

114TH CONGRESS  
1ST SESSION

# S. 2399

To provide for emissions reductions, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

DECEMBER 10, 2015

Mr. SANDERS introduced the following bill; which was read twice and referred  
to the Committee on Finance

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## A BILL

To provide for emissions reductions, 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 “Climate Protection and Justice Act of 2015”.

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. Findings and purposes.
- Sec. 3. Statement of policy.
- Sec. 4. Sense of Congress.
- Sec. 5. Definition of Administrator.

### TITLE I—ACHIEVING EMISSIONS REDUCTIONS

- Sec. 101. Carbon pollution fee.
- Sec. 102. Carbon Fee Rebate Program.

TITLE II—PROTECTING VULNERABLE PEOPLE OF THE UNITED  
STATES FROM THE IMPACTS OF CLIMATE CHANGE

Subtitle A—Ensuring Climate Justice for All

- Sec. 201. Findings.
- Sec. 202. Definitions.
- Sec. 203. Climate Justice Resiliency Council.
- Sec. 204. Climate Justice Resiliency Grant Program.
- Sec. 205. Low-income and municipal energy efficiency.

Subtitle B—Strengthening Environmental Protections for Communities  
Disproportionately Impacted by Climate Change

- Sec. 211. Ending toxic air pollution from incinerators.

TITLE III—PROTECTING AND ENHANCING UNITED STATES  
MANUFACTURING

- Sec. 301. Carbon equivalency fee border adjustments for carbon pollution-inten-  
sive goods.
- Sec. 302. Carbon equivalency fee fund.

TITLE IV—PROTECTING AGRICULTURE AND ENHANCING FARM  
OPPORTUNITIES

- Sec. 401. Rural Energy for America Program.
- Sec. 402. Soil quality improvement.
- Sec. 403. Nitrous oxide emissions reductions.

TITLE V—WHOLESALE DEMAND RESPONSE

- Sec. 501. Wholesale demand response.
- Sec. 502. General right to neutrality of interconnection.

**1 SEC. 2. FINDINGS AND PURPOSES.**

**2 (a) FINDINGS.**—Congress finds that—

**3 (1)** greenhouse gases are accumulating in the  
**4** atmosphere at a rate that may cause average tem-  
**5** peratures to rise 8 degrees Fahrenheit or more;

**6 (2)** the expected rise in average temperatures  
**7** poses a risk of—

**8 (A)** increasing global average air and ocean  
**9** temperatures;

**10 (B)** widespread melting of snow and ice;

**11** and

1 (C) rising global average sea level;

2 (3) the overwhelming majority of the scientific  
3 community is clear that climate change is—

4 (A) real;

5 (B) caused by human activity; and

6 (C) already causing devastating problems  
7 in the United States and around the world; and

8 (4) mandatory steps will be required to move  
9 aggressively to transform the energy system of the  
10 United States away from fossil fuels to energy effi-  
11 ciency and sustainable energy.

12 (b) PURPOSES.—The purposes of this Act are—

13 (1) to reduce, in conjunction with other laws,  
14 emissions of carbon pollution to ensure that the con-  
15 tribution of the United States to global climate  
16 change is lower than the level required to keep glob-  
17 al average temperature increases below 2 degrees  
18 Celsius;

19 (2) to implement solutions that acknowledge the  
20 intersections of environmental degradation that per-  
21 petuate racial, social, and economic inequities;

22 (3) to protect the lives of low-income, minority,  
23 and tribal communities and reinvest in those com-  
24 munities;

1           (4) to empower communities to prepare for, and  
2       react to, the impacts of climate change that are al-  
3       ready being experienced by communities; and

4           (5) to demonstrate to the international commu-  
5       nity a commitment by the Government of the United  
6       States to aggressively reduce carbon pollution emis-  
7       sions.

8   **SEC. 3. STATEMENT OF POLICY.**

9       It is the policy of the United States that—

10           (1) the Government of the United States should  
11       lead the international community in an aggressive  
12       transition away from fossil fuels and toward sustain-  
13       able energy;

14           (2) the Government of the United States should  
15       tax carbon pollution to capture the price on the at-  
16       mosphere and motivate significant reductions in  
17       emissions; and

18           (3) the transition away from fossil fuels shall  
19       focus on climate justice, which requires solutions  
20       that consider—

21                   (A) the needs of workers; and

22                   (B) the manners in which the causes and  
23       effects of climate change disproportionately im-  
24       pact low-income and minority communities.

1 **SEC. 4. SENSE OF CONGRESS.**

2 It is the sense of Congress that Congress agrees with  
3 the opinion of virtually the entire worldwide scientific com-  
4 munity that—

5 (1) climate change is real;

6 (2) climate change is caused by human activi-  
7 ties;

8 (3) climate change has already caused dev-  
9 astating problems in the United States and around  
10 the world;

11 (4) a brief window of opportunity exists before  
12 the United States and the entire planet suffer irrep-  
13 arable harm; and

14 (5) it is imperative that the United States  
15 transform the energy system of the United States  
16 away from fossil fuels and toward energy efficiency  
17 and sustainable energy as rapidly as possible.

18 **SEC. 5. DEFINITION OF ADMINISTRATOR.**

19 In this Act, the term “Administrator” means the Ad-  
20 ministrator of the Environmental Protection Agency.

21 **TITLE I—ACHIEVING EMISSIONS**  
22 **REDUCTIONS**

23 **SEC. 101. CARBON POLLUTION FEE.**

24 (a) IN GENERAL.—Title I of the Clean Air Act (42  
25 U.S.C. 7401 et seq.) is amended by adding at the end  
26 the following:

1                   **“PART E—EMISSIONS REDUCTIONS**

2   **“SEC. 194. DEFINITIONS.**

3           “In this part:

4                   “(1) CARBON POLLUTING SUBSTANCE.—The  
5           term ‘carbon polluting substance’ means coal (in-  
6           cluding lignite and peat), petroleum and any petro-  
7           leum product, or natural gas that—

8                           “(A) when combusted or otherwise used,  
9                   will release greenhouse gas emissions; and

10                           “(B) is—

11                                   “(i) extracted, manufactured, or pro-  
12                                   duced in the United States; or

13                                   “(ii) imported into the United States  
14                                   for consumption, use, or warehousing.

15                   “(2) CARBON POLLUTION-INTENSIVE GOOD.—  
16           The term ‘carbon pollution-intensive good’ means a  
17           good that is (as identified by the Administrator, by  
18           rule) iron, steel, a steel mill product (including pipe  
19           and tube), aluminum, cement, glass (including flat,  
20           container, and specialty glass and fiberglass), pulp,  
21           paper, a chemical, or an industrial ceramic.

22                   “(3) RATE OF INFLATION.—The term ‘rate of  
23           inflation’ means the cost-of-living adjustment deter-  
24           mined under section 1(f)(3) of the Internal Revenue  
25           Code of 1986 for the calendar year in which the tax-  
26           able year begins, determined by substituting ‘cal-

1       endar year 2017’ for ‘calendar year 1992’ in sub-  
2       paragraph (B) of that section.

3               “(4) SUBSTANTIALLY EQUIVALENT MEASURE.—

4       The term ‘substantially equivalent measure’ means a  
5       fee or other regulatory requirement that imposes a  
6       cost on manufacturers of carbon pollution-intensive  
7       goods located outside the United States approxi-  
8       mately equal to the cost imposed by the fee under  
9       this part on manufacturers of comparable carbon  
10      pollution-intensive goods located in the United  
11      States.

12   **“SEC. 195. EMISSIONS REDUCTIONS TARGETS.**

13       “It is the policy of the United States that greenhouse  
14      gas emissions from all sectors of the United States econ-  
15      omy should not exceed—

16               “(1) 5,800,000,000 tons in 2020;

17               “(2) 3,700,000,000 tons in 2030;

18               “(3) 2,500,000,000 tons in 2040; and

19               “(4) 1,260,000,000 tons in 2050.

20   **“SEC. 196. CARBON POLLUTION FEE.**

21       “(a) IN GENERAL.—The Secretary of the Treasury,  
22      in consultation with the Administrator, shall impose on  
23      any manufacturer, producer, or importer of a carbon pol-  
24      luting substance a fee in accordance with this section.

25       “(b) AMOUNT.—

1           “(1) IN GENERAL.—The amount of the carbon  
2           pollution fee imposed under subsection (a) on any  
3           carbon polluting substance shall be assessed per ton  
4           of carbon dioxide content (including carbon dioxide  
5           equivalent content of methane) of the carbon pol-  
6           luting substance, as determined by the Secretary of  
7           the Treasury, in consultation with the Administrator  
8           and the Secretary of Energy.

