

(C) promoting downstream sediment transport processes and habitat maintenance; and
 (D) improving recreational access to the project vicinity, including roads, trails, boat ingress and egress, flows to improve recreation, and infrastructure that improves river recreation opportunity.

(c) Limitations

(1) Costs

Incentive payments under this section shall not exceed 30 percent of the costs of the applicable capital improvement.

(2) Maximum amount

Not more than 1 incentive payment may be made under this section with respect to capital improvements at a single qualified hydroelectric facility in any 1 fiscal year, the amount of which shall not exceed \$5,000,000.

(d) Authorization of appropriations

There is authorized to be appropriated to the Secretary to carry out this section \$553,600,000 for fiscal year 2022, to remain available until expended.

(Pub. L. 109-58, title II, §247, as added Pub. L. 117-58, div. D, title III, §40333(a), Nov. 15, 2021, 135 Stat. 1023.)

Editorial Notes

REFERENCES IN TEXT

The Federal Power Act, referred to in subsec. (a)(1)(B), is act June 10, 1920, ch. 285, 41 Stat. 1063, which is classified generally to chapter 12 (§791a et seq.) of Title 16, Conservation. For complete classification of this Act to the Code, see section 791a of Title 16 and Tables.

Statutory Notes and Related Subsidiaries

WAGE RATE REQUIREMENTS

For provisions relating to rates of wages to be paid to laborers and mechanics on projects for construction, alteration, or repair work funded under div. D or an amendment by div. D of Pub. L. 117-58, including authority of Secretary of Labor, see section 18851 of this title.

PART D—INSULAR ENERGY

§ 15891. Projects enhancing insular energy independence

(a) Project feasibility studies

(1) In general

On a request described in paragraph (2), the Secretary shall conduct a feasibility study of a project to implement a strategy or project identified in the plans submitted to Congress pursuant to section 1492 of title 48 as having the potential to—

(A) significantly reduce the dependence of an insular area on imported fossil fuels; or

(B) provide needed distributed generation to an insular area.

(2) Request

The Secretary shall conduct a feasibility study under paragraph (1) on—

(A) the request of an electric utility located in an insular area that commits to

fund at least 10 percent of the cost of the study; and

(B) if the electric utility is located in the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau, written support for that request by the President or the Ambassador of the affected freely associated state.

(3) Consultation

The Secretary shall consult with regional utility organizations in—

(A) conducting feasibility studies under paragraph (1); and

(B) determining the feasibility of potential projects.

(4) Feasibility

For the purpose of a feasibility study under paragraph (1), a project shall be determined to be feasible if the project would significantly reduce the dependence of an insular area on imported fossil fuels, or provide needed distributed generation to an insular area, at a reasonable cost.

(b) Implementation

(1) In general

On a determination by the Secretary (in consultation with the Secretary of the Interior) that a project is feasible under subsection (a) and a commitment by an electric utility to operate and maintain the project, the Secretary may provide such technical and financial assistance as the Secretary determines is appropriate for the implementation of the project.

(2) Regional utility organizations

In providing assistance under paragraph (1), the Secretary shall consider providing the assistance through regional utility organizations.

(c) Authorization of appropriations

(1) In general

There are authorized to be appropriated to the Secretary—

(A) \$500,000 for each fiscal year for project feasibility studies under subsection (a); and

(B) \$4,000,000 for each fiscal year for project implementation under subsection (b).

(2) Limitation of funds received by insular areas

No insular area may receive, during any 3-year period, more than 20 percent of the total funds made available during that 3-year period under subparagraphs (A) and (B) of paragraph (1) unless the Secretary determines that providing funding in excess of that percentage best advances existing opportunities to meet the objectives of this section.

(Pub. L. 109-58, title II, §252, Aug. 8, 2005, 119 Stat. 682.)

SUBCHAPTER III—OIL AND GAS

PART A—PRODUCTION INCENTIVES

§ 15901. Definition of Secretary

In this part, the term “Secretary” means the Secretary of the Interior.

(Pub. L. 109–58, title III, §341, Aug. 8, 2005, 119 Stat. 697.)

