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TITLE II—RENEWABLE ENERGY**Subtitle A—General Provisions**

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2 TITLE II—RENEWABLE ENERGY**3 Subtitle A—General Provisions****4 SEC. 201. ASSESSMENT OF RENEWABLE ENERGY RE-**
5 SOURCES.

6 (a) RESOURCE ASSESSMENT.—Not later than 6
7 months after the date of enactment of this Act, and each
8 year thereafter, the Secretary shall review the available as-
9 sessments of renewable energy resources within the United
10 States, including solar, wind, biomass, ocean (including
11 tidal, wave, current, and thermal), geothermal, and hydro-
12 electric energy resources, and undertake new assessments

1 as necessary, taking into account changes in market condi-
2 tions, available technologies, and other relevant factors.

3 (b) CONTENTS OF REPORTS.—Not later than 1 year
4 after the date of enactment of this Act, and each year
5 thereafter, the Secretary shall publish a report based on
6 the assessment under subsection (a). The report shall con-
7 tain—

8 (1) a detailed inventory describing the available
9 amount and characteristics of the renewable energy
10 resources; and

11 (2) such other information as the Secretary be-
12 lieves would be useful in developing such renewable
13 energy resources, including descriptions of sur-
14 rounding terrain, population and load centers, near-
15 by energy infrastructure, location of energy and
16 water resources, and available estimates of the costs
17 needed to develop each resource, together with an
18 identification of any barriers to providing adequate
19 transmission for remote sources of renewable energy
20 resources to current and emerging markets, rec-
21 ommendations for removing or addressing such bar-
22 riers, and ways to provide access to the grid that do
23 not unfairly disadvantage renewable or other energy
24 producers.

1 (c) AUTHORIZATION OF APPROPRIATIONS.—For the
2 purposes of this section, there are authorized to be appro-
3 priated to the Secretary \$10,000,000 for each of fiscal
4 years 2006 through 2010.

5 **SEC. 202. RENEWABLE ENERGY PRODUCTION INCENTIVE.**

6 (a) INCENTIVE PAYMENTS.—Section 1212(a) of the
7 Energy Policy Act of 1992 (42 U.S.C. 13317(a)) is
8 amended—

9 (1) by striking the last sentence;

10 (2) by designating the first, second, and third
11 sentences as paragraphs (1), (2), and (3), respec-
12 tively;

13 (3) in paragraph (3) (as so designated), by
14 striking “and which satisfies” and all that follows
15 through “deems necessary”; and

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

17 “(4)(A) Subject to subparagraph (B), if there are in-
18 sufficient appropriations to make full payments for electric
19 production from all qualified renewable energy facilities
20 for a fiscal year, the Secretary shall assign—

21 “(i) 60 percent of appropriated funds for the
22 fiscal year to facilities that use solar, wind, ocean
23 (including tidal, wave, current, and thermal), geo-
24 thermal, or closed-loop (dedicated energy crops) bio-
25 mass technologies to generate electricity; and

1 “(ii) 40 percent of appropriated funds for the
2 fiscal year to other projects.

3 “(B) After submitting to Congress an explanation of
4 the reasons for the alteration, the Secretary may alter the
5 percentage requirements of subparagraph (A).”.

6 (b) QUALIFIED RENEWABLE ENERGY FACILITY.—
7 Section 1212(b) of the Energy Policy Act of 1992 (42
8 U.S.C. 13317(b)) is amended—

9 (1) by striking “a State or any political” and
10 all that follows through “nonprofit electrical cooper-
11 ative” and inserting “a not-for-profit electric cooper-
12 ative, a public utility described in section 115 of the
13 Internal Revenue Code of 1986, a State, Common-
14 wealth, territory, or possession of the United States,
15 or the District of Columbia, or a political subdivision
16 thereof, an Indian tribal government or subdivision
17 thereof, or a Native Corporation (as defined in sec-
18 tion 3 of the Alaska Native Claims Settlement Act
19 (43 U.S.C. 1602)),”; and

20 (2) by inserting “landfill gas, livestock methane,
21 ocean (including tidal, wave, current, and thermal),”
22 after “wind, biomass,”.

23 (c) ELIGIBILITY WINDOW.—Section 1212(c) of the
24 Energy Policy Act of 1992 (42 U.S.C. 13317(c)) is
25 amended by striking “during the 10-fiscal year period be-

1 ginning with the first full fiscal year occurring after the
2 enactment of this section” and inserting “before October
3 1, 2016”.

4 (d) **PAYMENT PERIOD.**—Section 1212(d) of the En-
5 ergy Policy Act of 1992 (42 U.S.C. 13317(d)) is amended
6 in the second sentence by inserting “, or in which the Sec-
7 retary determines that all necessary Federal and State au-
8 thorizations have been obtained to begin construction of
9 the facility” after “eligible for such payments”.

10 (e) **AMOUNT OF PAYMENT.**—Section 1212(e)(1) of
11 the Energy Policy Act of 1992 (42 U.S.C. 13317(e)(1))
12 is amended in the first sentence by inserting “landfill gas,
13 livestock methane, ocean (including tidal, wave, current,
14 and thermal),” after “wind, biomass,”.