9           “(2) FRACTIONAL PART OF TON.—In the case  
10          of a fraction of a ton of a carbon polluting sub-  
11          stance, the fee imposed under subsection (a) shall be  
12          the same fraction of the amount of the fee imposed  
13          on a whole ton of the carbon polluting substance.

14          “(3) APPLICABLE AMOUNT FOR CALENDAR  
15          YEARS 2017 THROUGH 2035.—For purposes of para-  
16          graph (1), the amount of the fee for the following  
17          calendar years shall be—

	<b>Fee rate (dollars per met- ric ton)</b>
2017 .....	\$15
2018 .....	\$17
2019 .....	\$19
2020 .....	\$21
2021 .....	\$24
2022 .....	\$27
2023 .....	\$30
2024 .....	\$33
2025 .....	\$36
2026 .....	\$39
2027 .....	\$41
2028 .....	\$44
2029 .....	\$47

<b>“Fee year</b>	<b>Fee rate (dollars per met- ric ton)</b>
2030 .....	\$50
2031 .....	\$54
2032 .....	\$58
2033 .....	\$63
2034 .....	\$68
2035 .....	\$73.

1           “(4) APPLICABLE AMOUNT AFTER CALENDAR  
2       YEAR 2035.—For purposes of paragraph (1), for  
3       each calendar year occurring after calendar year  
4       2035, the amount of the fee shall be an amount  
5       equal to the sum of—

6           “(A) the amount in effect for the preceding  
7       calendar year; and

8           “(B) the product (rounded to the nearest  
9       dollar) obtained by multiplying—

10           “(i) the amount described in subpara-  
11       graph (A); and

12           “(ii) 5 percent, plus the rate of infla-  
13       tion.

14       “(c) SINGLE IMPOSITION OF FEE.—No fee shall be  
15       imposed under subsection (a) with respect to a carbon pol-  
16       luting substance if the person that would be liable for the  
17       fee establishes that a prior fee imposed under that sub-  
18       section has been imposed with respect to that carbon pol-  
19       luting substance.

1       “(d) LIMITATIONS.—No fee shall be imposed against  
 2 a person under subsection (a) if during the calendar year,  
 3 in accordance with such regulations as the Secretary of  
 4 the Treasury, in consultation with the Administrator, may  
 5 prescribe—

6               “(1) for a calendar year before calendar year  
 7 2036, the person uses a carbon polluting substance  
 8 as a feedstock so that the carbon associated with  
 9 that carbon polluting substance will not be emitted;  
 10 or

11               “(2) a fee under subsection (a) was paid with  
 12 respect to another carbon polluting substance that is  
 13 used by the person in the manufacture or production  
 14 of the applicable carbon polluting substance.

15 **“SEC. 197. INTERAGENCY CLIMATE COUNCIL.**

16       “(a) ESTABLISHMENT.—There is established a coun-  
 17 cil, to be known as the ‘Interagency Climate Council’ (re-  
 18 ferred to in this section as the ‘Council’).

19       “(b) MEMBERSHIP.—The Council shall be composed  
 20 of—

21               “(1) the Administrator, who shall be the Chair-  
 22 person;

23               “(2) the Secretary of the Treasury;

24               “(3) the Secretary of Energy;

25               “(4) the Secretary of Transportation;

1 “(5) the Secretary of Commerce;

2 “(6) the Secretary of the Interior;

3 “(7) the Secretary of Agriculture;

4 “(8) the Director of the Office of Science and  
5 Technology Policy;

6 “(9) the Director of the Office of Management  
7 and Budget; and

8 “(10) the Chairperson of the Council of Envi-  
9 ronmental Quality.

10 “(c) ACTIVITIES.—

11 “(1) EFFICACY ASSESSMENT.—Beginning in  
12 2020 and every 3 years thereafter, the Council shall  
13 assess the efficacy of Federal, State, and local ac-  
14 tions in effect as of the date of the assessment, in-  
15 cluding Federal statutory or regulatory policies and  
16 policies established by the Climate Protection and  
17 Justice Act of 2015, in achieving the greenhouse gas  
18 emissions reduction targets described in section 195.

19 “(2) REDUCTION OPPORTUNITIES.—The Coun-  
20 cil shall identify and evaluate potential greenhouse  
21 gas emissions reductions opportunities in all sectors  
22 of the economy, including opportunities for the pro-  
23 mulgation under this Act of new or updated regula-  
24 tions for stationary and mobile sources.

1       “(d) REGULATIONS.—If the Council finds, in car-  
 2       rying out an assessment under subsection (c)(1), that the  
 3       United States has not met any emissions reductions target  
 4       described in section 195, or if there is substantial risk that  
 5       the United States may not meet an emissions reduction  
 6       target described in that section, the Administrator shall,  
 7       not later than 2 years after the date of the assessment  
 8       by the Council, promulgate final regulations under this  
 9       Act to update existing regulations or establish new regula-  
 10      tions relating to a sector of the economy identified by the  
 11      Council, with sufficient stringency and coverage to ensure  
 12      that the United States meets the emissions reductions tar-  
 13      get.

14   **“SEC. 198. SAVINGS PROVISIONS.**

15       “(a) IN GENERAL.—For purposes of other provisions  
 16      of this Act, nothing in this part shall—

17               “(1) affect the regulatory status of carbon diox-  
 18               ide or any other greenhouse gas; or

19               “(2) limit regulatory authority relating to car-  
 20               bon dioxide or any other greenhouse gas.

21       “(b) NO PREEMPTION.—Nothing in this chapter  
 22      shall preempt or limit State or local actions to address  
 23      climate change.”.

1 (b) TECHNICAL AMENDMENTS.—Title IV of the  
 2 Clean Air Act (relating to noise pollution) (42 U.S.C.  
 3 7641 et seq.) is—

4 (1) amended by redesignating sections 401  
 5 through 403 as sections 701 through 703, respec-  
 6 tively; and

7 (2) redesignated as title VII and moved to ap-  
 8 pear at the end of that Act.

9 **SEC. 102. CARBON FEE REBATE PROGRAM.**

10 (a) DEFINITIONS.—In this section:

11 (1) ELIGIBLE DIVIDEND RECIPIENT.—The term  
 12 “eligible dividend recipient” includes—

13 (A) a citizen of the United States;

14 (B) a lawful permanent resident of the  
 15 United States;

16 (C) an individual whom the President may  
 17 designate as meeting the requirements for de-  
 18 ferred action described in the Department of  
 19 Homeland Security memorandum entitled “Ex-  
 20 ercising Prosecutorial Discretion with Respect  
 21 to Individuals Who Came to the United States  
 22 As Children” (dated June 15, 2012);

23 (D) an individual whom the President may  
 24 designate as meeting the requirements for de-  
 25 ferred action described in the Department of

1 Homeland Security memorandum entitled “Ex-  
 2 ercising Prosecutorial Discretion with Respect  
 3 to Individuals Who Came to the United States  
 4 As Children and with Respect to Certain Indi-  
 5 viduals Who Are the Parents of U.S. Citizens  
 6 or Permanent Residents” (dated November 20,  
 7 2014);

8 (E) an asylee;

9 (F) a refugee; and

10 (G) any other individual designated by the  
 11 President.

12 (2) FUND.—The term “Fund” means the Car-  
 13 bon Fee Rebate Fund established by subsection  
 14 (c)(1).

15 (b) OFFICE OF CLIMATE DIVIDEND.—There is estab-  
 16 lished an office within the Department of the Treasury,  
 17 to be known as the “Office of Climate Dividend”, which  
 18 shall administer the distribution of carbon fee rebates  
 19 under subsection (d).

20 (c) CARBON FEE REBATE FUND.—

21 (1) IN GENERAL.—There is established in the  
 22 Treasury a fund, to be known as the “Carbon Fee  
 23 Rebate Fund”.

24 (2) DEPOSITS TO FUND.—For each fiscal year,  
 25 there shall be deposited in the Fund, amounts col-

1       lected from fees imposed under section 196 of the  
2       Clean Air Act.

3           (3) EXPENDITURES.—Amounts deposited in the  
4       Fund shall be available without appropriation for the  
5       purposes described in subsection (d).

6       (d) CARBON FEE REBATE PROGRAM.—

7           (1) IN GENERAL.—On a quarterly basis, the  
8       Secretary of the Treasury shall remit from the Fund  
9       to each eligible dividend recipient a carbon fee divi-  
10      dend, which, except as provided in paragraph (3),  
11      shall be in an amount equal to—

12           (A) the receipts from the fee imposed  
13      under section 196 of the Clean Air Act for the  
14      preceding quarter, divided by

15           (B) the number of eligible dividend recipi-  
16      ents on the last day of the preceding quarter.

