I

111TH CONGRESS
2D SESSION

H. R. 5883

To spur rapid and sustainable growth in renewable electricity generation in the United States through priority interconnection and renewable energy payments, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 27, 2010

Mr. INSLEE (for himself, Mr. DELAHUNT, Mr. HONDA, Ms. MCCOLLUM, and Mr. GRIJALVA) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Science and Technology and Ways and Means, 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 spur rapid and sustainable growth in renewable electricity generation in the United States through priority interconnection and renewable energy payments, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Renewable Energy Jobs and Security Act''.

SEC. 2. FINDINGS.

The Congress finds the following:

(1) Electric energy produced from renewable resources helps to reduce greenhouse gas emissions, limits emissions of other pollutants regulated pursuant to the Clean Air Act, enhances national energy security, and provides substantial economic benefits.

(2) The need exists for the rapid expansion of low and zero carbon-emitting electric energy generation at a far greater pace than current levels.

(3) Distributed electric energy generation is energy efficient, promotes electric grid stability, and reduces transmission system congestion during periods of peak demand.

(4) A transition toward electric energy generation from renewable energy sources brings economic benefit to consumers by reducing their exposure to increasingly volatile fossil fuel markets.

(5) Renewable energy payments, also known as ''feed-in tariffs'', are a proven mechanism for accelerating the development of renewable energy in grid-connected areas. Feed-in-tariff programs are also complementary to Renewable Energy Standards. A renewable energy payment policy is intended to make it easier for a State to meet its applicable Renewable Energy Standard.

(6) By guaranteeing access to the electric grid and setting a favorable price per unit of power, feed-in tariffs ensure that renewable energy is a sound long-term investment for companies, for industry, and for individuals, and thereby creates a strong economic incentive for investing in renewable energy technologies.

(7) The International Energy Agency, the European Commission, and the United Kingdom's Stern Review have determined that feed-in tariff policies in Germany, Spain, France, and other European Union countries have achieved larger renewable energy deployment compared to policies in other European Union countries.

(8) A renewable energy payment may capture cost reduction due to technology efficiencies and innovation (degression).

SEC. 3. PURPOSES.

The purposes of this Act are to—

(1) enable the rapid and sustainable development of distributed renewable electric energy generation in the United States, where the quality of a renewable energy resource may be naturally variable;

(2) stimulate the development of new jobs and industry in the United States;

(3) create a stable and secure market for capital investments in renewable energy technologies;

(4) reduce air and water pollution and related health problems and health-care expenditures;

(5) help prevent greenhouse gas concentrations in the atmosphere from reaching levels that would cause dangerous global temperature increases of more than 2 degrees Celsius above pre-industrial levels;

(6) protect natural resources in the United States;

(7) allow all citizens to participate in renewable electric energy generation;

(8) reduce the price volatility and long-term costs of electric energy;

(9) place the United States at the forefront of the global renewable energy revolution;

(10) reduce the dependence of the United States on foreign sources of energy;

(11) achieve these purposes using a financing mechanism that protects consumers from excessive or volatile electric bills; and

(12) develop renewable energy sources to support new electric transportation options.

SEC. 4. DEFINITIONS.

Section 3 of the Federal Power Act (16 U.S.C. 796) is amended by adding the following new paragraphs at the end:

''(30) RENEWABLE ENERGY.—The term 'renewable energy' means energy generated from—

''(A) solar thermal, solar photovoltaic, wind, geothermal or marine and hydrokinetic renewable energy;

''(B) renewable biomass (as defined in section 9001 of the Farm Security and Rural Investment Act of 2002);

''(C) landfill gas;

''(D) biogas derived from farm waste; or

''(E) qualified hydropower.

''(31) SOLAR THERMAL.—The term 'solar thermal' means energy derived by concentrating solar energy onto a collector which then transfers that energy to a working fluid to use, directly or indirectly, to operate a steam turbine system or Stirling engine that generates electric energy.

''(32) GEOTHERMAL ENERGY.—The term 'geothermal energy' means energy derived from a geothermal deposit (within the meaning of section 613(e)(2) of the Internal Revenue Code of 1986).