15 (f) **TERMINATION OF AUTHORITY.**—Section 1212(f)
16 of the Energy Policy Act of 1992 (42 U.S.C. 13317(f))
17 is amended by striking “the expiration of” and all that
18 follows through “of this section” and inserting “Sep-
19 tember 30, 2026”.

20 (g) **AUTHORIZATION OF APPROPRIATIONS.**—Section
21 1212 of the Energy Policy Act of 1992 (42 U.S.C. 13317)
22 is amended by striking subsection (g) and inserting the
23 following:

24 “(g) **AUTHORIZATION OF APPROPRIATIONS.**—There
25 are authorized to be appropriated such sums as are nec-

1 essary to carry out this section for each of fiscal years
2 2006 through 2026, to remain available until expended.”.

3 **SEC. 203. FEDERAL PURCHASE REQUIREMENT.**

4 (a) REQUIREMENT.—The President, acting through
5 the Secretary, shall seek to ensure that, to the extent eco-
6 nomically feasible and technically practicable, of the total
7 amount of electric energy the Federal Government con-
8 sumes during any fiscal year, the following amounts shall
9 be renewable energy:

10 (1) Not less than 3 percent in fiscal years 2007
11 through 2009.

12 (2) Not less than 5 percent in fiscal years 2010
13 through 2012.

14 (3) Not less than 7.5 percent in fiscal year
15 2013 and each fiscal year thereafter.

16 (b) DEFINITIONS.—In this section:

17 (1) BIOMASS.—The term “biomass” means any
18 solid, nonhazardous, cellulosic material that is de-
19 rived from—

20 (A) any of the following forest-related re-
21 sources: mill residues, precommercial thinnings,
22 slash, and brush, or nonmerchantable material;

23 (B) solid wood waste materials, including
24 waste pallets, crates, dunnage, manufacturing
25 and construction wood wastes (other than pres-

1 sure-treated, chemically-treated, or painted
2 wood wastes), and landscape or right-of-way
3 tree trimmings, but not including municipal
4 solid waste (garbage), gas derived from the bio-
5 degradation of solid waste, or paper that is
6 commonly recycled;

7 (C) agriculture wastes, including orchard
8 tree crops, vineyard, grain, legumes, sugar, and
9 other crop by-products or residues, and live-
10 stock waste nutrients; or

11 (D) a plant that is grown exclusively as a
12 fuel for the production of electricity.

13 (2) RENEWABLE ENERGY.—The term “renew-
14 able energy” means electric energy generated from
15 solar, wind, biomass, landfill gas, ocean (including
16 tidal, wave, current, and thermal), geothermal, mu-
17 nicipal solid waste, or new hydroelectric generation
18 capacity achieved from increased efficiency or addi-
19 tions of new capacity at an existing hydroelectric
20 project.

21 (c) CALCULATION.—For purposes of determining
22 compliance with the requirement of this section, the
23 amount of renewable energy shall be doubled if—

24 (1) the renewable energy is produced and used
25 on-site at a Federal facility;

1 (2) the renewable energy is produced on Fed-
2 eral lands and used at a Federal facility; or

3 (3) the renewable energy is produced on Indian
4 land as defined in title XXVI of the Energy Policy
5 Act of 1992 (25 U.S.C. 3501 et seq.) and used at
6 a Federal facility.

7 (d) REPORT.—Not later than April 15, 2007, and
8 every 2 years thereafter, the Secretary shall provide a re-
9 port to Congress on the progress of the Federal Govern-
10 ment in meeting the goals established by this section.

11 **SEC. 204. USE OF PHOTOVOLTAIC ENERGY IN PUBLIC**
12 **BUILDINGS.**

13 (a) IN GENERAL.—Subchapter VI of chapter 31 of
14 title 40, United States Code, is amended by adding at the
15 end the following:

16 **“§ 3177. Use of photovoltaic energy in public build-**
17 **ings**

18 “(a) PHOTOVOLTAIC ENERGY COMMERCIALIZATION
19 PROGRAM.—

20 “(1) IN GENERAL.—The Administrator of Gen-
21 eral Services may establish a photovoltaic energy
22 commercialization program for the procurement and
23 installation of photovoltaic solar electric systems for
24 electric production in new and existing public build-
25 ings.

1 “(2) PURPOSES.—The purposes of the program
2 shall be to accomplish the following:

3 “(A) To accelerate the growth of a com-
4 mercially viable photovoltaic industry to make
5 this energy system available to the general pub-
6 lic as an option which can reduce the national
7 consumption of fossil fuel.

8 “(B) To reduce the fossil fuel consumption
9 and costs of the Federal Government.

10 “(C) To attain the goal of installing solar
11 energy systems in 20,000 Federal buildings by
12 2010, as contained in the Federal Government’s
13 Million Solar Roof Initiative of 1997.

14 “(D) To stimulate the general use within
15 the Federal Government of life-cycle costing
16 and innovative procurement methods.

17 “(E) To develop program performance
18 data to support policy decisions on future incen-
19 tive programs with respect to energy.

20 “(3) ACQUISITION OF PHOTOVOLTAIC SOLAR
21 ELECTRIC SYSTEMS.—

22 “(A) IN GENERAL.—The program shall
23 provide for the acquisition of photovoltaic solar
24 electric systems and associated storage capa-
25 bility for use in public buildings.