17           (2) REGULATIONS.—The Secretary of the  
18      Treasury shall promulgate regulations governing the  
19      dispersal of funds under paragraph (1), including—

20           (A) procedures for the identification and  
21      maintenance of an accurate list of eligible divi-  
22      dend recipients;

23           (B) the disbursement of funds to individ-  
24      uals under the age of 18 years; and

1 (C) the use of electronic means for trans-  
 2 fers of funds, to the maximum extent prac-  
 3 ticable.

4 (3) PHASE OUT OF CARBON TAX DIVIDEND FOR  
 5 HIGH INCOME HOUSEHOLDS.—

6 (A) IN GENERAL.—The amount of the car-  
 7 bon fee dividend for any eligible dividend recipi-  
 8 ent under paragraph (1) (determined without  
 9 regard to this paragraph) shall be reduced by  
 10 the amount determined under subparagraph  
 11 (B).

12 (B) AMOUNT OF REDUCTION.—The  
 13 amount determined under this subparagraph is  
 14 the amount which bears the same ratio to the  
 15 amount which would be paid under paragraph  
 16 (1) as—

17 (i) the excess of—

18 (I) the eligible individual's ad-  
 19 justed gross income for the most re-  
 20 cent taxable year, over

21 (II) the \$100,000, bears to

22 (ii) the phaseout range.

23 (C) PHASEOUT RANGE.—For purposes of  
 24 subparagraph (B), the phaseout range is—

1 (i) in the case of an eligible taxpayer  
2 who filed a joint return, \$10,000,

3 (ii) in the case of an eligible taxpayer  
4 who filed as a head of household, \$8,000,  
5 and

6 (iii) in the case of any other eligible  
7 taxpayer, \$5,000.

8 (D) INFLATION ADJUSTMENT.—

9 (i) IN GENERAL.—In the case of any  
10 calendar year beginning after 2017, the  
11 \$100,000 amount in subparagraph  
12 (B)(i)(II) shall be increased by an amount  
13 equal to—

14 (I) such dollar amount, multi-  
15 plied by

16 (II) the cost-of-living adjustment  
17 determined under section 1(f)(3) of  
18 the Internal Revenue Code of 1986,  
19 by substituting “2016” for “1992” in  
20 subparagraph (B) thereof.

21 (ii) INFLATION ADJUSTMENT.—The  
22 amount of any increase under clause (i)  
23 shall be rounded to the nearest multiple of  
24 \$5,000.

1 (E) DEFINITIONS.—Any term used in this  
2 paragraph which is also used in the Internal  
3 Revenue Code of 1986 shall have the meaning  
4 given such term under such Code.

5 **TITLE II—PROTECTING VULNER-**  
6 **ABLE PEOPLE OF THE**  
7 **UNITED STATES FROM THE**  
8 **IMPACTS OF CLIMATE**  
9 **CHANGE**  
10 **Subtitle A—Ensuring Climate**  
11 **Justice for All**

12 **SEC. 201. FINDINGS.**

13 Congress finds that—

14 (1) minority and low-income communities in the  
15 United States are disproportionately affected by the  
16 causes of climate change because—

17 (A) according to a 2012 study by the Na-  
18 tional Association for the Advancement of Col-  
19 ored People—

20 (i) the nearly 6,000,000 people in the  
21 United States who live within 3 miles of a  
22 coal power plant have an average per cap-  
23 ita annual income of \$18,400, which is  
24 lower than the national average of  
25 \$21,587; and

1                   (ii) among the people who live within  
2                   3 miles of a coal power plant, 39 percent  
3                   are people of color, while people of color  
4                   comprise only 36 percent of the total popu-  
5                   lation of the United States;

6                   (B) 82.3 percent of Native Americans and  
7                   Alaska Natives live within 50 miles of major  
8                   sources of NO and NO<sub>2</sub> and 65.8 percent of  
9                   Native Americans and Alaska Natives live with-  
10                  in 25 miles of PM-10 point sources; and

11                  (C) the Centers for Disease Control and  
12                  Prevention has found that—

13                       (i) African-Americans are 2 to 3 times  
14                       more likely to die from asthma than any  
15                       other racial or ethnic group;

16                       (ii) African-American and Hispanic  
17                       children visit emergency departments for  
18                       asthma care more often than Caucasian  
19                       children;

20                       (iii) more than 1 in 4 African-Amer-  
21                       ican adults cannot afford routine doctor  
22                       visits;

23                       (iv) nearly 1 in 7 Hispanic adults can-  
24                       not afford routine doctor visits;

1 (v) Hispanic individuals are 30 per-  
2 cent more likely to visit the hospital for  
3 asthma; and

4 (vi) Hispanic children are 40 percent  
5 more likely to die from asthma than Cau-  
6 casian children; and

7 (2) minority and low-income people of the  
8 United States are disproportionately affected by the  
9 impacts of climate change because—

10 (A) hurricanes disproportionately impact  
11 low-income and minority communities, and re-  
12 garding Hurricane Katrina in 2005—

13 (i) after the hurricane, people of color  
14 were much less likely to return to the  
15 homes in New Orleans from which those  
16 individuals were evacuated;

17 (ii) according to the Bureau of Labor  
18 and Statistics, only 54 percent of African-  
19 Americans who were evacuated during  
20 Hurricane Katrina returned to New Orle-  
21 ans, compared to 82 percent of Caucasian  
22 evacuees;

23 (iii) the damage occurred in areas—

24 (I) with populations that were  
25 45.8 percent African-American, com-

1                   pared to undamaged areas with popu-  
2                   lations that were 26.4 percent Afri-  
3                   can-American; and

4                   (II) in which 20.9 percent of the  
5                   households had incomes below the  
6                   poverty line, compared to undamaged  
7                   areas in which 15.3 percent of the  
8                   households had incomes below the  
9                   poverty line;

10                  (iv) African-Americans are estimated  
11                  to have accounted for approximately 44  
12                  percent of the Hurricane Katrina victims;

13                  (v)  $\frac{1}{5}$  of the individuals displaced by  
14                  Hurricane Katrina were likely to have been  
15                  poor, and 30 percent of those individuals  
16                  had incomes that were below 150 percent  
17                  of the poverty line; and

18                  (vi) nearly  $\frac{1}{2}$  of all individuals aged  
19                  65 or older who live in flooded or damage-  
20                  affected areas report having a disability,  
21                  and 26 percent of those individuals report  
22                  having 2 or more types of disabilities;

23                  (B) extreme weather disproportionately im-  
24                  pacts low-income and minority communities,  
25                  and regarding Hurricane Sandy in 2012—

1 (i) 80,000 residents living in low-in-  
2 come housing lost power, heat, and hot  
3 water for more than 2 weeks in the middle  
4 of winter;

5 (ii) 1 in 5 public housing units and al-  
6 most 1 in 7 affordable rental housing units  
7 were damaged;

8 (iii) in contrast to the effects of Hur-  
9 ricane Sandy on low-income communities,  
10 Wall Street went back to business with the  
11 lights on and stock tickers running only 2  
12 days after Hurricane Sandy hit New York  
13 City;

14 (iv) 55 percent of the victims of Hur-  
15 ricane Sandy in New York City were very-  
16 low-income renters, with incomes that  
17 averaged \$18,000 per year;

18 (v) 67 percent of recipients of assist-  
19 ance from the Federal Emergency Manage-  
20 ment Agency were low-income individuals;  
21 and

22 (vi) the median rent paid by house-  
23 holds affected by Hurricane Sandy has in-  
24 creased \$200 per month since the date  
25 Hurricane Sandy hit New York City;

1 (C) heat waves disproportionately impact  
2 low-income and minority communities be-  
3 cause—

4 (i) African-Americans are 52 percent  
5 more likely than Caucasians to live in  
6 dense, urban neighborhoods that may be  
7 22 degrees Fahrenheit hotter than rural  
8 neighborhoods, which increases the risk of  
9 health complications for African-Ameri-  
10 cans, including death from heat-related  
11 complications;

12 (ii) although access to air conditioning  
13 lowers the risk of mortality from heat-re-  
14 lated health complications by 80 percent, 1  
15 in 5 low-income households has no access  
16 to air conditioning;

17 (iii) in 2011 and 2012, drought and  
18 heat waves affected communities with me-  
19 dian incomes that were 5 percent lower  
20 than the national average;

