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Revised**AMENDMENT TO H.R. 3221****OFFERED BY MR. UDALL OF NEW MEXICO**

In title IX, after subtitle F, insert the following new subtitle and make the necessary conforming changes in the table of contents:

1 **Subtitle G—Federal Renewable**
2 **Portfolio Standard**

3 **SEC. 9600. FEDERAL RENEWABLE PORTFOLIO STANDARD.**

4 (a) IN GENERAL.—Title VI of the Public Utility Reg-
5 ulatory Policies Act of 1978 is amended by adding at the
6 end the following:

7 **“SEC. 610. FEDERAL RENEWABLE PORTFOLIO STANDARD.**

8 “(a) DEFINITIONS.—For purposes of this section:

9 “(1) BIOMASS.—

10 “(A) IN GENERAL.—The term ‘biomass’
11 means—

12 “(i) cellulosic (plant fiber) organic
13 materials from a plant that is planted for
14 the purpose of being used to produce en-
15 ergy; or

16 “(ii) nonhazardous, plant or algal
17 matter that is derived from any of the fol-
18 lowing:

1 “(I) An agricultural crop, crop
2 byproduct or residue resource.

3 “(II) Waste such as landscape or
4 right-of-way trimmings (but not in-
5 cluding municipal solid waste, recycla-
6 ble postconsumer waste paper, paint-
7 ed, treated, or pressurized wood, wood
8 contaminated with plastic or metals).

9 “(III) Gasified animal waste.

10 “(IV) Landfill methane.

11 “(B) NATIONAL FOREST LANDS AND CER-
12 TAIN OTHER PUBLIC LANDS.—With respect to
13 organic material removed from National Forest
14 System lands or from public lands administered
15 by the Secretary of the Interior, the term ‘bio-
16 mass’ covers only organic material from (i) eco-
17 logical forest restoration; (ii) pre-commercial
18 thinnings; (iii) brush; (iv) mill residues; and (v)
19 slash.

20 “(C) EXCLUSION OF CERTAIN FEDERAL
21 LANDS.—Notwithstanding subparagraph (B),
22 material or matter that would otherwise qualify
23 as biomass are not included in the term bio-
24 mass if they are located on the following Fed-
25 eral lands:

1 “(i) Federal land containing old
2 growth forest or late successional forest
3 unless the Secretary of the Interior or the
4 Secretary of Agriculture determines that
5 the removal of organic material from such
6 land is appropriate for the applicable forest
7 type and maximizes the retention of late-
8 successional and large and old growth
9 trees, late-successional and old growth for-
10 est structure, and late-successional and old
11 growth forest composition.

12 “(ii) Federal land on which the re-
13 moval of vegetation is prohibited, including
14 components of the National Wilderness
15 Preservation System.

16 “(iii) Wilderness Study Areas.

17 “(iv) Inventoried roadless areas.

18 “(v) Components of the National
19 Landscape Conservation System.

20 “(vi) National Monuments.

21 “(2) ELIGIBLE FACILITY.—The term ‘eligible
22 facility’ means—

23 “(A) a facility for the generation of electric
24 energy from a renewable energy resource that is

1 placed in service on or after January 1, 2001;

2 or

3 “(B) a repowering or cofiring increment.

4 “(3) EXISTING FACILITY.—The term ‘existing
5 facility’ means a facility for the generation of elec-
6 tric energy from a renewable energy resource that is
7 not an eligible facility.

8 “(4) INCREMENTAL HYDROPOWER.—The term
9 ‘incremental hydropower’ means additional genera-
10 tion that is achieved from increased efficiency or ad-
11 ditions of capacity made on or after January 1,
12 2001, or the effective date of an existing applicable
13 State renewable portfolio standard program at a hy-
14 droelectric facility that was placed in service before
15 that date.