1 “(B) ACQUISITION LEVELS.—The acquisi-
2 tion of photovoltaic electric systems shall be at
3 a level substantial enough to allow use of low-
4 cost production techniques with at least 150
5 megawatts (peak) cumulative acquired during
6 the 5 years of the program.

7 “(4) ADMINISTRATION.—The Administrator
8 shall administer the program and shall—

9 “(A) issue such rules and regulations as
10 may be appropriate to monitor and assess the
11 performance and operation of photovoltaic solar
12 electric systems installed pursuant to this sub-
13 section;

14 “(B) develop innovative procurement strat-
15 egies for the acquisition of such systems; and

16 “(C) transmit to Congress an annual re-
17 port on the results of the program.

18 “(b) PHOTOVOLTAIC SYSTEMS EVALUATION PRO-
19 GRAM.—

20 “(1) IN GENERAL.—Not later than 60 days
21 after the date of enactment of this section, the Ad-
22 ministrator shall establish a photovoltaic solar en-
23 ergy systems evaluation program to evaluate such
24 photovoltaic solar energy systems as are required in
25 public buildings.

1 “(2) PROGRAM REQUIREMENT.—In evaluating
2 photovoltaic solar energy systems under the pro-
3 gram, the Administrator shall ensure that such sys-
4 tems reflect the most advanced technology.

5 “(c) AUTHORIZATION OF APPROPRIATIONS.—

6 “(1) PHOTOVOLTAIC ENERGY COMMERCIALIZA-
7 TION PROGRAM.—There are authorized to be appro-
8 priated to carry out subsection (a) \$50,000,000 for
9 each of fiscal years 2006 through 2010. Such sums
10 shall remain available until expended.

11 “(2) PHOTOVOLTAIC SYSTEMS EVALUATION
12 PROGRAM.—There are authorized to be appropriated
13 to carry out subsection (b) \$10,000,000 for each of
14 fiscal years 2006 through 2010. Such sums shall re-
15 main available until expended.”.

16 (b) CONFORMING AMENDMENT.—The table of sec-
17 tions for the National Energy Conservation Policy Act is
18 amended by inserting after the item relating to section
19 569 the following:

“Sec. 570. Use of photovoltaic energy in public buildings”.

20 **SEC. 205. BIOBASED PRODUCTS.**

21 Section 9002(c)(1) of the Farm Security and Rural
22 Investment Act of 2002 (7 U.S.C. 8102(c)(1)) is amended
23 by inserting “or such items that comply with the regula-
24 tions issued under section 103 of Public Law 100–556 (42
25 U.S.C. 6914b–1)” after “practicable”.

1 **SEC. 206. RENEWABLE ENERGY SECURITY.**

2 (a) WEATHERIZATION ASSISTANCE.—Section 415(c)
3 of the Energy Conservation and Production Act (42
4 U.S.C. 6865(c)) is amended—

5 (1) in paragraph (1), by striking “in paragraph
6 (3)” and inserting “in paragraphs (3) and (4)”;

7 (2) in paragraph (3), by striking “\$2,500 per
8 dwelling unit average provided in paragraph (1)”
9 and inserting “dwelling unit averages provided in
10 paragraphs (1) and (4)”; and

11 (3) by adding at the end the following new
12 paragraphs:

13 “(4) The expenditure of financial assistance provided
14 under this part for labor, weatherization materials, and
15 related matters for a renewable energy system shall not
16 exceed an average of \$3,000 per dwelling unit.

17 “(5)(A) The Secretary shall by regulations—

18 “(i) establish the criteria which are to be used
19 in prescribing performance and quality standards
20 under paragraph (6)(A)(ii) or in specifying any form
21 of renewable energy under paragraph (6)(A)(i)(I);
22 and

23 “(ii) establish a procedure under which a manu-
24 facturer of an item may request the Secretary to
25 certify that the item will be treated, for purposes of
26 this paragraph, as a renewable energy system.

1 “(B) The Secretary shall make a final determination
2 with respect to any request filed under subparagraph
3 (A)(ii) within 1 year after the filing of the request, to-
4 gether with any information required to be filed with such
5 request under subparagraph (A)(ii).

6 “(C) Each month the Secretary shall publish a report
7 of any request under subparagraph (A)(ii) which has been
8 denied during the preceding month and the reasons for
9 the denial.

10 “(D) The Secretary shall not specify any form of re-
11 newable energy under paragraph (6)(A)(i)(I) unless the
12 Secretary determines that—

13 “(i) there will be a reduction in oil or natural
14 gas consumption as a result of such specification;

15 “(ii) such specification will not result in an in-
16 creased use of any item which is known to be, or
17 reasonably suspected to be, environmentally haz-
18 ardous or a threat to public health or safety; and

19 “(iii) available Federal subsidies do not make
20 such specification unnecessary or inappropriate (in
21 the light of the most advantageous allocation of eco-
22 nomic resources).

