

108TH CONGRESS
1ST SESSION

H. R. 1458

To authorize the Secretary of Energy to establish an Advanced Technology Incentives Program to fund the development and deployment of new advanced technologies such as fuel cells, turbines, hybrid, and storage system power technologies.

IN THE HOUSE OF REPRESENTATIVES

MARCH 27, 2003

Mr. TERRY (for himself and Mr. DOYLE) introduced the following bill; which was referred to the Committee on Science

A BILL

To authorize the Secretary of Energy to establish an Advanced Technology Incentives Program to fund the development and deployment of new advanced technologies such as fuel cells, turbines, hybrid, and storage system power technologies.

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 “Homeland Infrastruc-
5 ture Power Security and Assurance Incentives Act of
6 2003”.

1 **SEC. 2. FINDINGS.**

2 (a) FINDINGS.—Congress finds that—

3 (1) In order to fortify and protect critical infra-
4 structure systems and facilities like military installa-
5 tions, banks, utilities, and information technology
6 systems from potential terrorist threats and to pro-
7 vide efficient and assured power to such facilities ad-
8 vanced technologies must be encouraged and in-
9 stalled by U.S. electricity providers.

10 (2) Dependence on foreign oil is a matter of na-
11 tional security and the nation must consider all en-
12 ergy resource options, including support for energy
13 efficiency and renewable resources and technologies
14 that will ensure a diverse energy portfolio.

15 (3) Estimates are that power outages, brown-
16 outs, and other voltage disturbances cost U.S. indus-
17 try up to \$150 billion per year and cause great dis-
18 ruption to the Nation's economy.

19 (4) Distributed Power systems, such as fuel
20 cells, turbines and hybrid combinations of these
21 technologies, backed up with storage systems, can
22 reduce costly outages, and ensure more assured and
23 secure and reliable power generation and distribu-
24 tion, protected from potential terrorist threats to our
25 national infrastructure.

1 (b) ADVANCED TECHNOLOGY INCENTIVES PRO-
2 GRAM.—(1) The Secretary of Energy shall establish within
3 the Department of Energy an Advanced Technology In-
4 centives Program to make funding available, subject to an-
5 nual appropriation, to accelerate the development and de-
6 ployment of new advanced technologies such as fuel cells,
7 turbines, hybrid, and storage system power technologies.

8 (2) Advanced technology funding provided under this
9 section shall be used by the Secretary for payments to eli-
10 gible owners or operators to support efforts to reduce sys-
11 tem costs, and improve the performance and reliability of
12 advanced distributed power generation and energy storage
13 systems. Payments made by the Secretary shall be used
14 for the purposes of demonstrating the capability of new
15 technologies to increase power generation through en-
16 hanced operational, economic, and environmental perform-
17 ance.

18 (3) Payments under this section may only be made
19 upon receipt by the Secretary of an incentive payment ap-
20 plication establishing that an applicant is eligible to re-
21 ceive such payment as either—

22 (A) a qualifying advanced technology facility, or

23 (B) a qualifying security and assured power fa-
24 cility

1 (4) Incentive payments made by the Secretary under
2 this section to owners or operators of qualifying advanced
3 technology facilities shall be based on the number of kilo-
4 watt hours of electricity generated by the facility through
5 the use of an advanced technology during a 10-year fiscal
6 year period beginning with the fiscal year in which the
7 qualifying facility is first eligible for payment.

8 (5) A payment of 1.8 cents per kilowatt-hour shall
9 be paid to the owner or operator of a qualifying advanced
10 technology facility under this section. An additional 0.7
11 cents per kilowatt-hour shall be paid to the owner or oper-
12 ator that is also a qualifying security and assured power
13 facility under this section. The amount of the payment
14 made to such qualifying facilities shall be adjusted for in-
15 flation for each fiscal year of the program as determined
16 by the Secretary. A facility qualifying under this section
17 shall be eligible for an incentive payment up to, but not
18 to exceed the first 10 million kilowatt-hours produced in
19 any fiscal year.

20 (c) DETERMINATION OF A SECURITY AND POWER
21 FACILITY.—Within six months after the date of enact-
22 ment of this section, the Secretary, in consultation with
23 the Secretary of Homeland Security, shall—

24 (1) measure, evaluate and rate security and as-
25 surance performance improvement,

1 (2) define the types of locations and facilities
2 that would most need the benefits of the improve-
3 ments,

4 (3) determine the criteria for facilities that gen-
5 erate or store and distribute electric energy that im-
6 proves the security, assurance, and reliability of the
7 nation’s electricity grid and protects infrastructure
8 including military installations, financial institutions,
9 medical and first responder facilities, and other loca-
10 tions critical to the security of the nation, and

11 (4) report back to the Committee on Energy
12 and Commerce of the United States House of Rep-
13 resentatives on ways that incentive payments under
14 this section can accelerate the introduction of tech-
15 nologies capable of providing the maximum level of
16 improvement and benefit to the public.

17 (d) DEFINITIONS.—For purposes of this section:

18 (1) **ADVANCED TECHNOLOGY.**—The term “ad-
19 vanced technology” means an advanced fuel cell, tur-
20 bine, hybrid, or storage system power that is used
21 to generate or store electric energy at or in conjunc-
22 tion with a qualifying advanced technology facility.

23 (2) **QUALIFYING ADVANCED TECHNOLOGY FA-**
24 **CILITY.**—The term “qualifying advanced technology
25 facility” means any facility that generates electric

1 energy from a power generation, storage and dis-
2 tribution system.

3 (3) QUALIFYING SECURITY AND ASSURED
4 POWER FACILITY.—The term “qualifying security
5 and assurance power facility” means a facility that
6 also generates or stores and distributes electric en-
7 ergy that improves the security and assures the reli-
8 ability of the nation’s electricity infrastructure in lo-
9 cations and facilities determined by the Secretary, in
10 consultation with the Secretary of Homeland Secu-
11 rity, to be in critical need of improvement and pro-
12 tection. The facility must substantially reduce elec-
13 tric system vulnerabilities by providing exceedingly
14 secure, reliable, rapidly available, high power quality
15 electric energy to critical governmental, commercial
16 and industrial demand facilities.

17 (e) AUTHORIZATION OF APPROPRIATIONS.—The fol-
18 lowing sums are authorized to be appropriated to carry
19 out the purposes of this section:

20 (1) For fiscal year 2004, \$25,000,000.

21 (2) For fiscal year 2005, \$50,000,000.

22 (3) For fiscal year 2006, \$75,000,000.

23 (4) For fiscal year 2007, \$100,000,000.

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