''(33) MARINE AND HYDROKINETIC RENEWABLE ENERGY.—The term 'marine and hydrokinetic renewable energy' means energy derived from—

''(A) waves, tides, and currents in oceans, estuaries, and tidal areas;

''(B) free flowing water in rivers, lakes, and streams;

''(C) free flowing water in an irrigation system, canal, or other man-made channel, including projects that utilize nonmechanical structures to accelerate the flow of water for electric power production purposes; or

''(D) differentials in ocean temperature (ocean thermal energy conversion).

''(34) RENEWABLE ENERGY FACILITY.—The term 'renewable energy facility' means an electric energy generation unit owned and operated by any person (including a utility) that—

''(A) is placed in service after December 31, 2008;

''(B) provides electric energy directly to the electric power grid;

''(C) uses renewable energy as its primary energy source; and

''(D) has a nameplate capacity of not more than 20 megawatts.

''(35) NETWORK UPGRADES.—The term 'network upgrades' means additions or modifications to any system for the transmission or distribution of electric energy to accommodate renewable energy generated by a renewable energy facility and delivered to the system.

''(36) QUALIFIED HYDROPOWER.—(A) The term 'qualified hydropower' means—

''(i) incremental hydropower generation that is achieved from increased efficiency or additions of capacity made on or after January 1, 2009, at a hydroelectric facility that was placed in service before that date; or

''(ii) additions of capacity made on or after January 1, 2009, at an existing nonhydroelectric dam, if—

''(I) the hydroelectric project installed on the nonhydroelectric dam is licensed by the Commission and meets all other applicable environmental, licensing, and regulatory requirements,

including applicable fish passage requirements;

''(II) the nonhydroelectric dam was placed in service before the date of the enactment of this paragraph and operated for flood control, navigation, or water supply purposes and did not produce hydroelectric power before the date of the enactment of this paragraph; and

''(III) the hydroelectric project is operated so that the water surface elevation at any given location and time that would have occurred in the absence of the hydroelectric project is maintained, subject to any license requirements imposed under applicable law that change the water surface elevation for the purpose of improving the environmental quality of the affected waterway.

''(B) The Commission shall certify if a hydroelectric project licensed at a nonhydroelectric dam meets the criteria described in subparagraph (A)(ii)(III).

''(C) Nothing in this paragraph shall affect the standards under which the Commission issues licenses for and regulates hydropower projects under this Part.

''(37) ELECTRIC ENERGY INTENSIVE FACILITY.—The term 'electric energy intensive facility' means—

''(A) any entity that has a annual electric energy usage greater than 10 gigawatt-hours; and

''(B) has an electric energy intensity greater than 8 percent.

''(38) ELECTRIC ENERGY INTENSITY.—The term 'electric energy intensity' means the ratio of the total costs associated with purchasing electric energy from a utility to the total value of shipments.

''(39) TOTAL VALUE OF SHIPMENTS.—The term 'total value of shipments' has the meaning given such term by the United States Census Bureau in its Annual Survey of Manufacturers.''.

TITLE I—INTERCONNECTION

SEC. 101. FEDERAL INTERCONNECTION STANDARDS FOR RENEWABLE ENERGY FACILITIES.

Part II of the Federal Power Act (16 U.S.C. 824 et seq.) is amended by adding the following new section after section 210:

"SEC. 210A. EXPEDITED FEDERAL INTERCONNECTION STANDARDS FOR RENEWABLE ENERGY FACILITIES.

''(a) FEDERAL STANDARDS.—In order to encourage the use of renewable energy facilities and to ensure the safety and reliability of renewable energy facilities and transmission systems interconnected with such facilities, not later than one year after the date of enactment of this section, the Commission shall propose rules establishing standards for the physical connection between—

''(1) renewable energy facilities; and

''(2) transmission facilities of transmitting utilities subject to the jurisdiction of the Commission under this Part.

