

112TH CONGRESS
2D SESSION

H. R. 6503

To promote the development of renewable energy on certain Federal land,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 21, 2012

Mr. BILBRAY introduced the following bill; which was referred to the Committee on Natural Resources, and in addition to the Committees on Agriculture and Armed Services, 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

A BILL

To promote the development of renewable energy on certain
Federal land, and for other purposes.

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

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Clean Fuels Innovation Act of 2012”.

6 (b) **TABLE OF CONTENTS.**—The table of contents for
7 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Definitions.

Sec. 3. Programmatic environmental impact statements and land use planning
on covered land.

Sec. 4. Pilot program for development of renewable energy on public land and expansion of pilot program to covered land.

Sec. 5. Royalties.

Sec. 6. Disposition of royalty revenue.

Sec. 7. Report and environmental impact analysis on development of renewable energy on military installations.

Sec. 8. Study and report on mitigation banking.

1 SEC. 2. DEFINITIONS.

2 In this title:

3 (1) COVERED LAND.—The term “covered land”
4 means land that is—

5 (A) public land or National Forest System
6 land; and

7 (B) not excluded from the development of
8 renewable energy under—

9 (i) a final land use plan established
10 under the Federal Land Policy and Man-
11 agement Act of 1976 (43 U.S.C. 1701 et
12 seq.);

13 (ii) a final land and resource manage-
14 ment plan established under the Forest
15 and Rangeland Renewable Resources Plan-
16 ning Act of 1974 (16 U.S.C. 1600 et seq.);
17 or

18 (iii) Federal law.

19 (2) FUND.—The term “Fund” means the Re-
20 newable Energy Resource Conservation Fund estab-
21 lished under section 6(b).

1 (3) MILITARY INSTALLATION.—The term “mili-
2 tary installation” has the meaning given such term
3 in section 2801(c) of title 10, United States Code.

4 (4) PUBLIC LAND.—The term “public land”
5 has the meaning given the term “public lands” in
6 section 103 of the Federal Land Policy and Manage-
7 ment Act of 1976 (43 U.S.C. 1702).

8 (5) RENEWABLE ENERGY.—The term “renew-
9 able energy” means energy derived from—

10 (A) a renewable energy source (as defined
11 in section 2924 of title 10, United States
12 Code); or

13 (B) algae.

14 (6) SECRETARY CONCERNED.—The term “Sec-
15 retary concerned” means—

16 (A) the Secretary of the Interior, with re-
17 spect to public land; and

18 (B) the Secretary of Agriculture, with re-
19 spect to National Forest System land.

20 **SEC. 3. PROGRAMMATIC ENVIRONMENTAL IMPACT STATE-**
21 **MENTS AND LAND USE PLANNING ON COV-**
22 **ERED LAND.**

23 (a) PROGRAMMATIC ENVIRONMENTAL IMPACT
24 STATEMENTS FOR PUBLIC LAND.—Not later than one

1 year after the date of the enactment of this Act, the Secretary of the Interior shall, with respect to public land—

3 (1) complete the Programmatic Environmental
4 Impact Statement for Solar Energy Development in
5 Six Southwestern States (BLM/DES 10–59; DOE/
6 EIS–0403) in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et
7 seq.) to analyze the potential impacts of the development of renewable energy on such land and any
8 amendments to the land use plans in effect on such
9 land on the date of the enactment of this Act required for such development; and

13 (2) after conducting the analysis under paragraph (1), amend the land use plans referred to in
14 such paragraph, as the Secretary determines is appropriate.

17 (b) PROGRAMMATIC ENVIRONMENTAL IMPACT
18 STATEMENTS FOR NATIONAL FOREST SYSTEM LAND.—
19 Not later than two years after the date of the enactment
20 of this Act, the Secretary of Agriculture shall, with respect
21 to National Forest System land—

22 (1) publish in the Federal Register a notice of
23 intent to prepare a programmatic environmental impact statement in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et

1 seq.) to analyze the potential impacts of the develop-
2 ment of renewable energy on such land and any
3 amendments to the land use plans in effect on such
4 land on the date of the enactment of this Act re-
5 quired for such development; and

6 (2) after conducting the analysis under para-
7 graph (1), amend the land use plans referred to in
8 such paragraph, as the Secretary determines is ap-
9 propriate.