21 (iv) heat waves—

22 (I) cause more deaths in the  
23 United States than all other weather  
24 events combined; and

1 (II) are particularly dangerous  
2 for Hispanic people, who are dis-  
3 proportionately likely to have low in-  
4 comes;

5 (v) the number of unhealthy “red  
6 alert” air quality days in more than 12 cit-  
7 ies in the eastern United States—

8 (I) will likely double due to in-  
9 creased ozone formation caused by  
10 rising temperatures; and

11 (II) will increase rates of asthma  
12 complications for Hispanic people,  
13 who are also at risk for cardiovascular  
14 conditions; and

15 (vi) by the end of the 21st century,  
16 climate change is projected to triple the av-  
17 erage number of extremely hot days in the  
18 United States, the consequences of  
19 which—

20 (I) include—

21 (aa) thousands of premature  
22 deaths annually by 2100;

23 (bb) nearly 2,000,000,000  
24 lost labor hours per year; and

1 (cc) over \$100,000,000,000

2 in lost wages annually; and

3 (II) disproportionately burden

4 Hispanic people, who comprise—

5 (aa) 42 percent of construc-

6 tion laborers; and

7 (bb) approximately 75 per-

8 cent of agricultural field workers;

9 (D) floods disproportionately impact low-  
10 income and minority communities, for exam-  
11 ple—

12 (i) in 2011 and 2012, floods affected  
13 communities with median incomes that  
14 were 14 percent lower than the national  
15 average; and

16 (ii) in June 2011, extreme Missouri  
17 River rain runoff hit record highs and  
18 caused \$1,500,000,000 in damages, includ-  
19 ing damages in communities in Arkansas  
20 and Mississippi with median incomes that  
21 were 23 percent and 30 percent lower, re-  
22 spectively, than the national average;

23 (E) tornadoes disproportionately impact  
24 low-income and minority communities—

1 (i) because even though mobile homes  
 2 comprise only 8 percent of housing in the  
 3 United States,  $\frac{1}{2}$  of all fatalities during  
 4 tornadoes are fatalities of individuals who  
 5 reside in mobile homes; and

6 (ii) with the deadliest tornado in the  
 7 history of the United States having oc-  
 8 curred in Joplin, Missouri, a community  
 9 with—

10 (I) a median income that is 29  
 11 percent lower than the national aver-  
 12 age; and

13 (II) a 20-percent poverty rate;

14 (F) wildfires disproportionately impact  
 15 low-income and minority communities, for ex-  
 16 ample—

17 (i) the Ash Creek Fire devastated an  
 18 Indian reservation on which—

19 (I)  $\frac{1}{3}$  of the families live below  
 20 the poverty line; and

21 (II)  $\frac{2}{3}$  of the adults are unem-  
 22 ployed; and

23 (ii) the most destructive wildfire in  
 24 Texas history destroyed almost 1,700  
 25 homes in Bastrop, a community with 14

1 percent of households at, or below, the pov-  
2 erty line;

3 (G) droughts disproportionately impact  
4 low-income and minority communities be-  
5 cause—

6 (i) droughts are expected to increase  
7 the prices of fruits and vegetables by  
8 roughly 3 percent in 2015, which increases  
9 the economic burden of nutrition on low-in-  
10 come families;

11 (ii) in California, farmworkers, of  
12 whom 92 percent identify as Latino and  $\frac{3}{4}$   
13 earn less than 200 percent of the Federal  
14 poverty level, are projected to experience  
15 significant employment difficulties related  
16 to drought;

17 (iii) all of the Indian tribes in the  
18 State of Arizona and several Indian tribes  
19 in the States of New Mexico, Colorado,  
20 Utah, Nevada, and California have Indian  
21 reservations (as defined in section 3 of the  
22 Indian Financing Act of 1974 (25 U.S.C.  
23 1452)) within the Colorado River water-  
24 shed, which is predicted to be reduced by  
25 approximately 45 percent by 2050; and

1 (iv) approximately 30 percent of the  
2 people of the Navajo Nation—

3 (I) are not served by municipal  
4 water systems; and

5 (II) risk severe water shortages  
6 due to worsening droughts caused by  
7 climate change; and

8 (H)(i) sea level rise and erosion dispropor-  
9 tionately impact low-income and minority com-  
10 munities;

11 (ii) in 2008, the Comptroller General of  
12 the United States found that more than 86 per-  
13 cent of the 216 Alaska Native villages are al-  
14 ready subject to flooding and erosion caused by  
15 increasing temperatures due to climate change;  
16 and

17 (iii) the land under the village of Newtok,  
18 Alaska, is eroding at the rate of 72 feet per  
19 year, which may require the village to move.

20 **SEC. 202. DEFINITIONS.**

21 In this subtitle:

22 (1) CLIMATE IMPACTS.—The term “climate im-  
23 pacts”—

24 (A) means the damage to the health of  
25 human and natural environments, habitats, and

the economy caused by factors including erratic climate and weather extremes due to excess carbon pollution in the atmosphere; and

(B) includes—

(i) the increased frequency of—

(I) extreme weather such as hurricanes, tornadoes, and snow storms;

(II) floods;

(III) wildfires;

(IV) droughts;

(V) disease; and

(VI) heat waves;

(ii) sea level rise;

(iii) ocean acidification; and

(iv) altered—

(I) ecosystems and habitats; and

(II) soil health and crop availability.

(2) CLIMATE JUSTICE RESILIENCY PROJECT.—

The term “climate justice resiliency project” means a project, plan, fund, or other proposal to mitigate climate impacts on a climate resiliency hotspot community.

1           (3) CLIMATE RESILIENCY HOTSPOT COMMU-  
 2           NITY.—The term “climate resiliency hotspot commu-  
 3           nity” means a community that is—

4                   (A) likely to experience climate impacts;

5                   (B) traditionally unable to afford the man-  
 6           agement or mitigation of climate impacts; and

7                   (C) likely to receive a high score in the re-  
 8           port described in section 204(h).

9           (4) COUNCIL.—The term “Council” means the  
 10          Climate Justice Resiliency Council established by  
 11          section 203(a).

12          (5) ELIGIBLE ENTITY.—The term “eligible enti-  
 13          ty” means—

14                   (A) a State;

15                   (B) an Indian tribe;

16                   (C) a territory;

17                   (D) a municipality;

18                   (E) a county;

19                   (F) a locality;

20                   (G) a native Hawaiian community; and

21                   (H) a nonprofit community organization.

22          (6) INDIAN TRIBE.—The term “Indian tribe”  
 23          has the meaning given the term in section 4 of the  
 24          Indian Self-Determination and Education Assistance  
 25          Act (25 U.S.C. 450b).

1 **SEC. 203. CLIMATE JUSTICE RESILIENCY COUNCIL.**

2 (a) ESTABLISHMENT.—There is established within  
3 the Environmental Protection Agency, a council to be  
4 known as the “Climate Justice Resiliency Council”.

5 (b) MEMBERSHIP.—The Council shall be composed  
6 of—

7 (1) the Administrator, who shall serve as the  
8 Chairperson of the Council;

9 (2) the Secretary of Health and Human Serv-  
10 ices;

11 (3) the Secretary of Housing and Urban Devel-  
12 opment;

13 (4) the Secretary of Agriculture;

14 (5) the Secretary of Transportation;

15 (6) the Director of the Office of Science and  
16 Technology Policy;

17 (7) the Secretary of Energy;

18 (8) the Secretary of Labor; and

19 (9) the Secretary of the Interior.

20 (c) ACTIVITIES.—The Administrator, in consultation  
21 with the Council, may promulgate regulations to carry out  
22 the Climate Justice Resiliency Grant Program under sec-  
23 tion 204.

24 **SEC. 204. CLIMATE JUSTICE RESILIENCY GRANT PROGRAM.**

25 (a) IN GENERAL.—The Administrator, in consulta-  
26 tion with the Council, shall establish a Climate Justice Re-

1 siliency Grant Program to provide block grants to eligible  
 2 entities with the goal of promoting climate justice resil-  
 3 iency projects described in subsection (f).

4 (b) ENVIRONMENTAL JUSTICE STUDY.—

5 (1) IN GENERAL.—To facilitate administration  
 6 of grants under this section, not later than 1 year  
 7 after the date of enactment of this Act, the Council  
 8 shall conduct a county-by-county or equivalent re-  
 9 gional or tribal environmental justice study to iden-  
 10 tify climate resiliency hotspot communities.