''(b) EXPEDITED PROCEDURES.—The standards under this section shall include a separate expedited procedure, consisting of an interconnection request, simplified procedures, and applicable terms and conditions, for renewable energy facilities up to 10 kilowatts that use an

inverter to interconnect to transmission facilities. The standards under this section shall also include a separate procedure that expedites interconnection for renewable energy facilities up to 2000 kilowatts. The Commission shall review its current Small Generator Interconnection Procedure with an objective of further expediting and simplifying the procedures. In designing such expedited procedures, the Commission shall use best available Federal, State, and local standards.

''(c) FINAL RULE.—Not later than 90 days after the date of enactment of this section, and after notice and opportunity for comment, the Commission shall promulgate, and from time-to-time thereafter revise, final standards under this section. Such revisions shall take into account changes in the underlying standards and technologies. Such revisions shall be made available to State regulatory authorities to consider prior to final promulgation.

''(d) SAFETY, RELIABILITY, PERFORMANCE, AND COST.—The standards under this section shall establish measures for the safety and reliability of affected equipment and transmission systems as may be appropriate. Such standards shall be consistent with the reliability standards under section 215 and all applicable safety and performance standards established by the national electrical code, the Institute of Electrical and Electronics En-

gineers, Underwriters Laboratories, or the American National Standards Institute, and the North American Electric Reliability Council, yet constitute the minimum cost and technical burdens to the interconnecting renewable energy facility as the Commission shall, by rule, prescribe. Standards for the purchase of electric energy from a renewable energy facility shall also ensure that such purchases do not affect the reliability of any person purchasing electric energy from the renewable energy facility.

''(e) ADDITIONAL CHARGES.—The standards under this section shall prohibit the imposition of additional charges by the owners or operators of transmission systems for equipment or services for interconnection that are additional to those necessary to achieve the safety and performance standards under subsection (d).

''(f) GRID INTERCONNECTION-RELATED NETWORK UPGRADES.—The standards under this section shall provide the following:

''(1) The obligation to provide priority interconnection for renewable energy facilities (as required under subsection (g)) shall apply to:

''(A) Any transmitting utility providing transmission service subject to the jurisdiction of the Commission to electric utilities in a retail

service territory that includes the renewable energy facility if—

"(i) such transmitting utility is in possession of transmission facilities technically suitable to receive electric energy from the renewable energy facility; and

"(ii) there is no other transmission or distribution facility with a technically and economically more suitable connection point.

"(B) Transmission facilities shall be deemed to be technically suitable under subparagraph (A) even if feeding in the electric energy requires the transmitting utility to upgrade its transmission facilities at a reasonable economic expense and without risk to grid stability, as determined by the Commission. In such a case, the transmitting utility shall upgrade its transmission facilities without undue delay, if so requested by the owner or operator of an interconnecting renewable energy facility.

"(C) The obligation to upgrade the transmission facilities shall apply to all technical facilities required for operating the transmission

system and to all connecting installations which are owned by the transmitting utility.

''(2) EXCEPTIONS.—The standards under this section shall not require any transmitting utility to interconnect with renewable energy facilities or to provide priority access to available transfer capability on the transmission system if the transmitting utility is already committed through long-term contracts to full capacity of its load and such utility has no ability to transmit any new generation from renewable energy facilities to any other electric utility.

''(3) COSTS OF NETWORK UPGRADES.—The standards under this section shall provide that all prudently incurred costs associated with network upgrades to accommodate new renewable energy facilities for the purchase and transmission of electric energy produced from renewable energy facilities shall be initially borne by the electric utility or transmitting utility. The electric utility or transmitting utility shall be reimbursed for such costs through the regional cost sharing mechanism under section 224.

''(g) PRIORITY OF ORDERS.—Any renewable energy facility may apply to the Commission for an order requiring the interconnection of such facility with the transmission system of any transmitting utility in accordance

with the standards under this section, and the Commission shall issue such an order after notice and opportunity for hearing in accordance with section 210(b). The Commission shall give priority to the consideration of applications from renewable energy facilities under this section over applications for orders under section 210 and shall ensure that applications by renewable energy facilities are given priority interconnection and priority access to available transfer capability on the transmission system over applications from facilities that are not renewable energy facilities.