10 (c) EFFECT ON PROCESSING APPLICATIONS.—The
11 requirement for completion of programmatic environ-
12 mental impact statements under this section shall not re-
13 sult in any delay in processing or approving of applications
14 for the development of renewable energy on covered land.

15 **SEC. 4. PILOT PROGRAM FOR DEVELOPMENT OF RENEW-**
16 **ABLE ENERGY ON PUBLIC LAND AND EXPAN-**
17 **SION OF PILOT PROGRAM TO COVERED**
18 **LAND.**

19 (a) PILOT PROGRAM ON SELECTED PUBLIC LAND.—

20 (1) ESTABLISHMENT.—Not later than 180 days
21 after the date of the enactment of this Act, the Sec-
22 retary of the Interior shall establish a renewable en-
23 ergy leasing pilot program under which the Sec-
24 retary conducts lease sales of certain sites located on

covered land administered by the Secretary for purposes of carrying out renewable energy projects.

(2) SELECTION OF SITES ON COVERED LAND.—

(A) IN GENERAL.—Not later than 90 days after the date the pilot program is established under paragraph (1), the Secretary shall select from covered land administered by the Secretary two sites for the development of renewable energy projects in each of the five regional areas of the United States, as follows:

(i) NORTHEAST.—The Northeast region, consisting of the States of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

(ii) SOUTHEAST.—The Southeast region, consisting of the District of Columbia and the States of Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia.

(iii) CENTRAL.—The Central region, consisting of the States of Arkansas, Illinois, Indiana, Iowa, Kansas, Kentucky,

1 Louisiana, Michigan, Missouri, Nebraska,
2 Ohio, and Wisconsin.

3 (iv) SOUTHWEST.—The Southwest re-
4 gion, consisting of the States of Arizona,
5 California, Colorado, Hawaii, Nevada, New
6 Mexico, Oklahoma, and Texas.

7 (v) NORTHWEST.—The Northwest re-
8 gion, consisting of the States of Alaska,
9 Idaho, Minnesota, Montana, North Da-
10 kota, Oregon, South Dakota, Utah, Wash-
11 ington, and Wyoming.

12 (B) SITE SELECTION.—In selecting sites
13 under subparagraph (A), the Secretary shall—

14 (i) give a preference to sites that the
15 Secretary determines—

16 (I) are likely to attract a high
17 level of renewable energy industry in-
18 terest;

19 (II) have a comparatively low
20 value for resources other than renew-
21 able energy; and

22 (III) would serve as models for
23 the expansion of the pilot program to
24 other locations if the program is ex-
25 panded under subsection (c);

(ii) take into consideration the value of the multiple resources of the covered land on which such sites are located; and

(iii) not select any site for which a right-of-way for site testing or construction has been issued under title V of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1761 et seq.).

(3) LEASE SALES OF PROJECT SITES.—

(A) IN GENERAL.—Except as provided in paragraph (4)(B)(i), not later than 180 days after the date on which sites are selected under paragraph (2), the Secretary shall offer each site for competitive leasing under such terms and conditions as the Secretary requires.

(B) BIDDING.—Bidding on a site offered for lease under this subsection shall be—

(i) limited to one round;

(ii) open only to bidders who—

(I) submit a plan of development for such site together with the bid; and

(II) the Secretary determines are qualified under subparagraph (C)(ii); and

1 (iii) conducted using a bidding system
2 selected by the Secretary, including—

3 (I) a cash bonus bids system re-
4 quiring payment of the royalty estab-
5 lished under this title;

6 (II) a variable royalty bids sys-
7 tem based on a percentage of the
8 gross proceeds from the sale of elec-
9 tricity produced from the site offered
10 for lease, except that the royalty shall
11 not be less than the royalty required
12 under this title, together with a fixed
13 cash bonus; or

14 (III) such other bidding system
15 as ensures a fair return to the public
16 consistent with the royalty established
17 under this title.

