111TH CONGRESS
1ST SESSION

S. 539

To amend the Federal Power Act to require the President to designate certain geographical areas as national renewable energy zones, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 5, 2009

Mr. REID introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

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A BILL

To amend the Federal Power Act to require the President to designate certain geographical areas as national renewable energy zones, 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 ''Clean Renewable Energy and Economic Development Act''.

SEC. 2. FINDINGS.

Congress finds that—

(1) electricity produced from renewable resources—

(A) helps to reduce emissions of greenhouse gases and other air pollutants;

(B) enhances national energy security;

(C) conserves water and finite resources; and

(D) provides substantial economic benefits, including job creation and technology development;

(2) the potential exists for a far greater percentage of electricity generation in the United States to be achieved through the use of renewable resources, as compared to the percentage of electricity generation using renewable resources in existence as of the date of enactment of this Act;

(3) the President has set out a goal that at least 25 percent of the electricity used in the United States by 2025 come from renewable sources;

(4) many of the best potential renewable energy resources are located in rural areas far from population centers;

(5) the lack of adequate electric transmission capacity is a primary obstacle to the development of electric generation facilities fueled by renewable energy resources;

(6) the economies of many rural areas would substantially benefit from the increased development of water-efficient electric generation facilities fueled by renewable energy resources;

(7) more efficient use of existing transmission capacity, better integration of resources, and greater investments in distributed renewable generation and off-grid solutions may increase the availability of transmission and distribution capacity for adding renewable resources and help keep ratepayer costs low;

(8) the Federal Government has not adequately supported or implemented an integrated approach to accelerating the development, commercialization, and deployment of renewable energy technologies, renewable electricity generation, and transmission to bring renewable energy to market, including through enhancing distributed renewable generation or through vehicle and transportation sector use;

(9) it is in the national interest for the Federal Government to implement policies that would enhance the quantity of electric transmission capacity available to take full advantage of the renewable energy resources available to generate electricity, and to more fully integrate renewable energy into the energy policies of the United States, and to address

the tremendous national security and global warming challenges of the United States; and

(10) existing transmission planning processes are fragmented across many jurisdictions, which results in difficult coordination between jurisdictions, delays in implementation of plans, and complex negotiations on sharing of costs.

SEC. 3. NATIONAL RENEWABLE ENERGY ZONES AND GREEN TRANSMISSION.

(a) IN GENERAL.—The Federal Power Act (16 U.S.C. 791a et seq.) is amended by adding at the end the following:

"PART IV—NATIONAL RENEWABLE ENERGY ZONES AND GREEN TRANSMISSION

"SEC. 401. DEFINITIONS.

''In this part:

''(1) BIOMASS.—

''(A) IN GENERAL.—The term 'biomass' means—

''(i) any lignin waste material that is segregated from other waste materials and is determined to be nonhazardous by the Administrator of the Environmental Protection Agency; and

"(ii) any solid, nonhazardous, cellulosic material that is derived from—

"(I) mill residue, precommercial thinnings, slash, brush, or nonmerchantable material;

"(II) solid wood waste materials, including a waste pallet, a crate, dunnage, manufacturing and construction wood wastes, and landscape or right-of-way tree trimmings;

"(III) agriculture waste, including an orchard tree crop, a vineyard, a grain, a legume, sugar, other crop byproducts or residues, and livestock waste nutrients; or

"(IV) a plant that is grown exclusively as a fuel for the production of electric energy.

"(B) INCLUSIONS.—The term 'biomass' includes animal waste that is converted to a fuel rather than directly combusted, the residue of which is converted to a biological fertilizer, oil, or activated carbon.

"(C) EXCLUSIONS.—The term 'biomass' does not include—

''(i) municipal solid waste from which hazardous and recyclable materials have not been separated;

''(ii) paper that is commonly recycled; or

''(iii) pressure-treated, chemically-treated, or painted wood waste.

''(2) DISTRIBUTED RENEWABLE GENERATION.—The term 'distributed renewable generation' means—

''(A) reduced electric energy consumption from the electric grid because of use by a customer of renewable energy generated at or near a customer site; and

''(B) electric energy or thermal energy production from a renewable energy resource for a customer that is not connected to an electric grid or thermal energy source pipeline.

''(3) ELECTRICITY-CONSUMING AREA.—The term 'electricity-consuming area' means an area of significant electrical load.

''(4) ELECTRICITY FROM RENEWABLE ENERGY.—The term 'electricity from renewable energy' means electric energy generated from—

''(A) solar energy, wind, biomass, landfill gas, renewable biogas, or geothermal energy;

''(B) new hydroelectric generation capacity achieved from increased efficiency, or an addition of new capacity, at an existing hydroelectric project; or

''(C) hydrokinetic energy, including—

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

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

''(iii) free flowing water in man-made channels, including projects that use non-mechanical structures to accelerate the flow of water for electric power production purposes; or

''(iv) differentials in ocean temperature through ocean thermal energy conversion.

''(5) ERCOT.—The term 'ERCOT' means the Electric Reliability Council of Texas.

''(6) FEDERAL LAND MANAGEMENT AGENCY.—The term 'Federal land management agency' means—

''(A) the Department of the Interior and the bureaus of the Department that manage Federal land and water, including—

''(i) the Bureau of Land Management;

''(ii) the Bureau of Reclamation;

''(iii) the United States Fish and Wildlife Service; and

''(iv) the National Park Service;

''(B) the Forest Service of the Department of Agriculture; and

''(C) if applicable and appropriate, the Department of Defense.

''(7) FEDERAL TRANSMITTING UTILITY.—The term 'Federal transmitting utility' means—

''(A) a Federal power marketing agency that owns or operates an electric transmission facility; and

''(B) the Tennessee Valley Authority.

''(8) GREEN TRANSMISSION GRID PROJECT.—

''(A) IN GENERAL.—The term 'green transmission grid project' means a project for—

''(i) a new transmission facility rated at or above 345 kilovolts that is part of an Interconnection-wide plan developed pursuant to section 403 for an extra high volt-

age transmission grid to enable transmission of electricity from renewable energy (including existing or projected renewable generation) to electricity-consuming areas; or

''(ii) a new renewable feeder line that an Interconnection-wide plan or the Commission determines is needed to connect renewable generation to the extra high voltage transmission grid.