''(h) INTERCONNECTION CLUSTERING.—To facilitate the objectives of subsection (g) relating to interconnection and to reduce backlogs in the interconnection queue, the Commission may consider a clustering approach to the interconnection of electric generation facilities with a nameplate capacity greater than 2 megawatts. Under such interconnection clustering procedures, requests for interconnection that are placed within a 6-month period may be eligible for concurrent review and interconnection.

''(i) RELATIONSHIP TO EXISTING LAW REGARDING INTERCONNECTION.—Except as otherwise provided in this section, nothing in this section affects the application of section 210 of this Part or section 111(d)(15) (relating to interconnection) of the Public Utility Regulatory Poli-

cies Act of 1978. Nothing in this section shall be interpreted as an expansion of the jurisdiction of the Commission with respect to the facilities subject to the jurisdiction of the Commission.

''(j) EFFECTIVE DATE.—This section shall take effect with respect to applications submitted to the Commission under subsection (g) after the effective date of regulations promulgated under this section.''.

SEC. 102. ADOPTION OF CERTAIN STANDARDS.

(a) INTERCONNECTION NOT SUBJECT TO FEDERAL POWER ACT JURISDICTION.—Section 113(b) of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2623(b)) is amended by adding the following at the end thereof:

''(6) INTERCONNECTION STANDARDS.—Each electric utility shall adopt such standards for the interconnection with renewable energy facilities as are necessary as to ensure that renewable energy facilities are given priority interconnection and priority access to available capacity on the transmission and distribution system of such utility over electric energy from facilities that do not generate electric energy from renewable energy and permit any renewable energy facility to apply to the State regulatory authority for an order requiring the interconnection

of such facility with the system of the electric utility. Such standards shall be based on the standards promulgated by the Commission under section 210A of the Federal Power Act. Such standards shall not affect the application of section 111(d)(15).''.

(b) CONFORMING AMENDMENTS.—Section 113 of such Act is amended by adding the following at the end of subsection (a):

''For purposes of applying this section with respect to the standard under paragraph (6) of subsection (b), in lieu of the 2-year period referred to in this subsection there shall be substituted a period of one year after the date on which a rule is prescribed or revised by the Commission under section 210A of the Federal Power Act.''.

TITLE II—RENEWABLE ENERGY PAYMENTS

SEC. 201. RENEWABLE ENERGY PAYMENT STUDY AND REPORT.

(a) DEFINITIONS.—

(1) The term ''renewable energy facility'' has the meaning given such term in section 3 of the Federal Power Act, as amended by section 4 of this Act.

(2) The term ''Commission'' means the Federal Energy Regulatory Commission.

(b) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, and every 2 years thereafter, the Secretary of Energy, acting through the National Renewable Energy Laboratory, shall transmit to Congress and to the Commission a report that outlines details of the investment market, as it relates to renewable energy project financing, including identification of remaining barriers to investment and potential policy solutions to address such barriers. Additionally, such a report shall include maps of national renewable energy resources and cost assessments for renewable energy facility development with respect to all available technologies. Such a report may draw from reviews and assessments conducted pursuant to section 201 of the Energy Policy Act of 2005 (42 U.S.C. 15851). Such a report shall include each of the following:

(1) Maps of renewable energy resource availability based on the best available data and at the highest spatial resolution necessary to help identify the best sites for the development of renewable energy facilities.

(2) Recommendations for minimum tariff rates that should be paid during each of the following 2 years to renewable energy facility operators to provide for reasonable profits for renewable energy fa-

cility owners (with consideration to development costs, including costs of manufacturing, installation, operation, maintenance, taxes, financing, and legal expenses) adjusted by an appropriate annual tariff degression, with consideration of the following:

(A) The maps described in paragraph (1).

(B) The goal to provide for the profitable development of renewable energy facilities that use available commercialized technologies and operate within regions that, on average, experience the top 30th percentile of renewable energy resource potential in the United States.