18 (C) BIDDER QUALIFICATIONS.—The Sec-
19 retary shall—

20 (i) before conducting any lease sale
21 under this subsection, establish qualifica-
22 tion requirements for bidders on a site of-
23 fered for lease that ensure that such bid-
24 ders, with respect to renewable energy
25 projects—

1 (I) are able to expeditiously de-
2 velop such a project on the site;

3 (II) possess the financial re-
4 sources necessary to complete such a
5 project;

6 (III) possess knowledge of the
7 technology needed to complete such a
8 project;

9 (IV) meet the eligibility require-
10 ments for leasing under the first sec-
11 tion of the Mineral Leasing Act (30
12 U.S.C. 181); and

13 (V) possess such other qualifica-
14 tions as the Secretary determines are
15 necessary; and

16 (ii) using the requirements established
17 under clause (i), determine whether a per-
18 son is qualified to be a bidder on a site of-
19 fered for lease under this subsection.

20 (D) CREDIT FOR BID PREPARATION EX-
21 PENDITURES.—In the case of a site offered for
22 lease under this subsection with respect to
23 which more than one bid is submitted on the
24 date of the lease sale of such site, the Secretary
25 shall give credit to each person who submitted

1 a bid with respect to such site for expenditures
2 such person incurred in the preparation of such
3 bid.

4 (E) FEES, CHARGES, AND COMMISSIONS.—

5 Section 304 of the Federal Land Policy and
6 Management Act of 1976 (43 U.S.C. 1734)
7 shall apply to a bid submitted under this sub-
8 section.

9 (4) LEASE TERMS.—

10 (A) IN GENERAL.—The Secretary may es-
11 tablish such lease terms and conditions, includ-
12 ing the duration of the lease with respect to any
13 site offered for lease under this subsection.

14 (B) SHORT-TERM LEASES FOR DATA COL-
15 LECTION.—In carrying out this subsection, the
16 Secretary shall—

17 (i) offer on a noncompetitive basis a
18 short-term lease on not less than one site
19 selected under paragraph (2) for purposes
20 of data collection; and

21 (ii) upon the expiration of the short-
22 term lease, offer on a competitive basis a
23 long-term lease, giving credit toward the
24 bonus bid submitted with respect to the
25 long-term lease to the holder of the short-

1 term lease for any qualified expenditures
2 made by such holder to collect data or to
3 develop the site during such short-term
4 lease.

5 (5) REVENUES.—Subject to section 5, the Sec-
6 retary may collect bonus bids, royalties, fees, or
7 other payments (except rental payments) with re-
8 spect to sites offered for lease under this subsection.

9 (6) REPORT.—Not later than 90 days after the
10 date on which the Secretary conducts the final lease
11 sale under this subsection, the Secretary shall sub-
12 mit to the Committee on Energy and Natural Re-
13 sources of the Senate and the Committee on Natural
14 Resources of the House of Representatives a report
15 on the results of each lease sale conducted under
16 this subsection, including—

17 (A) the level of competitive interest;

18 (B) a summary of bids and revenues re-
19 ceived; and

20 (C) any other factors that may have im-
21 pacted the lease sale.

22 (7) OTHER LAWS.—

23 (A) COMPLIANCE WITH LAND MANAGE-
24 MENT AND ENVIRONMENTAL LAWS.—In offer-

ing sites for lease under this subsection, the Secretary shall comply with—

(i) all Federal laws applicable to public land or National Forest System land; and

(ii) Federal or State environmental laws or any other relevant laws.

(B) APPLICABILITY TO RENEWABLE ENERGY PROJECTS UNDER OTHER FEDERAL LAWS.—Nothing in this subsection shall be construed so as to prohibit the Secretary from issuing rights-of-way with respect to renewable energy projects in compliance with other Federal laws and regulations in effect on the date of the enactment of this Act.

(8) ENFORCEMENT OF FEDERAL LAND POLICY MANAGEMENT.—

(A) IN GENERAL.—Sections 302(c) and 303 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1732(c), 1733) shall apply to activities conducted on sites offered for lease under this subsection.

(B) EFFECT ON ENFORCEMENT AUTHORITY UNDER OTHER FEDERAL LAW.—Nothing in this subsection shall be construed so as to re-

1 duce or limit the enforcement authority vested
2 in the Secretary of the Interior or the Attorney
3 General on covered land under any other Fed-
4 eral law.