''(B) INCLUSIONS.—The term 'green transmission grid project' includes any network upgrades associated with a facility described in clause (i) or (ii) of subparagraph (A) that are required to ensure the reliability or efficiency of the underlying transmission network, including inverters, substations, transformers, switching units, storage units, and related facilities necessary for the development, siting, transmission, storage, and integration of electricity generated from renewable energy sources.

''(9) GRID-ENABLED VEHICLE.—The term 'grid-enabled vehicle' means an electric drive vehicle or fuel cell vehicle that has the ability to communicate electronically with an electric power provider

or with a localized energy storage system with respect to charging or discharging an onboard energy storage device, such as a battery.

''(10) INDIAN LAND.—The term 'Indian land' means—

''(A) any land within the limits of any Indian reservation, pueblo, or rancheria;

''(B) any land not within the limits of any Indian reservation, pueblo, or rancheria title to which was, on the date of enactment of this part—

''(i) held in trust by the United States for the benefit of any Indian tribe or individual; or

''(ii) held by any Indian tribe or individual subject to restriction by the United States against alienation;

''(C) any dependent Indian community; and

''(D) any land conveyed to any Alaska Native corporation under the Alaska Native Claims Settlement Act (42 U.S.C. 1601 et seq.).

''(11) INTERCONNECTION.—The term 'Interconnection' has the meaning given the term in sec-

tion 215(a) of the Federal Power Act (16 U.S.C. 824o(a)).

''(12) LOAD-SERVING ENTITY.—The term 'load-serving entity' means any person, Federal, State, or local agency or instrumentality, or electric cooperative that delivers electric energy to end-use customers.

''(13) REGIONAL PLANNING ENTITY.—The term 'regional planning entity' means an entity certified by the Commission to coordinate regional planning for an Interconnection.

''(14) RENEWABLE FEEDER LINE.—

''(A) IN GENERAL.—The term 'renewable feeder line' means all transmission facilities and equipment within a national renewable energy zone owned, controlled, or operated by a transmission provider that are capable of being used to deliver electricity from multiple renewable energy resources to the point at which the transmission provider connects to a high-voltage transmission facility.

''(B) INCLUSIONS.—The term 'renewable feeder line' includes any associated modifications, additions, or upgrades to or associated

with the facilities and equipment described in subparagraph (A).

''(C) EXCLUSIONS.—The term 'renewable feeder line' does not include—

''(i) a generator lead line capable of connecting only 1 generator; or

''(ii) equipment owned by a generator.

''(15) SECRETARY.—The term 'Secretary' means the Secretary of Energy.

''(16) TRANSMISSION PROVIDER.—The term 'transmission provider' means an entity that owns, controls, or operates a transmission facility.

''SEC. 402. DESIGNATION OF NATIONAL RENEWABLE ENERGY ZONES.

''(a) DESIGNATIONS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), not later than 90 days after the date of enactment of this part for the Western Interconnection and not later than 270 days after the date of enactment of this part for the Eastern Interconnection, the President shall designate as a national renewable energy zone each geographical area that, as determined by the President—

''(A) has the potential to generate in excess of 1 gigawatt of electricity (or a lower

quantity of electricity determined by the President) from renewable energy, a significant portion of which could be generated in a rural area or on Federal land within the geographical area;

''(B) has an insufficient level of electric transmission capacity to achieve the potential described in subparagraph (A); and

''(C) has the capability to contain additional renewable energy electric generating facilities that would generate electric energy consumed in 1 or more electricity-consuming areas if there were a sufficient level of transmission capacity.

''(2) INCLUSION.—The President may include in any national renewable energy zone designated under paragraph (1) a military installation.

''(3) EXCLUSIONS.—The President shall not include in any national renewable energy zone designated under paragraph (1) any of the following areas:

''(A) National parks, national marine sanctuaries, reserves, recreation areas, and other similar units of the National Park System.

"(B) Designated wilderness, designated wilderness study areas, and other areas managed for wilderness characteristics.

"(C) National historic sites and historic parks.

"(D) Inventoried roadless areas and significant noninventoried roadless areas within the National Forest System.

"(E) National monuments.

"(F) National conservation areas.

"(G) National wildlife refuges and areas of critical environmental concern.

"(H) National historic and national scenic trails.

"(I) Areas designated as critical habitat.

"(J) National wild, scenic, and recreational rivers.

"(K) Any area in which Federal law prohibits energy development, or that the Federal agency or official exercising authority over the area exempts from inclusion in a national renewable energy zone through land use, planning, or other public process.

''(L) Any area in which applicable State law enacted prior to the date of enactment of this section prohibits energy development.

''(b) RENEWABLE ENERGY REQUIREMENTS.—In making the designations required by subsection (a), the President shall take into account Federal and State requirements for utilities to incorporate renewable energy as part of meeting the load of load-serving entities.

''(c) CONSULTATION.—Before making any designation under subsection (a) or (e), the President shall consult with—

''(1) the Governors of affected States;

''(2) the public;

''(3) Federal transmitting utilities, public utilities and transmission providers, and cooperatives;

''(4) State regulatory authorities and regional electricity planning organizations;

''(5) Federal land management agencies, Federal energy and environmental agencies, and State land management, energy, and environmental agencies;

''(6) renewable energy companies;

''(7) local government officials;

''(8) renewable energy and energy efficiency interest groups;

''(9) Indian tribes; and

''(10) environmental protection and land, water, and wildlife conservation groups.

''(d) RECOMMENDATIONS.—Not earlier than 3 years after the date of enactment of this part, and triennially thereafter, the Secretary and the Secretary of the Interior shall, after consultation with the Federal transmitting utilities, the Commission, the Chief of the Forest Service, the Secretary of Commerce, the Secretary of Defense, the Council on Environmental Quality, and the Governors of the States, shall recommend to the President and Congress—

''(1) specific areas with the greatest potential for environmentally acceptable renewable energy resource development that the President could designate as renewable energy zones, considering such factors as the impact on sensitive wildlife species, the impact on sensitive resource areas, and the presence of already disturbed or developed land; and

''(2) any modifications of laws (including regulations) and resource management plans necessary to fully achieve that potential, including identifying improvements to permit application processes involving military and civilian agencies.