(C) The best available scientific and electric energy market data, including data made available in the development of the reports under this section.

(D) The renewable energy technology market, including advancements in research, development, deployment, and innovation.

(E) The percentage of renewable power generation for each technology that can be reliably accommodated on the electric grid.

(3) A description of the system benefits (including distributed generation risk, avoidance benefits, and reduced distribution and transmission costs) ex-

perienced by utilities as a result of entering into a standard contract pursuant to section 210B(e) of the Federal Power Act (as added by section 202 of this Act) or 113(b)(7) of the Public Utilities Regulatory Policies Act of 1978 (as added by section 202 of this Act).

(4) Recommendations to the Commission regarding new renewable energy technologies that may be considered eligible for future power purchase agreements under the rules under section 210B of the Federal Power Act, as added by section 202 of this Act.

(5) Other recommendations to the Commission and to State regulatory authorities regarding electric energy reliability, supporting infrastructure (including smart grid technologies and electric energy storage options) technical, economic, legal, or safety considerations that may be acted upon in order to better achieve the purposes of this Act.

(6) Any other information that renewable energy facility operators shall, upon request, provide to the Commission, the State regulatory authorities, and the Secretary of Energy (acting through the National Renewable Energy Laboratory) that may be relevant in performing duties under this Act.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Energy such sums as may be necessary to carry out this section.

SEC. 202. GUARANTEED POWER PURCHASE AGREEMENTS.

(a) PUBLIC UTILITIES REGULATED UNDER THE FEDERAL POWER ACT.—Part II of the Federal Power Act is amended by adding the following new section after section 210A (as added by this Act):

"SEC. 210B. RENEWABLE ENERGY PAYMENTS.

''(a) RENEWABLE ENERGY PAYMENT RULES.—Not later than 2 years after the date of enactment of the Renewable Energy Jobs and Security Act, the Commission shall prescribe, and from time-to-time thereafter revise, such rules as it determines necessary to encourage the purchase of electric energy by public utilities from renewable energy facilities. The rules shall require public utilities to offer to purchase electric energy from renewable energy facilities in accordance with this section at uniform national rates established pursuant to this section. Each such public utility shall purchase electric energy from renewable energy facilities on a priority basis, and each transmitting utility shall transmit such energy to the extent practicable on a priority basis. Such rules shall be prescribed, after consideration of recommendations made

in reports under section 201 of the Renewable Energy Jobs and Security Act, after consultation with representatives of State regulatory agencies having ratemaking authority for electric utilities, and after public notice and a reasonable opportunity for interested persons (and State agencies) to submit data, views, and arguments. Such rules may not authorize a renewable energy facility to make any sale for purposes other than resale.

''(b) EFFECTIVE DATE.—The rules under this section shall apply only to contracts for the purchase and sale of electric energy from renewable energy facilities entered into after the effective date of such rules and before the date that is 20 years after such effective date.

''(c) RENEWABLE ENERGY PAYMENT RATES FOR PURCHASE OF POWER.—

''(1) PURPOSES.—The purposes of this subsection are to—

''(A) provide for the development of renewable energy facilities that use available commercialized technologies; and

''(B) set rates at a level that will—

''(i) provide reasonable rates of return to the owners or operators of renewable energy facilities sited within regions that, on average, experience the top 30th percentile

of a renewable energy resource potential in the United States;

''(ii) prevent excessive profits for renewable energy facility owners and operators;

''(iii) minimize upward pressure on renewable energy market prices; and

''(iv) prevent unnecessary costs to ratepayers.

''(2) UNIFORM NATIONAL RATES.—Except as otherwise specified in this section, the rates paid for the purchase of electric energy from renewable energy facilities under contracts entered into under this section shall be established on a uniform national basis by the Commission by rule. Such rates shall be—

''(A) fixed throughout the duration of a contract extending for a period of at least 20 years;

''(B) no less than the amount needed for development plus a reasonable profit, with consideration to—

''(i) the renewable energy technology used;

''(ii) the year the installation is placed into service; and

''(iii) the size of the renewable energy facility.