5 (b) TEMPORARY EXTENSION OF PILOT PROGRAM.—
6 Until final regulations are issued under subsection (c)(4),
7 the Secretary of the Interior shall continue to carry out
8 the pilot program under subsection (a) on the sites offered
9 for lease under such subsection. The Secretary may extend
10 any lease issued for such sites under subsection (a) under
11 the same terms and conditions applicable to such lease on
12 the date of the lease sale as necessary until final regula-
13 tions are issued under subsection (c)(4) with respect to
14 such sites.

15 (c) EXPANSION OF PILOT PROGRAM TO ALL COV-
16 ERED LAND.—

17 (1) JOINT DETERMINATION REQUIRED.—Not
18 later than 5 years after the date of the enactment
19 of this Act, the Secretary of the Interior and the
20 Secretary of Agriculture shall jointly determine
21 whether to expand the pilot program established
22 under subsection (a) to apply to all covered land, in-
23 cluding sites with respect to which leases were issued
24 under subsection (a). In making such determination,

1 the Secretary of the Interior and the Secretary of
2 Agriculture shall—

3 (A) take into consideration the results of
4 the pilot program;

5 (B) consult with—

6 (i) the heads of Federal agencies and
7 relevant State agencies (including State
8 fish and wildlife agencies);

9 (ii) interested States, Indian tribes,
10 and local governments;

11 (iii) representatives of the renewable
12 energy industries;

13 (iv) representatives of the environ-
14 ment, conservation, and outdoor sporting
15 communities; and

16 (v) the public; and

17 (C) consider whether such expansion—

18 (i) provides an effective means of de-
19 veloping renewable energy; and

20 (ii) is in the public interest.

21 (2) EXPANSION AUTHORIZED.—The pilot pro-
22 gram shall be expanded only if the Secretary of the
23 Interior and the Secretary of Agriculture determined
24 to expand the pilot program under paragraph (1).

1 (3) REPORT ON JOINT DETERMINATION.—Not
2 later than 60 days after making the determination
3 under paragraph (1) to expand the pilot program,
4 the Secretary of the Interior and the Secretary of
5 Agriculture shall jointly submit to the Committee on
6 Energy and Natural Resources of the Senate and
7 the Committee on Natural Resources of the House
8 of Representatives a report describing the basis and
9 findings for the determination.

10 (4) REGULATIONS TO IMPLEMENT EXPAN-
11 SION.—Not later than one year after making a de-
12 termination to expand the pilot program under para-
13 graph (1), the Secretary of the Interior and the Sec-
14 retary of Agriculture shall jointly issue final regula-
15 tions to implement such expansion on covered land.

16 (5) APPLICABILITY OF PROVISIONS OF PILOT
17 PROGRAM TO EXPANDED PROGRAM.—

18 (A) IN GENERAL.—Except as provided in
19 subparagraph (B), paragraphs (3), (7), and (8)
20 of subsection (a) shall apply to covered land of-
21 fered for lease under this subsection in the
22 same manner as such paragraphs apply to sites
23 offered for lease under subsection (a), except
24 that such paragraphs shall apply as if the terms

1 “Secretary of the Interior” and “Secretary”
2 read “Secretary concerned”.

3 (B) COMPETITIVE LEASING NOT REQUIRED
4 UNDER CERTAIN CIRCUMSTANCES.—The re-
5 quirement under subsection (a)(3) that a lease
6 be sold on a competitive basis shall not apply
7 to a lease issued under this subsection if the
8 Secretary concerned determines that—

9 (i) no competitive interest exists for
10 the covered land offered for lease;

11 (ii) the public interest would not be
12 served by the competitive issuance of a
13 lease with respect to such covered land; or

14 (iii) the lease is for a purpose de-
15 scribed in paragraph (7)(A)(ii).

16 (6) PAYMENTS.—

17 (A) IN GENERAL.—Subject to section 5,
18 the Secretary of the Interior and the Secretary
19 of Agriculture shall jointly establish fees, bo-
20 nuses, or other payments (except rental pay-
21 ments) to ensure a fair return to the United
22 States for any lease issued under this sub-
23 section.