23 “(6) In this subsection—

24 “(A) the term ‘renewable energy system’ means
25 a system which—

1 “(i) when installed in connection with a
2 dwelling, transmits or uses—

3 “(I) solar energy, energy derived from
4 the geothermal deposits, energy derived
5 from biomass, or any other form of renew-
6 able energy which the Secretary specifies
7 by regulations, for the purpose of heating
8 or cooling such dwelling or providing hot
9 water or electricity for use within such
10 dwelling; or

11 “(II) wind energy for nonbusiness res-
12 idential purposes;

13 “(ii) meets the performance and quality
14 standards (if any) which have been prescribed
15 by the Secretary by regulations;

16 “(iii) in the case of a combustion rated
17 system, has a thermal efficiency rating of at
18 least 75 percent; and

19 “(iv) in the case of a solar system, has a
20 thermal efficiency rating of at least 15 percent;
21 and

22 “(B) the term ‘biomass’ means any organic
23 matter that is available on a renewable or recurring
24 basis, including agricultural crops and trees, wood
25 and wood wastes and residues, plants (including

1 aquatic plants), grasses, residues, fibers, and animal
2 wastes, municipal wastes, and other waste mate-
3 rials.”.

4 (b) DISTRICT HEATING AND COOLING PROGRAMS.—
5 Section 172 of the Energy Policy Act of 1992 (42 U.S.C.
6 13451 note) is amended—

7 (1) in subsection (a)—

8 (A) by striking “and” at the end of para-
9 graph (3);

10 (B) by striking the period at the end of
11 paragraph (4) and inserting “; and”; and

12 (C) by adding at the end the following new
13 paragraph:

14 “(5) evaluate the use of renewable energy sys-
15 tems (as such term is defined in section 415(c) of
16 the Energy Conservation and Production Act (42
17 U.S.C. 6865(c))) in residential buildings.”; and

18 (2) in subsection (b), by striking “this Act” and
19 inserting “the Energy Policy Act of 2005”.

20 (c) REBATE PROGRAM.—

21 (1) ESTABLISHMENT.—The Secretary shall es-
22 tablish a program providing rebates for consumers
23 for expenditures made for the installation of a re-
24 newable energy system in connection with a dwelling
25 unit or small business.

1 (2) AMOUNT OF REBATE.—Rebates provided
2 under the program established under paragraph (1)
3 shall be in an amount not to exceed the lesser of—

4 (A) 25 percent of the expenditures de-
5 scribed in paragraph (1) made by the con-
6 sumer; or

7 (B) \$3,000.

8 (3) DEFINITION.—For purposes of this sub-
9 section, the term “renewable energy system” has the
10 meaning given that term in section 415(c)(6)(A) of
11 the Energy Conservation and Production Act (42
12 U.S.C. 6865(c)(6)(A)), as added by subsection
13 (a)(3) of this section.

14 (4) AUTHORIZATION OF APPROPRIATIONS.—
15 There are authorized to be appropriated to the Sec-
16 retary for carrying out this subsection, to remain
17 available until expended—

18 (A) \$150,000,000 for fiscal year 2006;

19 (B) \$150,000,000 for fiscal year 2007;

20 (C) \$200,000,000 for fiscal year 2008;

21 (D) \$250,000,000 for fiscal year 2009;

22 and

23 (E) \$250,000,000 for fiscal year 2010.

1 (d) RENEWABLE FUEL INVENTORY.—Not later than
2 180 days after the date of enactment of this Act, the Sec-
3 retary shall transmit to Congress a report containing—

4 (1) an inventory of renewable fuels available for
5 consumers; and

6 (2) a projection of future inventories of renew-
7 able fuels based on the incentives provided in this
8 section.

9 **SEC. 207. INSTALLATION OF PHOTOVOLTAIC SYSTEM.**

10 There is authorized to be appropriated to the General
11 Services Administration to install a photovoltaic system,
12 as set forth in the Sun Wall Design Project, for the head-
13 quarters building of the Department of Energy located at
14 1000 Independence Avenue Southwest in the District of
15 Columbia, commonly know as the Forrestal Building,
16 \$20,000,000 for fiscal year 2006. Such sums shall remain
17 available until expended.

18 **SEC. 208. SUGAR CANE ETHANOL PROGRAM.**

19 (a) DEFINITION OF PROGRAM.—In this section, the
20 term “program” means the Sugar Cane Ethanol Program
21 established by subsection (b).

22 (b) ESTABLISHMENT.—There is established within
23 the Environmental Protection Agency a program to be
24 known as the “Sugar Cane Ethanol Program”.

25 (c) PROJECT.—

1 (1) IN GENERAL.—Subject to the availability of
2 appropriations under subsection (d), in carrying out
3 the program, the Administrator of the Environ-
4 mental Protection Agency shall establish a project
5 that is—

6 (A) carried out in multiple States—

7 (i) in each of which is produced cane
8 sugar that is eligible for loans under sec-
9 tion 156 of the Federal Agriculture Im-
10 provement and Reform Act of 1996 (7
11 U.S.C. 7272), or a similar subsequent au-
12 thority; and

13 (ii) at the option of each such State,
14 that have an incentive program that re-
15 quires the use of ethanol in the State; and

16 (B) designed to study the production of
17 ethanol from cane sugar, sugarcane, and sugar-
18 cane byproducts.

