

107TH CONGRESS
1ST SESSION

H. R. 2774

To establish a loan guarantee program for renewable energy source facilities.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 2, 2001

Mr. LARSEN of Washington (for himself and Ms. BERKLEY) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To establish a loan guarantee program for renewable energy source facilities.

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 “Renewable Energy
5 Loan Guarantee Act of 2001”.

6 **SEC. 2. RENEWABLE ENERGY SOURCE LOAN GUARANTEES.**

7 (a) DEFINITIONS.—For purposes of this section:

8 (1) BOARD.—The term “Board” means the
9 Loan Guarantee Board established by subsection

10 (b)(2).

1 (2) INCREMENTAL HYDROPOWER.—The term
2 “incremental hydropower” means additional gener-
3 ating capacity achieved from increased efficiency at
4 a non-Federal hydroelectric facility in existence on
5 January 1, 2001, and licensed by the Federal En-
6 ergy Regulatory Commission.

7 (3) PROGRAM.—The term “Program” means
8 the Renewable Energy Source Facility Guaranteed
9 Loan Program established by subsection (b)(1).

10 (4) QUALIFIED RENEWABLE ENERGY SOURCE
11 FACILITY.—The term “qualified renewable energy
12 source facility” means a facility that generates elec-
13 tric energy for sale in, or affecting, interstate com-
14 merce using solar, wind, biomass, landfill gas, incre-
15 mental hydropower, or geothermal energy.

16 (b) RENEWABLE ENERGY SOURCE FACILITY GUAR-
17 ANTEED LOAN PROGRAM.—

18 (1) IN GENERAL.—There is established the Re-
19 newable Energy Source Facility Guaranteed Loan
20 Program, the purpose of which shall be to provide
21 loan guarantees for qualified renewable energy
22 source facilities in accordance with this section.

23 (2) LOAN GUARANTEE BOARD.—There is estab-
24 lished to administer the Program a Loan Guarantee
25 Board, to be composed of—

1 (A) the Secretary of Energy, or the Sec-
2 retary's designee, who shall serve as Chairman
3 of the Board;

4 (B) the Secretary of Commerce, or the
5 Secretary's designee;

6 (C) the Chairman of the Board of Gov-
7 ernors of the Federal Reserve System, or the
8 Chairman's designee; and

9 (D) the Secretary of the Treasury, or the
10 Secretary's designee.

11 (c) AUTHORITY.—

12 (1) IN GENERAL.—The Program may guarantee
13 loans provided for qualified renewable energy source
14 facilities by private banking and investment institu-
15 tions in accordance with procedures, rules, and regu-
16 lations established by the Board. The Board shall
17 ensure that small businesses receive an appropriate
18 amount and number of loan guarantees under the
19 Program, consistent with applicable laws and goals
20 for small business participation in Federal pro-
21 grams.

22 (2) TOTAL GUARANTEE LIMIT.—The aggregate
23 amount of loans guaranteed and outstanding at any
24 one time under this section shall not exceed
25 \$750,000,000.

1 (3) EXPEDITIOUS ACTION ON APPLICATIONS.—

2 The Board shall approve or deny an application for
3 a guarantee under this section as soon as practicable
4 after receipt of an application.

5 (d) REQUIREMENTS FOR LOAN GUARANTEES.—The
6 Board may issue a loan guarantee on application by the
7 owner or operator of a qualified renewable energy source
8 facility under an agreement by a private bank or invest-
9 ment company to provide a loan for the qualified renew-
10 able energy source facility, if the Board determines that—

11 (1) credit is not otherwise available to the
12 owner or operator under reasonable terms or condi-
13 tions sufficient to meet its financing needs, as re-
14 flected in the financial and business plans of the
15 owner or operator;

16 (2) the prospective earning power of the owner
17 or operator of the facility, together with the char-
18 acter and value of the security pledged, provide a
19 reasonable assurance of repayment of the loan to be
20 guaranteed in accordance with its terms; and

21 (3) the loan to be guaranteed bears interest at
22 a rate determined by the Board to be reasonable,
23 taking into account the current average yield on out-
24 standing obligations of the United States with re-

1 maining periods of maturity comparable to the ma-
2 turity of the loan.

3 (e) TERMS AND CONDITIONS OF LOAN GUARAN-
4 TEES.—

5 (1) LOAN DURATION.—All loans guaranteed
6 under this section shall be repayable in full not later
7 than December 31, 2025, and the terms and condi-
8 tions of each such loan shall provide that the loan
9 agreement may not be amended, or any provision of
10 the loan agreement waived, without the consent of
11 the Board.

12 (2) LOAN SECURITY.—A commitment to issue a
13 loan guarantee under this section shall contain such
14 affirmative and negative covenants and other protec-
15 tive provisions as the Board determines are appro-
16 priate. The Board shall require security for the
17 loans to be guaranteed under this section at the time
18 at which the commitment is made.

19 (3) FEES.—The owner or operator of a quali-
20 fied renewable energy source facility receiving a loan
21 guarantee under this section shall pay a fee to the
22 Department of the Treasury to cover costs of the
23 Program, but in no event shall such fee exceed an
24 amount equal to 0.5 percent of the outstanding prin-
25 cipal balance of the guaranteed loan.

1 (4) AUDITS.—The General Accounting Office
2 shall audit, before issuance of a loan guarantee
3 under this section, and once every 2 years while the
4 guaranteed loan is outstanding, the owner or oper-
5 ator of the facility with respect to which the loan
6 guarantee is issued.

7 (f) REPORTS.—During each fiscal year until each
8 guaranteed loan has been repaid in full, the Secretary of
9 Energy shall submit to Congress a report on the activities
10 of the Board.

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