''(3) REASONABLE RATES OF RETURN.—Such rates shall be set to provide a nominal, post-tax project internal rate of return of not less than 8 percent after recovery of all operating and maintenance costs consistent with the purposes of this subsection.

''(4) BONUS TARIFFS.—Bonus rates may be paid to provide additional incentives for each of the following purposes:

''(A) Renewable energy facility development in areas where distributed generation reduces grid congestion and improves overall grid efficiency.

''(B) For energy delivered from renewable energy facilities on peak.

''(C) To renewable energy facilities with onsite energy storage capability that significantly increases the capacity factor or availability.

''(D) To renewable energy facilities that deliver electric energy combined with usable heating, cooling, or a combination of both.

''(E) To renewable energy facilities owned and operated by American Indian, Alaskan Native, or other tribal communities.

''(5) PERIODIC ADJUSTMENT.—The Commission shall review the rates under this subsection every 2 years and adjust such rates applicable to prospective contracts in accordance with paragraph (2) and in a manner that is consistent with the purposes of this subsection. Such rates shall be published not later than 8 months prior to the date at which they become applicable.

''(6) DEGRESSION RATES.—For new facilities commencing construction in each year after the first year for which tariffs under this section applied to any facility, the tariffs rates paid under the rules under this subsection may be reduced relative to the previous year in accordance with annual tariff degression rates. Such degression rate shall be specific to each technology. Degression rates shall be predetermined and shall not apply with respect to facilities already subject to a contract for a renewable energy payment.

''(7) PRIORITY.—The rules under this section shall require each public utility to purchase and each transmitting utility to transmit renewable energy

from renewable energy facilities to the extent practicable on a priority basis. Such requirement shall not apply if the public utility or transmitting utility is already committed through long-term contracts to full capacity of its load and such utility has no ability to transmit any new generation from renewable energy facilities to a neighboring utility. A public utility shall not place priority on the purchase of electric energy from renewable energy facilities that are owned and operated by such utility over electric energy from renewable energy facilities owned and operated by customers.

''(d) RELIABILITY.—The rules under this section shall include provisions respecting minimum reliability of renewable energy facilities (including reliability of such facilities during emergencies) and rules respecting reliability of electric energy service to be available to such facilities from public utilities during emergencies. The rules shall also insure that such purchases do not affect the reliability of the purchasing public utility.

''(e) STANDARD CONTRACTS.—The Commission shall approve a standard contract to be used in all power purchase agreements under this section. Such contract shall include the prices paid for each kilowatt-hour generated, including bonus tariffs, and the duration of the contract.

In creating such contract, the Commission shall consider the expedited procedures outlined in section 210A(b) in order to design a contract that minimizes administrative burdens. The Commission shall provide public utilities subject to the jurisdiction of the Commission with standard contract not later than 18 months after the date of enactment of this subsection.

''(f) RELATIONSHIP TO OTHER FEDERAL AND STATE STANDARDS, REQUIREMENTS, TAXES, AND BENEFITS.—Except for accelerated tax depreciation, no person who elects to sell power under a contract under this section shall be entitled to any tax credits or deductions associated with renewable energy production under Federal tax laws or to any other incentives or benefits under any Federal law associated with renewable energy. Any State or utility may provide additional incentives to promote the deployment of renewable energy facilities and, except as provided in subsection (g) with respect to net metering, any renewable energy facility may utilize such benefits. No public utility making purchases of electric energy under a contract under this section shall be exempt from any State law requiring minimum purchase percentages of renewable energy. Any credit or allowance for renewable energy generation needed to meet any State or Federal law requiring minimum purchases of renewable energy shall belong to

the public utility that purchases electric energy under a contract under this section unless otherwise specified in State or Federal law.

