

111TH CONGRESS  
1ST SESSION

# H. R. 2371

To use tradable greenhouse gas emission allowances under the American Clean Energy and Security Act of 2009 to provide assistance to residential and commercial consumers of home heating oil and propane in reducing the effective costs of such fuels through State programs to deliver cost-effective efficiency programs and other consumer assistance.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 12, 2009

Mr. MURPHY of Connecticut (for himself, Mr. MARKEY of Massachusetts, and Mr. WELCH) introduced the following bill; which was referred to the Committee on Energy and Commerce

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## A BILL

To use tradable greenhouse gas emission allowances under the American Clean Energy and Security Act of 2009 to provide assistance to residential and commercial consumers of home heating oil and propane in reducing the effective costs of such fuels through State programs to deliver cost-effective efficiency programs and other consumer assistance.

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

1 **SECTION 1. HOME HEATING OIL AND PROPANE CON-**  
2 **SUMERS.**

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

4 (1) CARBON CONTENT.—The term “carbon con-  
5 tent” means the amount of carbon dioxide that will  
6 be emitted as a result of the combustion of a fuel.

7 (2) COST-EFFECTIVE.—The term “cost-effec-  
8 tive”, with respect to an energy efficiency program  
9 or measure, means that the program or measure  
10 meets the Total Resource Cost Test, which requires  
11 that the net present value of economic benefits over  
12 the life of the program or measure, including avoid-  
13 ed supply and delivery costs and deferred or avoided  
14 investments, is greater than the net present value of  
15 the economic costs over the life of the program or  
16 measure, including program costs and incremental  
17 costs borne by the energy consumer.

18 (b) ALLOCATION.—Not later than September 30 of  
19 each of calendar years 2012 through 2030, the Adminis-  
20 trator shall distribute among the States, in accordance  
21 with this section, 1.5 percent of the emission allowances  
22 that the Administrator has established for the year in  
23 which such distribution is made (adjusted as necessary to  
24 preserve budget neutrality).

1 (c) DISTRIBUTION AMONG STATES.—The Adminis-  
2 trator shall distribute allowances among the States under  
3 this section each year ratably based on the ratio of—

4 (1) the carbon content of home heating oil and  
5 propane sold to consumers within each State in the  
6 preceding year for residential or commercial uses; to

7 (2) the carbon content of home heating oil and  
8 propane sold to consumers within the United States  
9 in the preceding year for residential or commercial  
10 uses.

11 (d) SALE OF ALLOWANCES.—Each State receiving  
12 emission allowances under this section shall sell such al-  
13 lowances within 1 year of receipt, either directly or  
14 through consignment to the Administrator for auction.  
15 Emission allowances distributed under this section that  
16 are not sold within 1 year of receipt by a State shall be  
17 returned to the Administrator, who shall distribute such  
18 allowances to the remaining States ratably in accordance  
19 with the formula in subsection (c).

20 (e) USE OF PROCEEDS.—

21 (1) IN GENERAL.—States shall use the proceeds  
22 from sales of emission allowances distributed under  
23 this section exclusively for the benefit of consumers  
24 of home heating oil or propane for residential or

1 commercial purposes. Such proceeds shall be used  
2 exclusively for—

3 (A) cost-effective energy efficiency pro-  
4 grams for consumers that use home heating oil  
5 or propane for residential or commercial pur-  
6 poses; or

7 (B) rebates or other direct financial assist-  
8 ance programs for consumers of home heating  
9 oil or propane used for residential or commer-  
10 cial purposes.

11 (2) ADMINISTRATION AND DELIVERY MECHA-  
12 NISMS.—In administering programs funded under  
13 this section, States shall—

14 (A) use no less than 50 percent of funds  
15 provided under this section for cost-effective ef-  
16 ficiency programs to reduce consumers' overall  
17 fuel costs;

18 (B) use no more than 5 percent of funds  
19 provided under this section for administrative  
20 expenses;

21 (C) to the extent practicable, deliver fund-  
22 ing under this section through existing energy  
23 efficiency and consumer energy assistance pro-  
24 grams or delivery mechanisms, including, where

1 appropriate, programs or mechanisms adminis-  
2 tered by parties other than the State;

3 (D) seek to coordinate the administration  
4 and delivery of energy efficiency and consumer  
5 energy assistance programs funded under this  
6 section, with one another and with existing pro-  
7 grams for various fuel types, so as to deliver  
8 comprehensive, fuel-blind, coordinated programs  
9 to consumers; and

10 (E) ensure that funding provided under  
11 this section does not displace or substitute for  
12 existing or alternative sources of funding for  
13 energy efficiency and consumer energy assist-  
14 ance programs.

15 (f) REPORTING.—Each State receiving emission al-  
16 lowances under this section shall submit to the Adminis-  
17 trator, within 12 months of each receipt of such allow-  
18 ances, a report, in accordance with such requirements as  
19 the Administrator may prescribe, that—

20 (1) describes the State’s use of proceeds of  
21 sales of emission allowances distributed under this  
22 section, including a description of the energy effi-  
23 ciency and consumer assistance programs funded  
24 through such proceeds;

1           (2) demonstrates the cost-effectiveness of, and  
2           the energy savings achieved by, energy efficiency  
3           programs funded through this section; and

4           (3) includes a report prepared by an inde-  
5           pendent third party, in accordance with such regula-  
6           tions as the Administrator may promulgate, evalu-  
7           ating the performance of the energy efficiency and  
8           consumer assistance programs funded under this  
9           section.

10          (g) ENFORCEMENT.—If the Administrator deter-  
11       mines that a State is not in compliance with this section,  
12       the Administrator may withhold a portion of the allow-  
13       ances, the value of which is equal to up to twice the value  
14       of the allowances that the State failed to use in accordance  
15       with the requirements of this section, that such State  
16       would otherwise be eligible to receive under this section  
17       in later years. Allowances withheld pursuant to this sub-  
18       section shall be distributed among the remaining States  
19       ratably in accordance with the formula in subsection (c).

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