16 “(5) INDIAN LAND.—The term ‘Indian land’
17 means—

18 “(A) any land within the limits of any In-
19 dian reservation, pueblo, or rancheria;

20 “(B) any land not within the limits of any
21 Indian reservation, pueblo, or rancheria title to
22 which was on the date of enactment of this
23 paragraph either held by the United States for
24 the benefit of any Indian tribe or individual or
25 held by any Indian tribe or individual subject to

1 restriction by the United States against alien-
2 ation;

3 “(C) any dependent Indian community; or

4 “(D) any land conveyed to any Alaska Na-
5 tive corporation under the Alaska Native
6 Claims Settlement Act.

7 “(6) INDIAN TRIBE.—The term ‘Indian tribe’
8 means any Indian tribe, band, nation, or other orga-
9 nized group or community, including any Alaskan
10 Native village or regional or village corporation as
11 defined in or established pursuant to the Alaska Na-
12 tive Claims Settlement Act (43 U.S.C. 1601 et seq.),
13 which is recognized as eligible for the special pro-
14 grams and services provided by the United States to
15 Indians because of their status as Indians.

16 “(7) RENEWABLE ENERGY.—The term ‘renew-
17 able energy’ means electric energy generated by a re-
18 newable energy resource.

19 “(8) RENEWABLE ENERGY RESOURCE.—The
20 term ‘renewable energy resource’ means solar (in-
21 cluding solar water heating), wind, ocean, tidal, geo-
22 thermal energy, biomass, landfill gas, or incremental
23 hydropower.

1 “(9) REPOWERING OR COFIRING INCREMENT.—

2 The term ‘repowering or cofiring increment’
3 means—

4 “(A) the additional generation from a
5 modification that is placed in service on or after
6 January 1, 2001, to expand electricity produc-
7 tion at a facility used to generate electric en-
8 ergy from a renewable energy resource or to
9 cofire biomass that was placed in service before
10 the date of enactment of this section; or

11 “(B) the additional generation above the
12 average generation in the 3 years preceding the
13 date of enactment of this section at a facility
14 used to generate electric energy from a renew-
15 able energy resource or to cofire biomass that
16 was placed in service before the date of enact-
17 ment of this section.

18 “(10) RETAIL ELECTRIC SUPPLIER.—The term
19 ‘retail electric supplier’ means a person that sells
20 electric energy to electric consumers (other than con-
21 sumers in Hawaii) that sold not less than 1,000,000
22 megawatt-hours of electric energy to electric con-
23 sumers for purposes other than resale during the
24 preceding calendar year; except that such term does
25 not include the United States, a State or any polit-

1 ical subdivision of a State, or any agency, authority,
2 or instrumentality of any one or more of the fore-
3 going, or a rural electric cooperative.

4 “(11) RETAIL ELECTRIC SUPPLIER’S BASE
5 AMOUNT.—The term ‘retail electric supplier’s base
6 amount’ means the total amount of electric energy
7 sold by the retail electric supplier, expressed in
8 terms of kilowatt hours, to electric customers for
9 purposes other than resale during the most recent
10 calendar year for which information is available, ex-
11 cluding —

12 “(A) electric energy that is not incremental
13 hydropower generated by a hydroelectric facil-
14 ity; and

15 “(B) electricity generated through the in-
16 cineration of municipal solid waste.

17 “(b) COMPLIANCE.—For each calendar year begin-
18 ning in calendar year 2010, each retail electric supplier
19 shall meet the requirements of subsection (c) by submit-
20 ting to the Secretary, not later than April 1 of the fol-
21 lowing calendar year, one or more of the following:

22 “(1) Federal renewable energy credits issued
23 under subsection (e).

24 “(2) Federal energy efficiency credits issued
25 under subsection (i), except that Federal energy effi-

1 ciency credits may not be used to meet more than
 2 ~~20~~ percent of the requirements of subsection (c) in
 3 ²⁷ any calendar year.

4 “(3) Certification of the renewable energy gen-
 5 erated and electricity savings pursuant to the funds
 6 associated with State compliance payments as speci-
 7 fied in subsection (e)(3)(G).

8 “(4) Alternative compliance payments pursuant
 9 to subsection (j).