Editorial Notes

REFERENCES IN TEXT

This part, referred to in text, was in the original “this subtitle”, meaning subtitle E (§§341–357) of title III of Pub. L. 109–58, Aug. 8, 2005, 119 Stat. 697, which enacted this part, amended sections 6504, 6506a, 6507, and 6508 of this title, sections 184 and 226 of Title 30, Mineral Lands and Mining, and section 1337 of Title 43, Public Lands, and enacted provisions set out as a note under section 226 of Title 30. For complete classification of subtitle E to the Code, see Tables.

§ 15902. Program on oil and gas royalties in-kind

(a) Applicability of section

Notwithstanding any other provision of law, this section applies to all royalty in-kind accepted by the Secretary on or after August 8, 2005, under any Federal oil or gas lease or permit under—

- (1) section 192 of title 30;
- (2) section 1353 of title 43; or
- (3) any other Federal law governing leasing of Federal land for oil and gas development.

(b) Terms and conditions

All royalty accruing to the United States shall, on the demand of the Secretary, be paid in-kind. If the Secretary makes such a demand, the following provisions apply to the payment:

(1) Satisfaction of royalty obligation

Delivery by, or on behalf of, the lessee of the royalty amount and quality due under the lease satisfies royalty obligation of the lessee for the amount delivered, except that transportation and processing reimbursements paid to, or deductions claimed by, the lessee shall be subject to review and audit.

(2) Marketable condition

(A) Definition of marketable condition

In this paragraph, the term “in marketable condition” means sufficiently free from impurities and otherwise in a condition that the royalty production will be accepted by a purchaser under a sales contract typical of the field or area in which the royalty production was produced.

(B) Requirement

Royalty production shall be placed in marketable condition by the lessee at no cost to the United States.

(3) Disposition by the Secretary

The Secretary may—

(A) sell or otherwise dispose of any royalty production taken in-kind (other than oil or gas transferred under section 1353(a)(3) of title 43¹ for not less than the market price; and

(B) transport or process (or both) any royalty production taken in-kind.

(4) Retention by the Secretary

The Secretary may, notwithstanding section 3302 of title 31, retain and use a portion of the

revenues from the sale of oil and gas taken in-kind that otherwise would be deposited to miscellaneous receipts, without regard to fiscal year limitation, or may use oil or gas received as royalty taken in-kind (referred to in this paragraph as “royalty production”) to pay the cost of—

- (A) transporting the royalty production;
- (B) processing the royalty production;
- (C) disposing of the royalty production; or
- (D) any combination of transporting, processing, and disposing of the royalty production.

(5) Limitation

(A) In general

Except as provided in subparagraph (B), the Secretary may not use revenues from the sale of oil and gas taken in-kind to pay for personnel, travel, or other administrative costs of the Federal Government.

(B) Exception

Notwithstanding subparagraph (A), the Secretary may use a portion of the revenues from royalty in-kind sales, without fiscal year limitation, to pay salaries and other administrative costs directly related to the royalty in-kind program.

(c) Reimbursement of cost

If the lessee, pursuant to an agreement with the United States or as provided in the lease, processes the royalty gas or delivers the royalty oil or gas at a point not on or adjacent to the lease area, the Secretary shall—

- (1) reimburse the lessee for the reasonable costs of transportation (not including gathering) from the lease to the point of delivery or for processing costs; or
- (2) allow the lessee to deduct the transportation or processing costs in reporting and paying royalties in-value for other Federal oil and gas leases.

(d) Benefit to the United States required

The Secretary may receive oil or gas royalties in-kind only if the Secretary determines that receiving royalties in-kind provides benefits to the United States that are greater than or equal to the benefits that are likely to have been received had royalties been taken in-value.

(e) Deduction of expenses

(1) In general

Before making payments under section 191 of title 30 or section 1337(g) of title 43 of revenues derived from the sale of royalty production taken in-kind from a lease, the Secretary shall deduct amounts paid or deducted under subsections (b)(4) and (c) and deposit the amount of the deductions in the miscellaneous receipts of the Treasury.

(2) Accounting for deductions

When the Secretary allows the lessee to deduct transportation or processing costs under subsection (c), the Secretary may not reduce any payments to recipients of revenues derived from any other Federal oil and gas lease as a consequence of that deduction.

(f) Consultation with States

The Secretary—

¹So in original. Probably should be followed by a closing parenthesis.