

113TH CONGRESS  
2D SESSION

# S. 2058

To establish a loan guarantee program for natural gas distribution grids  
to be installed in areas with extremely high energy costs.

---

IN THE SENATE OF THE UNITED STATES

FEBRUARY 27, 2014

Mr. BEGICH introduced the following bill; which was read twice and referred  
to the Committee on Agriculture, Nutrition, and Forestry

---

## A BILL

To establish a loan guarantee program for natural gas distribution grids to be installed in areas with extremely high energy costs.

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 “Fuel Grid Distribution  
5       Loan Pilot Program Act”.

6       **SEC. 2. FUEL DISTRIBUTION UTILITY PILOT LOAN PRO-**  
7                   **GRAM.**

8       (a) AUTHORIZATION OF PILOT LOAN PROGRAM.—  
9       Section 232(c) of the Department of Agriculture Reorga-  
10      nization Act of 1994 (7 U.S.C. 6942(c)) is amended—

1                             (1) in paragraph (1)(B), by striking “; and”  
2                             and inserting a period; and

3                             (2) by adding at the end the following:

4                             “(3) The biofuels and natural gas distribution  
5                             utility pilot loan program authorized by section 2 of  
6                             the Fuel Grid Distribution Loan Pilot Program  
7                             Act.”.

8                             (b) ESTABLISHMENT OF PILOT LOAN PROGRAM.—

9                             (1) DEFINITION OF LOCAL GOVERNMENT.—In  
10                             this subsection, the term “local government”  
11                             means—

12                             (A) a county, municipality, city, town,  
13                             township, local public authority, school district,  
14                             special district, intrastate district, council of  
15                             governments (regardless of whether the council  
16                             of governments is incorporated as a nonprofit  
17                             corporation under State law), regional or inter-  
18                             state government entity, or agency or instru-  
19                             mentality of a local government;

20                             (B) an Indian tribe or authorized tribal or-  
21                             ganization or, in Alaska, a Native village or  
22                             Alaska Regional Native Corporation; and

23                             (C) a rural community, unincorporated  
24                             town or village, or other public entity.

1                             (2) ESTABLISHMENT.—The Administrator of  
2     the Rural Utilities Service shall establish a biofuels  
3     and natural gas distribution utility pilot loan pro-  
4     gram to add cooperatives and municipally or pri-  
5     vately owned biofuels or natural gas distribution  
6     utilities to the list of utilities eligible to receive loans  
7     from the Rural Utilities Service.

8                             (3) ELIGIBILITY.—In making loans authorized  
9     under paragraph (1), the Administrator of the Rural  
10   Utilities Service shall grant loans only to utilities  
11   serving an area under the jurisdiction of a local gov-  
12   ernment that has—

13                             (A) a population of not more than 50,000  
14     people; and

15                             (B) energy prices higher than 200 percent  
16     of the national average for energy prices, as de-  
17     termined by the Administrator of the Energy  
18     Information Administration using the most re-  
19     cent data available.

20                             (4) FUNDING.—The Administrator of the Rural  
21     Utilities Service shall carry out the loan pilot pro-  
22     gram using existing funds of the Rural Utilities  
23     Service.

1                             (5) DURATION.—The loan pilot program shall  
2                             be authorized for a period of 5 years, beginning on  
3                             the date of enactment of this Act.

4                             (6) REPORT.—At the conclusion of the loan  
5                             pilot program, the Administrator of the Rural Utili-  
6                             ties Service shall complete a report examining—

7                                 (A) the economic benefits of providing low  
8                             cost loans; and

9                                 (B) any upward price pressure on biofuels  
10                             or natural gas prices in the United States re-  
11                             sulting from the loan pilot program.

○