19 (2) REQUIREMENTS.—A project described in
20 paragraph (1) shall—

21 (A) be limited to the production of such
22 ethanol in the States of Florida, Louisiana,
23 Texas, and Hawaii in a way similar to the ex-
24 isting program for the processing of corn for
25 ethanol to demonstrate that the process may be

1 applicable to cane sugar, sugarcane, and sugar-
2 cane byproducts;

3 (B) include information on the ways in
4 which the scale of production may be replicated
5 once the sugar cane industry has located sites
6 for, and constructed, ethanol production facili-
7 ties; and

8 (C) not last more than 3 years.

9 (d) AUTHORIZATION OF APPROPRIATIONS.—There is
10 authorized to be appropriated to carry out this section
11 \$36,000,000, to remain available until expended.

12 **SEC. 209. RURAL AND REMOTE COMMUNITY ELECTRIFICA-**
13 **TION GRANTS.**

14 The Public Utility Regulatory Policies Act of 1978
15 (16 U.S.C. 2601 et seq.) is amended in title VI by adding
16 at the end the following:

17 **“SEC. 609. RURAL AND REMOTE COMMUNITIES ELEC-**
18 **TRIFICATION GRANTS.**

19 “(a) DEFINITIONS.—In this section:

20 “(1) The term ‘eligible grantee’ means a local
21 government or municipality, peoples’ utility district,
22 irrigation district, and cooperative, nonprofit, or lim-
23 ited-dividend association in a rural area.

24 “(2) The term ‘incremental hydropower’ means
25 additional generation achieved from increased effi-

1 ciency after January 1, 2005, at a hydroelectric dam
2 that was placed in service before January 1, 2005.

3 “(3) The term ‘renewable energy’ means elec-
4 tricity generated from—

5 “(A) a renewable energy source; or

6 “(B) hydrogen, other than hydrogen pro-
7 duced from a fossil fuel, that is produced from
8 a renewable energy source.

9 “(4) The term ‘renewable energy source’
10 means—

11 “(A) wind;

12 “(B) ocean waves;

13 “(C) biomass;

14 “(D) solar

15 “(E) landfill gas;

16 “(F) incremental hydropower;

17 “(G) livestock methane; or

18 “(H) geothermal energy.

19 “(5) The term ‘rural area’ means a city, town,
20 or unincorporated area that has a population of not
21 more than 10,000 inhabitants.

22 “(b) GRANTS.—The Secretary, in consultation with
23 the Secretary of Agriculture and the Secretary of the Inte-
24 rior, may provide grants under this section to eligible
25 grantees for the purpose of—

1 “(1) increasing energy efficiency, siting or up-
2 grading transmission and distribution lines serving
3 rural areas;; or

4 “(2) providing or modernizing electric genera-
5 tion facilities that serve rural areas.

6 “(c) GRANT ADMINISTRATION.—(1) The Secretary
7 shall make grants under this section based on a deter-
8 mination of cost-effectiveness and the most effective use
9 of the funds to achieve the purposes described in sub-
10 section (b).

11 “(2) For each fiscal year, the Secretary shall allocate
12 grant funds under this section equally between the pur-
13 poses described in paragraphs (1) and (2) of subsection
14 (b).

15 “(3) In making grants for the purposes described in
16 subsection (b)(2), the Secretary shall give preference to
17 renewable energy facilities.

18 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
19 is authorized to be appropriated to the Secretary to carry
20 out this section \$20,000,000 for each of fiscal years 2006
21 through 2012.”.

1 **SEC. 210. GRANTS TO IMPROVE THE COMMERCIAL VALUE**
2 **OF FOREST BIOMASS FOR ELECTRIC ENERGY,**
3 **USEFUL HEAT, TRANSPORTATION FUELS, PE-**
4 **TROLEUM-BASED PRODUCT SUBSTITUTES,**
5 **AND OTHER COMMERCIAL PURPOSES.**

6 (a) DEFINITIONS.—In this section:

7 (1) BIOMASS.—The term “biomass” means
8 nonmerchantable materials or precommercial
9 thinnings that are byproducts of preventive treat-
10 ments, such as trees, wood, brush, thinnings, chips,
11 and slash, that are removed—

12 (A) to reduce hazardous fuels;

13 (B) to reduce or contain disease or insect
14 infestation; or

15 (C) to restore forest health.

16 (2) INDIAN TRIBE.—The term “Indian tribe”
17 has the meaning given the term in section 4(e) of
18 the Indian Self-Determination and Education Assist-
19 ance Act (25 U.S.C. 450b(e)).

20 (3) NONMERCHANTABLE.—For purposes of
21 subsection (b), the term “nonmerchantable” means
22 that portion of the byproducts of preventive treat-
23 ments that would not otherwise be used for higher
24 value products.

25 (4) PERSON.—The term “person” includes—

26 (A) an individual;

1 (B) a community (as determined by the
2 Secretary concerned);

3 (C) an Indian tribe;

4 (D) a small business or a corporation that
5 is incorporated in the United States; and

6 (E) a nonprofit organization.

