amendments are as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. INSULAR AREAS AND FREELY ASSOCIATED STATES ENERGY DEVELOPMENT.

(a) **DEFINITIONS.**—In this section:

(1) **COMPREHENSIVE ENERGY PLAN.**—The term “comprehensive energy plan” means a comprehensive energy plan prepared and updated under subsections (c) and (e) of section 604 of the Act entitled “An Act to authorize appropriations for certain insular areas of the United States, and for other purposes”, approved December 24, 1980 (48 U.S.C. 1492).

(2) **ENERGY ACTION PLAN.**—The term “energy action plan” means the plan required by subsection (d).

(3) **FREELY ASSOCIATED STATES.**—The term “Freely Associated States” means the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

(4) **INSULAR AREAS.**—The term “insular areas” means American Samoa, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

(5) **SECRETARY.**—The term “Secretary” means the Secretary of the Interior.

(6) **TEAM.**—The term “team” means the team established by the Secretary under subsection (b).

(b) **ESTABLISHMENT.**—Not later than 180 days after the date of enactment of this Act, the Secretary shall establish a team of technical, policy, and financial experts—

(1) to develop energy action plans addressing the immediate, near-term, and long-term energy and environmental needs of each of the insular areas and Freely Associated States; and

(2) to assist each of the insular areas and Freely Associated States in implementing an energy action plan.

(c) **PARTICIPATION OF REGIONAL UTILITY ORGANIZATIONS.**—In establishing the team, the Secretary shall consider including regional utility organizations.

(d) **ENERGY ACTION PLANS.**—In accordance with subsection (b), the energy action plans shall include—

(1) recommendations, based on the comprehensive energy plan where applicable, to—

(A) promote access to affordable, reliable energy;

(B) develop indigenous, nonfossil fuel energy resources; and

(C) improve performance of energy infrastructure and overall energy efficiency;

(2) a schedule for implementation of such recommendations and identification and prioritization of specific projects;

(3) a financial and engineering plan for implementing and sustaining projects; and

(4) benchmarks for measuring progress toward implementation.

(e) **REPORTS TO SECRETARY.**—Not later than 1 year after the date on which the Secretary establishes the team and annually thereafter, the team shall submit to the Secretary a report detailing progress made in fulfilling its charge and in implementing the energy action plans.

(f) **ANNUAL REPORTS TO CONGRESS.**—Not later than 30 days after the date on which the Secretary receives a report submitted by the team under subsection (e), the Secretary shall submit to the appropriate committees of Congress a summary of the report of the team.

Amend the title to read:

A bill to require the Secretary of the Interior to assemble a team of technical, policy, and financial experts to address the energy needs of the insular areas of the United States and the Freely Associated States through the development of energy action plans aimed at promoting access to affordable, reliable energy, including increasing use of indigenous clean-energy resources, and for other purposes.

PURPOSE AND SUMMARY

H.R. 83, to require the Secretary of the Interior to assemble a team of technical, policy, and financial experts to address the energy needs of the insular areas of the United States and the Freely Associated States through the development of energy action plans aimed at promoting access to affordable, reliable energy, including increasing use of indigenous clean-energy resources, and for other purposes, was introduced by Rep. Donna M. Christensen on January 3, 2013. The legislation will assist the insular areas of the United States and the Freely Associated States in addressing their energy and environmental needs by directing the Secretary of the Interior to establish a team of technical, policy, and financial experts to develop an energy action plan for each of the insular areas and Freely Associated States and to assist them in implementing those energy action plans.

BACKGROUND AND NEED FOR LEGISLATION

The Insular Areas and Freely Associated States (Insular Areas), including American Samoa, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau, generally, have few conventional energy resources, and they are dependent upon imports to meet a significant portion of their energy needs. As noted in the U.S. Department of the Interior's 2006 *United States of America Insular Areas Energy Assessment Report*, "[t]he Insular Areas have no indigenous fossil fuels, and their near complete reliance on a single, increasingly expensive energy source has created fiscal burdens that have hampered economic development." (p. ii)

In addition, because the Insular Areas are isolated from areas that provide their energy fuels, as well as the added cost of transporting those fuels, they face higher energy costs and greater threat of supply interruption than areas that are energy independent or have a more convenient source of energy fuels. For example, the National Renewable Energy Laboratory found in its 2011 report on *Integrating Renewable Energy into the Transmission and Distribution System of the U.S. Virgin Islands* that electricity costs in the Virgin Islands are more than four times higher than the U.S. average due to the territory's dependence on imported energy to meet nearly all of its energy needs. To address these challenges, the Insular Areas require assistance with their immediate, near-term, and long-term energy resource planning and implementation, including the development of local renewable energy and improvements in energy efficiency.

Congress previously addressed the energy issues faced by Insular Areas in 1984 with the passage of H.R. 5561 (P.L. 98-454, 48 U.S.C. 1492), which, in part, required the Secretary of Energy (Secretary) to "prepare a comprehensive energy plan with emphasis on indigenous renewable sources of energy" (48 U.S.C. 1492(c)) and authorized the Secretary to:

grant financial assistance . . . to insular area governments or private sector persons working in cooperation with insular area governments to carry out projects to evaluate the feasibility of, develop options for, and encour-

age the adoption of energy efficiency and renewable energy measures which reduce the dependency of the insular areas on imported fuels, improve the quality of the environment, and promote development in the insular areas. (48 U.S.C. 1492(g))

When Congress passed the Energy Policy Act of 2005 (EPAct 2005, P.L. 109–190), it included provisions that expanded the scope of the comprehensive energy plan and authorized grants “to carry out projects to protect electric power transmission and distribution lines . . . from damage caused by hurricanes and typhoons.” (sec. 251 of EPAct 2005)

Section 252 of EPAct 2005 also directed the Secretary to “conduct a feasibility study of a project to implement a strategy or project identified in the [comprehensive energy] plans . . .” required by 48 U.S.C. 1492. (42 U.S.C. 15891(a)) In addition, the Secretary was authorized to “provide such technical and financial assistance as the Secretary determines is appropriate for the implementation of the project.” (42 U.S.C. 15891(b))

While these previous laws have provided assistance, the Insular Areas continue to face significant energy challenges. The Committee has an ongoing interest in the energy needs of the nation, and the Insular Areas. Affordable and reliable sources of energy are hallmarks of a thriving economy that can improve the quality of life for all.