10 “(c) **REQUIRED ANNUAL PERCENTAGE.**—For cal-
 11 endar years 2010 through 2039, the required annual per-
 12 centage of the retail electric supplier’s base amount that
 13 shall be generated from renewable energy resources, or
 14 otherwise credited towards such percentage requirement
 15 pursuant to subsection (d), shall be the percentage speci-
 16 fied in the following table:

“Calendar Years	Required annual percentage
2010	1.75 ^{2.75}
2011	2.75 ^{2.75}
2012	3.75
2013	4.5
2014	5.5
2015	6.5
2016	7.5
2017	8.25
2018	10.25
2019	12.25
2020 and thereafter through 2039	15

17 “(d) **RENEWABLE ENERGY AND ENERGY EFFI-**
 18 **CIENCY CREDITS.**—(1) A retail electric supplier may sat-

1 isfy the requirements of subsection (b)(1) through the sub-
2 mission of Federal renewable energy credits—

3 “(A) issued to the retail electric supplier under
4 subsection (e);

5 “(B) obtained by purchase or exchange under
6 subsection (f) or (g); or

7 “(C) borrowed under subsection (h).

8 “(2) A retail electric supplier may satisfy the require-
9 ments of subsection (b)(2) through the submission of Fed-
10 eral energy efficiency credits issued to the retail electric
11 supplier obtained by purchase or exchange pursuant to
12 subsection (i).”

13 “(3) A Federal renewable energy credit may be
14 counted toward compliance with subsection (b)(1) only
15 once. A Federal energy efficiency credit may be counted
16 toward compliance with subsection (b)(2) only once.

17 “(e) ISSUANCE OF CREDITS.—(1) The Secretary
18 shall establish by rule, not later than 1 year after the date
19 of enactment of this section, a program to verify and issue
20 Federal renewable energy credits to generators of renew-
21 able energy, track their sale, exchange and retirement and
22 to enforce the requirements of this section. To the extent
23 possible, in establishing such program, the Secretary shall
24 rely upon existing and emerging State or regional tracking

1 systems that issue and track non-Federal renewable en-
2 ergy credits.

3 “(2) An entity that generates electric energy through
4 the use of a renewable energy resource may apply to the
5 Secretary for the issuance of renewable energy credits.
6 The applicant must demonstrate that the electric energy
7 will be transmitted onto the grid or, in the case of a gen-
8 eration offset, that the electric energy offset would have
9 otherwise been consumed on site. The application shall in-
10 dicate—

11 “(A) the type of renewable energy resource used
12 to produce the electricity;

13 “(B) the location where the electric energy was
14 produced; and

15 “(C) any other information the Secretary deter-
16 mines appropriate.

17 “(3)(A) Except as provided in subparagraphs (B),
18 (C), and (D), the Secretary shall issue to a generator of
19 electric energy one Federal renewable energy credit for
20 each kilowatt hour of electric energy generated by the use
21 of a renewable energy resource at an eligible facility.

22 “(B) For purpose of compliance with this section,
23 Federal renewable energy credits for incremental hydro-
24 power shall be based, on the increase in average annual
25 generation resulting from the efficiency improvements or

1 capacity additions. The incremental generation shall be
2 calculated using the same water flow information used to
3 determine a historic average annual generation baseline
4 for the hydroelectric facility and certified by the Secretary
5 or the Federal Energy Regulatory Commission. The cal-
6 culation of the Federal renewable energy credits for incre-
7 mental hydropower shall not be based on any operational
8 changes at the hydroelectric facility not directly associated
9 with the efficiency improvements or capacity additions.

10 “(C) The Secretary shall issue 2 renewable energy
11 credits for each kilowatt hour of electric energy generated
12 and supplied to the grid in that calendar year through the
13 use of a renewable energy resource at an eligible facility
14 located on Indian land. For purposes of this paragraph,
15 renewable energy generated by biomass cofired with other
16 fuels is eligible for two credits only if the biomass was
17 grown on such land.

