

113TH CONGRESS
1ST SESSION

S. 1698

To provide for the establishment of clean technology consortia to enhance the economic, environmental, and energy security of the United States by promoting domestic development, manufacture, and deployment of clean technologies.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 13, 2013

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

A BILL

To provide for the establishment of clean technology consortia to enhance the economic, environmental, and energy security of the United States by promoting domestic development, manufacture, and deployment of clean technologies.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Consortia-Led Energy
5 and Advanced Manufacturing Networks Act”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

1 (1) CLEAN TECHNOLOGY.—The term “clean
2 technology” means a technology, production process,
3 or methodology that—

4 (A) produces energy from solar, wind, geo-
5 thermal, biomass, tidal, wave, ocean, and other
6 renewable energy sources (as defined in section
7 609 of the Public Utility Regulatory Policies
8 Act of 1978 (7 U.S.C. 918c));

9 (B) more efficiently transmits, distributes,
10 or stores energy;

11 (C) enhances energy efficiency for build-
12 ings and industry, including combined heat and
13 power;

14 (D) enables the development of a Smart
15 Grid (as described in section 1301 of the En-
16 ergy Independence and Security Act of 2007
17 (42 U.S.C. 17381)), including integration of re-
18 newable energy sources and distributed genera-
19 tion, demand response, demand side manage-
20 ment, and systems analysis;

21 (E) produces an advanced or sustainable
22 material with energy or energy efficiency appli-
23 cations;

24 (F) improves energy efficiency for trans-
25 portation, including electric vehicles;

(G) enhances water security through improved water management, conservation, distribution, and end use applications; or

(H) addresses challenges in advanced manufacturing and supply chain integration.

(2) CLUSTER.—The term “cluster” means a network of entities directly involved in the research, development, finance, and commercial application of clean technologies whose geographic proximity facilitates the use and sharing of skilled human resources, infrastructure, research facilities, educational and training institutions, venture capital, and input suppliers.

(3) CONSORTIUM.—The term “consortium” means a clean technology consortium established in accordance with this Act.

(4) PROJECT.—The term “project” means an activity with respect to which a consortium provides support under this Act.

(5) QUALIFYING ENTITY.—The term “qualifying entity” means—

(A) a research university;

(B) a Federal or State institution with a focus on developing clean technologies or clusters; and

1 (C) a nongovernmental organization with
 2 expertise in translational research, clean tech-
 3 nology, or cluster development.

4 (6) SECRETARY.—The term “Secretary” means
 5 the Secretary of Commerce.

6 (7) TRANSLATIONAL RESEARCH.—The term
 7 “translational research” means the coordination of
 8 basic or applied research with technical applications
 9 to enable promising discoveries or inventions to
 10 achieve commercial application.

11 **SEC. 3. ESTABLISHMENT OF CLEAN TECHNOLOGY CON-**
 12 **SORTIA PROGRAM.**

13 (a) IN GENERAL.—The Secretary shall establish and
 14 carry out a program to establish clean technology con-
 15 sortia to enhance the economic, environmental, and energy
 16 security of the United States by promoting domestic devel-
 17 opment, manufacture, and deployment of clean, state-of-
 18 the-art technologies.

19 (b) PROGRAM.—The Secretary shall carry out the
 20 program described in subsection (a) by leveraging the ex-
 21 pertise and resources of private research communities, in-
 22 stitutions of higher education, industry, venture capital,
 23 National Laboratories (as defined in section 2 of the En-
 24 ergy Policy Act of 2005 (42 U.S.C. 15801)), and other
 25 participants in technology innovation—

1 (1) to support collaborative, cross-disciplinary
2 research and development in areas not being served
3 by the private sector; and

4 (2) to develop and accelerate the commercial
5 application of innovative clean technologies.

