

110TH CONGRESS  
1ST SESSION

# H. R. 3274

To authorize the Secretary of Energy to make grants to encourage cooperation between the United States and China on joint research, development, or commercialization of carbon capture and sequestration technology, improved energy efficiency, or renewable energy sources.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 1, 2007

Mr. ISRAEL (for himself, Mr. LARSEN of Washington, Mr. KIRK, Mrs. DAVIS of California, and Mr. BOUSTANY) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Science and Technology, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To authorize the Secretary of Energy to make grants to encourage cooperation between the United States and China on joint research, development, or commercialization of carbon capture and sequestration technology, improved energy efficiency, or renewable energy sources.

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 “United States-China  
5       Energy Cooperation Act”.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) The December 2004 National Intelligence  
4 Council report entitled “Mapping the Global Future  
5 in 2020” states that the single most important fac-  
6 tor affecting the demand for energy will be global  
7 economic growth, especially that of China and India.

8 (2) The United States and China are both rich  
9 in coal and look to it for a majority of their elec-  
10 tricity needs.

11 (3) China is building its power generation base  
12 for the first time and the United States is preparing  
13 to replace a generation of aging electric power facili-  
14 ties.

15 (4) Carbon capture and sequestration is a via-  
16 ble technology that still needs significant amounts of  
17 research and development before it can be widely  
18 commercialized.

19 (5) A recent study by MIT (2007) on “The Fu-  
20 ture of Coal” outlines the need for several integrated  
21 projects to demonstrate the feasibility of carbon cap-  
22 ture and sequestration in a variety of countries and  
23 geological settings.

24 (6) The United States and China are already  
25 working together on the FutureGen project in the  
26 United States. FutureGen is an initiative to build

1 the world's first integrated sequestration and hydro-  
2 gen production research power plant. The project is  
3 intended to create the world's first zero-emissions  
4 fossil fuel plant.

5 (7) Joint American-Chinese research and devel-  
6 opment on carbon capture technology would improve  
7 the energy security of both nations.

8 (8) Further, both the United States and China  
9 are actively seeking to promote industrial efficiency  
10 and conservation. United States industry consumes  
11 more than one third of all energy used in the United  
12 States. The United States Department of Energy's  
13 Industrial Technologies program aims to invest in  
14 research and development to reduce industrial en-  
15 ergy use while stimulating productivity and growth.

16 (9) The industrial sector represents 68 percent  
17 of all primary energy consumption in China. In  
18 2006, China's National Development and Reform  
19 Commission launched a major program to improve  
20 energy efficiency in China's 1,000 largest enter-  
21 prises, which together consume one third of China's  
22 primary energy. Additionally, the Chinese Govern-  
23 ment plans to retire many inefficient power plants  
24 and close many inefficient industrial plants.

1           (10) There is a need to build capacity among  
2       scholars in both China and the United States in the  
3       area of analytic energy and climate change policy.

4   **SEC. 3. GRANT PROGRAM.**

5       (a) APPLICATION.—In order to receive a grant under  
6   this Act, an eligible entity shall submit an application to  
7   the Secretary containing such information and assurances  
8   as the Secretary may require.

9       (b) SELECTION.—The Secretary shall review any ap-  
10   plication submitted by any eligible entity and select eligible  
11   entities meeting criteria established by the Secretary to  
12   receive a grant under this section. The amount of each  
13   grant awarded for a fiscal year under this section shall  
14   be determined by the Secretary.

15       (c) RECOUPMENT.—

16           (1) IN GENERAL.—Not later than 180 days  
17   after the date of enactment of this Act, the Sec-  
18   retary shall establish procedures and criteria for  
19   recoupment in connection with any eligible project  
20   carried out by an eligible entity that receives a grant  
21   under this section, which has led to the development  
22   of a product or process which is marketed or used.

23           (2) AMOUNT REQUIRED.—

24               (A) Except as provided in subparagraph

25               (B), such recoupment shall be required as a

1 condition for award and be proportional to the  
2 Federal share of the costs of such project, and  
3 shall be derived from the proceeds of royalties  
4 or licensing fees received in connection with  
5 such product or process.

6 (B) In the case where a product or process  
7 is used by the recipient of a grant under this  
8 section for the production and sale of its own  
9 products or processes, the recoupment shall  
10 consist of a payment equivalent to the payment  
11 which would be made under subparagraph (A).

12 (3) WAIVER.—The Secretary may at any time  
13 waive or defer all or some of the recoupment re-  
14 quirements of this subsection as necessary, depend-  
15 ing on—

16 (A) the commercial competitiveness of the  
17 entity or entities developing or using the prod-  
18 uct or process;

19 (B) the profitability of the project; and

20 (C) the commercial viability of the product  
21 or process utilized.

22 (4) EXCEPTION.—The requirement under this  
23 subsection shall not apply to purely academic en-  
24 deavors that have no commercial value.

1 (d) USE OF EXISTING PROGRAMS.—The Secretary  
2 shall carry out this section through existing programs at  
3 the Department of Energy.

4 (e) REPORT.—Not later than 180 days after receiving  
5 a grant under this section, each recipient shall submit a  
6 report to the Secretary—

7 (1) documenting how the recipient used the  
8 grant funds; and

9 (2) evaluating the level of success of each  
10 project funded by the grant.

11 **SEC. 4. DEFINITIONS.**

12 In this Act:

13 (1) ELIGIBLE ENTITY.—The term “eligible enti-  
14 ty” means a joint venture comprised of both Chinese  
15 and United States private business entities, a joint  
16 venture comprised of both Chinese academic persons  
17 (who reside and work in China) and United States  
18 academic persons, or a joint venture comprised of  
19 both Chinese and United States Federal, State, or  
20 local government entities which—

21 (A) carries out an eligible project; and

22 (B) is selected by the Secretary using the  
23 criteria established by the Secretary.

24 (2) ELIGIBLE PROJECT.—The term “eligible  
25 project” means a project to encourage cooperation

1       between the United States and China on joint en-  
2       ergy and climate change policy education programs  
3       and joint research, development, or commercializa-  
4       tion of carbon capture and sequestration technology,  
5       improved energy efficiency, or renewable energy  
6       sources.

7               (3) SECRETARY.—The term “Secretary” means  
8       the Secretary of Energy.

9   **SEC. 5. AUTHORIZATION OF APPROPRIATIONS.**

10       (a) IN GENERAL.—The Secretary is authorized to ex-  
11       pend not more than \$20,000,000 to carry out this Act  
12       for each of fiscal years 2008 through 2018.

13       (b) RELATIONSHIP TO OTHER LAWS.—Amounts au-  
14       thorized under this section may be made available notwith-  
15       standing any other provision of law that restricts assist-  
16       ance to foreign countries.

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