18 “(D) For electric energy generated by a renewable
19 energy resource at an on-site eligible facility and used to
20 offset part or all of the customer’s requirements for elec-
21 tric energy, the Secretary shall issue 3 renewable energy
22 credits to such customer for each kilowatt hour generated.

23 “(E) If both a renewable energy resource and a non-
24 renewable energy resource are used to generate the electric
25 energy, the Secretary shall issue the Federal renewable en-

1 ergy credits based on the proportion of the renewable en-
2 ergy resources used.

3 “(F) When a generator has sold electric energy gen-
4 erated through the use of a renewable energy resource to
5 a retail electric supplier under a contract for power from
6 an existing facility, and the contract has not determined
7 ownership of the Federal renewable energy credits associ-
8 ated with such generation, the Secretary shall issue such
9 Federal renewable energy credits to the retail electric sup-
10 plier for the duration of the contract.

11 “(G) Payments made by a retail electricity supplier,
12 directly or indirectly, to a State for compliance with a
13 State renewable portfolio standard program, or for an al-
14 ternative compliance mechanism, shall be valued for the
15 purpose of subsection (b)(2) based on the amount of elec-
16 tric energy generation from renewable resources and elec-
17 tricity savings that results from those payments.

18 “(f) EXISTING FACILITIES.—The Secretary shall en-
19 sure that a retail electric supplier that acquires Federal
20 renewable energy credits associated with the generation of
21 renewable energy from an existing facility may use such
22 credits for purpose of its compliance with subsection
23 (b)(1). Such credits may not be sold or traded for the pur-
24 pose of compliance by another retail electric supplier.

1 “(g) RENEWABLE ENERGY CREDIT TRADING.—A
2 Federal renewable energy credit, may be sold, transferred
3 or exchanged by the entity to whom issued or by any other
4 entity who acquires the Federal renewable energy credit,
5 except for those renewable energy credits from existing fa-
6 cilities. A Federal renewable energy credit for any year
7 that is not submitted to satisfy the minimum renewable
8 generation requirement of subsection (c) for that year may
9 be carried forward for use pursuant to subsection (b)(1)
10 within the next 3 years.

11 “(h) RENEWABLE ENERGY CREDIT BORROWING.—
12 At any time before the end of calendar year 2012, a retail
13 electric supplier that has reason to believe it will not be
14 able to fully comply with subsection (b) may—

15 “(1) submit a plan to the Secretary dem-
16 onstrating that the retail electric supplier will earn
17 sufficient Federal renewable energy credits within
18 the next 3 calendar years which, when taken into ac-
19 count, will enable the retail electric supplier to meet
20 the requirements of subsection (b) for calendar year
21 2012 and the subsequent calendar years involved;
22 and

23 “(2) upon the approval of the plan by the Sec-
24 retary, apply Federal renewable energy credits that
25 the plan demonstrates will be earned within the next

1 3 calendar years to meet the requirements of sub-
2 section (b) for each calendar year involved.

3 The retail electric supplier must repay all of the borrowed
4 Federal renewable energy credits by submitting an equiva-
5 lent number of Federal renewable energy credits, in addi-
6 tion to those otherwise required under subsection (b), by
7 calendar year 2020 or any earlier deadlines specified in
8 the approved plan. Failure to repay the borrowed Federal
9 renewable energy credits shall subject the retail electric
10 supplier to civil penalties under subsection (i) for violation
11 of the requirements of subsection (b) for each calendar
12 year involved.

13 “(i) ENERGY EFFICIENCY CREDITS.—

14 “(1) DEFINITIONS.—In this subsection—

15 “(A) CUSTOMER FACILITY SAVINGS.—The
16 term ‘customer facility savings’ means a reduc-
17 tion in end-use electricity at a facility of an
18 end-use consumer of electricity served by a re-
19 tail electric supplier, as compared to—

20 “(i) consumption at the facility during
21 a base year;

22 “(ii) in the case of new equipment (re-
23 gardless of whether the new equipment re-
24 places existing equipment at the end of the
25 useful life of the existing equipment), con-

1 sumption by the new equipment of average
2 efficiency; or

3 “(iii) in the case of a new facility,
4 consumption at a reference facility.