6 (c) ROLE OF THE SECRETARY.—The Secretary
7 shall—

8 (1) carry out and oversee all aspects of the pro-
9 gram described in subsection (a);

10 (2) select recipients of grants for the establish-
11 ment and operation of consortia through a competi-
12 tive selection process; and

13 (3) coordinate the innovation activities of con-
14 sortia with activities carried out by the Secretary of
15 Energy, the Secretary of Defense, other Federal
16 agency heads, private industry, and academia, in-
17 cluding by annually—

18 (A) issuing guidance regarding national
19 clean technology and development priorities and
20 strategic objectives; and

21 (B) convening a conference relating to
22 clean technology, which shall bring together
23 representatives of Federal agencies, private in-
24 dustry, academia, and other entities to share

1 research and commercialization results, pro-
2 gram plans, and opportunities for collaboration.

3 **SEC. 4. APPLICATIONS.**

4 (a) IN GENERAL.—To receive support under this Act,
5 a consortium shall submit to the Secretary an application
6 in such manner, at such time, and containing such infor-
7 mation as the Secretary determines to be necessary.

8 (b) ELIGIBILITY.—A consortium shall be eligible to
9 receive support under this Act if—

10 (1) the consortium consists of—

11 (A) 1 or more research universities that
12 can demonstrate a significant annual clean
13 technology research budget, entrepreneurial
14 support programs, and technology licensing ex-
15 pertise; and

16 (B) a total of 5 or more qualifying entities
17 that can demonstrate expertise in translational
18 research, clean technology, and cluster develop-
19 ment;

20 (2) the members of the consortium have estab-
21 lished a binding agreement that documents—

22 (A) the structure of the partnership agree-
23 ment;

1 (B) a governance and management struc-
2 ture that enables cost-effective implementation
3 of the program;

4 (C) a conflicts of interest policy;

5 (D) an accounting structure that meets the
6 requirements of the Secretary and that may be
7 audited under this Act; and

8 (E) the existence of an external advisory
9 committee;

10 (3) the consortium receives funding from non-
11 Federal sources, such as a State and participants of
12 the consortium, that may be used to support
13 projects;

14 (4) the consortium is part of an existing cluster
15 or demonstrates high potential to develop a new
16 cluster; and

17 (5) the consortium operates as a nonprofit or-
18 ganization or as a public-private partnership under
19 an operating agreement led by a nonprofit organiza-
20 tion.

21 (c) SELECTION.—The Secretary may disqualify an
22 application from a consortium under this Act if the Sec-
23 retary determines that the conflicts of interest policy of
24 the consortium is inadequate.

25 (d) EXTERNAL ADVISORY COMMITTEES.—

1 (1) IN GENERAL.—To be eligible to receive a
2 grant under this Act, a consortium shall establish an
3 external advisory committee, the members of which
4 shall have extensive and relevant scientific, technical,
5 industry, financial, or research management exper-
6 tise.

7 (2) DUTIES.—An external advisory committee
8 shall—

9 (A) review the proposed plans, programs,
10 project selection criteria, and projects of the
11 consortium; and

12 (B) ensure that projects selected by the
13 consortium meet the applicable conflicts of in-
14 terest policy of the consortium.

15 (3) MEMBERS.—An external advisory com-
16 mittee shall consist of—

17 (A) the Secretary;

18 (B) representatives of the members of the
19 consortium; and

20 (C) such representatives of private indus-
21 try, including entrepreneurs and venture cap-
22 italists, as the Secretary and members of the
23 consortium determine to be necessary.

1 **SEC. 5. GRANTS.**

2 (a) IN GENERAL.—The Secretary shall award grants,
3 on a competitive basis, to 6 or more consortia.

4 (b) TERMS.—

5 (1) IN GENERAL.—The initial term of a grant
6 awarded under this Act shall not exceed 5 years.

7 (2) EXTENSION.—The Secretary may extend
8 the term of a grant awarded under this Act for a
9 period of not more than 5 additional years.

10 (c) AMOUNTS.—

11 (1) IN GENERAL.—A grant awarded to a con-
12 sortium under this Act shall not exceed—

13 (A) \$30,000,000 per fiscal year; or

14 (B) the collective contributions of non-Fed-
15 eral entities to the consortium, as described in
16 section 4(b)(3).