''(g) NET METERING.—If electric energy generated by any renewable energy facility is eligible for net metering treatment under State law, all electric energy generated by such facility shall be subject to such State law in lieu of this section unless the owner or operator of the facility makes an election for such electric generation to be subject to this section. For renewable energy facilities interconnecting to public utilities within the jurisdiction of the Commission, the election shall be submitted to the Commission in such form and at such time as the Commission shall prescribe by rule. The election shall include notice to the appropriate State agency administering the State net metering program.

''(h) PUBLIC REPORTING REQUIREMENTS.—By September 30 of each calendar year after 2010, each public utility shall publicly report to the Energy Information Administration without undue delay the following information recorded during the previous calendar year:

''(1) The network upgrade costs associated with compliance with the standards under section 210A of this Act.

''(2) The total quantity of electric energy generated by a specific renewable energy facility and the total amount paid to each such renewable energy facility operator in accordance with the rules under this section.

''(3) The total quantity of electric energy generated by each renewable energy technology and the total amounts paid to renewable energy facility operators that use each such renewable energy technology in accordance with the rules under this section.

''(4) The total number of renewable energy facilities of each technology in the area in which the public utility supplies electric energy.

''(5) For each technology, the amount of growth in capacity installed relative to the number of new interconnections in the area in which the public utility supplies electric energy.

''(6) The total amount of electric energy generated by renewable energy facilities and from other renewable energy sources in the area in which the public utility supplies electric energy.

''(7) The location of new renewable energy facility development relative to population density in the

area in which the public utility supplies electric energy.

''(i) REPORTS BY THE ENERGY INFORMATION ADMINISTRATION.—In each of the first 2 years and every 2 years thereafter after the date of enactment of this section, the Secretary of Energy, acting through the Energy Information Administration, shall make public and submit to Congress a report that shall include the number of new renewable energy facilities in each State and the environmental benefits and effects of the addition of such facilities. There are authorized to be appropriated to the Secretary of Energy such sums as may be necessary to carry out this subsection.

''(j) EXEMPTIONS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), sales of electric energy by renewable energy facilities under this section are exempt from regulation under other provisions of this Part and from State laws and regulations respecting the rates, or respecting the financial or organizational regulation, of electric utilities, or from any combination of the foregoing.

''(2) EXCEPTIONS.—No renewable energy facility shall be exempt under this subsection from—

''(A) the provisions of section 210, 211, or 212 of this Act or the necessary authorities for enforcement of any such provision under this Act; or

''(B) any license or permit requirement under part I of this Act, any provision under this Act related to such a license or permit requirement, or the necessary authorities for enforcement of any such requirement.

''(k) FEDERAL CONTRACTS.—No contract between a Federal agency and any electric utility for the sale of electric energy by such Federal agency for resale which is entered into after the date of the enactment of this subsection may contain any provision that will have the effect of preventing the implementation of any rule under this section with respect to such utility. Any provision in any such contract which has such effect shall be null and void.''.

(b) ELECTRIC UTILITIES NOT REGULATED BY FERC.—Section 113 of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2623), as amended, is further amended as follows:

(1) By adding the following new paragraph at the end of subsection (b):

''(7) STANDARD CONTRACTS FOR POWER PURCHASES FROM RENEWABLE ENERGY FACILITIES.—Each electric utility shall purchase electric energy from renewable energy facilities (as defined in the Federal Power Act) under standard contracts for a 20-year period with rates that are the same as in the case of purchases of electric energy under contracts under section 210B of the Federal Power Act by public utilities subject to the jurisdiction of the Commission under that Act.''.

(2) By adding the following at the end of subsection (a):

''For purposes of applying this section in the case of the standard under paragraph (7) of subsection (b), in lieu of the 2-year period referred to in this section there shall be substituted a period of one year after the date on which renewable energy payment rules are prescribed or revised by the Commission under section 210B of the Federal Power Act.''.

(c) FEDERAL CONTRACTS FOR RENEWABLE ENERGY.—Notwithstanding section 501(b)(1)(B) of title 40, United States Code, a contract for the acquisition of electric energy generated from a renewable energy resource for the Federal Government may be made for a period of not more than 20 years.

SEC. 203. REGIONAL COST SHARING MECHANISM.