5 “(B) ELECTRICITY SAVINGS.—The term
6 ‘electricity savings’ means——

7 “(i) customer facility savings of elec-
8 tricity consumption adjusted to reflect any
9 associated increase in fuel consumption at
10 the facility;

11 “(ii) reductions in distribution system
12 losses of electricity achieved by a retail
13 electricity distributor, as compared to
14 losses attributable to new or replacement
15 distribution system equipment of average
16 efficiency (as defined by the Secretary by
17 regulation);

18 “(iii) the output of new combined heat
19 and power systems, to the extent provided
20 under paragraph (5); and

21 “(iv) recycled energy savings.

22 “(C) QUALIFYING ELECTRICITY SAVINGS.—
23 The term ‘qualifying electricity savings’ means
24 electricity saving that meet the measurement
25 and verification requirements of paragraph (4).

1 “(D) RECYCLED ENERGY SAVINGS.—The
2 term ‘recycled energy savings’ means a reduc-
3 tion in electricity consumption that is attrib-
4 utable to electrical or mechanical power, or
5 both, produced by modifying an industrial or
6 commercial system that was in operation before
7 July 1, 2007, in order to recapture energy that
8 would otherwise be wasted.

9 “(2) PETITION.—The Governor of a State may
10 petition the Secretary to allow up to 25 percent of
11 the requirements of a retail electric supplier under
12 subsection (c) in the State to be met by submitting
13 Federal energy efficiency credits issued pursuant to
14 this subsection.

15 “(3) ISSUANCE OF CREDITS.—

16 “(A) The Secretary shall issue energy effi-
17 ciency credits in States described in paragraph
18 (2) in accordance with this subsection.

19 “(B) In accordance with regulations pro-
20 mulgated by the Secretary, the Secretary shall
21 issue credits for——

22 “(i) qualified electricity savings
23 achieved by a retail electric supplier in a
24 calendar year; and

1 “(ii) qualified electricity savings
2 achieved by other entities (including State
3 agencies) if —

4 “(I) the measures used to achieve
5 the qualifying electricity savings were
6 installed or place in operation by the
7 entity seeking the credit or the des-
8 ignated agent of the entity; and

9 “(II) no retail electric supplier
10 paid a substantial portion of the cost
11 of achieving the qualified electricity
12 savings (unless the utility has waived
13 any entitlement to the credit).

14 “(4) MEASUREMENT AND VERIFICATION
15 OF ELECTRICITY SAVINGS.—Not later than June 30,
16 2009, the Secretary shall promulgate regulations re-
17 garding the measurement and verification of elec-
18 tricity savings under this subsection, including regu-
19 lations covering—

20 “(A) procedures and standards for defining
21 and measuring electricity savings that will be
22 eligible to receive credits under paragraph (3),
23 which shall—

1 “(i) specify the types of energy effi-
2 ciency and energy conservation that will be
3 eligible for the credits;

4 “(ii) require that energy consumption
5 for customer facilities or portions of facili-
6 ties in the applicable base and current
7 years be adjusted, as appropriate, to ac-
8 count for changes in weather, level of pro-
9 duction, and building area;

10 “(iii) account for the useful life of
11 electricity savings measures;

12 “(iv) include specified electricity sav-
13 ings values for specific, commonly-used ef-
14 ficiency measures;

15 “(v) specify the extent to which elec-
16 tricity savings attributable to measures
17 carried out before the date of enactment of
18 this section are eligible to receive credits
19 under this subsection; and

20 “(vi) exclude electricity savings that
21 (I) are not properly attributable to meas-
22 ures carried out by the entity seeking the
23 credit; or (II) have already been credited
24 under this section to another entity;

1 “(B) procedures and standards for third-
2 party verification of reported electricity savings;
3 and

4 “(C) such requirements for information,
5 reports, and access to facilities as may be nec-
6 essary to carry out this subsection.