17 (2) FLEXIBILITY.—In determining the amount
18 of a grant under this section, the Secretary shall
19 consider—

20 (A) the translational research capacity of
21 the consortium;

22 (B) the financial, human, and facility re-
23 sources of the qualifying entities; and

24 (C) the cluster of which the consortium is
25 a part.

1 (3) INCREASES IN AMOUNTS.—Subject to para-
2 graph (1), a consortium may request an increase in
3 the amount of a grant awarded under this Act at the
4 time the consortium requests an extension of an ini-
5 tial grant.

6 (d) USE OF AMOUNTS.—

7 (1) IN GENERAL.—Subject to paragraph (3), a
8 consortium awarded a grant under this Act shall use
9 the amounts to support translational research, tech-
10 nology development, manufacturing innovation, and
11 commercialization activities relating to clean tech-
12 nology.

13 (2) PROJECT SELECTION.—As a condition of
14 receiving a grant under this Act, a consortium
15 shall—

16 (A) develop and make available to the pub-
17 lic on the website of the Department of Com-
18 merce proposed plans, programs, project selec-
19 tion criteria, and terms for individual project
20 awards;

21 (B) establish conflicts of interest proce-
22 dures, consistent with those of the Department
23 of Commerce, to ensure that employees and
24 designees for consortium activities who are in
25 decisionmaking capacities disclose all material

1 conflicts of interest, including financial, organi-
2 zational, and personal conflicts of interest;

3 (C) establish policies—

4 (i) to prevent resources provided to
5 the consortium from being used to displace
6 private sector investment otherwise likely
7 to occur, including investment from private
8 sector entities that are members of the
9 consortium;

10 (ii) to facilitate the participation of
11 private entities that invest in clean tech-
12 nologies to perform due diligence on award
13 proposals, to participate in the award re-
14 view process, and to provide guidance to
15 projects supported by the consortium; and

16 (iii) to facilitate the participation of
17 parties with a demonstrated history of
18 commercial application of clean tech-
19 nologies in the development of consortium
20 projects;

21 (D) oversee project solicitations, review
22 proposed projects, and select projects for
23 awards; and

24 (E) monitor project implementation.

25 (3) LIMITATIONS.—

1 (A) ADMINISTRATIVE EXPENSES.—A con-
2 sortium may use not more than 10 percent of
3 the amounts awarded to the consortium for ad-
4 ministrative expenses.

5 (B) PROHIBITION ON USE.—A consortium
6 shall not use any amounts awarded to the con-
7 sortium under this Act to construct a new
8 building or facility.

9 (e) AUDITS.—

10 (1) IN GENERAL.—A consortium that receives a
11 grant under this Act shall carry out, in accordance
12 with such requirements as the Secretary may pre-
13 scribe, an annual audit to determine whether the
14 grant has been used in accordance with this Act.

15 (2) REPORT.—The consortium shall submit a
16 copy of each audit under paragraph (1) to the Sec-
17 retary and the Comptroller General of the United
18 States.

19 (3) GAO REVIEW.—As a condition of receiving
20 a grant under this Act, a consortium shall allow the
21 Comptroller General of the United States, on the re-
22 quest of the Comptroller General, full access to the
23 books, records, and personnel of consortium.

1 (4) REPORTS TO CONGRESS.—The Secretary
2 shall submit to Congress annually a report that in-
3 cludes—

4 (A) a copy of the audit described in para-
5 graph (1); and

6 (B) any recommendations of the Secretary
7 relating to the clean technology consortia pro-
8 gram.

9 (f) REVOCATION OF AWARDS.—The Secretary shall
10 have the authority—

11 (1) to review grants awarded under this Act;
12 and

13 (2) to revoke a grant awarded under this Act
14 if the Secretary determines that a consortium has
15 used the grant in a manner that is not consistent
16 with this Act.

17 (g) AUTHORIZATION OF APPROPRIATIONS.—

18 (1) IN GENERAL.—There is authorized to be
19 appropriated to the Secretary to carry out this sec-
20 tion \$100,000,000.

21 (2) RESCISSION.—There is hereby rescinded,
22 from appropriated discretionary funds that remain
23 available to the Secretary for obligation as of the
24 date of enactment of this Act, \$100,000,000.

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