

114TH CONGRESS
1ST SESSION

S. 1294

To require the Secretary of Energy and the Secretary of Agriculture to collaborate in promoting the development of efficient, economical, and environmentally sustainable thermally led wood energy systems.

IN THE SENATE OF THE UNITED STATES

MAY 12, 2015

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

A BILL

To require the Secretary of Energy and the Secretary of Agriculture to collaborate in promoting the development of efficient, economical, and environmentally sustainable thermally led wood energy systems.

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 “Bioenergy Act of
5 2015”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

1 (1) BIOHEAT.—The term “bioheat” means the
2 use of woody biomass to generate heat.

3 (2) BIOPOWER.—The term “biopower” means
4 the use of woody biomass to generate electricity.

5 (3) INITIATIVE.—The term “Initiative” means
6 the Bioheat and Biopower Initiative established
7 under section 3(a).

8 (4) SECRETARY.—The term “Secretary” means
9 the Secretary of Energy.

10 (5) STATE WOOD ENERGY TEAM.—The term
11 “State Wood Energy Team” means a collaborative
12 group of stakeholders that—

13 (A) carry out activities within a State to
14 identify sustainable energy applications for
15 woody biomass; and

16 (B) has been designated by the State and
17 Private Forestry organization of the Forest
18 Service as a State Wood Energy Team.

19 **SEC. 3. BIOHEAT AND BIOPOWER INITIATIVE.**

20 (a) ESTABLISHMENT.—The Secretary, acting jointly
21 with the Secretary of Agriculture, shall establish a collabo-
22 rative working group, to be known as the “Bioheat and
23 Biopower Initiative”, to carry out the duties described in
24 subsection (c).

25 (b) BOARD OF DIRECTORS.—

1 (1) IN GENERAL.—The Initiative shall be led by
2 a Board of Directors.

3 (2) MEMBERSHIP.—The Board of Directors
4 shall consist of—

5 (A) representatives of the Department of
6 Energy and the Department of Agriculture,
7 who shall serve as cochairpersons of the Board;

8 (B) a senior officer or employee, each of
9 whom shall have a rank that is equivalent to
10 the departmental rank of a representative de-
11 scribed in subparagraph (A), of each of—

12 (i) the Department of the Interior;

13 (ii) the Environmental Protection
14 Agency;

15 (iii) the National Science Foundation;

16 and

17 (iv) the Office of Science and Tech-
18 nology Policy; and

19 (C) at the election of the Secretary and the
20 Secretary of Agriculture, such other members
21 as may be appointed by the Secretaries, in con-
22 sultation with the Board.

23 (3) MEETINGS.—The Board of Directors shall
24 meet not less frequently than once each quarter.

25 (c) DUTIES.—The Initiative shall—

1 (1) coordinate research and development activi-
2 ties relating to biopower and bioheat projects—

3 (A) between the Department of Agriculture
4 and the Department of Energy; and

5 (B) with other Federal departments and
6 agencies;

7 (2) provide recommendations to the Depart-
8 ment of Agriculture and the Department of Energy
9 concerning the administration of this Act; and

10 (3) ensure that—

11 (A) solicitations are open and competitive
12 with respect to applicable annual grant awards;
13 and

14 (B) objectives and evaluation criteria of so-
15 licitations for those awards are clearly stated
16 and minimally prescriptive, with no areas of
17 special interest.

18 **SEC. 4. GRANT PROGRAMS.**

19 (a) DEMONSTRATION GRANTS.—

20 (1) ESTABLISHMENT.—The Secretary shall es-
21 tablish, within the Bioenergy Technologies Office, a
22 program under which the Secretary shall provide
23 grants to relevant projects to support innovation and
24 market development in bioheat and biopower.

1 (2) APPLICATIONS.—To be eligible to receive a
2 grant under this subsection, the owner or operator
3 of a relevant project shall submit to the Secretary an
4 application at such time, in such manner, and con-
5 taining such information as the Secretary may re-
6 quire.

7 (3) ALLOCATION.—Of the amounts made avail-
8 able to carry out this section, the Secretary shall al-
9 locate—

10 (A) \$15,000,000 to projects that develop
11 innovative techniques for preprocessing biomass
12 for heat and electricity generation, with the
13 goals of—

14 (i) lowering the costs of—

15 (I) distributed preprocessing
16 technologies, including technologies
17 designed to promote densification,
18 torrefaction, and the broader
19 commoditization of bioenergy feed-
20 stocks; and

21 (II) transportation and logistics
22 costs; and

23 (ii) developing technologies and proce-
24 dures that maximize environmental integ-
25 rity, such as reducing greenhouse gas

emissions and local air pollutants and bolstering the health of forest ecosystems and watersheds; and

(B) \$15,000,000 to innovative bioheat and biopower demonstration projects, including—

(i) district energy projects;

(ii) innovation in transportation and logistics; and

(iii) innovative projects addressing the challenges of retrofitting existing coal-fired electricity generation facilities to use biomass.

(4) REGIONAL DISTRIBUTION.—In selecting projects to receive grants under this subsection, the Secretary shall ensure, to the maximum extent practicable, diverse geographical distribution among the projects.

(5) COST SHARE.—The Federal share of the cost of a project carried out using a grant under this subsection shall be 50 percent.

(6) DUTIES OF RECIPIENTS.—As a condition of receiving a grant under this subsection, the owner or operator of a project shall—

(A) participate in the applicable working group under paragraph (7);

1 (B) submit to the Secretary a report that
2 includes—

3 (i) a description of the project and
4 any relevant findings; and

5 (ii) such other information as the Sec-
6 retary determines to be necessary to com-
7 plete the report of the Secretary under
8 paragraph (8); and

9 (C) carry out such other activities as the
10 Secretary determines to be necessary.