7 (5) PREFERRED COMMUNITY.—The term “pre-
8 ferred community” means—

9 (A) any Indian tribe;

10 (B) any town, township, municipality, or
11 other similar unit of local government (as deter-
12 mined by the Secretary concerned) that—

13 (i) has a population of not more than
14 50,000 individuals; and

15 (ii) the Secretary concerned, in the
16 sole discretion of the Secretary concerned,
17 determines contains or is located near Fed-
18 eral or Indian land, the condition of which
19 is at significant risk of catastrophic wild-
20 fire, disease, or insect infestation or which
21 suffers from disease or insect infestation;
22 or

23 (C) any county that—

24 (i) is not contained within a metro-
25 politan statistical area; and

1 (ii) the Secretary concerned, in the
2 sole discretion of the Secretary concerned,
3 determines contains or is located near Fed-
4 eral or Indian land, the condition of which
5 is at significant risk of catastrophic wild-
6 fire, disease, or insect infestation or which
7 suffers from disease or insect infestation.

8 (6) SECRETARY CONCERNED.—The term “Sec-
9 retary concerned” means the Secretary of Agri-
10 culture or the Secretary of the Interior.

11 (b) BIOMASS COMMERCIAL USE GRANT PROGRAM.—

12 (1) IN GENERAL.—The Secretary concerned
13 may make grants to any person in a preferred com-
14 munity that owns or operates a facility that uses
15 biomass as a raw material to produce electric en-
16 ergy, sensible heat, or transportation fuels to offset
17 the costs incurred to purchase biomass for use by
18 such facility.

19 (2) GRANT AMOUNTS.—A grant under this sub-
20 section may not exceed \$20 per green ton of biomass
21 delivered.

22 (3) MONITORING OF GRANT RECIPIENT ACTIVI-
23 TIES.—As a condition of a grant under this sub-
24 section, the grant recipient shall keep such records
25 as the Secretary concerned may require to fully and

1 correctly disclose the use of the grant funds and all
2 transactions involved in the purchase of biomass.
3 Upon notice by a representative of the Secretary
4 concerned, the grant recipient shall afford the rep-
5 resentative reasonable access to the facility that pur-
6 chases or uses biomass and an opportunity to exam-
7 ine the inventory and records of the facility.

8 (c) IMPROVED BIOMASS USE GRANT PROGRAM.—

9 (1) IN GENERAL.—The Secretary concerned
10 may make grants to persons to offset the cost of
11 projects to develop or research opportunities to im-
12 prove the use of, or add value to, biomass. In mak-
13 ing such grants, the Secretary concerned shall give
14 preference to persons in preferred communities.

15 (2) SELECTION.—The Secretary concerned shall
16 select a grant recipient under paragraph (1) after
17 giving consideration to—

18 (A) the anticipated public benefits of the
19 project, including the potential to develop ther-
20 mal or electric energy resources or affordable
21 energy;

22 (B) opportunities for the creation or ex-
23 pansion of small businesses and micro-busi-
24 nesses;

25 (C) the potential for new job creation;

1 (D) provide opportunities for the creation
2 or expansion of small business;

3 (E) improve efficiency or develop cleaner
4 technologies for biomass utilization; and

5 (F) reduce the hazardous fuels from the
6 areas in greatest need of treatment.

7 (3) GRANT AMOUNT.—A grant under this sub-
8 section may not exceed \$500,000.

9 (d) AUTHORIZATION OF APPROPRIATIONS.—There
10 are authorized to be appropriated \$50,000,000 for each
11 of the fiscal years 2006 through 2016 to carry out this
12 section.

13 (e) REPORT.—Not later than October 1, 2010, the
14 Secretary of Agriculture, in consultation with the Sec-
15 retary of the Interior, shall submit to the Committee on
16 Energy and Natural Resources and the Committee on Ag-
17 riculture, Nutrition, and Forestry of the Senate, and the
18 Committee on Resources, the Committee on Energy and
19 Commerce, and the Committee on Agriculture of the
20 House of Representatives, a report describing the results
21 of the grant programs authorized by this section. The re-
22 port shall include the following:

23 (1) An identification of the size, type, and the
24 use of biomass by persons that receive grants under
25 this section.

1 (2) The distance between the land from which
2 the biomass was removed and the facility that used
3 the biomass.

4 (3) The economic impacts, particularly new job
5 creation, resulting from the grants to and operation
6 of the eligible operations.

7 **[SEC. 211. ENVIRONMENTAL REVIEW FOR RENEWABLE EN-**
8 **ERGY PROJECTS.]**

9 **SEC. 212. SENSE OF CONGRESS REGARDING GENERATION**
10 **CAPACITY OF ELECTRICITY FROM RENEW-**
11 **ABLE ENERGY RESOURCES ON PUBLIC**
12 **LANDS.**

13 It is the sense of the Congress that the Secretary of
14 the Interior should, before the end of the 10-year period
15 beginning on the date of enactment of this Act, seek to
16 have approved non-hydropower renewable energy projects
17 located on the public lands with a generation capacity of
18 at least 10,000 megawatts of electricity.