7 “(5) COMBINED HEAT AND POWER.—Under
8 regulations promulgated by the Secretary, the incre-
9 ment of electricity output of a new combined heat
10 and power system that is attributable to the higher
11 efficiency of the combined system (as compared to
12 the efficiency of separate production of the electric
13 and thermal outputs), shall be considered electricity
14 savings under this subsection.

15 “(6) STATE DELEGATION.—On application of
16 the Governor of a State, the Secretary may delegate
17 to the State the administration of this subsection in
18 the State if the Secretary determines that the State
19 is willing and able to carry out the functions de-
20 scribed in this subsection.”

21 “(j) ENFORCEMENT.—A retail electric supplier that
22 does not comply with subsection (b) shall be liable for the
23 payment of a civil penalty. That penalty shall be calculated
24 on the basis of the number of kilowatt-hours represented
25 by the retail electric supplier’s failure to comply with sub-

1 section (b), multiplied by the lesser of 4.5 cents (adjusted
2 for inflation for such calendar year, based on the Gross
3 Domestic Product Implicit Price Deflator) or 300 percent
4 of the average market value of Federal renewable energy
5 credits and energy efficiency credits for the compliance pe-
6 riod. Any such penalty shall be due and payable without
7 demand to the Secretary as provided in the regulations
8 issued under subsection (e).

9 “(k) ALTERNATIVE COMPLIANCE PAYMENTS.—The
10 Secretary shall accept payment equal to 200 percent of
11 the average market value of Federal renewable energy
12 credits and Federal energy efficiency credits for the appli-
13 cable compliance period or 3.0 cents per kilowatt hour ad-
14 justed on January 1 of each year following calendar year
15 2006 based on the Gross Domestic Product Implicit Price
16 Deflator, as a means of compliance under subsection
17 (b)(4).

18 “(l) INFORMATION COLLECTION.—The Secretary
19 may collect the information necessary to verify and
20 audit—

21 “(1) the annual renewable energy generation of
22 any retail electric supplier, Federal renewable energy
23 credits submitted by a retail electric supplier pursu-
24 ant to subsection (b)(1) and Federal energy effi-
25 ciency credits;

1 “(2) annual electricity savings achieved pursu-
2 ant to subsection (i);

3 “(3) the validity of Federal renewable energy
4 credits submitted for compliance by a retail electric
5 supplier to the Secretary; and

6 “(4) the quantity of electricity sales of all retail
7 electric suppliers.

8 “(m) ENVIRONMENTAL SAVINGS CLAUSE.—Incre-
9 mental hydropower shall be subject to all applicable envi-
10 ronmental laws and licensing and regulatory requirements.

11 “(n) STATE PROGRAMS.—(1) Nothing in this section
12 diminishes any authority of a State or political subdivision
13 of a State to—

14 “(A) adopt or enforce any law or regulation respect-
15 ing renewable energy or energy efficiency, including but
16 not limited to programs that exceed the required amount
17 of renewable energy or energy efficiency under this sec-
18 tion, or

19 “(B) regulate the acquisition and disposition of Fed-
20 eral renewable energy credits and Federal energy effi-
21 ciency credits by electric suppliers.

22 No law or regulation referred to in subparagraph (A) shall
23 relieve any person of any requirement otherwise applicable
24 under this section. The Secretary, in consultation with
25 States having renewable energy programs and energy effi-

1 ciency programs, shall preserve the integrity of such State
2 programs, including programs that exceed the required
3 amount of renewable energy and energy efficiency under
4 this section, and shall facilitate coordination between the
5 Federal program and State programs.

6 “(2) In the rule establishing the program under this
7 section, the Secretary shall incorporate common elements
8 of existing renewable energy and energy efficiency pro-
9 grams, including State programs, to ensure administrative
10 ease, market transparency and effective enforcement. The
11 Secretary shall work with the States to minimize adminis-
12 trative burdens and costs to retail electric suppliers.