HEARINGS

The Committee on Energy and Commerce has not held hearings on the legislation.

COMMITTEE CONSIDERATION

On July 10, 2013, the Subcommittee on Energy and Power met in open markup session and approved H.R. 83 for full Committee consideration, as amended, by a voice vote.

On July 17, 2013, the Committee on Energy and Commerce met in open markup session, and a motion by Mr. Upton to order H.R. 83 reported to the House, as amended, was agreed to by unanimous consent.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the motion to report legislation and amendments thereto. There were no record votes taken in connection with ordering H.R. 83 reported. A motion by Mr. Upton to order H.R. 83 reported to the House, as amended, was agreed to by unanimous consent.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee has not held oversight or legislative hearings on this legislation.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

H.R. 83 assists the insular areas of the United States and the Freely Associated States to address their energy needs through the

development of energy action plans aimed at promoting access to affordable and reliable energy, including increasing use of indigenous clean energy resources.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX
EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee finds that H.R. 83, to require the Secretary of the Interior to assemble a team of technical, policy, and financial experts to address the energy needs of the insular areas of the United States and the Freely Associated States through the development of energy action plans aimed at promoting access to affordable, reliable energy, including increasing use of indigenous clean-energy resources, and for other purposes, would result in no new or increased budget authority, entitlement authority, or tax expenditures or revenues.

EARMARK, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

In compliance with clause 9(e), 9(f), and 9(g) of rule XXI of the Rules of the House of Representatives, the Committee finds that H.R. 83 contains no earmarks, limited tax benefits, or limited tariff benefits.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

JULY 29, 2013.

Hon. FRED UPTON,
Chairman, Committee on Energy and Commerce,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 83, a bill to require the Secretary of the Interior to assemble a team of technical, policy, and financial experts to address the energy needs of the insular areas of the United States and the Freely Associated States through the development of action plans aimed at reducing reliance on imported fossil fuels and increasing use of indigenous clean-energy resources, and for other purposes.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Maggie Morrissey and Matthew Pickford.

Sincerely,

DOUGLAS W. ELMENDORF.

Enclosure.

H.R. 83—A bill to require the Secretary of the Interior to assemble a team of technical, policy, and financial experts to address the energy needs of the insular areas of the United States and the Freely Associated States through the development of action plans aimed at reducing reliance on imported fossil fuels and increasing use of indigenous clean-energy resources, and for other purposes

H.R. 83 would require the Department of the Interior (DOI) to establish a team of technical, policy, and financial experts to develop action plans aimed at reducing reliance on imported fossil fuels and increasing the use of clean-energy sources in the insular areas (American Samoa, the Northern Mariana Islands, Puerto Rico, Guam, and the Virgin Islands) and the Freely Associated States (the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau). In establishing the team, DOI would be required to consider including regional utility organizations. Both the team and DOI would report to the Congress on their findings annually.

DOI currently spends \$1.2 million annually to establish energy action plans for insular areas. Based on information from the agency, CBO expects that under H.R. 83, DOI would need to spend about \$2 million more annually to hire additional staff to handle the increased technical support called for under the bill. Thus, CBO estimates that implementing the bill would cost about \$10 million over the 2014–2018 period, assuming appropriation of the necessary amounts. Enacting H.R. 83 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 83 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contacts for this estimate are Maggie Morrissey and Matthew Pickford. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

DUPLICATION OF FEDERAL PROGRAMS

No provision of H.R. 83 establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

DISCLOSURE OF DIRECTED RULE MAKINGS

The Committee estimates that enacting H.R. 83 directs to be completed no specific rule makings within the meaning of 5 U.S.C. 551.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1(a) defines the terms “Comprehensive Energy Plan,” “Energy Action Plan,” “Freely Associated States,” “Insular Areas,” “Secretary,” and “Team.”

Section 1(b) directs the Secretary of the Interior to establish a team of technical, policy and financial experts to (1) develop energy action plans addressing the immediate, near-term, and long-term energy and environmental needs of each of the insular areas and Freely Associated States, and (2) assist them in implementing an energy action plan.

Section 1(c) requires the Secretary of the Interior to consider including regional utility organizations in the team.

Section 1(d) provides that the energy action plans include (1) recommendations to (a) promote access to affordable, reliable energy, (b) develop indigenous, nonfossil fuel energy resources, and (c) improve performance of energy infrastructure and overall energy efficiency; (2) a schedule for implementation of such recommendations and identification and prioritization of specific projects; (3) a financial and engineering plan for implementing and sustaining projects; and (4) benchmarks for measuring progress toward implementation.

Section 1(e) directs the team to submit to the Secretary of the Interior a report detailing progress made in fulfilling its charge and implementing the energy action plans. The report must be submitted within 1 year of the establishment of the team and annually thereafter.

Section 1(f) directs the Secretary of the Interior to submit to the appropriate Congressional committees a summary of the report of the team required by section 1(e). The summary must be submitted within 30 days of receiving the report required by section 1(e).

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

This legislation does not amend any existing Federal statute.