11 (7) WORKING GROUPS.—The Secretary shall es-
12 tablish 2 working groups to share best practices and
13 collaborate in project implementation, of which—

14 (A) 1 shall be comprised of representatives
15 of feedstock projects that receive grants under
16 paragraph (3)(A); and

17 (B) 1 shall comprised of representatives of
18 demand and logistics projects that receive
19 grants under paragraph (3)(B).

20 (8) REPORTS.—Not later than 5 years after the
21 date of enactment of this Act, the Secretary shall
22 submit to Congress a report describing—

23 (A) each project for which a grant has
24 been provided under this subsection;

1 (B) any findings as a result of those
2 projects; and

3 (C) the state of market and technology de-
4 velopment, including market barriers and op-
5 portunities.

6 (b) THERMALLY LED WOOD ENERGY GRANTS.—

7 (1) ESTABLISHMENT.—The Secretary of Agri-
8 culture, acting through the Chief of the Forest Serv-
9 ice, shall establish a program under which the Sec-
10 retary of Agriculture shall provide grants to support
11 commercially demonstrated thermally led wood en-
12 ergy technologies, with priority given to projects pro-
13 posed by State Wood Energy Teams.

14 (2) APPLICATIONS.—To be eligible to receive a
15 grant under this subsection, the owner or operator
16 of a relevant project shall submit to the Secretary of
17 Agriculture an application at such time, in such
18 manner, and containing such information as the Sec-
19 retary of Agriculture may require.

20 (3) ALLOCATION.—Of the amounts made avail-
21 able to carry out this section, the Secretary of Agri-
22 culture shall allocate \$10,000,000 for feasibility as-
23 sessments, engineering designs, and construction of
24 thermally led wood energy systems, including pellet

(4) REGIONAL DISTRIBUTION.—In selecting projects to receive grants under this subsection, the Secretary of Agriculture shall ensure, to the maximum extent practicable, diverse geographical distribution among the projects.

(5) COST SHARE.—The Federal share of the cost of a project carried out using a grant under this subsection shall be 50 percent.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

14 (1) \$30,000,000 to the Secretary to provide
15 grants under subsection (a); and

16 (2) \$10,000,000 to the Secretary of Agriculture
17 to provide grants under subsection (b).

18 SEC. 5. LOAN PROGRAMS; STRATEGIC ANALYSIS AND RE-
19 SEARCH.

20 (a) LOW-INTEREST LOANS.—

(1) ESTABLISHMENT.—The Secretary of Agriculture shall establish, within the Rural Development Office, a low-interest loan program to support construction of thermally led residential, commercial or institutional, and industrial wood energy systems.

1 (2) REQUIREMENTS.—The program under this
2 subsection shall be carried out in accordance with
3 such requirements as the Secretary of Agriculture
4 may establish, by regulation, in taking into consider-
5 ation best practices.

6 (3) AUTHORIZATION OF APPROPRIATIONS.—
7 There is authorized to be appropriated to the Sec-
8 retary of Agriculture to carry out this subsection
9 \$50,000,000.

10 (b) ENERGY EFFICIENCY AND CONSERVATION LOAN
11 PROGRAM.—In addition to loans under subsection (a),
12 thermally led residential, commercial or institutional, and
13 industrial wood energy systems shall be eligible to receive
14 loans under the energy efficiency and conservation loan
15 program of the Department of Agriculture under section
16 2 of the Rural Electrification Act of 1936 (7 U.S.C. 902).

17 (c) STRATEGIC ANALYSIS AND RESEARCH.—

18 (1) IN GENERAL.—The Secretary, acting jointly
19 with the Secretary of Agriculture (acting through
20 the Chief of the Forest Service), shall establish a
21 bioheat and biopower research program—

22 (A) the costs of which shall be divided
23 equally between the Department of Energy and
24 the Department of Agriculture;

1 (B) to be overseen by the Board of Direc-
2 tors of the Initiative; and

3 (C) to carry out projects and activities—

4 (i)(I) to advance research and analysis
5 on the environmental, social, and economic
6 costs and benefits of the United States
7 biopower and bioheat industries, including
8 associated lifecycle analysis of greenhouse
9 gas emissions and net energy analysis; and

10 (II) to provide recommendations for
11 policy and investment in those areas;

12 (ii) to identify and assess, through a
13 joint effort between the Chief of the Forest
14 Service and the regional combined heat
15 and power groups of the Department of
16 Energy, the feasibility of thermally led dis-
17 trict wood energy opportunities in all re-
18 gions of the Forest Service regions, includ-
19 ing by conducting broad regional assess-
20 ments, feasibility studies, and preliminary
21 engineering assessments at individual fa-
22 cilities; and

23 (iii)(I) to offer to communities tech-
24 nical assistance to explore thermally led
25 wood energy opportunities; and

1 (II) to provide enhanced services to
2 smaller communities that have limited re-
3 sources and capacity to pursue new ther-
4 mally led wood energy opportunities.

5 (2) AUTHORIZATION OF APPROPRIATIONS.—

6 There are authorized to be appropriated to the Sec-
7 retary and the Secretary of Agriculture—

8 (A) \$2,000,000 to carry out paragraph
9 (1)(C)(i);

10 (B) \$1,000,000 to carry out paragraph
11 (1)(C)(ii); and

12 (C) \$1,000,000 to carry out paragraph
13 (1)(C)(iii).

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