11 (2) REQUIREMENTS.—The study described in  
 12 paragraph (1)—

13 (A) shall be conducted in consultation  
 14 with—

15 (i) climate resiliency hotspot commu-  
 16 nities; and

17 (ii) communities that are likely to re-  
 18 ceive a high score in the report described  
 19 in subsection (h);

20 (B) shall identify localities based on geo-  
 21 graphical proximity to climate impacts, socio-  
 22 economic, public health, and environmental haz-  
 23 ard criteria; and

24 (C) may include an area—

1 (i) that is disproportionately affected  
 2 by climate impacts or other hazards that  
 3 lead to negative public health effects, expo-  
 4 sure, or environmental degradation;

5 (ii) with a concentration of individuals  
 6 who have—

7 (I) a low income;

8 (II) high unemployment;

9 (III) a low level of homeowner-  
 10 ship;

11 (IV) a high rent burden;

12 (V) a low level of educational at-  
 13 tainment; or

14 (VI) a disproportionate health  
 15 burden; or

16 (iii) with a climate-sensitive popu-  
 17 lation.

18 (c) ELIGIBILITY FOR GRANT FUNDS.—

19 (1) MULTI-YEAR PLAN.—

20 (A) IN GENERAL.—To be eligible to receive  
 21 a grant under this section, an eligible entity  
 22 shall submit to the Council a plan for a climate  
 23 justice resiliency investment for not less than 5  
 24 years that describes climate justice resiliency

1 projects to be prioritized based on the study  
 2 carried out under subsection (b).

3 (B) CONTENTS.—The multi-year plan de-  
 4 scribed in subparagraph (A) shall include—

5 (i) a description of—

6 (I) the proposed climate justice  
 7 resiliency project; and

8 (II) the climate resiliency hotspot  
 9 communities intended to benefit from  
 10 the proposed climate justice resiliency  
 11 project;

12 (ii) the expected climate resiliency im-  
 13 provement benefits; and

14 (iii) a funding level request.

15 (d) APPLICATION PROCESS.—The Council shall es-  
 16 tablish application requirements for participation in the  
 17 Climate Justice Resiliency Grant Program.

18 (e) GRANT FUNDS.—The Administrator, in consulta-  
 19 tion with the Council, shall award to eligible entities grant  
 20 funds commensurate with the duration and scope of the  
 21 proposed climate justice resiliency project.

22 (f) CLIMATE JUSTICE RESILIENCY PROJECTS.—

23 (1) IN GENERAL.—An eligible entity may use  
 24 grant funds made available in accordance with sub-

1 section (a) for a climate justice resiliency project, in-  
2 cluding—

3 (A) a project relating to—

4 (i) climate impact disaster adaptation  
5 and planning;

6 (ii) wetland restoration;

7 (iii) mine reclamation;

8 (iv) a seawall, levee, or other coastal  
9 flood mitigation effort;

10 (v) the development of—

11 (I) a community evacuation plan;

12 (II) resources for safe and com-  
13 plete evacuation;

14 (III) a community plan for re-  
15 turning after an evacuation; or

16 (IV) a plan and funding for the  
17 relocation of Indian tribes in the event  
18 of a climate impact disaster;

19 (vi) brownfields redevelopment;

20 (vii) rural water and waste disposal;

21 (viii) lead and asbestos hazard reduc-  
22 tion in homes with high flood, hurricane,  
23 or sea level rise exposure risk;

24 (ix) flood mapping, planning, and ad-  
25 aptation;

- 1 (x) public transportation;
- 2 (xi) vehicle traffic emissions exposure
- 3 reduction;
- 4 (xii) a road or bridge that facilitates
- 5 disaster evacuation;
- 6 (xiii) a local food cooperative or mar-
- 7 ket;
- 8 (xiv) public sewage;
- 9 (xv) broadband Internet;
- 10 (xvi) a microgrid;
- 11 (xvii) air conditioning units for low-in-
- 12 come housing; or
- 13 (xviii) emergency communication in-
- 14 frastructure;
- 15 (B) a fund established to assist evacuees to
- 16 return home after an evacuation; or
- 17 (C) a disaster loan.
- 18 (2) EXCLUSIONS.—An eligible entity shall not
- 19 use funds made available in accordance with sub-
- 20 section (a) for an activity relating to—
- 21 (A) the generation of electricity;
- 22 (B) carbon capture or sequestration; or
- 23 (C) a highway.
- 24 (g) COST-SHARING REQUIREMENT.—The Council—

1           (1) shall require eligible entities that receive  
2           funds under this section to enter into a cost-sharing  
3           agreement for, at a minimum, 20 percent of the  
4           total cost of the proposed climate justice resiliency  
5           project; and

6           (2) may, at the discretion of the Council, waive  
7           the cost-sharing requirement described in paragraph  
8           (1).

9           (h) REPORT TO CONGRESS.—Not later than 180 days  
10          after the date of enactment of this Act, the Council shall  
11          submit to the appropriate committees of Congress a report  
12          that describes—

13               (1) in detail the manner in which this section  
14               has been carried out; and

15               (2) the results of the study carried out under  
16               subsection (b), including a score for each locality  
17               studied based on the level of climate impacts experi-  
18               enced by the locality.

19           (i) FUNDING.—Notwithstanding any other provision  
20          of law, on October 1, 2016, and on each October 1 there-  
21          after, out of any funds in the Treasury not otherwise ap-  
22          propriated, the Secretary of the Treasury shall transfer  
23          to the Administrator for the cost of grants to carry out  
24          this section \$20,000,000,000, to remain available until ex-  
25          pend.

1 **SEC. 205. LOW-INCOME AND MUNICIPAL ENERGY EFFI-**  
 2 **CIENCY.**

3 (a) WEATHERIZATION ASSISTANCE PROGRAM.—

4 (1) IN GENERAL.—Part A of title IV of the En-  
 5 ergy Conservation and Production Act is amended  
 6 by striking section 422 (42 U.S.C. 6872) and insert-  
 7 ing the following:

8 **“SEC. 422. FUNDING.**

9 “(a) IN GENERAL.—Notwithstanding any other pro-  
 10 vision of law, on October 1, 2016, and on each October  
 11 1 thereafter, out of any funds in the Treasury not other-  
 12 wise appropriated, the Secretary of the Treasury shall  
 13 transfer to the Secretary for the cost of grants to carry  
 14 out this part \$1,500,000,000, to remain available until ex-  
 15 pended.

16 “(b) RECEIPT AND ACCEPTANCE.—The Secretary  
 17 shall be entitled to receive, shall accept, and shall use to  
 18 carry out this part the funds transferred under subsection  
 19 (a), without further appropriation.”.

20 (2) TECHNICAL CORRECTION.—Section 415 of  
 21 the Energy Conservation and Production Act (42  
 22 U.S.C. 6865) is amended, in subsections (d) and  
 23 (e)(1)(A), by striking “section 422(b)” each place it  
 24 appears and inserting “section 422”.

25 (b) ENERGY EFFICIENCY AND CONSERVATION  
 26 BLOCK GRANT PROGRAM.—Section 548 of the Energy

1 Independence and Security Act of 2007 (42 U.S.C.  
 2 17158) is amended by striking subsection (a) and insert-  
 3 ing the following:

4 “(a) IN GENERAL.—

5 “(1) GRANTS.—Notwithstanding any other pro-  
 6 vision of law, on October 1, 2016, and on each Octo-  
 7 ber 1 thereafter, out of any funds in the Treasury  
 8 not otherwise appropriated, the Secretary of the  
 9 Treasury shall transfer to the Secretary for the cost  
 10 of grants to carry out this section \$30,000,000, to  
 11 remain available until expended.

12 “(2) RECEIPT AND ACCEPTANCE.—The Sec-  
 13 retary shall be entitled to receive, shall accept, and  
 14 shall use to carry out this section the funds trans-  
 15 ferred under paragraph (1), without further appro-  
 16 priation.”.