''(e) EXISTING PROCESSES.—In carrying out this section, the President may use existing processes that designate renewable energy zones.

''(f) REVISION OF DESIGNATIONS.—The President may modify the designation of renewable energy zones, including modification based on the recommendations received under subsection (d).

''(g) ELECTION.—The ERCOT Interconnection may elect to participate in the process described in this section.

''(h) ADMINISTRATION.—The designation of a renewable energy zone shall not be considered a major Federal action under Federal law.

''(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section (including renewable energy resource assessments) $25,000,000 for each of fiscal years 2009 through 2019.

''SEC. 403. INTERCONNECTION-WIDE GREEN TRANSMISSION GRID PROJECT PLANNING.

''(a) IN GENERAL.—To achieve Interconnection-wide coordination of planning to integrate renewable energy resources from renewable energy zones into the interstate electric transmission grid and make the renewable energy resources fully deliverable to electricity consuming areas, not later than 60 days after the date of enactment of this part, the Commission shall, by regulation or order, issue

a request for 1 or more organizations to be certified as the regional planning entity for each Interconnection.

''(b) CONTENTS OF APPLICATION.—The application shall include proposals for provisions for an open, inclusive, transparent, and nondiscriminatory planning process that—

''(1) includes consultation with affected Federal land management agencies and States within the Interconnection;

''(2) builds on planning undertaken by States, Federal transmitting utilities, regional transmission organizations, independent system operators, utilities, and other interested parties;

''(3) takes account of corridor designation work and other planning carried out by Federal land management agencies, the Department of Energy, and other interested parties;

''(4) solicits input from transmission owners, regional transmission organizations, independent system operators, States, generator owners, prospective developers of new transmission and generation resources, regional entities, Federal land management agencies, environmental protection and land, water, and wildlife conservation groups, and other interested parties; and

''(5) includes an interim process to expeditiously evaluate whether new renewable feeder lines should be added to the green transmission grid project plan.

''(c) DESIGNATION.—Not later than 120 days after the date of enactment of this part, the Commission shall designate 1 or more appropriate organizations to serve as the regional planning entity to represent the Interconnection under this part.

''(d) INTERCONNECTION-WIDE GREEN TRANSMISSION GRID PROJECT PLAN.—Not later than 1 year after the date of the deadline for designations under section 402(a), the regional planning entity in each Interconnection shall produce and submit to the Commission an Interconnection-wide green transmission grid project plan.

''(e) TERM; REQUIREMENTS.—An Interconnection-wide green transmission grid project plan shall—

''(1) enhance transmission access for electricity from renewable energy in renewable energy zones;

''(2) include identification of green transmission grid projects (both high-voltage and renewable feeder lines) needed to interconnect renewable energy zones with electricity-consuming areas;

''(3) fully consider national reliability, economic, environmental, and security needs;

''(4) take into account transmission infrastructure required for efficient and reliable delivery of the output of new renewable generation resources needed to meet established and projected Federal and State renewable energy policies and targets;

''(5) provide a plan for a period of at least 10 years into the future;

''(6) consider alternatives to new transmission, including energy efficiency, demand response, energy storage, and distributed renewable generation;

''(7) include a timeline for construction of projects; and

''(8) be filed with the Commission annually for approval consistent with this section.

''(f) PARTICIPATION OF SECRETARY.—The Secretary shall provide technical expertise to States and regional planning entities in development of Interconnection-wide plans through—

''(1) analysis for the green transmission grid project planning process; and

''(2) demonstration and commercial application activities of new technologies in the green transmission grid project plan.

''(g) PARTICIPATION OF FEDERAL TRANSMITTING UTILITIES.—

''(1) IN GENERAL.—A Federal transmitting utility shall participate in the planning process in the applicable Interconnection.

''(2) GREEN TRANSMISSION GRID PROJECT FACILITIES.—Not later than 1 year after the date a regional planning entity files a plan, a Federal transmitting utility that owns or operates 1 or more electric transmission facilities in a State with a national renewable energy zone shall identify specific green transmission grid project facilities that are required to substantially increase the generation of electricity from renewable energy in the national renewable energy zone.

''(h) FAILURE TO SUBMIT PLAN.—

''(1) IN GENERAL.—If a State in an Interconnection does not participate in a timely manner in an Interconnection-wide green transmission grid project planning process in accordance with this section, or if such a planning process is established but fails to result in the submission by the regional planning entity of the requisite components of the Interconnection-wide green transmission grid project plan by the date specified in subsection (d), the Commis-

sion shall develop through a rulemaking, after consultation with the Secretary, Federal transmitting utilities, the Secretary of the Interior, regional transmission organizations, the electric reliability organization, regional entities, and municipal and cooperative entities, an Interconnection-wide green transmission grid project plan on behalf of the 1 or more nonsubmitting States or regional planning entity in the Interconnection.

''(2) DEADLINE.—Any final rule required under paragraph (1) shall be completed not later than 1 year after the date on which the Commission determines that—

''(A) the regional planning entity has failed to submit an Interconnection-wide green transmission project plan on a timely basis; or

''(B) a State has failed to participate in a timely manner in the planning process.

''(i) EVALUATION AND RECOMMENDATIONS.—The Commission shall—

''(1) periodically evaluate whether green transmission grid projects to enable the delivery of renewable energy are being constructed in accordance with the Interconnection-wide green transmission grid

project plan for both the Western and Eastern Interconnections;

''(2) take any necessary actions to address any identified obstacles to investment, siting, and construction of projects identified as needed under an Interconnection-wide plan; and

''(3) not later than 2 years after the date of enactment of this part, submit to Congress recommendations for any further actions or authority needed to ensure the effective and timely development of transmission infrastructure necessary to ensure the integration and deliverability of renewable energy from renewable energy zones to electricity-consuming areas in the United States.

''(j) RECOVERY OF COSTS ASSOCIATED WITH INTERCONNECTION-WIDE GREEN TRANSMISSION GRID PROJECT PLANNING.—

''(1) IN GENERAL.—A regional planning entity and a State shall be permitted to recover prudently incurred costs to carry out Interconnection-wide planning activities required under this section pursuant to a Federal transmission surcharge that will be established by the Commission for the purposes of carrying out this section.