19 **Subtitle D—Insular Energy**

20 **SEC. 241. INSULAR AREAS ENERGY SECURITY.**

21 Section 604 of the Act entitled “An Act to authorize
22 appropriations for certain insular areas of the United
23 States, and for other purposes”, approved December 24,
24 1980 (48 U.S.C. 1492), is amended—

1 (1) in subsection (a)(4) by striking the period
2 and inserting a semicolon;

3 (2) by adding at the end of subsection (a) the
4 following new paragraphs:

5 “(5) electric power transmission and distribu-
6 tion lines in insular areas are inadequate to with-
7 stand damage caused by the hurricanes and ty-
8 phoons which frequently occur in insular areas and
9 such damage often costs millions of dollars to repair;
10 and

11 “(6) the refinement of renewable energy tech-
12 nologies since the publication of the 1982 Territorial
13 Energy Assessment prepared pursuant to subsection
14 (c) reveals the need to reassess the state of energy
15 production, consumption, infrastructure, reliance on
16 imported energy, opportunities for energy conserva-
17 tion and increased energy efficiency, and indigenous
18 sources in regard to the insular areas.”;

19 (3) by amending subsection (e) to read as fol-
20 lows:

21 “(e)(1) The Secretary of the Interior, in consultation
22 with the Secretary of Energy and the head of government
23 of each insular area, shall update the plans required under
24 subsection (c) by—

1 “(A) updating the contents required by sub-
2 section (c);

3 “(B) drafting long-term energy plans for such
4 insular areas with the objective of reducing, to the
5 extent feasible, their reliance on energy imports by
6 the year 2012, increasing energy conservation and
7 energy efficiency, and maximizing, to the extent fea-
8 sible, use of indigenous energy sources; and

9 “(C) drafting long-term energy transmission
10 line plans for such insular areas with the objective
11 that the maximum percentage feasible of electric
12 power transmission and distribution lines in each in-
13 sular area be protected from damage caused by hur-
14 ricanes and typhoons.

15 “(2) In carrying out this subsection, the Secretary
16 of Energy shall identify and evaluate the strategies or
17 projects with the greatest potential for reducing the de-
18 pendence on imported fossil fuels as used for the genera-
19 tion of electricity, including strategies and projects for—

20 “(A) improved supply-side efficiency of central-
21 ized electrical generation, transmission, and distribu-
22 tion systems;

23 “(B) improved demand-side management
24 through—

1 “(i) the application of established stand-
2 ards for energy efficiency for appliances;

3 “(ii) the conduct of energy audits for busi-
4 ness and industrial customers; and

5 “(iii) the use of energy savings perform-
6 ance contracts;

7 “(C) increased use of renewable energy, includ-
8 ing—

9 “(i) solar thermal energy for electric gen-
10 eration;

11 “(ii) solar thermal energy for water heat-
12 ing in large buildings, such as hotels, hospitals,
13 government buildings, and residences;

14 “(iii) photovoltaic energy;

15 “(iv) wind energy;

16 “(v) hydroelectric energy;

17 “(vi) wave energy;

18 “(vii) energy from ocean thermal re-
19 sources, including ocean thermal-cooling for
20 community air conditioning;

21 “(viii) water vapor condensation for the
22 production of potable water;

23 “(ix) fossil fuel and renewable hybrid elec-
24 trical generation systems; and

1 “(x) other strategies or projects that the
2 Secretary may identify as having significant po-
3 tential; and

4 “(D) fuel substitution and minimization with
5 indigenous biofuels, such as coconut oil.

6 “(3) In carrying out this subsection, for each insular
7 area with a significant need for distributed generation, the
8 Secretary of Energy shall identify and evaluate the most
9 promising strategies and projects described in subpara-
10 graphs (C) and (D) of paragraph (2) for meeting that
11 need.

12 “(4) In assessing the potential of any strategy or
13 project under paragraphs (2) and (3), the Secretary of
14 Energy shall consider—

15 “(A) the estimated cost of the power or energy
16 to be produced, including—

17 “(i) any additional costs associated with
18 the distribution of the generation; and

19 “(ii) the long-term availability of the gen-
20 eration source;

21 “(B) the capacity of the local electrical utility
22 to manage, operate, and maintain any project that
23 may be undertaken; and

24 “(C) other factors the Secretary of Energy con-
25 siders to be appropriate.

1 “(5) Not later than 1 year after the date of enact-
2 ment of this subsection, the Secretary of the Interior shall
3 submit to the Committee on Energy and Natural Re-
4 sources of the Senate, the Committee on Resources of the
5 House of Representatives, and the Committee on Energy
6 and Commerce of the House of Representatives, the up-
7 dated plans for each insular area required by this sub-
8 section.”; and

9 (4) by amending subsection (g)(4) to read as
10 follows:

11 “(4) POWER LINE GRANTS FOR INSULAR
12 AREAS.—

13 “(A) IN GENERAL.—The Secretary of the
14 Interior is authorized to make grants to govern-
15 ments of insular areas of the United States to
16 carry out eligible projects to protect electric
17 power transmission and distribution lines in
18 such insular areas from damage caused by hur-
19 ricanes and typhoons.

20 “(B) ELIGIBLE PROJECTS.—The Secretary
21 of the Interior may award grants under sub-
22 paragraph (A) only to governments of insular
23 areas of the United States that submit written
24 project plans to the Secretary for projects that
25 meet the following criteria:

1 “(i) The project is designed to protect
2 electric power transmission and distribu-
3 tion lines located in 1 or more of the insu-
4 lar areas of the United States from dam-
5 age caused by hurricanes and typhoons.