17 **Subtitle B—Strengthening Envi-**  
 18 **ronmental Protections for Com-**  
 19 **munities Disproportionately Im-**  
 20 **pacted by Climate Change**

21 **SEC. 211. ENDING TOXIC AIR POLLUTION FROM INCINER-**  
 22 **ATORS.**

23 Section 129(g) of the Clean Air Act (42 U.S.C.  
 24 7429(g)) is amended—

1           (1) by redesignating paragraphs (1), (2), (4),  
 2           (5), and (6) as paragraphs (7), (5), (1), (4), and  
 3           (2), respectively;

4           (2) by moving the paragraphs so as to appear  
 5           in alphabetical order;

6           (3) in paragraph (2) (as so redesignated), by  
 7           striking “(2)” and all that follows through “have the  
 8           meanings” and inserting the following:

9           “(2) MEDICAL WASTE.—The term ‘medical  
 10          waste’ shall have the meaning”; and

11          (4) by inserting after paragraph (5) (as so re-  
 12          designated) the following:

13          “(6) SOLID WASTE.—

14               “(A) IN GENERAL.—The term ‘solid waste’  
 15          includes—

16                   “(i) whole, shredded, or otherwise  
 17                   processed tires;

18                   “(ii) tire-derived fuel;

19                   “(iii) hogged fuel, including fuel from  
 20                   wood pallets;

21                   “(iv) paper;

22                   “(v) paper or cardboard recycling re-  
 23                   siduals, including—

24                           “(I) paper-derived fuel cubes;

25                           “(II) paper fines; and

- 1 “(III) paper and cardboard re-  
2 jects;  
3 “(vi) construction and demolition de-  
4 bris;  
5 “(vii) animal—  
6 “(I) manure; and  
7 “(II) bedding material;  
8 “(viii) any plastic;  
9 “(ix) non-hazardous solvents;  
10 “(x) residue from wet and dry pollu-  
11 tion control systems;  
12 “(xi) automotive shredder residue or  
13 fluff;  
14 “(xii) wood, including railroad ties  
15 and utility poles, that is—  
16 “(I) creosote-treated;  
17 “(II) borate-treated;  
18 “(III) sap-stained; or  
19 “(IV) otherwise treated;  
20 “(xiii) any material derived or proc-  
21 essed from any material described in  
22 clauses (i) through (xii); and  
23 “(xiv) any material derived or proc-  
24 essed from municipal waste.

1 “(B) REGULATORY DEFINITION.—The Ad-  
 2 ministrator shall ensure that all regulations of  
 3 the Administrator define the term ‘solid waste’  
 4 in a manner consistent with subparagraph  
 5 (A).”.

6 **TITLE III—PROTECTING AND EN-**  
 7 **HANCING UNITED STATES**  
 8 **MANUFACTURING**

9 **SEC. 301. CARBON EQUIVALENCY FEE BORDER ADJUST-**  
 10 **MENTS FOR CARBON POLLUTION-INTENSIVE**  
 11 **GOODS.**

12 (a) IN GENERAL.—There is imposed on each person  
 13 importing a carbon pollution-intensive good into the  
 14 United States a fee in an amount that is equal to the cost  
 15 that a producer of a good that is comparable to the carbon  
 16 pollution-intensive good (as determined by the Secretary  
 17 of the Treasury, in consultation with the Administrator,  
 18 the Secretary of State, and the Secretary of Energy) and  
 19 is produced in the United States incurs as a result of—

20 (1) any fee imposed under section 196 of the  
 21 Clean Air Act, as added by section 101 of this Act—

22 (A) paid by the producer of the comparable  
 23 good with respect to a carbon-polluting sub-  
 24 stance used in the production of the comparable  
 25 good; or

1 (B) paid by a person that imported a car-  
 2 bon-polluting substance used in the production  
 3 of the comparable good; and

4 (2) any fee imposed under this subsection paid  
 5 by a person that imported a carbon pollution-inten-  
 6 sive good that was used in the production of the  
 7 comparable good.

8 (b) DETERMINATION OF FEE AMOUNT.—

9 (1) IN GENERAL.—In determining the amount  
 10 of the fee imposed under subsection (a) with respect  
 11 to a carbon pollution-intensive good, the Secretary of  
 12 the Treasury shall—

13 (A) determine the amount of the fee annu-  
 14 ally; and

15 (B) determine different amounts for such  
 16 goods—

17 (i) based on class of good and country  
 18 of origin; and

19 (ii) taking into account the quantity  
 20 of greenhouse gas emissions released dur-  
 21 ing the process of manufacturing such  
 22 goods and transporting such goods from  
 23 the country of origin to the United States.

24 (2) PETITIONS FOR ADJUSTMENT.—The Sec-  
 25 retary of the Treasury shall establish a process for

1 petitioning for adjustment of the fee imposed under  
2 subsection (a).

3 (c) TERMINATION.—The fee imposed under sub-  
4 section (a) shall cease to apply with respect to goods im-  
5 ported from a country at such time as, and to the extent  
6 that—

7 (1)(A) in the case of a country that adopts and  
8 ratifies an international agreement requiring coun-  
9 tries that emit greenhouse gases and produce carbon  
10 pollution-intensive goods for exportation to adopt  
11 substantially equivalent measures, that agreement  
12 takes effect; or

13 (B) in the case of a country that has not adopt-  
14 ed and ratified such an agreement, the country has  
15 implemented substantially equivalent measures, as  
16 determined by the President; and

17 (2) the Secretary of the Treasury determines  
18 that the application of the fee with respect to im-  
19 ports from that country is no longer appropriate.

20 (d) REGULATIONS.—The Secretary of the Treasury,  
21 in consultation with the Administrator, the Secretary of  
22 Commerce, and the Secretary of Energy, shall prescribe  
23 such regulations as are necessary to carry out this section.

24 (e) DEFINITIONS.—In this section, the terms “carbon  
25 pollution-intensive good” and “substantially equivalent

1 measure” have the meanings given those terms in section  
2 194 of the Clean Air Act, as added by section 101 of this  
3 Act.

4 **SEC. 302. CARBON EQUIVALENCY FEE FUND.**

5 (a) ESTABLISHMENT.—There is established in the  
6 Treasury a fund, to be known as the “Carbon Equivalency  
7 Fee Fund” (in this section referred to as the “Fund”).

8 (b) DEPOSITS TO FUND.—In each fiscal year, there  
9 shall be deposited in the Fund amounts collected from fees  
10 imposed under section 301(a).

11 (c) EXPENDITURES.—Amounts deposited in the  
12 Fund shall be available without further appropriation in  
13 a fiscal year, as follows:

14 (1) The lesser of \$150,000,000, or 5 percent of  
15 amounts in the Fund, shall be made available to the  
16 Secretary of Commerce for the Hollings Manufac-  
17 turing Extension Partnership under section 25 of  
18 the National Institute of Standards and Technology  
19 Act (15 U.S.C. 278k).

20 (2) Twenty percent of such amounts shall be  
21 made available to the Secretary of Energy, to be  
22 used, in consultation with the Secretary of Com-  
23 merce, for activities of the Advanced Manufacturing  
24 Office of the Office of Energy Efficiency and Renew-  
25 able Energy.

1           (3) Thirty percent of such amounts shall be  
 2       made available to the Secretary of Energy for the  
 3       State Energy Program, to be used exclusively by en-  
 4       ergy offices of States and territories to promote en-  
 5       ergy efficiency projects at industrial facilities within  
 6       the jurisdiction of such States and territories.

7           (4) Any of such amounts remaining after dis-  
 8       tributions under paragraphs (1), (2), and (3) shall  
 9       be made available to the Secretary of Energy for in-  
 10      dustrial energy efficiency programs authorized under  
 11      part E of the Energy Policy and Conservation Act  
 12      (42 U.S.C. 6341 et seq.) or subtitle D of title IV of  
 13      the Energy Independence and Security Act of 2007  
 14      (Public Law 110–140; 121 Stat. 1623).

15 **TITLE IV—PROTECTING AGRI-**  
 16 **CULTURE AND ENHANCING**  
 17 **FARM OPPORTUNITIES**

18 **SEC. 401. RURAL ENERGY FOR AMERICA PROGRAM.**

19       Section 9007(g) of the Farm Security and Rural In-  
 20      vestment Act of 2002 (7 U.S.C. 8107(g)) is amended—

21           (1) in paragraph (1)—

22               (A) in subparagraph (D), by striking  
 23               “and” at the end;

1 (B) in subparagraph (E), by striking “year  
 2 2014 and each fiscal year thereafter.” and in-  
 3 serting “years 2014 and 2015; and”; and

4 (C) by adding at the end the following:

5 “(F) \$500,000,000 for fiscal year 2016  
 6 and each fiscal year thereafter.”;

7 (2) by redesignating paragraph (3) as para-  
 8 graph (4); and

9 (3) by inserting after paragraph (2) the fol-  
 10 lowing:

11 “(3) BIODIGESTER FUNDING.—Of the funds  
 12 made available for each fiscal year under paragraph  
 13 (1)(F), not less than \$30,000,000 shall be used to  
 14 support the deployment of biodigesters—

15 “(A) as part of a manure management  
 16 strategy to reduce methane emissions; and

17 “(B) in a manner that includes safeguards  
 18 to maintain or improve local air quality.”.