''(2) SURCHARGE.—A regional planning entity, in consultation with States in an Interconnection, shall—

''(A) recommend the Federal transmission surcharge based on a formula rate that is submitted to the Commission for approval; and

''(B) adjust the formula and surcharge on an annual basis.

''(3) COST RESPONSIBILITY.—Cost responsibility under the surcharge shall be assigned based on energy usage to all load-serving entities within the United States portion of the Eastern and Western Interconnections.

''(4) LIMITATION.—The total amount of surcharges that may be imposed or collected nationally under this subsection shall not exceed $80,000,000 in any calendar year.

''(5) DISTRIBUTION.—The Secretary shall, in accordance with the regulations promulgated under paragraph (1), distribute on an equitable basis funds received under that paragraph among States and planning entities, if the Governor of the receiving State—

''(A) in the case of the first year of distribution, certifies to the Secretary that the

State will participate in an Interconnection-wide green transmission grid project planning process; and

''(B) in the case of the second and subsequent years of distribution—

''(i) is part of an Interconnection-wide planning process that submits to the Commission timely Interconnection-wide green transmission grid project plans under this section; and

''(ii) certifies annually to the Secretary that all load-serving entities in the State—

''(I) offer a fairly-priced renewable power purchase option to all the customers of the entities; or

''(II) have demonstrated an increase in the number of customers above the previous year participating in a demand-side management program that reduces peak demand, increases reliability, and reduces consumer costs.

''(6) APPLICABILITY.—

''(A) IN GENERAL.—Subject to subparagraphs (B) and (C), this subsection applies to all users, owners, and operators of the bulk-power system within the United States portion of the Eastern and Western Interconnections.

''(B) EXCLUSIONS.—This subsection does not apply to the State of Alaska or Hawaii or to the ERCOT, unless the State or ERCOT voluntarily elects to participate in the planning process, and to be responsible for a pro rata portion of the Federal transmission surcharge imposed under this subsection.

''(C) PROJECT DEVELOPERS.—Nothing in this section or part prevents a project developer from carrying out a transmission project to enable renewable development if the project developer assumes all of the risk and cost of the proposed project.

''SEC. 404. FEDERAL SITING OF GREEN TRANSMISSION GRID PROJECT FACILITIES.

''(a) IN GENERAL.—The Commission, after consultation with affected States, may issue 1 or more permits for the construction or modification of an electric transmission facility if the Commission finds that—

''(1) the transmission facility—

''(A) is included in an Interconnection-wide green transmission grid project plan submitted under section 403; or

''(B) is proposed by a project developer to integrate renewable energy resources from renewable energy zones or to integrate renewable resources from other geographic areas, if the project developer assumes all of the risk and cost of the proposed facilities;

''(2) the transmission facility optimizes transmission capability based on the assessment by the Commission of technical constraints, project economics, land use limitations, and the potential generation capacity of renewable energy zones interconnected to the project; and

''(3) the owner or operator of the transmission facility has failed to make reasonable progress in siting the facility based on timelines in the plan.

''(b) EVIDENCE OF NEED.—Inclusion of a project in an Interconnection-wide green transmission grid project plan submitted under section 403 shall be considered to be sufficient evidence of need for the project to warrant the granting of a construction permit under subsection (a).

''(c) PERMIT APPLICATION.—

''(1) IN GENERAL.—A permit application under subsection (a) shall be made in writing to the Commission.

''(2) ADMINISTRATION.—The Commission shall promulgate regulations specifying—

''(A) the form of the application;

''(B) the information to be contained in the application; and

''(C) the manner of service of notice of the permit application on interested persons.

''(d) GRANTING OF CONSTRUCTION PERMIT.—

''(1) IN GENERAL.—A construction permit may be issued to any applicant described in subsection (a)(1)(B) if the Commission finds that—

''(A) the applicant is able and willing to take actions and perform the services proposed in accordance with this part (including the requirements, rules, and regulations of the Commission under this part); and

''(B) the proposed operation, construction, or expansion is or will be required by the present or future public convenience and necessity.

''(2) ADMINISTRATION.—The Commission shall have the power to attach to the issuance of the con-

struction permit, and to the exercise of rights granted under the permit, such reasonable terms and conditions as the public convenience and necessity may require.

''(e) CONSTRUCTION PERMIT FOR AN AREA ALREADY BEING SERVED.—Nothing in this section limits the power of the Commission to grant construction permits for service of an area already being served by another transmission provider.

''(f) RIGHTS-OF-WAY.—

''(1) IN GENERAL.—In the case of a permit under subsection (a) for an electric transmission facility to be located on property other than property owned by the United States, if the permit holder cannot acquire by contract, or is unable to agree with the owner of the property to the compensation to be paid for, the necessary right-of-way to construct or modify the transmission facility, the permit holder may acquire the right-of-way by the exercise of the right of eminent domain in the United States district court for the district in which the property concerned is located, or in the appropriate court for the State in which the property is located.

''(2) USE.—Any right-of-way acquired under paragraph (1) shall be used exclusively for the con-

struction, modification, operation, or maintenance of an electric transmission facility, and any appropriate mitigation measures or other uses approved by the Commission, within a reasonable period of time after acquisition of the right-of-way.

''(3) PRACTICE AND PROCEDURE.—The practice and procedure in any action or proceeding under this subsection in the United States district court shall conform, to the maximum extent practicable, to the practice and procedure in a similar action or proceeding in the courts of the State in which the property is located.

''(4) LIMITATIONS.—

''(A) IN GENERAL.—Nothing in this subsection authorizes the use of eminent domain to acquire a right-of-way for any purpose other than the construction, modification, operation, or maintenance of an electric transmission facility included in a green transmission grid project plan or related facility.

''(B) ADMINISTRATION.—The right-of-way—

''(i) shall not be used for any purpose not described in subparagraph (A) or paragraph (2); and

''(ii) shall terminate on the termination of the use for which the right-of-way is acquired.

''(g) STATE AUTHORITY.—

''(1) IN GENERAL.—Except as provided in paragraph (3), in granting a construction permit under subsection (a), the Commission shall—

''(A) permit State regulatory agencies to identify siting constraints and mitigation measures, based on habitat protection, environmental considerations, or cultural site protection; and

''(B)(i) incorporate those identified constraints or measures in the construction permit; or

''(ii) if the Commission determines that such a constraint or measure is inconsistent with the purposes of this part, infeasible, or not cost-effective—

''(I) consult with State regulatory agencies to seek to resolve the issue; and

''(II) incorporate into the construction permit such siting constraints and mitigation measures as are determined to be appropriate by the Commission, based on

consultation by the Commission with State regulatory agencies, the purposes of this part, and the record before the Commission.