24 (B) BONUS BIDS.—The Secretary con-
25 cerned may grant credit toward any bonus bid

1 for a qualified expenditure by the holder of a
2 lease described in paragraph (7)(A)(ii) in any
3 competitive lease sale held for a long-term lease
4 of the covered land that is the subject of the
5 lease described in such paragraph.

6 (C) READJUSTMENT.—

7 (i) IN GENERAL.—Royalties and other
8 terms and conditions of a lease issued
9 under this subsection shall be subject to
10 readjustment—

11 (I) on the date that is 15 years
12 after the date on which the lease is
13 issued; and

14 (II) every 10 years thereafter.

15 (ii) INDEXING.—Effective on the first
16 day of the first month beginning after the
17 date of enactment of this Act and each
18 year thereafter, the amount of royalties or
19 other terms and conditions subject to read-
20 justment under clause (i) shall be adjusted
21 to reflect changes for the 12-month period
22 ending on the most recent date for which
23 data are available in the Consumer Price
24 Index for All Urban Consumers published

1 by the Bureau of Labor Statistics of the
2 Department of Labor.

3 (7) LEASE DURATION, ADMINISTRATION, AND
4 READJUSTMENT.—

5 (A) DURATION.—

6 (i) IN GENERAL.—Except as provided
7 in clause (ii), a lease issued under this sub-
8 section shall be for—

9 (I) an initial term of 25 years;
10 and

11 (II) any additional period after
12 the initial 25-year term during which
13 electricity is being produced annually
14 in commercial quantities from the
15 lease.

16 (ii) DATA COLLECTION LEASES.—In
17 the case of a lease issued under this sub-
18 section for the placement and operation of
19 a meteorological or data collection facility
20 or for the development or demonstration of
21 a new renewable energy technology, such
22 lease shall have a term of not more than
23 5 years.

24 (B) ADMINISTRATION.—The Secretary of
25 the Interior and the Secretary of Agriculture

1 shall jointly establish terms and conditions for
2 the issuance, transfer, renewal, suspension, and
3 cancellation of a lease issued under this sub-
4 section.

5 (C) READJUSTMENT PROVISION RE-
6 QUIRED.—Each lease issued under this sub-
7 section shall provide for readjustment in ac-
8 cordance with subparagraph (A).

9 (8) SURFACE-DISTURBING ACTIVITIES.—The
10 Secretary of the Interior and the Secretary of Agri-
11 culture shall jointly issue regulations regarding sur-
12 face-disturbing activities conducted under any lease
13 issued under this subsection, including any reclama-
14 tion and other actions necessary for the conservation
15 of surface resources.

16 (9) SECURITY.—

17 (A) IN GENERAL.—The Secretary con-
18 cerned shall require that the holder of a lease
19 issued under this subsection—

20 (i) furnish a surety bond or other
21 form of security, as prescribed by the Sec-
22 retary;

23 (ii) provide for the reclamation and
24 restoration of the covered land that is the
25 subject of the lease; and

1 (iii) comply with such other require-
2 ments as the Secretary considers necessary
3 to protect the interests of the public and
4 the United States.

5 (B) PERIODIC REVIEW.—Not less fre-
6 quently than once every 5 years, the Secretary
7 concerned shall conduct a review of the ade-
8 quacy of the surety bond or other form of secu-
9 rity provided by the holder of a lease issued
10 under this subsection.

11 **SEC. 5. ROYALTIES.**

12 (a) IN GENERAL.—The Secretary concerned shall re-
13 quire as a term and condition of any lease issued under
14 section 4, the payment of a royalty. The Secretary of the
15 Interior and the Secretary of Agriculture shall establish
16 such royalty pursuant to a joint rulemaking that shall be
17 a percentage of the gross proceeds from the sale of elec-
18 tricity produced on covered land that is the subject of such
19 lease at a rate that—

- 20 (1) encourages production of renewable energy;
21 (2) ensures a fair return to the public com-
22 parable to the return that would be obtained on
23 State or private land; and

1 (3) encourages the maximum energy generation
2 while disturbing the least quantity of covered land
3 and other natural resources, including water.

4 (b) CONSIDERATION.—In establishing the royalty
5 under subsection (a), the Secretary of the Interior and the
6 Secretary of Agriculture shall consider the relative capac-
7 ity factors of the source of the renewable energy.