19 **SEC. 402. SOIL QUALITY IMPROVEMENT.**

20 Chapter 2 of subtitle D of title XII of the Food Secu-  
 21 rity Act of 1985 (16 U.S.C. 3838 et seq.) is amended by  
 22 adding at the end the following:

1     **“Subchapter C—Soil Quality Improvement**  
 2                     **Program**

3     **“SEC. 1238H. SOIL QUALITY IMPROVEMENT PROGRAM.**

4             “(a) NO-TILL FARM EQUIPMENT GRANT AND LOAN  
 5 PROGRAM.—

6                     “(1) IN GENERAL.—The Secretary shall estab-  
 7 lish, in the Natural Resources Conservation Service,  
 8 a program to provide grants and loans to agricul-  
 9 tural producers with the goal, not later than Janu-  
 10 ary 1, 2026, of increasing to 50 percent the total  
 11 percent of farmed acres in the United States under  
 12 continuous no-till cultivation.

13                    “(2) GRANTS.—The Secretary shall use not less  
 14 than 20 percent of the funds made available for the  
 15 program established under paragraph (1) to make  
 16 grants.

17                    “(3) PURCHASE OR LEASE OF EQUIPMENT.—  
 18 An agricultural producer may use funds made avail-  
 19 able under this section to finance or otherwise  
 20 incentivize the purchase or lease of equipment nec-  
 21 essary to carry out continuous no-till cultivation, as  
 22 determined by the Secretary.

23                    “(4) EDUCATION AND OUTREACH.—In estab-  
 24 lishing the program under this section, the Secretary

1 shall include an education and outreach program,  
 2 carried out by the Secretary in coordination with—

3 “(A) State and local farm agencies;

4 “(B) institutions of higher education;

5 “(C) the National Institute of Food and  
 6 Agriculture;

7 “(D) the National Association of Conserva-  
 8 tion Districts;

9 “(E) the Soil and Water Conservation So-  
 10 ciety; and

11 “(F) the Agricultural Tri-Societies.

12 “(b) REPORT ON SOIL CARBON UPTAKE.—Not later  
 13 than 1 year after the date of enactment of this subchapter,  
 14 the Secretary shall publish a report that includes—

15 “(1) methodologies and protocols for tracking  
 16 practices (including conservation tillage, continuous  
 17 no-till cultivation, and the use of cover crops) that  
 18 increase the uptake of carbon into soils, including—

19 “(A) the use of satellite-based and other  
 20 remote sensing technologies; and

21 “(B) methods for monitoring net carbon  
 22 transfer rates between soils and the atmos-  
 23 phere, including biogeochemical process models;  
 24 and

25 “(2) an assessment of—

1           “(A) carbon stocks in United States soils  
2           as of the date of the report;

3           “(B) the potential for United States soils  
4           as a reservoir for carbon;

5           “(C) the net mass transfer rate of carbon  
6           between soils and the atmosphere on agricul-  
7           tural land and rangeland, including—

8                   “(i) conservation tillage land;

9                   “(ii) no-till cultivated land; and

10                  “(iii) land on which cover crops are  
11                  used in rotation; and

12           “(D) rangeland management practices that  
13           increase soil carbon sequestration.

14           “(c) ENVIRONMENTAL QUALITY INCENTIVES PRO-  
15   GRAM.—The Chief of the Natural Resources Conservation  
16   Service shall carry out a soil carbon uptake initiative with-  
17   in the environmental quality incentives program estab-  
18   lished under chapter 4 of this subtitle to foster the adop-  
19   tion and sustained use of practices that increase the  
20   amount and the rate of carbon uptake in soils.

21           “(d) FUNDING.—Of the funds of the Commodity  
22   Credit Corporation, the Secretary shall use to carry out  
23   this section \$300,000,000 for fiscal year 2016 and each  
24   fiscal year thereafter, to remain available until ex-  
25   pended.”.

1 **SEC. 403. NITROUS OXIDE EMISSIONS REDUCTIONS.**

2 (a) FINDINGS.—Congress finds that—

3 (1) fertilizer is a significant cost input in many  
4 agricultural operations;

5 (2) opportunities exist for agricultural pro-  
6 ducers—

7 (A) to reduce the amount of fertilizer in-  
8 puts; and

9 (B) to increase the efficiency of fertilizer  
10 use through the development of more effective  
11 fertilizer application protocols that maximize  
12 the uptake of fertilizer by crops while maintain-  
13 ing or increasing yields; and

14 (3) improving the application of nitrogen fer-  
15 tilizers at the correct rate, in the correct manner, at  
16 the correct time, and in the correct place will provide  
17 significant benefits to the environment, including re-  
18 ductions of—

19 (A) nitrogen runoff, which will improve  
20 water quality; and

21 (B) emissions of nitrous oxide, a powerful  
22 greenhouse gas associated with climate change.

23 (b) NITROUS OXIDE EMISSIONS REDUCTIONS.—

24 Chapter 5 of subtitle D of title XII of the Food Security  
25 Act of 1985 (16 U.S.C. 3839bb et seq.) is amended by  
26 adding at the end the following:

1 **“SEC. 1240S. NITROUS OXIDE EMISSIONS REDUCTIONS.**

2 “(a) AGRICULTURAL RESEARCH DATA.—

3 “(1) FEDERALLY FUNDED RESEARCH DATA.—

4 “(A) IN GENERAL.—Not later than 1 year  
5 after the date of enactment of this section, the  
6 Secretary shall make available all relevant data  
7 relating to fertilizer application in a format that  
8 is—

9 “(i) aggregated so as not to divulge  
10 proprietary or confidential business infor-  
11 mation; and

12 “(ii) searchable and accessible to the  
13 public, including, to the maximum extent  
14 possible, all federally funded research data,  
15 including data of—

16 “(I) the Department of Agri-  
17 culture; and

18 “(II) land-grant colleges and uni-  
19 versities (as defined in section 1404 of  
20 the National Agricultural Research,  
21 Extension, and Teaching Policy Act of  
22 1977 (7 U.S.C. 3103)).

23 “(B) EXCEPTIONS.—Subparagraph (A)  
24 shall not apply to the release of data or infor-  
25 mation in a format that may divulge propri-  
26 etary or confidential business information.

1           “(2) NON-FEDERALLY FUNDED RESEARCH  
 2           DATA.—The Secretary shall develop incentives to en-  
 3           courage the sharing of non-federally funded research  
 4           data relating to fertilizer application, including data  
 5           from—

6                   “(A) research funded through a State pro-  
 7                   gram; and

8                   “(B) independent or privately held re-  
 9                   search.

10          “(b) NITROGEN UPTAKE PILOT PROGRAM.—

11               “(1) IN GENERAL.—The Secretary shall estab-  
 12               lish and carry out a 5-year pilot program for the de-  
 13               velopment and optimization of nitrogen fertilizer ap-  
 14               plication rates, timing, location, and formulation  
 15               for—

16                   “(A) corn;

17                   “(B) soybeans;

18                   “(C) wheat;

19                   “(D) barley;

20                   “(E) cotton;

21                   “(F) oats;

22                   “(G) sorghum;

23                   “(H) rice; and

24                   “(I) potatoes.

1           “(2) REQUIREMENTS.—The pilot program de-  
2       scribed in paragraph (1) shall—

3           “(A) consist of projects in a diverse range  
4       of—

5           “(i) geographies;

6           “(ii) soil types;

7           “(iii) drainage conditions;

8           “(iv) tillage practices; and

9           “(v) climatic conditions; and

10          “(B) consider—

11          “(i) the effect of crop rotation;

12          “(ii) the use of cover crops;

13          “(iii) the use of soil amendments; and

14          “(iv) any other factor that the Sec-  
15       retary determines to be appropriate—

16               “(I) to enhance the optimization  
17       of fertilizer application practices that  
18       reduce the generation of nitrous oxide  
19       and leached nitrogen; and

20               “(II) to support high agricultural  
21       yields.

22          “(c) ENVIRONMENTAL QUALITY INCENTIVES PRO-  
23       GRAM.—The Chief of the Natural Resources Conservation  
24       Service shall carry out a nitrous oxide reduction initiative  
25       within the environmental quality incentives program es-

1 tablished under chapter 4 of this subtitle to foster the  
 2 adoption and continued use of fertilizer application proto-  
 3 cols that reduce the production of nitrous oxide associated  
 4 with the use of nitrogen fertilizer.