''(2) NONADOPTION OF RECOMMENDATIONS.—If, after taking the actions required under paragraph (1), the Commission does not adopt in whole or in part a recommendation of an agency, the Commission shall publish a statement of a finding that the adoption of the recommendation is infeasible, not cost-effective, or inconsistent with this part or other applicable provisions of law.

''(3) INTERCONNECTION-WIDE GREEN TRANSMISSION GRID PROJECT PLANNING PROCESS.—The Commission shall not be required to include constraints or measures described in paragraph (1) that are identified by a State that does not participate in an Interconnection-wide green transmission grid project planning process under section 403.

''(h) ENVIRONMENTAL REVIEWS.—

''(1) IN GENERAL.—With respect to any project or group of projects for which a construction permit is granted under subsection (a), the Commission shall—

"(A) serve as the lead agency for purposes of coordinating any Federal authorizations and environmental reviews or analyses required for the project, including those required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.);

"(B) in consultation with other affected agencies, prepare a single environmental review document that would be used as the basis for all decisions under Federal law relating to the proposed project, in accordance with section 216(h) of this Act, including siting constraints and mitigation measures;

"(C) not later than 90 days after the date of filing of an application for a permit under this section, enter into a memorandum of understanding with affected Federal agencies to carry out this subsection, including—

"(i) a schedule for environmental review and a budget necessary to comply with the schedule for each project or group of projects; and

"(ii) the budget resources necessary to carry out the memorandum; and

"(D) ensure that, once an application has been submitted with such data as the Commission considers to be necessary, all permit decisions and related environmental reviews under applicable Federal laws shall be completed not later than 1 year after the date of submission of a complete application.

"(2) APPEAL.—If any Federal agency has denied a Federal authorization required for a certified project under this part or has failed to determine whether to issue the authorization not later than 1 year after the date of submission of a complete application, the applicant or any State in which the facility would be located may file an appeal with the President, who shall, in consultation with the affected agency, review the denial or failure to take action on the pending application.

"(i) RESTRICTED AREAS.—In granting a construction permit under subsection (a), the Commission shall consider and, to the maximum extent practicable, select alternative routes to avoid areas described in section 402(a)(3).

"(j) ACCESS TO TRANSMISSION.—

"(1) IN GENERAL.—Subject to paragraph (2), the owner or operator of any project described in

subsection (a) that traverses multiple States that participate in an Interconnection-wide green transmission grid project planning process under section 403 shall ensure that each State in which the green transmission grid project traverses shall have access to transmission under the project, unless the access would make the project technically or economically impractical.

''(2) ADDITIONAL FUNDS.—If a project owner or operator described in paragraph (1) cannot make the assurances described in that paragraph for a State, the State shall be eligible for additional funds under section 405.

''(k) MINIMUM RENEWABLE REQUIREMENT.—

''(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the transmission provider for a green transmission grid project sited through the granting of a construction permit under subsection (a) shall certify annually to the Commission, in accordance with regulations promulgated by the Commission, that at least 75 percent of the transmission capacity of the project is available to renewable resources.

''(2) APPLICATION.—The requirements shall be applicable only to generators directly interconnecting to the project.

''(3) ADJUSTMENT.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Commission may reduce the minimum percentage specified in paragraph (1) in any case in which the Commission determines that it is necessary for a specific renewable feeder line to have less than 75 percent of generation resources interconnecting to the renewable feeder line be renewable resources in order to maintain compliance with Commission-approved reliability standards.

''(B) COST-EFFECTIVE ENERGY STORAGE OPTIONS.—In making a determination on a reduction for a proposed project under subparagraph (A), the Commission shall consider cost-effective energy storage options in the area covered by the project, including detailed reports developed by the project developer or interconnecting generators at the direction of the Commission.

''(l) FIRM TRANSMISSION RIGHTS.—The Commission shall adopt, by rule, regulations requiring transmission

providers to offer, on a priority basis, firm or equivalent financial transmission rights for any green transmission grid project sited under this section for transmission of energy from renewable resources to a load-serving entity that contracts to purchase renewable resources, or to renewable energy generation owners.

''(m) ADMINISTRATION.—Nothing in this section waives the application of any applicable Federal environmental law.

''(n) STATE SITING AUTHORITY.—Nothing in this section precludes a transmission project developer from seeking siting authority from a State.

''SEC. 405. GRANTS FOR INTERCONNECTION-WIDE GREEN TRANSMISSION GRID PROJECT PLANS.

''(a) IN GENERAL.—The Secretary, in consultation with the Commission, shall make grants to States and planning entities that submit or implement Interconnection-wide green transmission grid project plans required to be developed pursuant to this part in a timely manner for (as appropriate)—

''(1) implementation of sections 403 and 404;

''(2) transmission improvements (including smart grid investments) for States and planning entities that meet deadlines in implementing those plans;

''(3) training for State regulatory authority staff and local workforces relating to renewable generation resources, smart grid, or new transmission technologies;

''(4) mitigation of landowner concerns and impacts;

''(5) habitat and wildlife conservation;

''(6) security upgrades to the transmission system and authorized uses under title XIII of the Energy Independence and Security Act of 2007 (15 U.S.C. 17381 et seq.);

''(7) energy storage, reliability, or distributed renewable generation projects; and

''(8) other programs and projects that are consistent with the purposes of this part.

''(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $500,000,000, including amounts made available—

''(1) under the American Recovery and Reinvestment Act of 2009; or

''(2) through the sale of carbon allowances in a law enacted after the date of enactment of this Act that imposes a limitation on greenhouse gas emissions.

"SEC. 406. COST ALLOCATION.

''(a) IN GENERAL.—As part of an Interconnection-wide green transmission grid project plan submitted under section 403, the regional planning entity, after consultation with affected State regulatory authorities, shall file with the Commission under this section a cost allocation plan for sharing the costs of developing and operating green transmission grid projects that are identified and built pursuant to an Interconnection-wide green transmission project plan to enable delivery of electric energy from renewable energy resources in renewable energy zones.