8 (c) EXCLUSIVE PAYMENT ON SALE OF ELEC-
9 TRICITY.—The royalty under subsection (a) shall be the
10 only rent, royalty, or similar payment to the Federal Gov-
11 ernment required with respect to the sale of electricity pro-
12 duced under a lease issued under section 4.

13 (d) ROYALTY RELIEF.—The Secretary concerned
14 may reduce the royalty rate established under subsection
15 (a) if the holder of a lease issued under this title shows
16 by clear and convincing evidence that—

17 (1) collection of the full royalty would unreason-
18 ably burden energy generation on covered land that
19 is the subject of the lease; and

20 (2) the royalty reduction is in the public inter-
21 est.

22 (e) ENFORCEMENT.—

23 (1) AUDITING SYSTEM.—The Secretary of the
24 Interior and the Secretary of Agriculture shall joint-
25 ly establish a comprehensive inspection, collection,

1 fiscal, and production accounting and auditing sys-
2 tem—

3 (A) to accurately determine royalties, in-
4 terest, fines, penalties, fees, deposits, and other
5 payments owed under this title; and

6 (B) to collect and account for the pay-
7 ments in a timely manner.

8 (2) APPLICABILITY OF FEDERAL OIL AND ROY-
9 ALTY MANAGEMENT ACT.—The provisions of the
10 Federal Oil and Gas Royalty Management Act of
11 1982 (30 U.S.C. 1701 et seq.) (including the civil
12 and criminal enforcement provisions of such Act)
13 shall apply to leases issued under this title with re-
14 spect to renewable energy projects in the same man-
15 ner as such provisions apply to oil and gas leases.

16 (f) REPORT ON ROYALTIES.—Not later than 5 years
17 after the date of the enactment of this Act and every 5
18 years thereafter, the Secretary of the Interior, in consulta-
19 tion with the Secretary of Agriculture, shall submit to the
20 Committee on Energy and Natural Resources of the Sen-
21 ate and the Committee on Natural Resources of the House
22 of Representatives a report consisting of a review of the
23 collections and impacts of the royalties and fees collected
24 under this title, including—

1 (1) the total revenues received (by category) on
2 an annual basis as royalties from renewable energy
3 development and production (specified by energy
4 source) on covered land;

5 (2) whether the revenues received from the de-
6 velopment of renewable energy development are com-
7 parable to the revenues received for similar develop-
8 ment on State or private land;

9 (3) any impact on the development of renewable
10 energy development and production on covered land
11 as a result of the royalties; and

12 (4) any recommendations with respect to
13 changes in Federal law (including regulations) relat-
14 ing to the amount or method of collection (including
15 auditing, compliance, and enforcement) of the royal-
16 ties.

17 (g) REGULATIONS.—Not later than one year after the
18 date of the enactment of this Act, the Secretary of the
19 Interior and the Secretary of Agriculture shall jointly issue
20 final regulations to carry out this section.

21 **SEC. 6. DISPOSITION OF ROYALTY REVENUE.**

22 (a) ALLOCATION OF REVENUE.—Effective beginning
23 on the date of the enactment of this Act, all amounts col-
24 lected by the Secretary concerned as royalties or bonuses

1 under subsection (a)(5) or (c)(6) of section 4, shall be dis-
2 tributed as follows:

3 (1) Twenty-five percent shall be paid by the
4 Secretary of the Treasury to States within the
5 boundaries of which the royalties or bonuses are de-
6 rived, to be allocated among such States based on
7 the percentage of covered land from which such roy-
8 alties or bonuses are derived in each State.

9 (2) Twenty-five percent shall be paid by the
10 Secretary of the Treasury to the counties within the
11 boundaries of which the royalties or bonuses are de-
12 rived, to be allocated among such counties based on
13 the percentage of covered land from which such roy-
14 alties or bonuses are derived in each county.

15 (3) Twenty-five percent shall be deposited in
16 the Fund (established by subsection (b)).

17 (4) For the period that begins on the date of
18 the enactment of this Act and ending on the date
19 that is 15 years after the date of the enactment of
20 this Act, 15 percent shall be paid by the Secretary
21 of the Treasury directly to the State offices of the
22 Bureau of Land Management in States within the
23 boundaries of which the royalties or bonuses are de-
24 rived for purposes of reducing the number of renew-
25 able energy permits that have not been processed be-

1 fore the date of the enactment of this Act, to be allo-
2 cated among such State offices based on the per-
3 centage of covered land from which the royalties or
4 bonuses are derived in each State.