Part II of the Federal Power Act is amended by adding the following new section at the end thereof:

"SEC. 224. REGIONAL COST SHARING MECHANISM.

''(a) PURPOSE.—The purpose of this section is to finance the power purchase agreements under the rules under section 210B (and under the corresponding standard required by section 113(b)(7) of the Public Utility Regulatory Policies Act of 1978) and interconnection and network upgrades referred to in section 210A (and under the corresponding standard under section 113(b)(6) of the Public Utility Regulatory Policies Act of 1978) by creating a cost sharing mechanism that equally distributes additional costs of compliance with the Renewable Energy Jobs and Security Act to electric energy customers on a regional basis.

''(b) COST SHARING.—Not later than 1 year after the date of enactment of this section, the Commission shall, in consultation with State regulatory authorities and nonregulated utilities, design a regional cost redistribution mechanism that shall consist of a nonbypassable system benefits charge payable by every end-use consumer of an electric utility to the electric utility. Revenue from such charge shall be transferred to a national renewable energy corporation to be referred to as the 'RenewCorps' to be established by such utilities and approved by the Commis-

sion for purposes of this section. The Commission shall design a system benefits charge, determine the amount of such charge, and establish a cost distribution mechanism so as to achieve each of the following:

''(1) Full reimbursement to electric utilities and transmitting utilities for the costs associated with network upgrades and interconnection (including the carrying costs of capital while awaiting reimbursement) carried out in accordance with the standards under section 210A of this Act and section 113(b)(6) of the Public Utility Regulatory Policies Act of 1978 and for the additional costs of the power purchase requirements of section 210B of this Act and section 113(b)(7) of the Public Utility Regulatory Policies Act of 1978.

''(2) Ensure that systems benefits charges are based on energy usage.

''(3) Ensure that monthly charges shall apply to customers according to projected program costs.

''(4) Ensure that monthly charges to individual households is no greater than $3 per month.

''(5) Ensure relief, but not exemption, for electric energy intensive facilities, by including a provision requiring such facilities to submit an application for relief, including proof of electric energy

usage (such as contracts for the supply of electric energy and electric energy bills for the previous fiscal year) and proof of the value of shipments (by supplying financial data from the previous fiscal year compiled by a certified accountant).

''(c) COMPLIANCE WITH ACCOUNTING RULES.—RenewCorps shall comply with such accounting rules and other rules as may be established by the Commission.

''(d) REGIONAL DISBURSEMENT OF FUNDS.—

''(1) REIMBURSEMENT.—Funds received by RenewCorps from the systems benefits charge under this section shall be disbursed to electric utilities and transmitting utilities to provide reimbursement for—

''(A) the costs associated with network upgrades and interconnection carried out in accordance with the standards under section 210A and section 113(b)(6) of the Public Utility Regulatory Policies Act of 1978; and

''(B) the additional costs of the power purchase requirements of section 210B and section 113(b)(7) of the Public Utility Regulatory Policies Act of 1978 to reimburse such utilities for the full additional cost of such power purchase agreements (as adjusted under paragraph (3)).

''(2) QUARTERLY DISBURSEMENT.—Funds received by RenewCorps from the systems benefits charge under this section shall be disbursed on a quarterly basis. The Renew Corps shall distribute such revenue to electric utilities within each region of the North American Electric Reliability Corporation (NERC) in the United States in proportion to the revenue raised within each such region.

''(3) AVOID DOUBLE COST RECOVERY.—Reimbursements from RenewCorps to electric utilities and transmitting utilities for costs associated with compliance with the Renewable Energy Jobs and Security Act may not also be eligible for recovery by any other means.''.

SEC. 204. CONSISTENCY WITH ENVIRONMENTAL LAWS.

Nothing in this Act (including the amendments made by this Act) shall be deemed to waive any existing Federal or State environmental protection provision, including the requirements of any of the following:

(1) The National Forest Management Act of 1976 (16 U.S.C. 472a et seq.).

(2) The Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.).

(3) The National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(4) The Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.).

(5) The Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.).

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