''(b) APPROVAL.—Not later than 90 days after the date of filing, the Commission shall approve a cost allocation plan proposed under subsection (a) unless the Commission determines that—

''(1) taking into account the users of the transmission facilities, the plan will result in rates that are unduly discriminatory or preferential or are not just and reasonable;

''(2) the plan would unduly inhibit the development of renewable energy electric generation projects; or

''(3) the plan would not allow the transmission provider providing service over the facilities or the entity constructing or financing the project, as ap-

propriate, the opportunity to recover prudently incurred costs, including a reasonable return on investment, associated with the transmission facilities the transmission provider has committed to build pursuant to the Interconnection-wide green transmission plan.

''(c) FAILURE TO SUBMIT A COST ALLOCATION PLAN.—

''(1) IN GENERAL.—If a regional planning entity is unable, for whatever reason, to develop and propose an acceptable cost allocation plan at the time the regional planning entity files an Interconnection-wide green transmission grid project plan, the Commission shall institute, on the motion of the Commission, a proceeding to initially allocate the costs of new transmission facilities built pursuant to an Interconnection-wide green transmission project plan.

''(2) COST ALLOCATION.—The Commission shall allocate the costs of green transmission grid projects—

''(A) broadly to all load-serving entities in the Interconnection; or

''(B) to load-serving entities within a part of the Interconnection.

''(3) RENEWABLE FEEDER LINES.—

''(A) IN GENERAL.—A renewable feeder line may be included in a broad cost allocation if the Commission finds that the renewable feeder line—

''(i) would be used by renewable energy resources remote from existing transmission and load centers;

''(ii) will likely result in multiple individual renewable energy electric generation projects being developed by multiple competing developers; and

''(iii) has at least 1 project subscribed through an executed generator Interconnection agreement with the transmission provider and has tangible demonstration of additional interest.

''(B) NEW RENEWABLE GENERATION PROJECTS.—

''(i) IN GENERAL.—As new renewable generation projects are constructed and interconnected to a renewable feeder line under subparagraph (A), the 1 or more new transmission services contract holders shall be liable for a pro rata share of the

facility costs of the transmission grid project.

''(ii) TRANSMISSION REVENUES.—The transmission revenues shall be applied as a credit to the initial allocation of project costs.

''(d) COST ALLOCATION RATE FILINGS.—If a cost allocation plan is approved by the Commission in accordance with this section—

''(1) any public utility that has rates that are affected by the approved cost allocation plan shall file the allocation plan with the Commission pursuant to section 205; and

''(2) the cost allocation plan shall be presumed lawful under section 205 on filing, without notice or further opportunity for comment or hearing.

''(e) APPLICABILITY.—

''(1) IN GENERAL.—Except as provided in paragraph (3), the authority of the Commission under this section and section 403 to approve transmission plans and to allocate costs incurred pursuant to the plans applies to all transmission providers, generators, and users, owners, and operators of the power system within the Eastern and Western Interconnec-

tions of the United States, including entities described in section 201(f).

''(2) REGIONAL PLANNING ENTITIES.—The Commission shall have authority over regional planning entities to the extent necessary to carry out this section and section 403.

''(3) EXCLUSIONS.—

''(A) IN GENERAL.—This section does not apply in the State of Alaska or Hawaii or to the ERCOT, unless the State or ERCOT voluntarily elects to participate in a cost allocation plan under this section.

''(B) EXISTING COST ALLOCATION AGREEMENTS.—A project for which a cost allocation or cost recovery agreement was accepted by the Commission before the date of enactment of this part shall not be included in cost allocation under this section.

''SEC. 407. FEDERAL TRANSMITTING UTILITIES ENCOURAGING CLEAN ENERGY DEVELOPMENT IN NATIONAL RENEWABLE ENERGY ZONES.

''(a) LACK OF PRIVATE FUNDS.—If, by the date that is 3 years after the date of enactment of this part, no privately-funded entity has committed to financing (through self-financing or through a third-party financing

arrangement with a Federal transmitting utility) to ensure the construction and operation of a green transmission grid project (which the Commission has identified as an essential part of an Interconnection-wide green transmission project plan) by a specified date, the Federal transmitting utility responsible for the identification under section 403(d) shall finance such a transmission facility if the Federal transmitting utility has sufficient bonding authority under subsection (b).

''(b) BONDING AUTHORITY.—

''(1) IN GENERAL.—In addition to any other authority to issue and sell bonds, notes, and other evidence of indebtedness, a Federal transmitting utility may issue and sell bonds, notes, and other evidence of indebtedness in an amount not to exceed, at any 1 time, an aggregate outstanding balance of $10,000,000,000, to finance the construction of transmission facilities described in subsection (a) for the principal purposes of—

''(A) increasing the generation of electricity from renewable energy; and

''(B) conveying that electric energy to an electricity-consuming area.

''(2) RECOVERY OF COSTS.—A Federal transmitting utility shall recover the costs of green trans-

mission grid project facilities financed pursuant to subsection (a) from entities using the transmission facilities over a period of 50 years.

''(3) NONLIABILITY OF CERTAIN CUSTOMERS.—Individuals and entities that, as of the date of enactment of this part, are customers of a Federal transmitting utility shall not be liable for the costs, in the form of increased rates charged for electric energy or transmission, of green transmission grid project facilities constructed pursuant to this section, except to the extent the customers are treated in a manner similar to all other users of the green transmission grid project facilities.

''SEC. 408. FEDERAL POWER MARKETING AGENCIES.

''(a) PROMOTION OF RENEWABLE ENERGY AND ENERGY EFFICIENCY.—Each Federal transmitting utility shall—

''(1) identify and take steps to promote energy conservation and renewable energy electric resource development in the regions served by the Federal transmitting utility; and

''(2) identify opportunities to promote the development of facilities generating electricity from renewable energy on Indian land within the service territory of the Federal transmitting utility.

''(b) WIND INTEGRATION PROGRAMS.—The Bonneville Power Administration and the Western Area Power Administration shall each establish a program focusing on the improvement of the integration of wind energy into the transmission grids of those Administrations through the development of transmission products, including through the use of Federal hydropower resources, that—

''(1) take into account the intermittent nature of wind electric generation; and

''(2) do not impair electric reliability.