5 (5) The remainder shall be deposited into the
6 general fund of the Treasury for purposes of reduc-
7 ing the annual Federal budget deficit.

8 (b) RENEWABLE ENERGY RESOURCE CONSERVATION
9 FUND.—

10 (1) ESTABLISHMENT.—There is established in
11 the Treasury of the United States a Renewable En-
12 ergy Resource Conservation Fund to be adminis-
13 tered by the Secretary of the Interior.

14 (2) USE OF FUNDS.—The Secretary shall use
15 amounts in the Fund to make payments to State
16 agencies, Federal agencies, or other interested per-
17 sons for use for—

18 (A) mitigating the impacts of renewable
19 energy on Federal land, including—

20 (i) protecting fish and wildlife cor-
21 ridors and other sensitive land; and

22 (ii) restoring fish and wildlife habitat;
23 and

24 (B) carrying out any activity authorized
25 under Public Law 88–578 (16 U.S.C. 460l–4 et

1 seq.) in the State, except for the acquisition of
2 land, water, or interests therein within such
3 State.

4 (3) AVAILABILITY OF AMOUNTS.—Amounts in
5 the Fund shall be available for expenditure, in ac-
6 cordance with this subsection, without further appro-
7 priation and without fiscal year limitation.

8 (4) INVESTMENT OF FUND.—

9 (A) IN GENERAL.—Any amounts deposited
10 in the Fund shall earn interest in an amount
11 determined by the Secretary of the Treasury on
12 the basis of the current average market yield on
13 outstanding marketable obligations of the
14 United States of comparable maturities.

15 (B) USE.—Any interest earned under sub-
16 paragraph (A) may be expended in accordance
17 with this subsection.

18 (c) ALLOCATION FOR PERMITTING AFTER EXPIRA-
19 TION OF 15-YEAR PERIOD.—

20 (1) CERTIFICATION BY SECRETARY.—At the
21 end of the 15-year period described in subsection
22 (a)(4), the Secretary shall certify whether the State
23 offices referred to in such subsection have ade-
24 quately reduced the renewable energy permitting
25 backlog referred to in such subsection.

1 (2) ALLOCATION AFTER CERTIFICATION.—If
 2 the Secretary certifies under paragraph (1) that—

3 (A) the State offices referred to in such
 4 paragraph have not adequately reduced the
 5 backlog referred to in such paragraph—

6 (i) the 15-year period described in
 7 subsection (a)(4) shall be extended by an
 8 additional 15-year period; and

9 (ii) payments shall continue to be
 10 made during that period as described in
 11 such subsection; or

12 (B) the State offices referred to in such
 13 paragraph have adequately reduced such back-
 14 log—

15 (i) two-thirds of the amount otherwise
 16 required to be paid under subsection (a)(4)
 17 shall be added to the amount deposited in
 18 the Fund established under subsection (b);
 19 and

20 (ii) one-third of such amount shall be
 21 deposited into the general fund of the
 22 Treasury for purposes of reducing the an-
 23 nual Federal budget deficit.

24 (d) PAYMENTS TO STATES AND COUNTIES.—
 25 Amounts paid to States and counties under subsection (a)

1 shall be used in a manner that is consistent with section
2 35 of the Mineral Leasing Act (30 U.S.C. 191).

3 **SEC. 7. REPORT AND ENVIRONMENTAL IMPACT ANALYSIS**
4 **ON DEVELOPMENT OF RENEWABLE ENERGY**
5 **ON MILITARY INSTALLATIONS.**

6 (a) REPORT.—Not later than two years after the date
7 of the enactment of this Act, the Secretary of Defense,
8 in consultation with the Secretary of the Interior, shall
9 submit to the Committee on Armed Services and the Com-
10 mittee on Natural Resources of the House of Representa-
11 tives and the Committee on Armed Services and the Com-
12 mittee on Energy and Natural Resources of the Senate
13 a report that—

14 (1) identifies locations on military installations
15 in the United States that—