5 “(d) FUNDING.—Of the funds of the Commodity  
 6 Credit Corporation, the Secretary shall use to carry out  
 7 this section \$150,000,000 for fiscal year 2016 and each  
 8 fiscal year thereafter, to remain available until ex-  
 9 pended.”.

## 10 **TITLE V—WHOLESALE DEMAND** 11 **RESPONSE**

### 12 **SEC. 501. WHOLESALE DEMAND RESPONSE.**

13 (a) DEFINITIONS.—Section 3 of the Federal Power  
 14 Act (16 U.S.C. 796) is amended—

15 (1) in paragraph (17)(C)—

16 (A) by indenting appropriately; and

17 (B) by inserting “(including a demand re-  
 18 sponse energy resource in any State in which a  
 19 State regulatory authority or nonregulated elec-  
 20 tric utility determines not to establish stand-  
 21 ards in accordance with paragraph (20) of sec-  
 22 tion 111(d) of the Public Utility Regulatory  
 23 Policies Act of 1978 (16 U.S.C. 2621(d)))” be-  
 24 fore “that the Commission determines”;

25 (2) in paragraph (18)(B)—

1 (A) by indenting appropriately; and

2 (B) by inserting “(including a demand re-  
 3 sponse energy resource in any State in which a  
 4 State regulatory authority or nonregulated elec-  
 5 tric utility determines not to establish stand-  
 6 ards in accordance with paragraph (20) of sec-  
 7 tion 111(d) of the Public Utility Regulatory  
 8 Policies Act of 1978 (16 U.S.C. 2621(d))” be-  
 9 fore “that the Commission determines”; and  
 10 (3) by adding at the end the following:

11 “(30) AGGREGATOR.—The term ‘aggregator’  
 12 means a wholesale buyer or broker of electric utility  
 13 service who packages the electric utility service for  
 14 sale to a local distribution utility.

15 “(31) DEMAND RESPONSE ENERGY RE-  
 16 SOURCE.—The term ‘demand response energy re-  
 17 source’ means a resource bid into an organized  
 18 wholesale market or sold to an electricity utility  
 19 service provider that includes—

20 “(A) a direct load control program that  
 21 provides the ability for power companies to  
 22 cycle air conditioners and water heaters on and  
 23 off during periods of peak demand in exchange  
 24 for a financial incentive and lower electric bills;  
 25 or

1 “(B) time-of-use pricing that—

2 “(i) may account for locational ben-  
3 efit;

4 “(ii) is provided on an unbundled  
5 basis after—

6 “(I) accounting for the 2-way  
7 valuation of time-of-use rates; and

8 “(II) progressing to real-time  
9 pricing; and

10 “(iii) is provided for—

11 “(I) energy sold to an electric  
12 utility;

13 “(II) energy purchased from an  
14 electric utility;

15 “(III) capacity;

16 “(IV) energy conservation;

17 “(V) demand-side management  
18 or demand response;

19 “(VI) peak monthly demand; or

20 “(VII) the provision of ancillary  
21 services.

22 “(32) ELECTRIC UTILITY SERVICE.—The term  
23 ‘electric utility service’ means the safe and reliable  
24 provision of end-use electricity.

1           “(33) ORGANIZED MARKET.—The term ‘orga-  
 2           nized market’ means an auction-based day-ahead  
 3           and real-time wholesale market—

4                   “(A) in which a single entity may—

5                           “(i) receive 1 or more offers to sell, or  
 6                           bids to buy, electric energy or ancillary  
 7                           services from 1 or more sellers, or buyers,  
 8                           respectively; and

9                           “(ii) determine which sales and pur-  
 10                           chases are completed, and at what prices,  
 11                           based on formal rules contained in tariffs  
 12                           approved by the Commission; and

13                   “(B) the prices of which are used by trans-  
 14                   mission organizations for establishing trans-  
 15                   mission usage charges set by the Federal En-  
 16                   ergy Regulatory Commission.”.

17           (b) REQUIREMENT.—Part I of the Federal Power Act  
 18           (16 U.S.C. 792 et seq.) is amended by adding at the end  
 19           the following:

20   **“SEC. 34. WHOLESALE DEMAND RESPONSE.**

21           “The Commission shall require that sellers and  
 22           aggregators of demand response energy resources be per-  
 23           mitted to participate in any organized market on terms  
 24           that are—

1 “(1) comparable to terms applicable to sellers  
2 of electric capacity or energy; and

3 “(2) just, reasonable, and not unduly discrimi-  
4 natory.”.

5 **SEC. 502. GENERAL RIGHT TO NEUTRALITY OF INTER-**  
6 **CONNECTION.**

7 (a) IN GENERAL.—The Public Utility Regulatory  
8 Policies Act of 1978 is amended by inserting after section  
9 4 (16 U.S.C. 2603) the following:

10 **“SEC. 5. GENERAL RIGHT TO NEUTRALITY OF INTER-**  
11 **CONNECTION.**

12 “(a) IN GENERAL.—Demand response energy re-  
13 sources (as defined in section 3 of the Federal Power Act  
14 (16 U.S.C. 796)) shall have a general right of interconnec-  
15 tion under this Act on terms comparable to the terms  
16 available to a seller of electric capacity or energy.

17 “(b) RATE AND FEES.—All rates and fees for inter-  
18 connection of demand response energy resources under  
19 this Act, regardless of whether the demand response en-  
20 ergy resource is a qualifying facility—

21 “(1) shall be just and reasonable;

22 “(2) shall provide for the 2-way benefit, as re-  
23 quired by the Federal Energy Regulatory Commis-  
24 sion, for the demand response energy resource and  
25 the electricity grid;

1           “(3) shall not exceed the actual cost of service,  
2           including reasonable return on investment; and

3           “(4) shall not be punitive.

4           “(c) TIMEFRAMES.—Timeframes for interconnection  
5 of demand response energy resources under this Act, re-  
6 gardless of whether the demand response energy resource  
7 is a qualifying facility, shall be well-defined, expeditious,  
8 not unduly protracted, and comparable to the timeframes  
9 available to a seller of electric capacity or energy.”.

10          (b) IMPROVED INTERCONNECTION STANDARDS FOR  
11 DEMAND RESPONSE ENERGY RESOURCES.—Section  
12 111(d) of the Public Utility Regulatory Policies Act of  
13 1978 (16 U.S.C. 2621(d)) is amended by adding at the  
14 end the following:

15           “(20) DEMAND RESPONSE ENERGY RE-  
16 SOURCES.—Each State regulatory authority or non-  
17 regulated electric utility shall consider requiring that  
18 demand response energy resources (as defined in  
19 section 3 of the Federal Power Act (16 U.S.C. 796))  
20 be eligible to receive just and reasonable energy and  
21 rate treatment for—

22           “(A) the societal value of demand response  
23 energy resources; and

24           “(B) any other benefits of demand re-  
25 sponse energy resources that the State regu-

1           latory authority or nonregulated electric utility  
2           considers to be appropriate.

3           “(21) IMPROVED INTERCONNECTIONS STAND-  
4           ARDS FOR DEMAND RESPONSE ENERGY RE-  
5           SOURCES.—Each State regulatory authority or non-  
6           regulated electric utility, acting under State author-  
7           ity in a State that has determined not to establish  
8           standards under paragraph (20), shall consider—

9                   “(A) removing discriminatory rate barriers  
10           for demand response energy resources by set-  
11           ting rates that exceed the incremental cost of  
12           alternative electric energy for purchases from  
13           any demand response energy resource (as de-  
14           fined in section 3 of the Federal Power Act (16  
15           U.S.C. 796)) that is, under this Act, a quali-  
16           fying facility interconnected with—

17                   “(i) the rates to be established at the  
18           full retail rate; and

19                   “(ii) fixed monthly charges for resi-  
20           dential electricity bills to be established at  
21           a charge of not more than 10 dollars per  
22           month, with optional reevaluations by the  
23           State authority of the amount of charge to  
24           be considered on a periodic basis;

1           “(B) making any demand response energy  
2           resource project exempt from filing require-  
3           ments with the Commission;

4           “(C) ensuring that any requirements con-  
5           sidered under this paragraph would not affect  
6           the purchase obligation under section 210 for  
7           demand response energy resource facilities; and

8           “(D) requiring that all rates and fees for  
9           interconnection of demand response facilities—

10                  “(i) shall be just and reasonable;

11                  “(ii) shall provide for the benefit of  
12                  the demand response energy resource to  
13                  the electricity grid and benefit of the elec-  
14                  tricity grid to the demand response energy  
15                  resource; and

16                  “(iii) shall not exceed the actual cost  
17                  of service.”.

○