''(c) SOLAR INTEGRATION PROGRAM.—Each of the Federal Power Marketing Administrations and the Tennessee Valley Authority shall establish a program to carry out projects focusing on the integration of solar energy, through photovoltaic, concentrating solar power systems and other forms and systems, into the respective transmission grids and into remote and distributed applications in the respective service territories of the Federal Power Marketing Administrations and Tennessee Valley Authority, that—

''(1) take into account the solar energy cycle;

''(2) consider the appropriate use of Federal land for generation or energy storage, where appropriate; and

''(3) do not impair electric reliability.

''(d) GEOTHERMAL INTEGRATION PROGRAM.—The Bonneville Power Administration and the Western Area Power Administration shall establish a joint program to carry out projects focusing on the development and integration of geothermal energy and enhanced geothermal system resources into the respective transmission grids of the Bonneville Power Administration and the Western Area Power Administration, as well as non-grid, distributed applications in those service territories, including projects combining geothermal energy resources with biofuels production or other industrial or commercial uses requiring process heat inputs, that—

''(1) consider the appropriate use of Federal land for the projects and activities;

''(2) displace fossil fuel baseload generation or petroleum imports; and

''(3) do not impair electric reliability.

''(e) RENEWABLE ELECTRICITY AND ENERGY SECURITY PROJECTS.—

''(1) IN GENERAL.—The Federal transmitting utilities, shall, in consultation with the Commission, the Secretary, the States, and such other individuals and entities as are necessary, undertake geographically diverse projects within the respective service territories of the Federal transmitting utilities to ac-

quire and demonstrate grid-enabled and nongrid-enabled plug-in electric and plug-in hybrid electric vehicles and related technologies as part of their fleets of vehicles.

''(2) INCREASE IN RENEWABLE ENERGY USE.—To the maximum extent practicable, each project conducted pursuant to any of subsections (b) through (d) shall include a component to develop vehicle technology, utility systems, batteries, power electronics, or such other related devices as are able to substitute, as the main fuel source for vehicles, transportation-sector petroleum consumption with electricity from renewable energy sources.

''(f) REREGULATING DAMS AND PUMPED STORAGE STUDY.—The Secretary of the Interior and the Secretary of the Army (acting through Chief of Engineers), in consultation with the Secretary of Energy, shall—

''(1) study the potential for reregulating facilities and pumped storage units at Federal dams to identify the facilities and units that are most worthy of further evaluation; and

''(2) submit to Congress a report on the results of the study, including recommendations on the next steps that should be taken.

''(g) WIND OR SOLAR–HYDRO INTEGRATION DEMONSTRATION PROJECT.—

''(1) IN GENERAL.—The Western Area Power Administration may fund the construction of wind or solar generation to supply firming energy to Western Area Power Administration to test the economic feasibility of wind-hydro or solar-hydro integration.

''(2) TRIBAL LAND.—In carrying out this subsection, the Western Area Power Administration shall consider locating the wind or solar generation facilities on tribal land.

''(3) NONREIMBURSABLE COSTS.—All costs associated with a demonstration under this subsection shall be considered nonreimbursable to electric energy customers of the Western Area Power Administration.

''SEC. 409. SOLAR ENERGY RESERVE PILOT PROJECT.

''(a) PURPOSE.—The purpose of this section is to establish a solar energy reserve pilot program on Federal land for the advancement, development, assessment, and installation of commercial utility-scale solar electric energy systems that will function as a potential model for the future development of renewable energy zones identified under this Act.

''(b) SITE SELECTION.—The Secretary of Energy and the Secretary of the Interior, in consultation with the Secretary of Defense, the Commission, States, and tribal and local units of government (as appropriate), shall—

''(1) identify 1 or more areas of Federal land under the jurisdiction of the Bureau of Land Management or land withdrawn by the Secretary of Energy for other purposes that is feasible and suitable for the installation of solar electric energy systems that are sufficient to generate not less than 4 gigawatts and not more than 25 gigawatts;

''(2) not later than 180 days after the date of enactment of this part, initiate the process for withdrawal of 1 or more tracts of land to the Secretary of Energy pursuant to section 204 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1714) for the purpose of creating solar energy reserves or the designation of land withdrawn to the Secretary of Energy for other purposes as a solar energy reserve; and

''(3) identify the needed transmission upgrades to connect the solar energy reserves to the transmission grid.

''(c) INELIGIBLE FEDERAL LAND.—A solar energy reserve shall not be established under this section on any land excluded for designation under section 402(a)(2).

''(d) DEVELOPMENT WITHIN RESERVES.—The Secretary of Energy shall—

''(1) have the sole authority to issue land use authorizations for land withdrawn under subsection (b);

''(2) establish criteria for approving applications and developing infrastructure for solar reserves;

''(3) not later than 2 years after the date of enactment of this part, work with Federal agencies, States, and other interested persons to ensure, to the maximum extent practicable, that adequate infrastructure is available for operation of the first solar energy reserve;

''(4) provide, to the maximum extent practicable, for a variety of utility-scale solar electric energy technologies; and

''(5) ensure, to the maximum extent practicable, that all solar energy reserves pursuant to this section are permitted using an expedited permitting process.

''(e) DEVELOPING SOLAR ENERGY RESERVES.—

''(1) IN GENERAL.—Subject to paragraph (2), in carrying out this section, the Secretary may—

''(A) install appropriate infrastructure, including—

''(i) roads;

''(ii) renewable feeder lines that connect to transmission lines; and

''(iii) equipment to access public or private utility systems;

''(B) recover reasonable costs to pay for the management of the solar energy reserves and maintenance of the infrastructure relating to the use of the land, except that the Secretary shall not recover costs to pay for infrastructure if the costs have or will be paid for by Federal funds, to remain available until expended; and

''(C) negotiate agreements on behalf of all solar electricity systems within the solar energy reserve for—

''(i) the purchase of materials and equipment;

''(ii) the provision of public utility services and other services; and

''(iii) access to electric transmission facilities.

''(2) OPTING OUT.—A developer of a solar electricity system shall have the option, prior to the effective date of the agreement, to opt out of any agreement negotiated by the Secretary under paragraph (1)(C).