13 “(o) RECOVERY OF COSTS.—An electric utility whose
14 sales of electric energy are subject to rate regulation, in-
15 cluding any utility whose rates are regulated by the Com-
16 mission and any State regulated electric utility, shall not
17 be denied the opportunity to recover the full amount of
18 the prudently incurred incremental cost of renewable en-
19 ergy and energy efficiency obtained to comply with the re-
20 quirements of subsection (b). For purposes of this sub-
21 section, the definitions in section 3 of this Act shall apply
22 to the terms electric utility, State regulated electric utility,
23 State agency, Commission, and State regulatory authority.

24 “(p) PROGRAM REVIEW.—The Secretary shall enter
25 into a contract with the National Academy of Sciences to

1 conduct a comprehensive evaluation of all aspects of the
2 program established under this section, within 8 years of
3 enactment of this section. The study shall include an eval-
4 uation of—

5 “(1) the effectiveness of the program in increas-
6 ing the market penetration and lowering the cost of
7 the eligible renewable energy and energy efficiency
8 technologies;

9 “(2) the opportunities for any additional tech-
10 nologies and sources of renewable energy and energy
11 efficiency emerging since enactment of this section;

12 “(3) the impact on the regional diversity and
13 reliability of supply sources, including the power
14 quality benefits of distributed generation;

15 “(4) the regional resource development relative
16 to renewable potential and reasons for any under in-
17 vestment in renewable resources; and

18 “(5) the net cost/benefit of the renewable port-
19 folio standard to the national and State economies,
20 including retail power costs, economic development
21 benefits of investment, avoided costs related to envi-
22 ronmental and congestion mitigation investments
23 that would otherwise have been required, impact on
24 natural gas demand and price, effectiveness of green

1 marketing programs at reducing the cost of renew-
2 able resources.

3 The Secretary shall transmit the results of the evaluation
4 and any recommendations for modifications and improve-
5 ments to the program to Congress not later than January
6 1, 2016.

7 “(q) STATE RENEWABLE ENERGY AND ENERGY EF-
8 FICIENCY ACCOUNT PROGRAM.—(1) The Secretary shall
9 establish, not later than December 31, 2009, a State re-
10 newable energy account program.

11 “(2) All money collected by the Secretary from the
12 alternative compliance payments under subsection (k)
13 shall be deposited into the State renewable energy and en-
14 ergy efficiency account established pursuant to this sub-
15 section.

16 “(3) Proceeds deposited in the State renewable en-
17 ergy and energy efficiency account shall be used by the
18 Secretary, subject to annual appropriations, for a program
19 to provide grants to the State agency responsible for ad-
20 ministering a fund to promote renewable energy genera-
21 tion and energy efficiency for customers of the state, or
22 an alternative agency designated by the state, or if no such
23 agency exists, to the state agency developing State energy
24 conservation plans under section 363 of the Energy Policy
25 and Conservation Act (42 U.S.C. 6322) for the purposes

1 of promoting renewable energy production and providing
2 energy assistance and weatherization services to low-in-
3 come consumers.

4 “(4) The Secretary may issue guidelines and criteria
5 for grants awarded under this subsection. At least 75 per-
6 cent of the funds provided to each State shall be used for
7 promoting renewable energy production and energy effi-
8 ciency through grants, production incentives or other
9 state-approved funding mechanisms. The funds shall be
10 allocated to the States on the basis of retail electric sales
11 subject to the Renewable Portfolio Standard under this
12 section or through voluntary participation. State agencies
13 receiving grants under this section shall maintain such
14 records and evidence of compliance as the Secretary may
15 require.”

16 (b) TABLE OF CONTENTS.—The table of contents for
17 such title is amended by adding the following new item
18 at the end:

“Sec. 610. Federal renewable portfolio standard”.

19 (c) SUNSET.—Section 610 of such title and the item
20 relating to such section 610 in the table of contents for
21 such title are each repealed as of December 31, 2039.