6 “(ii) The project is likely to substan-
7 tially reduce the risk of future damage,
8 hardship, loss, or suffering.

9 “(iii) The project addresses 1 or more
10 problems that have been repetitive or that
11 pose a significant risk to public health and
12 safety.

13 “(iv) The project is not likely to cost
14 more than the value of the reduction in di-
15 rect damage and other negative impacts
16 that the project is designed to prevent or
17 mitigate. The cost benefit analysis required
18 by this criterion shall be computed on a
19 net present value basis.

20 “(v) The project design has taken into
21 consideration long-term changes to the
22 areas and persons it is designed to protect
23 and has manageable future maintenance
24 and modification requirements.

1 “(vi) The project plan includes an
2 analysis of a range of options to address
3 the problem it is designed to prevent or
4 mitigate and a justification for the selec-
5 tion of the project in light of that analysis.

6 “(vii) The applicant has demonstrated
7 to the Secretary that the matching funds
8 required by subparagraph (D) are avail-
9 able.

10 “(C) **PRIORITY.**—When making grants
11 under this paragraph, the Secretary of the Inte-
12 rior shall give priority to grants for projects
13 which are likely to—

14 “(i) have the greatest impact on re-
15 ducing future disaster losses; and

16 “(ii) best conform with plans that
17 have been approved by the Federal Govern-
18 ment or the government of the insular area
19 where the project is to be carried out for
20 development or hazard mitigation for that
21 insular area.

22 “(D) **MATCHING REQUIREMENT.**—The
23 Federal share of the cost for a project for which
24 a grant is provided under this paragraph shall
25 not exceed 75 percent of the total cost of that

1 project. The non-Federal share of the cost may
2 be provided in the form of cash or services.

3 “(E) TREATMENT OF FUNDS FOR CERTAIN
4 PURPOSES.—Grants provided under this para-
5 graph shall not be considered as income, a re-
6 source, or a duplicative program when deter-
7 mining eligibility or benefit levels for Federal
8 major disaster and emergency assistance.

9 “(F) AUTHORIZATION OF APPROPRIA-
10 TIONS.—There are authorized to be appro-
11 priated to carry out this paragraph \$6,000,000
12 for each fiscal year beginning after the date of
13 the enactment of this paragraph.”.

14 **SEC. 242. PROJECTS ENHANCING INSULAR ENERGY INDE-**
15 **PENDENCE.**

16 (a) PROJECT FEASIBILITY STUDIES.—

17 (1) IN GENERAL.—On a request described in
18 paragraph (2), the Secretary shall conduct a feasi-
19 bility study of a project to implement a strategy or
20 project identified in the plans submitted to Congress
21 pursuant to section 604 of the Act entitled “An Act
22 to authorize appropriations for certain insular areas
23 of the United States, and for other purposes”, ap-
24 proved December 24, 1980 (48 U.S.C. 1492), as
25 having the potential to—

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

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

5 (2) REQUEST.—The Secretary shall conduct a
6 feasibility study under paragraph (1) on—

7 (A) the request of an electric utility located
8 in an insular area that commits to fund at least
9 10 percent of the cost of the study; and

10 (B) if the electric utility is located in the
11 Federated States of Micronesia, the Republic of
12 the Marshall Islands, or the Republic of Palau,
13 written support for that request by the Presi-
14 dent or the Ambassador of the affected freely
15 associated state.

16 (3) CONSULTATION.—The Secretary shall con-
17 sult with regional utility organizations in—

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

20 (B) determining the feasibility of potential
21 projects.

22 (4) FEASIBILITY.—For the purpose of a feasi-
23 bility study under paragraph (1), a project shall be
24 determined to be feasible if the project would signifi-
25 cantly reduce the dependence of an insular area on

1 imported fossil fuels, or provide needed distributed
2 generation to an insular area, at a reasonable cost.

3 (b) IMPLEMENTATION.—

4 (1) IN GENERAL.—On a determination by the
5 Secretary (in consultation with the Secretary of the
6 Interior) that a project is feasible under subsection
7 (a) and a commitment by an electric utility to oper-
8 ate and maintain the project, the Secretary may pro-
9 vide such technical and financial assistance as the
10 Secretary determines is appropriate for the imple-
11 mentation of the project.

12 (2) REGIONAL UTILITY ORGANIZATIONS.—In
13 providing assistance under paragraph (1), the Sec-
14 retary shall consider providing the assistance
15 through regional utility organizations.

16 (c) AUTHORIZATION OF APPROPRIATIONS.—

17 (1) IN GENERAL.—There are authorized to be
18 appropriated to the Secretary—

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

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

24 (2) LIMITATION OF FUNDS RECEIVED BY INSU-
25 LAR AREAS.—No insular area may receive, during

1 any 3-year period, more than 20 percent of the total
2 funds made available during that 3-year period
3 under subparagraphs (A) and (B) of paragraph (1)
4 unless the Secretary determines that providing fund-
5 ing in excess of that percentage best advances exist-
6 ing opportunities to meet the objectives of this sec-
7 tion.