''(f) ROYALTIES AND FEES.—

''(1) IN GENERAL.—In lieu of rental fees, each solar electricity system developer shall pay to the Secretary a royalty on the sale of electricity produced from a solar electricity system placed into service on a solar energy reserve established under this section.

''(2) AMOUNT OF ROYALTY.—The amount of the royalty payable for a solar electricity system placed into service on a solar energy reserve under this subsection shall be equal to 1.0 mil per kilowatt-hour of electricity generated by the facility.

''(3) DEPOSIT IN TREASURY.—All royalties received by the United States from royalties under this subsection shall be deposited in the Treasury.

''(4) USE OF ROYALTIES.—

''(A) IN GENERAL.—Subject to subparagraphs (B) and (C), of the amount of royalties deposited in the Treasury from a solar energy reserve for a fiscal year under paragraph (3)—

"(i) 20 percent shall be paid to the 1 or more States within the boundaries of which the solar energy reserve is located;

"(ii) 30 percent shall be paid to the 1 or more counties within the boundaries of which the solar energy reserve is located;

"(iii) 20 percent shall be deposited in a separate account in the Treasury, to be known as the 'BLM Solar Energy Permit Processing Improvement Fund', except that if the Fund equals $10,000,000 or more, no additional royalties under this subsection shall be deposited in the Fund; and

"(iv) 5 percent shall be deposited into a separate account in the Treasury, to be known as the 'Solar Energy Land Reclamation, Remediation, and Restoration Fund'.

"(B) BLM SOLAR ENERGY PERMIT PROCESSING IMPROVEMENT FUND.—Amounts deposited under subparagraph (A)(iii) shall be available to the Secretary of the Interior for expenditure, without further appropriation and without fiscal year limitation, for the purpose of

paying for the coordination and processing of solar energy right-of-way permit and land use applications and planning for solar energy development on land under the jurisdiction of the Bureau of Land Management.

''(C) SOLAR ENERGY LAND RECLAMATION, REMEDIATION, AND RESTORATION FUND.—Amounts deposited under subparagraph (A)(iv) shall be available to the Secretary of Energy for expenditure, without further appropriation and without fiscal year limitation, for the purpose of reclaiming, remediating, and restoring land within a solar energy reserve on which a solar electricity facility has permanently ceased operation before disposal or for withdrawn land that is returned to the Department of the Interior.

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

''SEC. 410. RELATIONSHIP TO OTHER LAWS.

''Nothing in this part supersedes or affects any Federal environmental, public health or public land protection, or historic preservation law, including—

''(1) the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.);

''(2) the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.); and

''(3) the National Historic Preservation Act (16 U.S.C. 470 et seq.).

''SEC. 411. REGULATIONS.

''Except as otherwise provided in this part, not later than 1 year after the date of enactment of this part, the Commission shall promulgate such regulations as are necessary to carry out this part.''.

(b) GREEN TRANSMISSION INFRASTRUCTURE INCENTIVE RATES.—Section 219(a) of the Federal Power Act (16 U.S.C. 824s(a)) is amended by striking ''purpose of'' and all that follows through the end of the subsection and inserting ''purpose of—

''(1) benefitting consumers by ensuring reliability and reducing the cost of delivered power by reducing transmission congestion; or

''(2) integrating renewable energy resources into the transmission system.''.

(c) MAXIMUM FUNDING AMOUNT FOR THIRD-PARTY FINANCE.—Section 1222 of the Energy Policy Act of 2005 (42 U.S.C. 16421) is amended by striking subsection (g) and inserting the following:

''(g) MAXIMUM FUNDING AMOUNT.—The Secretary shall not accept and use more than $2,500,000,000 under subsection (c)(1) for the period of fiscal years 2009 through 2018.''.

(d) ENFORCEMENT.—Section 316A of the Federal Power Act (16 U.S.C. 825o–1) is amended by striking ''part II'' each place it appears and inserting ''part II or IV''.

SEC. 4. RENEWABLE ENERGY PILOT PROJECT OFFICES.

(a) IN GENERAL.—Section 365 of the Energy Policy Act of 2005 (42 U.S.C. 15924) is amended by adding at the end the following:

''(k) PILOT PROJECT OFFICE TO IMPROVE FEDERAL PERMIT COORDINATION FOR RENEWABLE ENERGY.—

''(1) DEFINITION OF RENEWABLE ENERGY.—In this subsection, the term 'renewable energy' means energy derived from a wind, solar, geothermal, or biomass source.

''(2) FIELD PROJECT OFFICES.—As part of the Pilot Project, the Secretary shall designate 1 or more field offices of the Bureau of Land Management in each of the following States to serve as Renewable Energy Pilot Project Offices for coordination of Federal permits for renewable energy projects and renewable energy transmission involving

Federal land (other than permits issued by the Federal Energy Regulatory Commission):

"(A) Arizona.

"(B) California.

"(C) Colorado.

"(D) Oregon or Washington.

"(E) New Mexico.

"(F) Nevada.

"(G) Montana.

"(H) Wyoming.

"(3) MEMORANDUM OF UNDERSTANDING.—

"(A) IN GENERAL.—Not later than 90 days after the date of enactment of this subsection, the Secretary shall enter into an amended memorandum of understanding under subsection (b) to provide for the inclusion of the additional Renewable Energy Pilot Project Offices in the Pilot Project.

"(B) SIGNATURES BY GOVERNORS.—The Secretary may request that the Governors of each of the States described in paragraph (2) be signatories to the amended memorandum of understanding.

"(C) DESIGNATION OF QUALIFIED STAFF.—Not later than 30 days after the date

of the signing of the amended memorandum of understanding, all Federal signatory parties shall, if appropriate, assign to each Renewable Energy Pilot Project Offices designated under paragraph (2) an employee described in subsection (c) to carry out duties described in that subsection.

''(D) ADDITIONAL PERSONNEL.—The Secretary shall assign to each Renewable Energy Pilot Project Office additional personnel under subsection (f).''.

(b) PERMIT PROCESSING IMPROVEMENT FUND.—Section 35(c)(3) of the Mineral Leasing Act (30 U.S.C. 191(c)(3)) is amended—

(1) by striking ''use authorizations'' and inserting ''and renewable energy use authorizations''; and

(2) by striking ''section 365(d)'' and inserting ''subsections (d) and (k)(2) of section 365''.

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