16 (A) exhibit a high potential for renewable
17 energy production;

18 (B) are disturbed or otherwise have a com-
19 paratively low value for uses other than for re-
20 newable energy production; and

21 (C) could be developed for renewable en-
22 ergy production in a manner consistent with all
23 present and reasonably foreseeable military
24 training and operational missions and research,

1 development, testing, and evaluation require-
2 ments;

3 (2) describes the actions necessary for the ad-
4 ministration of the development of commercial-scale
5 renewable energy projects on military installations in
6 the United States, including the legal authorities
7 governing authorization for that use; and

8 (3) makes recommendations regarding—

9 (A) necessary changes to Federal law (in-
10 cluding regulations) for the development of re-
11 newable energy projects;

12 (B) the legal instruments available to carry
13 out such development, including a lease, con-
14 tract, right-of-way, permit, or other form of au-
15 thorization;

16 (C) methods of improving coordination
17 among the Federal, State, and local agencies, if
18 any, involved in authorizing such development;
19 and

20 (D) the disposition of revenues resulting
21 from such development.

22 (b) ENVIRONMENTAL IMPACT ANALYSIS.—Not later
23 than one year after the report is submitted under sub-
24 section (a), the Secretary of Defense, in consultation with
25 the Secretary of the Interior, shall publish in the Federal

1 Register a notice of intent to prepare an environmental
2 impact analysis to support the development of renewable
3 energy on the locations identified in the report submitted
4 under subsection (a) as suitable for renewable energy pro-
5 duction.

6 **SEC. 8. STUDY AND REPORT ON MITIGATION BANKING.**

7 (a) STUDY.—

8 (1) IN GENERAL.—Not later than 180 days
9 after the date of enactment of this Act, the Sec-
10 retary of the Interior and the Secretary of Agri-
11 culture shall carry out a study to determine the fea-
12 sibility of carrying out a mitigation banking program
13 on Federal land administered by the Secretary of the
14 Interior or the Secretary of Agriculture for purposes
15 of offsetting the impacts of renewable energy on
16 such Federal land.

17 (2) CONTENTS.—The study under paragraph
18 (1) shall—

19 (A) identify areas in which—

20 (i) privately owned land is not avail-
21 able to offset the impacts of renewable en-
22 ergy development on Federal land adminis-
23 tered by the Secretary of the Interior or
24 the Secretary of Agriculture; or

1 (ii) mitigation investments on such
2 Federal land are likely to provide greater
3 conservation value for the impacts of re-
4 newable energy development on such Fed-
5 eral land; and

6 (B) examine—

7 (i) the effectiveness of laws (including
8 regulations) and policies in effect on the
9 date of the enactment of this Act in facili-
10 tating the development of mitigation
11 banks;

12 (ii) the advantages and disadvantages
13 of using mitigation banks on such Federal
14 land to mitigate impacts to natural re-
15 sources on private land; and

16 (iii) any changes in Federal law (in-
17 cluding regulations) or policy necessary to
18 further develop a Federal mitigation bank-
19 ing program.

20 (b) REPORT TO CONGRESS.—Not later than 18
21 months after the date of the enactment of this Act, the
22 Secretary of the Interior and the Secretary of Agriculture
23 shall jointly submit to Congress a report that includes—

1 (1) the recommendations of the Secretary of the
2 Interior and the Secretary of Agriculture relating
3 to—

4 (A) the most effective system for Federal
5 land administered by the Secretary of the Inte-
6 rior or the Secretary of Agriculture to meet the
7 goals of facilitating the development of a miti-
8 gation banking program on such Federal land;
9 and

10 (B) any change to Federal law (including
11 regulations) or policy necessary to address more
12 effectively the siting, development, and manage-
13 ment of mitigation banking programs on such
14 Federal land to mitigate impacts to natural re-
15 sources on private land; and

16 (2) any administrative action to be taken by the
17 Secretary of the Interior and the Secretary of Agri-
18 culture in response to the recommendations.

19 (c) AVAILABILITY TO THE PUBLIC.—Not later than
20 30 days after the date on which the report described in
21 subsection (b) is submitted to Congress, the Secretary of
22 the Interior and the Secretary of Agriculture shall make
23 the results of the study available to the public.

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